

## **Interpretation of the 1995 SEC exemptive order exempting certain transactions in foreign securities from Rule 15c6-1:**

On May 26, 1995, Securities and Exchange Commission (“Commission”) issued an [exemptive order](#), exempting certain transactions in foreign securities from Rule 15c6-1 under the Securities Exchange Act of 1934. When the US settlement cycle for DTCC eligible securities moved from T+3 to a T+2 settlement cycle in 2017 this exemptive order may not have been considered by industry participants in detail given other markets, for example the UK and the European Union, were already on a T+2 settlement cycle. With the US moving to T+1 in May 2024 before most other markets, industry participants may need to review this exemptive order.

In general, below are potential scenarios for foreign (dual-listed, multi-listed, multi-settled) securities that are subject to Rule 15c6-1. The below list of scenarios is not meant to be an exhaustive list that could be impacted by T+1 implementation and does not constitute advice as to any particular question, issue, or concern a counterparty may have in connections with any specific transaction. This list is meant to be illustrative only and counterparties to actual transactions should independently verify the accuracy of the information, expand or modify any recommendations to reflect their own analysis and independent review of implementation rules and requirements, and consult with counsel to the extent they have any questions about implementation of T+1 mandates. Additional voluntary recommendations for scenarios not captured by the below will be published by SIFMA in due course, subject to further market participant consultation.

The scenarios below only cover securities which are DTC eligible or eligible to be held at a US transfer agent. If a security is neither DTC eligible nor eligible to be held at a US transfer agent, then Rule 15c6-1 applies does not apply.

### **Scenario #1:**

There is more than 10% trading volume in the U.S., and the security is executed in the U.S., then Rule 15c6-1 applies.

### **Scenario #2:**

There is more than 10% trading volume in the U.S., and the security is settled in the U.S., then Rule 15c6-1 applies.

### **Scenario #3:**

There is more than 10% trading volume in the U.S., and the security is not executed nor settled in the U.S. then Rule 15c6-1 does not apply (exempt from 15c6-1).

### **Scenario #4:**

There is less than 10% trading volume in the U.S., then Rule 15c6-1 does not apply (exempt from 15c6-1).

*Source of information:* <https://www.govinfo.gov/content/pkg/FR-1995-05-26/html/95-12986.htm>.