

For more information about Settlement, please see the [Settlement section of the Learning Center](#). For information specific to the transformation, please see the [Settlement Release page](#).

## 1. WHAT IS THE SETTLEMENT TRANSFORMATION?

The DTCC Equities Clearing & Settlement Transformation will enable a more agile, resilient, and scalable settlement processing platform. It simplifies workflows, enhances client services, leverages industry standards, and improves performance, security, and scalability across Equities Clearing and Settlement services.

Changes to Settlement Services include several enhancements and simplifications, including innovations such as support for the settlement of partial deliver orders, expanded data fields on client messages, and simplification of client profiles and settlement workflows to drive greater transaction throughput. Additionally, DTCC will introduce an enhancement to mandatorily reintroduce unsettled transactions (fails), and the reclaim linking processes will be eliminated.

DTCC is also upgrading client connectivity options to support distributed connections and lightweight messaging, simplifying client interactions through standardized interfaces. Notably, the new settlement system will support ISO 20022–only interfaces through distributed messaging (MQ IPT) and file channels (SFTP, Secure File Transfer Protocol).

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

The modernized settlement system (Settlement Transaction Manager, STM) will go live in Q3 2027. Testing in Production Support Environment (PSE) for the modernized application — including Partial Settlement functionality and modernized connectivity and interfaces — begins on September 30, 2026.

In addition, early adoption of ISO 20022 in the current Settlement platform will be available in the Production environment on November 13, 2026, with Production Support Environment (PSE) testing for this early adoption beginning on July 6, 2026.

## 3. WILL MY CONNECTIVITY TO DTCC NEED TO CHANGE?

Yes. DTCC is moving off the mainframe to a distributed infrastructure. Connectivity changes will impact both message and file connections.

- a. Connect to new Queue Managers (QMGr) on the distributed Message Queue (MQ) service
- b. Migrate files to distributed Secure File Transfer Protocol (SFTP)
- c. Provide the required network details, along with TLS certificate Distinguished Name (DN) information and onboarding documentation.

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

Connectivity details are published in the [Client Test Plan](#), which is available in the DTCC Learning Center on the [Settlement Release page](#).

## 5. IS THE MESSAGE SUBMISSION FORMAT CHANGING?

Yes. ISO 20022 will be the required settlement message format. Proprietary and ISO 15022 formats will be decommissioned in Q3 2027, with ISO 20022 available earlier for Production Support Environment (PSE) testing Q3 2026 and production use in Q4 2026.

## 6. HOW DOES THE CHANGE TO ISO 20022 AFFECT MY CURRENT SETTLEMENT MESSAGES?

Proprietary and ISO 15022 settlement message formats will no longer be accepted. All settlement messages must be in ISO 20022.

## 7. WHEN CAN I GET MORE INFORMATION ON THE NEW ISO 20022 MESSAGE SPECIFICATIONS?

Settlement Message Specifications are available on the DTCC Learning Center's [Settlement Release page](#).

## 8. WHAT CLIENT TOOLING WILL BE AVAILABLE TO ENSURE I CAN TEST THAT MY SETTLEMENT MESSAGES ARE CORRECTLY CONFIGURED IN THE NEW ISO 20022 FORMAT BEFORE STARTING FUNCTIONAL TESTING?

DTCC has provided an ISO 20022 Test Facility to validate message format and schema prior to User Acceptance Testing (UAT) Functional Testing.

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

Enhancements to Settlement include support for partial settlement, automated reintroduction and drop processing, and simplification of Receiver Authorized Delivery (RAD), pend processing, reclaim, and deliverer authorization workflows. You are encouraged to review the [Functional Change Document](#) for detailed information on these Settlement changes.

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

Clients should review the [Functional Change Document](#), participate in the DTCC Transformation Integration virtual event series, and use interface and profile summary reports provided by DTC.

Members can request individual profile reports by visiting [DTCC Transformation](#), selecting the "[Contact Us](#)" button, and choosing "Settlement Profile and/or Client Interface Usage Reports" as the inquiry type.

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

Automatic reintroduction of unsettled transactions will not eliminate failed transactions. However, when transactions do fail, 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. DTC will continue to reattempt settlement for 30 business days after the last partial settlement of the transaction.

## **12. WILL DELIVERING AND RECEIVING MEMBERS BE REQUIRED TO REAUTHORIZE REINTRODUCED TRANSACTIONS?**

Yes, both delivering and receiving Members will need to reauthorize reintroduced transactions before they will be processed by DTC.

## **13. WILL PARTIAL SETTLEMENT BE MANDATORY FOR ALL MEMBERS AND ALL TRANSACTIONS?**

Partial authorization and partial Receiver Authorized Delivery (RAD) approval are optional. Auto-partial processing is mandatory for most Deliver Order (DO) transactions once matched, with the following transactions initially exempt:

- a. Securities with an active reorganization
- b. Account Transfer transactions
- c. Securities Finance transactions, including stock loans and repurchase agreements
- d. Money Market Instruments (MMIs)
- e. Deliver Orders (DO) with the "prevent pend" indicator

## **14. HOW IS THE SETTLEMENT VALUE CALCULATED FOR PARTIAL TRANSACTIONS?**

Settlement value is prorated based on shares and total transaction value, with rounding differences included in the final partial transaction.

## **15. DO PARTIAL TRANSACTIONS CALCULATED BY DTC NEED TO BE RE-APPROVED FOR SETTLEMENT BY THE DELIVERING AND RECEIVING PARTICIPANTS?**

No reapproval is needed for same-day partials once matched; reintroduced portions on the next business day must be rematched.

## **16. WILL DTC CONTINUE TO ALLOW MEMBERS TO CANCEL UNSETTLED TRANSACTIONS?**

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

## **17. WILL DTC ENFORCE SECURITY MINIMUM AND MULTIPLE TRADING RESTRICTIONS WHEN GENERATING PARTIAL TRANSACTIONS?**

Yes. Partial transactions must comply with minimum and multiple trading restrictions.

**18. 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. Members can request detailed profile usage reports through the DTCC Transformation [Contact Us form](#) or [email address](#).

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

UTI will be supported but will NOT be a required field.

**20. WHY ARE APIS NOT CONSISTENTLY LEVERAGED ACROSS ASSET SERVICING, SETTLEMENT, AND INSTITUTIONAL TRADE PROCESSING (ITP)?**

APIs are offered based on industry demand, with further validation ongoing through working groups.

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

DTCC hosts industry virtual events, like the DTCC Transformation Insights Series and DTCC Transformation Integration Series, on a regular basis, and periodically publishes materials on [DTCC Transformation](#) and the [DTCC Learning Center](#). Additionally, there are DTCC Transformation client checklists, for [functional changes](#) and for [Settlement milestones](#). Clients are encouraged to use these resources regularly and to sign up for the virtual events.

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

Expect more information relating to DTCC Equities Clearing & Settlement 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 the [DTCC Transformation team](#).

**23. WILL FREE PLEDGES BE SUBJECT TO DELIVER AND RECEIVER AUTHORIZATION OR ONLY VALUED PLEDGES?**

Only valued pledge activity is subject to authorization; free pledges are passively approved.

**24. WHEN WILL DTC STOP MATCHING RECLAIM TRANSACTIONS?**

Reclaim transaction matching will stop in Q3 2027.

## 25. WHAT LEVEL OF GRANULARITY WILL DTC SUPPORT FOR DELIVERY AUTHORIZATION?

DTC will allow members to establish separate active and passive profiles for:

- Matched Institutional Transactions (MITs)
- Late Matched Institutional Transactions (LMITs)
- Reintroduced Drops
- CNS<sup>®</sup> obligations
- Same-day settling CNS<sup>®</sup> obligations
- All other Deliver Order (DO) transaction types

## 26. HOW LONG WILL DTC REINTRODUCE UNSETTLED TRANSACTIONS?

Unsettled transactions will be reintroduced for 30 business days after the last partial settlement.

## 27. WHAT TRANSACTIONS WILL DTC AUTOMATICALLY REINTRODUCE?

Only unsettled Deliver Order (DO) transactions will be automatically reintroduced, excluding securities lending-identified DOs.

## 28. DO MEMBERS NEED TO WAIT UNTIL Q3 2027 TO MAKE UPDATES TO MY DTCC SETTLEMENT-RELATED PROFILES?

No. Profiles can be updated now, and clients are encouraged to do so ahead of Q3 2027 to reduce implementation risk.

## 29. I KNOW DTC IS MAKING EXTENSIVE CHANGES TO THEIR CLIENT INTERFACES. IS THERE A WAY TO GET INFORMATION ABOUT THE INTERFACES EACH MEMBER SUBSCRIBES TO AND HOW THEY WILL BE IMPACTED?

Yes. DTC provides Member interface reports that show current subscriptions and target-state impacts. Please reach out to the [DTCC Transformation team](#) or your Relationship Manager to request this data.

## 30. CAN MEMBERS MIGRATE TO ISO 20022 MESSAGING INCREMENTALLY?

Yes. Migration can occur by transaction, transaction type, or account, with mixed proprietary and ISO messaging supported during transition.

## DOCUMENT REVISION HISTORY

Date	Version	Description
6/20/2025	1.0	Initial Release
5/8/2026	1.0	<ul style="list-style-type: none"> <li>• Expanded program definition (partial settlement, expanded data fields, profile/workflow simplification, fail reintroduction, reclaim-linking removal).</li> <li>• Confirmed key dates (PSE &amp; Production milestones, early ISO 20022 adoption).</li> <li>• Clarified distributed connectivity requirements (MQ QMgrs, SFTP, network details, TLS DN) and directed clients to the Client Test Plan &amp; message specs in the Learning Center.</li> <li>• Added/updated guidance on readiness resources (Integration Series, functional change docs, profile/interface usage reports, who to contact).</li> </ul>

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