
Market Notice

28 July 2017
MN_56/2017

USA: shortening of the settlement cycle to T+2

For the attention of: DCPs, ICP
Priority: HIGH
Re: CROSS-BORDER
SETTLEMENT

Dear Client,

Monte Titoli would like to inform you that, effective September 5, 2017, the US market will adopt the T+2 settlement cycle. The switch from T+3 to T+2, fostered by the USA financial services industry and approved by the Securities and Exchange Commission (SEC), brings the US market practice in line with that of the European markets. The shortened settlement cycle will be applied to transactions currently settled at T+3 with particular reference, among others, to transactions on equities, bonds and ETF.

Please find below a summary of the settlement dates in proximity to the event¹:

TRADE DATE	SETTLEMENT DATE
31 August 2017	06 September 2017
01 September 2017	07 September 2017
05 September 2017	07 September 2017
06 September 2017	08 September 2017

The new settlement cycle will also involve an updating of the rule for determining the *ex-dividend date* (EX) which is currently two days before the *record date* (RD-2) and which will in

¹ Participants are reminded that DTC will remain closed on Monday 04 September 2017 (Labor Day)



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the future be set at the day before the *record date* (RD-1). In this respect, the markets agreed with the US central securities depository “The Depository Trust Company (DTC)” and notified that 05 September will not be considered a valid *ex-date* for any financial instrument. The first date identified as *ex-dividend date* based on the new methodology will be 07 September 2017. A summary is provided below of the *ex-dates* in and around the date scheduled for the shortening of the settlement cycle ¹:

EX-DATE	RECORD DATE
31 August 2017	05 September 2017
01 September 2017	06 September 2017
06 September 2017	07 September 2017

The updated version of the operating documentation (“Tablemat”) effective from 05 September 2017, for financial instruments held by Monte Titoli either via DTC or via Clearstream Banking Luxembourg, is available under the section “Securities Markets – United States”:

<http://www.lseg.com/areas-expertise/post-trade-services/settlement-and-custody/monte-titoli/cross-border/securities-markets/united-states>

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