

## ANNOUNCEMENT TO MARKET PARTICIPANTS

### **CHANGES TO THE SETTLEMENT CYCLE FROM T+2 TO T+1 FOR MEXICAN SECURITIES IN THE CAPITAL MARKET AND THOSE LISTED IN THE INTERNATIONAL QUOTATION SYSTEM (SIC), WHICH HAVE THE UNITED STATES OR CANADA CAPITAL MARKETS AS THE MAIN MARKET.**

The United States Securities and Exchange Commission (SEC) and the Canadian Capital Markets Association (CCMA) announced their decision to move the settlement cycle for capital market securities from two business days (T+2) to one business day (T+1). The target dates defined by SEC and CCMA for the transition to T+1 are May 27 and May 28, 2024, respectively.

Mexico's Equities CCP, Contraparte Central de Valores (CCV) and the Mexican Association of Brokerage Firms (AMIB), analyzed the viability to reduce the settlement cycle to T+1 for the ordinary securities settlement period, in synchrony with the markets of the United States of America and Canada, considering the strong interaction between these markets with the Mexican market.

On May 15, the CCV received a formal request from the AMIB, where, on behalf of the Brokerage Firms, stated the interest of the industry to reduce the ordinary settlement cycle of the capital market securities, from T+2 to T+1, simultaneously with the change announced by the American and Canadian markets. Consequently, CCV reviewed the feasibility and implications in risk management, operations, and technology, and held conversations with the National Banking and Securities Commission (CNBV), and Mexico's Central Bank (BANXICO).

**CCV and the AMIB, jointly, inform the general public and market participants that the CCV will initiate the formal process with the Mexican Financial Authorities, to get the approval to reduce the ordinary settlement cycle of the capital market securities to one business day (T+1) simultaneously with the United States of America or Canada Markets, for the National Securities (Mexican capital market) and for the Securities listed at the International Quotation System (SIC) which declare the United States of America or Canada as their main market. The target date for the transition in Mexico would be **May 27, 2024.****

CCV and AMIB will continue leading working groups and specific agendas with the Brokerage Firms, Stock Exchanges, Custodian Banks, and the Central Depository (Indeval), defining action plans to cover regulatory, operational, and technological aspects, and strengthen the necessary mechanisms to ensure a successful transition.

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