



PRESS RELEASE

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FINANCIAL SERVICES INDUSTRY APPLAUDS SEC ACTION TO FACILITATE A SHORTER SETTLEMENT CYCLE

A two-day settlement cycle will yield numerous benefits for investors, industry, regulators and all market participants

New York/London/Hong Kong/Singapore, 28 September, 2016 – The T+2 Industry Steering Committee ([T+2 ISC](#)) applauds recent action by the Securities and Exchange Commission (SEC) to propose a rule change that will facilitate the move to a two-day settlement cycle. The proposed rule change will provide regulatory certainty necessary to help the financial services industry achieve its goal of moving to a two-day settlement cycle by September 2017.

The T+2 ISC, organized by The Depository Trust & Clearing Corporation ([DTCC](#)) and made up of members from across the securities industry, including co-chairs the Securities Industry and Financial Markets Association ([SIFMA](#)) and the Investment Company Institute ([ICI](#)), was formed to provide oversight and guidance on the U.S. move to a shorter settlement cycle.

Shortening the U.S. settlement cycle for equities, corporate and municipal bonds, and unit investment trust (UIT) trades from the current three-day settlement cycle, or T+3, to T+2 will provide [a number of benefits](#), including reducing operational, systemic and counterparty risk, lowering liquidity needs, and limiting procyclicality, while aligning the U.S. with other T+2 settlement markets across the globe. A shorter settlement cycle will enhance U.S. market structure, improving safety and efficiency for investors.

“We applaud the SEC’s proposal to move to T+2, bringing the U.S. market one step closer to realizing a T+2 settlement cycle,” stated John Abel, Executive Director, at DTCC. “Market participants should continue to plan their operational readiness to support this move, ensuring adequate time for testing.”

“Today’s proposal represents a critical milestone that will keep the T+2 project moving along toward implementation next year,” said Marty Burns, Chief Industry Operations Officer at ICI. “Indeed, this proposal begins an important process that enables other regulators to align their rules with those of the SEC to provide a clear framework for the remaining steps to implement T+2.”

“We commend the SEC for taking proactive measures to facilitate a two-day settlement cycle by September 2017. This is a fundamental change to U.S. market structure, and the success of this effort relies on robust communications, planning, execution and collaboration between the industry and regulators,” stated Tom Price, co-chair of the T+2 ISC, and Managing Director, Operations, Technology & Business Continuity Planning, SIFMA. “The move to T+2 will help mitigate operational and counterparty risk and keep the U.S. competitive with global markets – a win for investors, the industry and all market participants.”

For additional information and updates on the T+2 migration visit <http://www.ust2.com>.

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Notes to Editors

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About DTCC



Securing Today. Shaping Tomorrow.™

With over 40 years of experience, DTCC is the premier post-trade market infrastructure for the global financial services industry. From operating facilities, data centers and offices in 16 countries, DTCC, through its subsidiaries, automates, centralizes and standardizes the post-trade processing of financial transactions, mitigating risk, increasing transparency and driving efficiency for thousands of broker/dealers, custodian banks and asset managers worldwide. Industry owned and governed, the firm simplifies the complexities of clearing, settlement, asset servicing, data management and information services across asset classes, bringing increased security and soundness to the financial markets. In 2015, DTCC’s subsidiaries processed securities transactions valued at more than US\$1.5 quadrillion. Its depository provides custody and asset servicing for securities issues from over 130 countries and territories valued at US\$45.4 trillion. DTCC’s global trade repository maintains approximately 40 million open OTC positions and processes roughly 280 million messages a week. To learn more, visit us at www.dtcc.com or connect with us on LinkedIn, Twitter, YouTube and Facebook.

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About ICI



The Investment Company Institute (ICI) is a leading global association of regulated funds, including mutual funds, exchange-traded funds (ETFs), closed-end funds, and unit investment trusts (UITs) in the United States, and similar funds offered to investors in jurisdictions worldwide. ICI seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of funds, their shareholders, directors, and advisers. ICI’s US fund members manage total assets of US\$18.4 trillion and serve more than 90 million US

shareholders. To learn more, please visit <http://www.ici.org>.

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About SIFMA



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SIFMA is the voice of the U.S. securities industry. We represent the broker-dealers, banks and asset managers whose nearly 1 million employees provide access to the capital markets, raising over \$2.5 trillion for businesses and municipalities in the U.S., serving clients with over \$20 trillion in assets and managing more than \$67 trillion in assets for individual and institutional clients including mutual funds and retirement plans. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit <http://www.sifma.org>.

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