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SEC Proposes T+2 Settlement Cycle

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On September 28, in a long-anticipated move, the SEC **proposed** to shorten the standard settlement cycle for most broker-dealer transactions to two business days after the trade date (T+2) from the current three business day cycle (T+3). The proposal represents the near-culmination of ongoing industry efforts to move to a T+2 settlement cycle, with the most recent initiative led by a working group whose members include the Depository Trust & Clearing Corporation, the Investment Company Institute, the Securities Industry and Financial Markets Association and other market participants.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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