



INDUSTRY MOVE TO T+1 SETTLEMENT CYCLE - EFFECTIVE 5/28/2024**MUTUAL FUNDS - FAQs****1. What action is required by Fund clients to modify securities on the Fund/SERV platform to a T+1 settlement cycle?**

No action is required as NSCC will be taking a systematic approach to avoid significant client impact. Domestic securities with a T+2 settlement cycle will be updated to a T+1 settlement cycle after Fund/SERV processing has completed on May 24, 2024. The settlement cycle changes become effective May 28, 2024.

2. What settlement cycles are in scope for the systematic update to T+1?

- Order
- Alternate Order
- As of Order
- Exchange
- Cash Adjustment

3. Will NSCC systematically update all Fund/SERV securities with a T+2 settlement cycle to T+1?

No, only domestic securities with a T+2 settlement cycle will be modified to a T+1 settlement cycle. Non-U.S. Fund/SERV Security Types (59, 62, and 63) will be excluded from the systematic update to T+1.

4. Will domestic securities with settlement cycles other than T+2 be updated?

No, only domestic securities with a T+2 settlement cycle will be modified to a T+1 settlement cycle. Domestic securities with a settlement cycle greater than T+2 will not be modified.

5. How will Fund/SERV trades submitted to NSCC prior to, and on or after the May 28, 2024 effective date be impacted for the securities being systematically updated from a T+2 to T+1 settlement cycle?

Orders (settlement cycle is based on **trade date** of confirmed order)*

- Orders submitted with a **trade date on or before** Friday, May 24, 2024 will settle based on a T+2 settlement cycle
- Orders submitted with a **trade date after** Friday, May 24, 2024 will settle based on a T+1 settlement cycle

Orders with an Alternate Order settlement cycle (settlement cycle is based on **trade date of confirmed order**)*

- Orders with an Alternate Order settlement cycle submitted with a **trade date on or before** Friday, May 24, 2024 will settle based on a T+2 settlement cycle
- Orders with an Alternate Order settlement cycle submitted with a **trade date after** Friday, May 24, 2024 will settle based on a T+1 settlement cycle

As-of Orders and Exchanges (settlement cycle is based on **confirmation date**)*

- As-of Orders and Exchanges **confirmed on or before** Friday May 24, 2024 will settle based on a T+2 settlement cycle
- As-of Orders and Exchanges **confirmed after** Friday, May 24, 2024 will settle based on a T+1 settlement cycle

Cash Adjustments (settlement cycle is based on **submission date**)*

- Cash Adjustments with a **submission date on or before** Friday, May 24, 2024 will settle based on a T+2 settlement cycle
- Cash Adjustments with a **submission date after** Friday, May 24, 2024 will settle based on a T+1 settlement cycle

**** The information provided assumes there is no settlement override on the Fund/SERV order. If there is an override, the Anticipated Settlement Date on the Fund/SERV order will drive the settlement date (see question # 6 below).***

6. Will Firms have the ability to override the settlement date on Fund/SERV orders?

Yes, Firms will continue to have the ability to override the settlement date on individual Fund/SERV orders by populating the 'Anticipated Settlement Date' field.

7. Will Fund clients continue to have the ability to modify settlement cycles after NSCC performs the systematic updates to T+1?

Yes, Fund clients will continue to have the ability to change a security's settlement cycle through the existing process of submitting a Fund/SERV Security Issue ID Modify Form.

8. Will the USN Currency Type be modified to USD for ALL (domestic and offshore) Fund/SERV securities with a T+1 settlement cycle?

Yes, to maximize the window for trade confirmations and correction processing in a T+1 environment, NSCC will systematically update any USN Currency Type to a USD Currency Type for **ALL** securities with a T+1 Order or Alternate Order settlement cycle. Both domestic and non-U.S. Fund/SERV Security Types (59, 62, and 63) will be included in this systematic update.

9. Will a Fund client be allowed to exclude securities from the systematic update to T+1?

Yes, Fund clients that do not want NSCC to take action and update their domestic securities from a T+2 to T+1 settlement cycle will have the opportunity to contact WMS Mutual Fund Services prior to the May 28, 2024 effective date by completing and emailing the T1 Mutual Fund Security Exclusion Form to the NSCC [WMST1](#) mailbox. All exclusions must be submitted to NSCC by May 10, 2024. A communication listing all securities excluded from the systematic update will be distributed the week of May 20, 2024.

10. Can clients test a T+1 settlement cycle for a security in the Fund/SERV system today?

Yes, clients have the ability to test a variety of settlement cycles, including T+1 today in the Participant Services Environment (PSE) region. Securities with T+2 settlement cycles will NOT be systematically modified to T+1 in PSE. Fund clients may request a security's settlement cycle be modified to T+1 by submitting a Fund/SERV Security Issue ID Modification form and include a note in the Special Instructions field stating the change is applicable to PSE only.

11. Has NSCC published an Important Notice covering the systematic update of mutual fund securities to a T+1 settlement cycle?

Yes, Important Notice [a9321](#) was published on July 12, 2023.