



PRESS RELEASE

For Release: Immediately

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T+2 INDUSTRY STEERING COMMITTEE APPLAUDS REGULATORY SUPPORT FOR MOVE TO TWO DAY SETTLEMENT CYCLE IN THE U.S.

Regulatory support is a critical step to the successful migration to T+2 and marks a major milestone for this industry initiative

New York/London/Hong Kong/Singapore, 5 October, 2015 – The T+2 Industry Steering Committee (T+2 ISC) applauds SEC Chair Mary Jo White for her strong public support of moving to a two-day settlement cycle (T+2) in the U.S., calling it a major milestone in the industry initiative. Chair White recently released a [letter](#) addressed to Kenneth E. Bentsen, Jr., President & CEO of the Securities Industry and Financial Markets Association ([SIFMA](#)), and Paul Schott Stevens, President & CEO of the Investment Company Institute ([ICI](#)), expressing support of this initiative, which the ISC aims to implement by the end of the third quarter of 2017. Chair White’s letter came as a response to a [letter](#) Bentsen and Stevens submitted, on behalf of the T+2 ISC, in June 2015, outlining the specific regulatory changes needed to facilitate such a move.

Representatives from SIFMA and ICI are members of the T+2 ISC, which also includes representatives from The Depository Trust & Clearing Corporation ([DTCC](#)) and other key members of the financial services industry. The T+2 ISC released a [White Paper](#) in June 2015, which outlined the proposed timeline and activities that would be required to move to T+2 in the U.S. The White Paper noted that a move to T+2 by Q3 2017 would be contingent upon obtaining regulatory support. SEC Commissioner Mike Piwowar and Commissioner Kara Stein released a statement supporting the move to T+2 shortly thereafter.

“Obtaining regulatory support for the move to T+2 is critical and we applaud the SEC for their leadership and support in this major initiative to strengthen our financial system,” said Tom Price, co-chair of the ISC, and Managing Director, Operations, Technology & Business Continuity Planning, SIFMA.

After extensive research, the ISC has found that shortening the settlement cycle would foster greater certainty, safety and soundness in the U.S. capital markets, would reduce counterparty risk as well as procyclical margin and liquidity demand across the industry, and would promote global harmonization in securities settlement cycles. In its letter, the SEC recognized these risk-mitigating benefits of the initiative.

“Moving to a shorter settlement cycle will help improve the overall efficiency of securities markets, align the United States with other global markets and promote financial stability,” said Marty Burns, co-chair of the ISC and Chief Industry Operations Officer, ICI.

The SEC, as well as other regulators and self-regulatory organizations in this space, would need to coordinate to implement or approve, as appropriate, regulatory changes that are required to support the move to T+2 in the targeted timeframe. Additionally, the ISC will begin developing industry test and implementation plans. Industry participants should assess the work needed for internal builds. Industry-wide testing is expected to begin in 2017 in support of the Q3 2017 implementation of T+2.

“We’re appreciative of the SEC’s support and applaud Chair Mary Jo White’s leadership in making this a priority,” said Michael Bodson, President and CEO at DTCC. “Gaining regulatory support builds on the momentum this initiative has gained over the past year and moves the U.S. one step closer to T+2 and all the risk and cost benefits that comes with a shorter settlement cycle.”

Notes to Editors

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

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About DTCC



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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 U.S. fund members manage total assets of \$18.2 trillion and serve more than 90 million U.S. shareholders. To learn more, please visit <http://www.ici.org>.

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About SIFMA

SIFMA is the voice of the U.S. securities industry, representing the broker-dealers, banks and asset managers whose 889,000 employees provide access to the capital markets, raising over \$2.4 trillion for businesses and municipalities in the U.S., serving clients with over \$16 trillion in assets and managing more than \$62 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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