

Settlement Simplification Changes / Modernized Applications: Reintroduction & Drop Processing

Deliver Order (DO) transactions introduced into DTC can fail to settle for a variety of reasons, including insufficient deliverer's position, insufficient deliverer's collateral, insufficient receiver's collateral, insufficient receiver's net debit cap, unauthorized by the deliverer, or unapproved by the receiver. When this happens, clients may elect to have certain failed transactions "dropped" from the system or automatically reintroduced to reattempt settlement the following day.

What's Changing?

Transactions that fail to settle will be automatically reintroduced for settlement processing the following business day. By doing this, DTC can ensure transaction lineage is maintained over multiple days, which creates processing efficiencies for clients and is an integral component of Partial Settlement.

As is the case today, reintroduced fails will require deliverer authorization and receiver approval before proceeding to settlement. DTC Securities Finance transactions, NSCC Securities Finance transactions, and OCC Securities Finance transactions and transactions in MMI securities will not be included in this mandate. DTCC continues to work with industry representatives to define transaction types that should not be automatically reintroduced.

Client Impact

This will be a mandatory change for all clients in Q3 2027.

Benefits

- Improves settlement efficiency
- Reduces manual resubmission and follow-up
- Maintains transaction continuity and lineage, which is important for partial settlement functionality
- Enhances transparency and tracking

Timeline

- DTC currently offers clients the option of having their failing transactions automatically reintroduced for processing the next business day. Clients can simulate the mandatory reintroduction of failing trades by changing existing profile settings. This change can be made any time prior to Q3 2027 but must be completed by Q3 2027.
- As part of the mandatory reintroduction of failed trades, DTC will be introducing new functionality to allow clients to cancel pending transactions. This functionality will be available in the test environment in Q4 2026 and is scheduled to be in DTC's production environment in Q3 2027.
- Similarly, the ability to replicate partial delivery authorization does not currently exist in DTC's processing environment and, as such, can only be simulated in DTC's test environment. The partial delivery authorization capability will be available in DTC's test environment in Q4 2026 and available in DTC production environment in Q3 2027.

WHERE CAN I GET MORE INFORMATION?

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

