THE KEY BENEFITS OF T+1 SETTLEMENT

CAPITAL AND OPERATIONAL EFFICIENCIES

T+1 WOULDN’T REQUIRE LARGE OPERATIONAL CHANGES, AND WOULD ALLOW THE INDUSTRY TO RETAIN DTCC’S CENTRALIZED NETTING

MARGIN AND RISK RELIEF

T+1 would reduce operational and systemic risk across the industry. DTCC also estimates that a move to T+1 could bring a 41% REDUCTION IN THE VOLATILITY COMPONENT OF NSCC’S MARGIN.

REDUCTION IN LIQUIDITY REQUIREMENTS

T+1 would reduce the number of unsettled positions in a member’s portfolio, which reduces the LIQUIDITY RESOURCES NSCC needs to maintain in the event of a default.

Source: “Advancing Together: Leading the Industry to Accelerated Settlement”, February 2021

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