

T+1 Settlement Cycle FAQ

This document outlines frequently asked client questions regarding the announcement by the Securities Exchange Commission (SEC), to shorten the settlement cycle for US equity and corporate bond markets from T+2 to T+1.

Question	Answer
When are the T+1 changes taking effect?	The shortened U.S. T+1 settlement cycle will be Tuesday May 28, 2024, following the Memorial Day holiday.
What are the in-scope financial instruments for the T+1 Settlement?	<ul style="list-style-type: none"> • U.S. Equities • Fixed income • ETFs/Exchange Traded Note (ETNs) • ADRs/Master Limited Partnerships (MLPs) • Sec Lending • Repos • Free of Payment Receipts and Deliveries
Will a US Government trade settling in FED be in-scope for T+1?	Only investments settling in DTC are in scope for T+1 settlement. Therefore, a US government bond (treasuries) settling in FED market will NOT be in-scope for T+1 settlement.
How is the affirmation workflow being impacted?	<p>The current DTC trade matching and affirmation deadline is T+1. However, with the SEC guidelines, trade matching, affirmation and disaffirmation will be moved to 9pm EST on Trade Date (T).</p> <p>It is recommended that all investment managers obtain their own institution ID and self-affirm custodian trades.</p> <p>Investments managers should be aware that trades affirmed after 9pm EST will incur a higher DTCC charge for settlements.</p>
What is the deadline to submit Trade Tickets to TMN?	All trade tickets must be received by 4:00 EST on TRADE DATE
Will TMN accept trade tickets directly from Investment Managers?	<p>Yes, this is our preference. This will allow TMN to pend and affirm trades on trade date.</p> <p>Please contact your CSA to have the outside investment managers added to the Corporate Resolution.</p>