

ICI Statement on T+1 Settlement Cycle

Washington, DC; February 15, 2023—Investment Company Institute (ICI) President and CEO Eric Pan released the following statement regarding the Securities and Exchange Commission (SEC) adopting a final rule shortening the securities settlement cycle to one business day (T+1):

“ICI has led the way on the industry’s move to a T+1 settlement cycle, alongside our partners at DTCC and SIFMA. The move to T+1 will reduce risk for investors and make markets more efficient. When T+1 is adopted, the shorter settlement cycle will play an important role in maintaining the US capital markets as the envy of the world.

“To this end, we are glad that the SEC’s adoption of a final rule today will make T+1 a reality. However, we are disappointed that the SEC did not choose to accept our recommendation to make the compliance date Labor Day weekend in September 2024. Not only would September 2024 greatly reduce the risk of any difficulties to the industry – especially smaller firms – in making the transition, it would also ensure that the United States will make the transition in coordination with Canada, which has already announced a compliance date of September 2024. In our opinion, an extra three months would be a small price to pay for a smooth transition.

“ICI has assembled the resources needed to guide our members across the finish line and will continue to serve as a resource for them in this short transition period.”
