

US corporate law weekly news: SEC adopts amendment to shorten settlement cycle for securities transactions

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CATEGORY:
BLOG



On March 22, 2017 the SEC changed its settlement rules so that 'T+3' will become 'T+2' effective September 5, 2017. The SEC's rules amended Exchange Act Rule 15c6-1(a) to shorten the standard settlement cycle for most broker-dealer securities transactions.

Currently, most broker-dealer securities transactions must provide for payment of funds and delivery of securities no later than three business days after the trade date (known as 'T+3') unless otherwise expressly agreed to by the parties at the time of the transaction.

The amended rule shortens the standard settlement cycle to two business days after the trade date ('T+2'). For more information, see [here](#).