

1. WHAT IS THE SETTLEMENT TRANSFORMATION?

The DTCC Equity Settlement transformation will enable a more agile, resilient, and scalable settlement processing platform. The transformation will simplify workflows, enhance client services, and leverage industry standards to enable quicker time-to-market for industry needs while ensuring the infrastructure is positioned for the future with enhanced performance, security, and scalability across Equities Clearing and Settlement services.

2. WHAT ARE THE KEY CLIENT DATES FOR TESTING AND PRODUCTION GO-LIVE? WHAT DOES EACH TESTING PERIOD MEAN?

Connectivity testing is testing to verify if network traffic can successfully travel between network endpoints. **UAT / Functional** testing is User Acceptance testing to ensure software is tested to verify that its new functionality meets needs and specified requirements.

1. Client testing dates

1. Connectivity testing dates
 1. PSE Environment: Q2 2026
 2. PROD Environment: Q3 2026
2. Message Specification testing (ISO20022 Simulator): Q1 2026
3. UAT / Functional testing dates: Q3 2026

2. Production go-live date: Q3 2027

3. WILL MY CONNECTIVITY TO DTCC NEED TO CHANGE?

As part of the transformation program, DTCC will be moving off the mainframe and onto a modern distributed infrastructure. Connectivity changes will impact both message and file connections.

- a. Clients who send and/or receive messages from DTCC will need to connect to new QMgrs on MQ Internet Passthrough (IPT)
- b. Clients who send and/or receive files will need to migrate off FTP, FTPS and NDM products to sFTP file transfers.
- c. Clients will need to provide Security Certificate DN information and onboarding documentation, with new product subscriptions

4. WHERE CAN I GET MORE INFORMATION ON THE CONNECTIVITY REQUIREMENTS AND WHEN WILL I BE ABLE TO TEST MY CONNECTIONS?

DTCC is upgrading client connectivity options to support distributed connections and lightweight messaging, simplifying client interactions through standardized interfaces. Details on connectivity changes / requirements will be published on [DTCCTransformation.com](https://www.dtcc.com/Transformation) in Q2 2025. Please refer to the Client Roadmap for details regarding connectivity testing dates per application / enhancement (please note we will publish updates to the roadmap with more information as it becomes available. For example, the details regarding providing ISO20022 message format in current platform explained in question 5).

5. IS THE MESSAGE SUBMISSION FORMAT CHANGING?

Yes, new formats (ISO20022) will be available in Q3 2027, with existing proprietary and ISO15022 formats decommissioned at the same time. We currently support over 40 varieties of proprietary and ISO messaging to interface with our settlement systems. We will be transitioning to support ISO20022 and decommissioning all proprietary formats in Q3 2027. This will provide flexibility to future proof for data elements needed for business enhancements such as partial settlement and fractional shares and provide consistency across the industry.

Taking on feedback from our working groups, this transition cannot be big bang, therefore, the ISO20022 message format will be available for submission into our current platforms in 2026 (specific UAT testing and Production dates will be announced in a later update). This will enable clients to upgrade their settlement transaction messages to the ISO20022 format and use these messages in the current platform and thereby minimize the impact on the transition to the new settlement platform in Q3 2027. In addition, we will be providing a web simulator tool in Q1 2026 to help with client development of the settlement messages in ISO20022 format alongside a full client test environment.

6. HOW DOES THE CHANGE TO ISO20022 AFFECT MY CURRENT SETTLEMENT MESSAGES?

Current proprietary and ISO15022 settlement message formats will no longer be accepted. Settlement messages must be in ISO20022.

7. WHEN CAN I GET MORE INFORMATION ON THE NEW ISO20022 MESSAGE SPECIFICATIONS?

Settlement message specifications will be provided through Q2 2025, starting with delivery orders, which are expected to be available in May 2025, and progressing through all messaging types culminating in full messaging specifications by the end of June 2025. Information on where these will be made available will be announced.

8. WHAT CLIENT TOOLING WILL BE AVAILABLE TO ENSURE I CAN TEST THAT MY SETTLEMENT MESSAGES ARE CORRECTLY CONFIGURED IN THE NEW ISO20022 FORMAT BEFORE STARTING FUNCTIONAL TESTING?

DTC will introduce an ISO20022 message Simulator tool, in Q1 2026, that allows clients to submit an ISO20022 message to check format and validate the schema prior to UAT testing. The tool validates only the message and does not check against other data sources or simulate expected settlement results.

9. ARE THERE ANY FUNCTIONAL CHANGES THAT MAY NEED TO BE CONSIDERED BY MY FIRM?

Settlement functionality will be enhanced to support Partial Settlement as well as automated reintroduction / drop processing. There are several simplification efforts that clients should be aware of, such as the simplification of the Deliverer Authorization, Receiver Approval (RAD), Pend Processing (Recycle), and Reclaim workflows.

10. HOW DO I KNOW IF MY FIRM IS IMPACTED BY ANY OF THE CHANGES IN SETTLEMENT WORKFLOWS?

It is important for clients to review the Functional Change Document and other information published to [DTCCTransformation.com](https://www.dtcc.com/Transformation) as well as attend the various webinars that will be offered to understand how changes will impact their firms. DTC will also provide clients with profile summaries that they can use to view their profile configurations and instructions to assist in the client profile migration due to the workflow simplifications.

11. WILL ALL TRANSACTIONS BE AUTOMATICALLY REINTRODUCED FOR SETTLEMENT?

No, DTC is working with industry representatives to determine which transactions should be exempt from reintroduction. More details will be provided once an agreement is reached.

12. WILL UNSETTLED TRADES BE REINTRODUCED IN PERPETUITY OR WILL THEY BE CANCELLED AFTER A CERTAIN NUMBER OF DAYS?

DTC plans to reintroduce unsettled transactions for 10 business days. After 10 business days, unsettled transactions will be "dropped" from DTC's system.

13. WILL THE AUTOMATIC REINTRODUCTION OF UNSETTLED TRANSACTIONS ELIMINATE END OF DAY FAILS (DROPS)?

DTC will report an unsettled status on any transaction that does not settle by the end of the processing day and will indicate whether the transaction is being automatically reintroduced for settlement processing on the next business day.

14. WILL PARTIAL SETTLEMENT BE MANDATORY FOR ALL MEMBERS AND ALL TRANSACTIONS?

There are three different components to the DTC partial settlement solution. Partial delivery authorization, which will allow members to partially authorize transactions awaiting the delivering members authorization, and partial RAD approval, which will allow members to partially approve transactions awaiting receiving members approval, will be optional. Auto-partial, where DTC automatically splits matched instructions based on available shares in the delivering member's account, will be mandatory. Once a transaction is "matched," "auto-partial" is mandatory.

15. HOW IS THE SETTLEMENT VALUE CALCULATED FOR PARTIAL TRANSACTIONS?

DTC will calculate the settlement value by prorating the number of shares and the settlement value of the whole transaction. Any penny differences resulting from rounding will be included in the final partial transaction.

16. DO PARTIAL TRANSACTIONS CALCULATED BY DTC NEED TO BE REAPPROVED FOR SETTLEMENT BY THE DELIVERING AND RECEIVING PARTICIPANTS?

No, once a transaction is matched, partial settlements of the transaction, generated within the same business day, do not need to be rematched. However, any unsettled portion of a transaction reintroduced for settlement the next business day will have to be rematched by both the delivering and receiving members.

17. WILL DTC CONTINUE TO ALLOW MEMBERS TO CANCEL UNSETTLED TRANSACTIONS?

Yes, members will continue to be able to cancel any unsettled transaction.

18. WILL DTC ENFORCE SECURITY MINIMUM AND MULTIPLE TRADING RESTRICTIONS WHEN GENERATING

Yes, DTC will only generate partial transactions that comply with minimum and multiple trading restrictions.

19. DTC is implementing a lot of profile simplifications as part of the transformation program. Is there a way for members to see how their accounts are currently set up?

Yes, DTC will provide members with a detailed review of each member's profile settings. Members will be able to request their profile settings by contacting us from the [DTCC transformation website](#).

20. WILL THE UNIQUE TRANSACTION IDENTIFIER (UTI) BE A SUPPORTED AND REQUIRED FIELD?

Transaction input messages/files will be expanded to allow clients to submit the UTI; however, it will NOT be a required field.

21. WHY ARE APIS NOT CONSISTENTLY LEVERAGED ACROSS ASSET SERVICING, SETTLEMENT, AND ITP?

API interfaces are currently being offered based on industry demand. Further validation with working groups is taking place to consider the possibility of offering additional APIs.

22. WHAT TRAINING OR OTHER RESOURCES WILL BE AVAILABLE TO HELP FIRMS TRANSITION?

- a. DTCC will be hosting industry webinars to further socialize and discuss the upcoming changes and roadmap with the [first webinar](#) scheduled for May 1, 2025.
- b. DTCC will be hosting further industry calls to socialize and discuss the upcoming changes and roadmaps. Dates and agendas for these sessions will be communicated in Q2 2025.

23. WHO SHOULD I CONTACT IF I WOULD LIKE TO LEARN MORE ABOUT UPCOMING SETTLEMENT CHANGES?

Expect more information relating to the DTCC Equity Clearing Transformation to be published on [DTCCTransformation.com](#) and DTCC Learning. Should you want to contact a DTCC representative in the interim, please contact your Relationship Manager or submit questions to dtcctransformation@dtcc.com.