

# Summary of Global Settlement Cycle Compression Initiatives

The global trend to compress settlement cycles is accelerating. Increasingly, markets are migrating to settlement cycles that have fewer business days between the trade execution date and trade settlement date. Markets that are not actively migrating are undertaking feasibility studies and consultations.

The move to compressed settlement cycles offers investment managers a new opportunity to drive growth across their organizations through a wide range of process improvements. It starts with embracing automation to facilitate the internal workflow enhancements that are essential for compliance with these new regulations and can also help boost efficiencies across trading operations.

Putting these systems and processes in place will not only ensure you can manage risk and funding challenges inherent in a shortened settlement cycle, it can also leave your organization in a stronger position to service clients and members.

Market	Settlement Cycle Change	Effective Trade Date	Comment
Argentina	T+2 to T+1	May 27, 2024	<ul style="list-style-type: none"> <li>Effective date is subject to official regulatory approval.</li> <li>T+1 would apply to the equity and bond markets.</li> </ul>
Australia	T+2 to T+1	n/a	<ul style="list-style-type: none"> <li>The Australian Stock Exchange (ASX) issued a considerations paper and invitation to comment on April 23, 2024.</li> <li>The paper is open for feedback until June 18, 2024, with a feedback summary anticipated to be published in August 2024.</li> <li>The ASX is seeking to decide by November 2024 on moving to T+1.</li> <li>T+1 would apply to equities. <ul style="list-style-type: none"> <li><a href="#">ASX public consultations and policy submissions</a></li> <li><a href="#">T+1 Settlement Cycle in Australia</a></li> </ul> </li> </ul>
Bermuda	T+2 to T+1	n/a	<ul style="list-style-type: none"> <li>An initiative is under review.</li> </ul>
Brazil	T+2 to T+1	n/a	<ul style="list-style-type: none"> <li>An initiative is under review.</li> </ul>
Canada	T+2 to T+1	May 27, 2024	<ul style="list-style-type: none"> <li>T+1 applies to the equity and bond markets. <ul style="list-style-type: none"> <li><a href="#">Canadian Depository for Securities</a></li> <li><a href="#">Canadian Depository for Securities T+1</a></li> <li><a href="#">Canadian Capital Markets Association</a></li> </ul> </li> </ul>
Chile	T+2 to T+1	n/a	<ul style="list-style-type: none"> <li>An initiative is under review.</li> </ul>
Colombia	T+2 to T+1	n/a	<ul style="list-style-type: none"> <li>An initiative is under review.</li> </ul>
Costa Rica	T+2 to T+1	January 19, 2024	<ul style="list-style-type: none"> <li>T+1 applies to the equity market.</li> </ul>
European Union	T+2 to T+1	n/a	<ul style="list-style-type: none"> <li>The Association for Financial Markets in Europe (AFME) is coordinating a review and consultation, possibly releasing a report in 2024.</li> <li>A report on moving to a T+1 settlement cycle issued by the European Securities and Market Authority (ESMA) is expected to be published in Q4 2024 at the latest.</li> <li>The timing of migrations to T+1 across member states has yet to be determined. <ul style="list-style-type: none"> <li><a href="#">Association for Financial Markets in Europe</a></li> <li><a href="#">European T+1 Industry Task Force Comments</a></li> <li><a href="#">European Securities and Market Authority (ESMA) Feedback Statements</a></li> </ul> </li> </ul>
India	T+1 to T+0	March 28, 2024	<ul style="list-style-type: none"> <li>The T+0 pilot, which went live March 28, 2024, is limited to 25 ISINs and a limited set of brokers.</li> <li>T+0 applies to non-custodial participant code clients only; it is not available to foreign portfolio investors.</li> <li>T+1 will continue along with T+0.</li> <li>Securities and Exchange Board of India (SEBI) will continue consultations. SEBI will review and assess progress at the end of June and September 2024.</li> <li>Implementation is expected for retail investors Q2 2024. <ul style="list-style-type: none"> <li><a href="#">Securities and Exchange Board of India</a></li> <li><a href="#">SEBI Introduces beta version of T+0</a></li> </ul> </li> </ul>
Mexico	T+2 to T+1	May 27, 2024	<ul style="list-style-type: none"> <li>T+1 applies to Mexican equities and dual-listed equities (i.e., equities listed in the United States and Canada) via Sistema Internacional de Cotizaciones (SIC – the international trading system).</li> <li>Bonds will remain on a T+2 settlement cycle. <ul style="list-style-type: none"> <li><a href="#">Contraparte Central de Valores (CCV)</a></li> <li><a href="#">Migration to T+1</a></li> </ul> </li> </ul>

Market	Settlement Cycle Change	Effective Trade Date	Comment
Pakistan	T+2 to T+1	n/a	<ul style="list-style-type: none"> <li>An initiative is under review and consultation.</li> <li>Focus groups are being established with key stakeholders.</li> <li>Feedback is being sought from global custodians.</li> <li>The National Clearing Company of Pakistan Limited is expected to publish an implementation plan and confirm a date for a T+1 pilot, following analysis of the feedback.</li> <li>At this time, the market and local agents are not ready to implement a reduced settlement cycle, as there are manual processes that need to be amended to support T+1.</li> </ul>
Peru	T+2 to T+1	n/a	<ul style="list-style-type: none"> <li>An initiative is under review.</li> </ul>
Qatar	T+3 to T+2	March 25, 2024	
Sri Lanka	T+3 to T+2	June 2024	<ul style="list-style-type: none"> <li>An effective date is not confirmed, but implementation is anticipated for June 2024.</li> <li>T+2 would apply to equities.</li> <li>The central depository proposed amended clearinghouse rules, which are subject to the Sri Lankan SEC's approval.</li> </ul>
United Kingdom	T+2 to T+1	n/a	<ul style="list-style-type: none"> <li>A government Accelerated Settlement Taskforce is examining a move to T+1.</li> <li>The taskforce published its report on March 28, 2024.</li> <li>The taskforce recommended moving to T+1 by December 31, 2027 and a coordinated approach with Switzerland. <ul style="list-style-type: none"> <li><a href="#">Accelerated Settlement Taskforce</a></li> </ul> </li> </ul>
United States	T+2 to T+1	May 28, 2024	<ul style="list-style-type: none"> <li>T+1 applies to securities settlements through the Depository Trust Company (DTC - the central depository). <ul style="list-style-type: none"> <li><a href="#">State Street's T+1 Landing Page</a></li> <li><a href="#">Depository Trust Company</a></li> <li><a href="#">Trade Affirmations: Key Questions Answered</a></li> <li><a href="#">Best Practices to Achieve T+1</a></li> <li><a href="#">Trade Suite ID FAQ</a></li> </ul> </li> </ul>

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