

Settlement Simplification Changes / Modernized Applications: PEND Processing (Recycle)

Transaction instructions submitted to DTCC that cannot immediately settle are continually reattempted, or “recycled,” by DTC. The recycle process runs until a transaction is settled, canceled, or dropped at the end of the processing day.

What’s Changing?

DTC will streamline recycle options so clients will be able to choose the DTC default option of having their recycling transactions attempted in transaction type order and within transaction type, or FIFO order with blockage. DTC will no longer support recycle “color” profiles. DTC will continue to allow clients to perform actions of “Hold,” “Hold with blockage,” or “Cancel” recycling transactions, and will also expand the “promote” recycle capability to make it available via all instruction input mechanisms.

Client Impact

- **The “promote” functionality will be optional.** All other changes will be mandatory but will only have an impact on the clients that utilize the decommissioned functionality.
- The recycle profile streamlining changes will require clients to update their settings to existing Inventory Management alternatives.

Benefits

- Improves settlement efficiency
- Reduces operational complexity
- Provides more predictable settlement outcomes
- Lowers manual intervention and exception management

Timeline

- The promote capability will be available in DTC’s test system in Q3 2026 and is targeted to be implemented into production in Q3 2027.

WHERE CAN I GET MORE INFORMATION?

Read our [Functional Change Document](#), visit [DTCCTransformation.com](https://www.dtcc.com) or [Contact Us](#).

