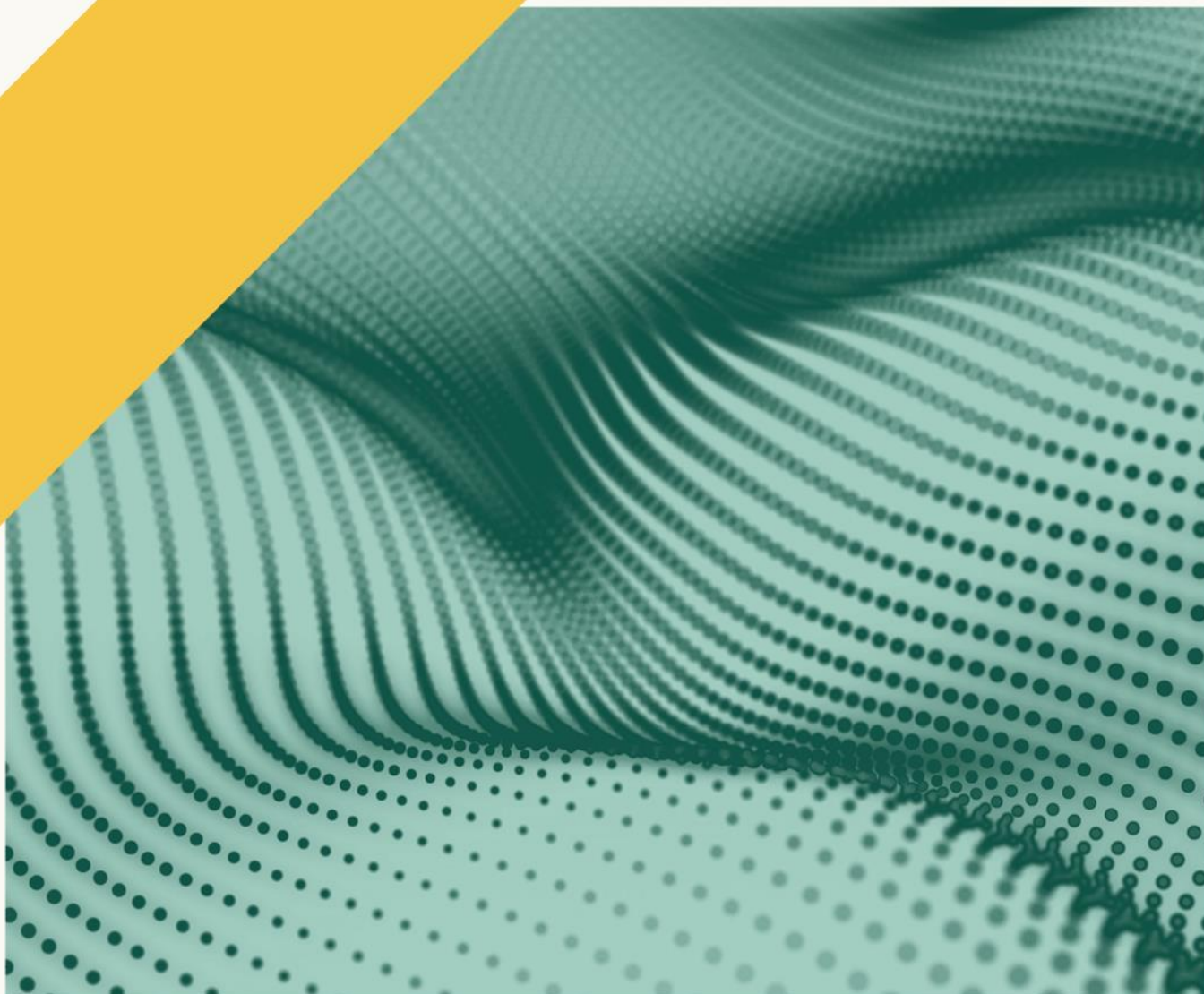


DTCC

MAY 2024

T+1 Conversion Guide



REVISION HISTORY

T+1 Test Approach: Detailed Testing Framework

| Version | Date | Other |
|-----------|------------|---|
| VERSION 1 | March 2024 | http://www.ust1.org |
| VERSION 2 | March 2024 | |
| VERSION 3 | May 2024 | |

Change Log:

| Type | Description | Page No. |
|------|---|----------|
| Text | Updated text under Universal Trade Capture System (UTC) Table for T+1 Post-Conversion Rule. | 4 |
| Text | Updated text for Asset Servicing – Corporate Actions table for T+1 Post Conversion Rule under Guaranteed Delivery or Cover/Protect Period for Voluntary Corporate Action. | 12 |

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Introduction

The U.S. financial services industry, in coordination with applicable regulators, will implement a shortened settlement cycle for most U.S. financial products from current trade date plus two business days (T+2) to trade date plus one business day (T+1) on May 28, 2024.

The move to a shorter settlement cycle has been a multi-year industry initiative, during which DTCC has published several documents to assist Members in preparing for the transition to a T+1 settlement cycle. This includes DTCC's document on the [T+1 DTCC, NSCC, and ITP Functional Changes](#), which outlined the systems and processing changes required to move to a one day settlement for DTCC's subsidiaries – DTC, NSCC and ITP, as well as the [T+1 DTCC Detailed Testing Framework Document](#) to provide Members with a detailed plan for testing T+2 changes with DTCC and other industry infrastructures. (Note, these documents are available on the Industry's T+1 website, www.ust1.org.)

The purpose of this paper is to provide Members with a comprehensive guide on the steps DTCC will take during the T+1 conversion process, along with changes that will be effective upon implementation of the T+1 settlement cycle on May 28, 2024. This paper includes information on:

- DTCC's timeline to deploy its T+1 functional changes into the Production environment (timeline to convert its Production environment from a T+2 to a T+1 settlement cycle environment)
- DTCC's systems and processing changes for T+1
- DTCC's Member support during the T+1 conversion period

DTCC'S Implementation Schedule

The implementation of a T+1 settlement cycle will require systemic and processing changes at DTCC's Subsidiaries – DTC, NSCC and ITP, as defined in DTCC's DTC, NSCC, and ITP Functional Changes Document.

DTCC's Production environment will conform to a T+2 settlement cycle until close of business Friday, May 24, 2024, and will be fully converted into a T+1 settlement cycle environment prior to the start of business on Tuesday May 28, 2024.

DTCC's conversion process will be transparent to Members. DTCC will begin to deploy its T+1 coding changes into the Production environment after close of business on Friday May 24, 2024, (as DTC, NSCC and ITP processes complete and outputs are distributed) and will conclude the process before the start of business on Tuesday May 28, 2024.

DTCC's internal T+1 conversion process will be fully supported by a robust implementation plan and schedule for the technical deployment of T+1 codes into the Production environment. Throughout the conversion period, DTCC is committed to rigorously monitoring its processes, tracking, and reporting status to Members at regularly scheduled intervals and on an ad hoc basis, as needed.

The T+1 Industry Steering Committee (ISC) is also preparing communication plans for the T+1 conversion period and DTCC's regularly scheduled updates will be incorporated into those plans.

T+1 Systems and Processing Changes

This section lists DTCC's systems and processing changes for T+1, which will take effect upon implementation of the T+1 settlement cycle on May 28, 2024. These changes are depicted over the T+1 conversion period, defined as start of business on Friday May 24, 2024, (last business day of the T+2 settlement cycle) through Wednesday May 29, 2024, (Double Settlement Date for Regular Way trades received on May 24, 2024, and May 28, 2024).

NSCC TRADE CAPTURE

NSCC will implement coding changes to its Universal Trade Capture (UTC) system and Exchange Traded Funds (ETF) Creation and Redemption system to update the rules these systems use to assign the settlement date to transactions in a T+1 settlement cycle.

- **Universal Trade Capture (UTC) system:** UTC receives Trade Date and Settlement Type (Cash, Seller's Option, Regular Way and When Issued) from submitters (generally exchanges and Alternative Trading Systems). If Seller's Option is submitted, the transaction must also include a number of days to settlement. UTC assigns settlement date based on the values submitted on the trade.

| Universal Trade Capture System (UTC) | | | | |
|---|--|--|--|--|
| Please note DTCC will be closed on Monday, May 27, 2024,, in observance of Memorial Day | | | | |
| Trade Type | T+2 PRE- CONVERSION RULE | T+1 POST-CONVERSION RULE | | |
| | Friday, May 24, 2024* | Tuesday, May 28, 2024 ** | Wednesday, May 29, 2024 | Thursday, May 30, 2024 |
| Regular Way (RW) Trades | <p>RW trades will be assigned a settlement date of trade date plus two business days (T+2)</p> <p>RW trades received on May 24, 2024, (T+2) will be assigned a settlement date of Wednesday, May 29, 2024, (Double Settlement Day)</p> | <p>RW trades will be assigned a settlement date of Trade Date plus one business day (T+1)</p> <p>RW trades received on May 28, 2024, (T+1) will be assigned a settlement date of Wednesday, May 29, 2024, (Double Settlement Day)</p> | <p>RW trades will be assigned a T+1 settlement date</p> <p>RW trades received on May 29, 2024, (T+1) will be assigned a settlement date of Thursday, May 30, 2024,</p> | <p>RW trades will be assigned a T+1 settlement date</p> |
| Seller's Option Trades | <p>Seller's Option trades can be submitted with a value of 003 through 180 (number of business days until settlement)</p> <p>Next Day trades can be submitted for settlement on May 28, 2024</p> | <p>Seller's Option trades can be submitted with a value of 002 through 180 (number of business days until settlement).</p> <p>Trades with trade date of May 28th and marked as non-standard next day settling will be rejected.</p> | <p>Seller's Option trades can be submitted with a value of 002 through 180 (number of business days until settlement).</p> | <p>Seller's Option trades can be submitted with a value of 002 through 180 (number of business days until settlement).</p> |
| | * Friday, May 24, 2024,, is the last business day under T+2 | ** Tuesday, May 28, 2024, is the first business day under T+1 | | |

Universal Trade Capture System (UTC)

Please note DTCC will be closed on Monday, May 27, 2024, in observance of Memorial Day

| Trade Type | T+2 PRE- CONVERSION RULE | T+1 POST-CONVERSION RULE | | |
|----------------------------|--|---|--|--|
| | Friday, May 24, 2024* | Tuesday, May 28, 2024 ** | Wednesday, May 29, 2024 | Thursday, May 30, 2024 |
| "As of" Regular Way trades | "As of" Regular Way trades will be assigned a settlement date of T+2 | "As of" Regular Way trades with a trade date of May 24, 2024, or before (pre-T+1 conversion), will be assigned a settlement date of T+2 | <p>"As of" RW trades with a trade date of May 24, 2024, or before (pre-T+1 conversion), will be assigned a settlement date of the current business day (Wednesday, May 29, 2024) if received before 1:30 PM EST. If received after 1:30 PM EST, they will be assigned the next available settlement date (Thursday, May 30, 2024)</p> <p>"As of" RW trades with a trade date of May 28, 2024, (post T+1 conversion), will be assigned a settlement date of the current business day (Wednesday, May 29, 2024) if received before 1:30 PM EST. If received after 1:30 PM EST, they will be assigned the next available settlement date (Thursday, May 30, 2024)</p> | <p>"As of" RW trades with a trade date of May 28, 2024, or before (pre-T+1 conversion), will be assigned a settlement date of the current business day (Thursday, May 30, 2024) if received before 1:30 PM EST. If received after 1:30 PM EST, they will be assigned the next available settlement date. (Friday, May 31, 2024)</p> <p>"As of" RW trades with a trade date of May 28, 2024, (post T+1 conversion), will be assigned a settlement date of the current business day (Thursday, May 30, 2024) if received before 1:30 PM EST. If received after 1:30 PM EST, they will be assigned the next available settlement date. (Friday, May 31, 2024)</p> |
| | <i>* Friday May 24, 2024, is the last business day under T+2</i> | <i>** Tuesday May 28, 2024, is the first business day under T+1</i> | | |

- **Exchange Traded Fund (ETF) Creation and Redemption System:** The ETF system receives Trade Date and Shortened Settlement Indicator Value (Space = Regular Way, 1 = One Day Settlement (Regular Way), 2 = Two Day Settlement or) for the Creation / Redemption instructions from the ETF Agents. The ETF system assigns settlement date based on the submitted Shortened Settlement Indicator Value.
- The ETF system also receives Trade Date and Shortened Settlement Indicator Values 2 and 3, which represent extended settlement.

| Exchange Traded Funds (ETF) Creation / Redemption Processing <i>Please note DTCC will be closed on Monday, May 27, 2024, in observance of Memorial Day</i> | | | | |
|--|--|---|---|---|
| Trade Type | T+2 PRE- CONVERSION RULE | POST-CONVERSION RULE (T+1) | | |
| | Friday, May 24, 2024* | Tuesday, May 28, 2024** | Wednesday, May 29, 2024 | Thursday, May 30, 2024 |
| Regular Way (RW) Create / Redeem Instructions | <p>RW Create / Redeem instructions will be assigned a settlement date of T+2.</p> <p>Note: The Settlement Code Field Value = Spaces (RW) or 2 (Two Day Settlement)</p> <p>RW Create / Redeem instructions with trade date of Friday, May 24, 2024, will be assigned a settlement date of Wednesday May 29, 2024, (Double Settlement Day)</p> | <p>RW Create / Redeem instructions will be assigned a settlement date of T+1.</p> <p>Note: The Settlement Code Field Value = Spaces (RW) or 1 (Next Day RW)</p> <p>RW Create / Redeem instructions with trade date of May 28, 2024, will be assigned a settlement date of Wednesday May 29, 2024, (Double Settlement Day)</p> | <p>RW Create / Redeem instructions will be assigned a T+1 settlement date.</p> <p>Note: The Settlement Code Field Value = Spaces (RW) or 1 (Next Day)</p> <p>RW Create / Redeem instructions with trade date of May 29, 2024, will be assigned a settlement date of Thursday May 30, 2024</p> | <p>RW Create / Redeem instructions will be assigned a T+1 settlement date.</p> <p>Note: The Settlement Code Field Value = Spaces (RW) or 1 (Next Day)</p> <p>RW Create / Redeem instructions with trade date of May 30, 2024, will be assigned a settlement date of Friday, May 31 2024</p> |
| Non-Regular Way Settling (Shortened Settlement) Create / Redeem Instructions | Create / Redeem instructions can be submitted with a shortened settlement indicator value = 1 (next day settlement) or extended settlement indicator value =3 (three-day settlement) ,4 (four-day settlement) or 5 (five-day settlement) | Create / Redeem instructions can be submitted with an extended settlement indicator value =2 (two-day settlement), 3 (three-day settlement) ,4 (four-day settlement) or 5 (five-day settlement) | Create / Redeem instructions can be submitted with an extended settlement indicator value =2 (two-day settlement), 3 (three-day settlement) ,4 (four-day settlement) or 5 (five-day settlement) | Create / Redeem instructions can be submitted with an extended settlement indicator value =2 (two-day settlement), 3 (three-day settlement) ,4 (four-day settlement) or 5 (five-day settlement) |
| | * Friday May 24,2024, is the last business day under T+2 | ** Tuesday May 28,2024, is the first business day under T+1 | | |

Exchange Traded Funds (ETF) Creation / Redemption Processing

Please note DTCC will be closed on Monday, May 27, 2024, in observance of Memorial Day

| Trade Type | T+2 PRE- CONVERSION RULE | POST-CONVERSION RULE (T+1) | | |
|--|---|---|--|---|
| | Friday, May 24, 2024* | Tuesday, May 28, 2024** | Wednesday, May 29, 2024 | Thursday, May 30, 2024 |
| "As of" Regular Way settling (RW) Create / Redeem Instructions | <p>"As of" Regular Way Create / Redeem instructions will be assigned a settlement date of T+2.</p> <p>Note: The Settlement Code Field Value = Spaces (RW) or 2 (Two Day Settlement)</p> | <p>"As of" Regular Way Create / Redeem instructions with a trade date of May 24,2024, or before (pre-T+1 conversion), will be assigned a settlement date of T+2.</p> <p>Note: The Settlement Code Field Value = Spaces (RW) or 2 (Two Day Settlement)</p> | <p>"As of" Regular Way Create / Redeem instructions with a trade date of May 24,2024, or before (pre-T+1 conversion), will be assigned a settlement date of T+2.</p> <p>Note: The Settlement Code Field Value = Spaces (RW) or 2 (Two Day Settlement)</p> <p>As of" Regular Way Create/Redeem instructions with a trade date of May 28,2024, or after (post T+1 conversion) will be assigned a settlement date of T+1</p> <p>Note: The Settlement Code Field Value = Spaces (RW) or 1 (Next Day)</p> | <p>As of" Regular Way Create/Redeem instructions with a trade date of May 28,2024, or after (post T+1 conversion) will be assigned a settlement date of T+1.</p> <p>Note: The Settlement Code Field Value = Spaces (RW) or 1 (Next Day)</p> |
| | * Friday May 24,2024, is the last business day under T+2 | ** Tuesday May 28,2024, is the first business day under T+1 | | |

Exchange Traded Funds (ETF) Creation / Redemption Processing

Please note DTCC will be closed on Monday, May 27, 2024, in observance of Memorial Day

| Trade Type | T+2 PRE- CONVERSION RULE | POST-CONVERSION RULE (T+1) | | |
|---|---|--|--|--|
| | May 24, 2024* | Tuesday, May 28, 2024** | Wednesday, May 29, 2024 | Thursday, May 30, 2024 |
| <p>“As-of” Non-Regular Way settling (Shortened Settlement) Create/ Redeem instructions</p> <p>The chart below summarizes the changes for “As-of” Non-Regular Way Create / Redeem instructions</p> <p>(Extended Settlement (Prior Conversion): 3, 4 and 5)</p> <p>(Extended Settlement (Post Conversion): 2, 3, 4 and 5)</p> | <p>As the ETF application does not support same day settlement, “As-of” Non-Regular Way settling Create / Redeem instructions with a shortened settlement indicator value of 001 (next day settlement) will settle Tuesday, 28th May.</p> | <p>“As-of” Non-Regular Way settling Create / Redeem instructions with a pre-T+1 conversion trade date (May 24, 2024) will conform to the T+2 settlement cycle rules; that C/R will settle on May 28th as SDS transaction.</p> <p>Note (for Extended Settlement C/R transactions):</p> <p>ETF takes “As/of” until T-5, so an As/off from 05/24 can be received up until 06/03 (T-5) with the Settlement Code Field Value of ‘5’</p> <p>When T1 is launched NSCC will support same day settlement in a T0 Cycle. May 28 will be the first Trade Date that T0 Same Day Settling instructions will be processed. See T0 Specifications for full details.</p> | <p>Beginning May 29, 2024, “As-of” Non-Regular Way (Shortened settlement) Create / Redeem instructions with a trade date of May 24, 2024, or before (pre-T+1 conversion dates) will be rejected because the settlement date will have passed.</p> <p>Note (for Extended Settlement C/R transactions):</p> <p>ETF takes “As/of” until T-5, so an As/off from 05/24 can be received up until 06/03 (T-5) with the Settlement Code Field Value of ‘5’</p> | <p>Beginning May 29, 2024, “As-of” Non-Regular Way settling Create / Redeem instructions with a trade date of May 24, 2024, or before (pre-T+1 conversion dates) will be rejected because the settlement date will have passed</p> |
| | * Friday May 24, 2024, is the last business day under T+2 | ** Tuesday May 28, 2024, is the first business day under T+1 | | |

The chart below summarizes the changes for “As-of” Non-Regular Way (Shortened Settlement) Create / Redeem instructions:

| SUBMITTED DATE | TRADE DATE | SHORTENED SETTLEMENT INDICATOR | ETF ASSIGNED SETTLEMENT DATE |
|----------------|------------|--------------------------------|---|
| 05/24/2024 | 05/23/2024 | 2 = Two Day Settlement | 05/28/2024 |
| 05/24/2024 | 05/22/2024 | 2 = Two Day Settlement | Rejected (same day settlement not supported) |
| 05/24/2024 | 05/23/2024 | 1 = One Day Settlement | Rejected (same day settlement not supported) |
| 05/28/2024 | 05/24/2024 | 2 = Two Day Settlement | 05/29/2024 |
| 05/28/2024 | 05/23/2024 | 2 = Two Day Settlement | Rejected (same day settlement not supported) Unless submitted in intraday cycle before 1PM |
| 05/28/2024 | 05/24/2024 | 1 = One Day Settlement | Rejected for any trade date (same day settlement not supported) |
| 05/29/2024 | 05/24/2024 | 2 = Two Day Settlement | Rejected (same day settlement not supported) Unless submitted in intraday cycle before 1PM |
| 05/30/2024 | 05/28/2024 | 2 = Two Day Settlement | Rejected (shortened settlement indicator value of 002 is not valid for a post T+1 conversion trade date) |
| 05/30/2024 | 05/29/2024 | 1 = One Day Settlement | Rejected for any trade date (same day settlement not supported) |

 Rejected
  Accepted

NSCC Trade Matching – Corporate Bonds, Municipal Bonds And Unit Investment Trusts (CMU)

The existing (T+2) CMU Real Time Trade Management (RTTM) trade matching cutoff of 11:30AM ET on Settlement Date (SD) will change with the implementation of the T+1 settlement cycle to 1:30PM ET, in order for a trade to be assigned its contractual Settlement Date (SD).

CMU will continue to allow Regular Way municipal bond transaction submissions before Issuance Date (ID). In T+1, the earliest RW trades can settle, if submitted before ID, would be ID+1. As such, on ID-1, CMU will accept either regular way trades or When Issued (WI) trades with Extended Settlement Date =1 for settlement date of ID+1.

WI trades must continue to be matched by ID-1 to be eligible for settlement otherwise they will be purged. Matched WI transactions will continue to be “peeled” on the night of ID-2.

WI trades matched on ID-1 will be peeled for settlement during the night of ID-1 and attempted for settlement during the DTC night cycle.

| CMU RTTM | | | | |
|---|--|---|---|--|
| <i>Please note DTCC will be closed on Monday, May 27, 2024, in observance of Memorial Day</i> | | | | |
| Trade Type | PRE- CONVERSION RULE (T+2) | POST-CONVERSION RULE (T+1) | | |
| | Friday, May 24, 2024* | Tuesday, May 28, 2024** | Wednesday, May 29, 2024 | Thursday, May 30, 2024 |
| CMU RTTM Trade Matching Cut off | <p>CMU T+2 trades submitted on Friday May 24, 2024, must be matched by 1:30PM ET on T+2 (Wednesday May 29, 2024, in this case) in order to be assigned its contractual T+2 settlement date.</p> <p>If a trade is matched past the 1:30PM ET on settlement date cutoff, CMU RTTM will assign the settlement date of the next business day</p> | <p>CMU T+1 trades submitted on Tuesday May 28, 2024, must be matched by 1:30PM ET on T+1 (Wednesday May 29, 2024, in this case) in order to be assigned its contractual T+1 settlement date.</p> <p>Trades matched past 1:30PM ET, will be assigned the settlement date of the next business date</p> | <p>CMU T+1 trades submitted on Wednesday May 29, 2024, must be matched by 1:30PM ET on T+1 (Thursday May 30, 2024, in this case) in order to be assigned its contractual T+1 settlement date.</p> <p>Trades matched past 1:30PM ET, will be assigned the settlement date of the next business date.</p> | <p>CMU T+1 trades submitted on Thursday May 30, 2024, must be matched by 1:30PM ET on T+1 (Friday May 31, 2024, in this case) in order to be assigned its contractual T+1 settlement date.</p> <p>Trades matched past 1:30PM ET, will be assigned the settlement date of the next business date.</p> |
| | <i>* Friday May 24, 2024, is the last business day under T+2</i> | <i>** Tuesday May 28, 2024, is the first business day under T+1</i> | | |

Trade Affirmation – DTCC ITP (Institutional Trade Processing)

The following changes will apply to DTCC ITP (Institutional Trade Processing), upon implementation of the T+1 settlement cycle (effective start of business on May 28, 2024):

- The affirmation cutoff time for having institutional trades automatically introduced into NSCC and DTC for straight-through-processing.
- The bilateral trade reverse affirmation cutoff time
- The Prime Broker disaffirmation cutoff time

THESE CHANGES ARE OUTLINED IN THE TABLE BELOW:

| ITP | | | | |
|--|---|--|--|--|
| <i>Please note DTCC will be closed on Monday, May 27, 2024,, in observance of Memorial Day</i> | | | | |
| Trade Type | PRE- CONVERSION RULE (T+2) | POST-CONVERSION RULE (T+1) | | |
| | Friday, May 24, 2024* | Tuesday, May 28, 2024** | Wednesday, May 29, 2024 | Thursday, May 30, 2024 |
| Trade Affirmation cutoff for Non-ID Net Institutional Trades | <p>Trades must be affirmed by 11:30AM ET on Settlement Date (SD)-1, which is T+1.</p> <p>Non-ID Net institutional trades with a settlement date of Friday, May 24, 2024, must be affirmed by 11:30AM ET on Thursday, May 23, 2024, (SD-1)</p> | <p>Trades must be affirmed by 11:30AM ET on Settlement Date (SD)-1, which is T+1.</p> <p>Non-ID Net institutional trades with a settlement date of Tuesday, May 28, 2024, must be affirmed by 11:30AM ET on Friday, May 24, 2024, (SD-1)</p> | <p>Trades must be affirmed by 9PM ET on Trade Date.</p> <p>Non-ID Net institutional trades with a settlement date of Wednesday, May 29, 2024, must be affirmed by 9PM ET on Tuesday, May 28, 2024, (SD-1)</p> <p>The T+1 trade affirmation cutoff will apply to trades with a settlement date of May 29, 2024, or after.</p> | <p>Same as Wednesday, May 29, 2024.</p> <p>Non-ID Net trades with a settlement date of Thursday, May 30, 2024, must be affirmed by 9PM ET on Wednesday, May 29, 2024, (SD-1)</p> |

| | | | | |
|--|---|---|---|--|
| Trade Affirmation cutoff for ID Net Institutional Trades | <p>ID Net trades must be affirmed by 11:30AM ET on SD-1 (T+1)</p> <p>ID-Net trades with a settlement date of Friday, May 24, 2024, must be affirmed by 11:30AM ET on Thursday, May 23, 2024, (SD-1)</p> | <p>Similar to other institutional trades, ID-Net trades must be affirmed by 11:30 ET on SD-1 (T+1)</p> <p>ID Net trades with a settlement date of Tuesday, May 28, 2024, must be affirmed by 11:30AM ET on Friday, May 24, 2024, (SD-1)</p> | <p>ID Net Trades must be affirmed by 9PM ET on Trade Date</p> <p>Given the Trade affirmation cutoff for ID Net trades with a settlement date of May 29, 2024, will straddle the T+2 and T+1 settlement cycles, trade affirmation cutoff will be at 9PM ET on Tuesday, May 28, 2024, per T+1 rules.</p> <p>The T+1 trade affirmation cutoff will apply to ID trades with a settlement date of May 29, 2024, or after</p> | <p>Same as Wednesday, May 29, 2024</p> <p>ID Net trades with a settlement date of Thursday, May 30, 2024, must be affirmed by 9 PM ET on Wednesday, May 29, 2024, (SD-1)</p> |
| | <i>* Friday May 24, 2024, is the last business day under T+2</i> | <i>** Tuesday May 28, 2024, is the first business day under T+1</i> | | |

ITP

Please note DTCC will be closed on Monday, May 27, 2024, in observance of Memorial Day

| Trade Type | PRE- CONVERSION RULE (T+2) | POST-CONVERSION RULE (T+1) | | |
|-------------------------------------|---|--|---|--|
| | Friday, May 24, 2024* | Tuesday, May 28, 2024** | Wednesday, May 29, 2024 | Thursday, May 30, 2024 |
| Bilateral Trade Reverse Affirmation | <p>Agents and Institutions can reverse affirm until 9:30AM ET on SD-1</p> <p>Bilateral trades with a settlement date of Friday, May 24, 2024, can be reverse affirmed until 9:30AM ET on Thursday, May 23, 2024, (SD-1 or T+1)</p> | <p>Agents and Institutions can reverse affirm until 9:30AM ET on SD-1</p> <p>Bilateral trades with a settlement date of Tuesday, May 28, 2024, can be reverse affirmed until 9:30AM ET on Friday, May 24, 2024, (SD-1 or T+1)</p> <p>The T+1 reverse affirmation cutoff will apply to Bilateral institutional trades with a settlement date of May 29, 2024, or after</p> | <p>Agents and Institutions can reverse affirm until 9PM ET on SD-1</p> <p>Bilateral trades with a settlement date of Wednesday, May 29, 2024, can be reverse affirmed until 9PM ET on Tuesday May 28, 2024, (SD-1)</p> | <p>Same as Wednesday, May 29, 2024</p> <p>Bilateral trades with a settlement date of Thursday, May 30, 2024, can be reverse affirmed until 9PM ET on Wednesday May 29, 2024, (SD-1)</p> |
| Prime Broker Trade Disaffirmation | <p>Prime Brokers can disaffirm trades until 5PM ET on SD-1</p> <p>Prime Broker trades with a settlement date of Friday, May 24, 2024, can be disaffirmed until 5PM ET on Thursday, May 23, 2024, (SD-1 or T+1)</p> | <p>Prime Brokers can disaffirm trades until 5PM ET on SD-1 or T+1</p> <p>Prime Broker trades with a settlement date of Tuesday, May 28, 2024, can be disaffirmed until 5PM ET on Friday, May 24, 2024, (SD-1 or T+1)</p> <p>The T+1 disaffirmation cutoff will apply to Prime Broker institutional trades with a settlement date of May 29, 2024, or after.</p> | <p>Prime Brokers can disaffirm trades until 5PM ET on SD</p> <p>Prime Broker trades with a settlement date of Wednesday, May 29, 2024, can be disaffirmed until 5PM ET on Wednesday May 29, 2024 (SD)</p> | <p>Same as Wednesday, May 29, 2024</p> <p>Prime Broker trades with a settlement date of Thursday, May 30, 2024, can be disaffirmed until 5PM ET on Thursday, May 30, 2024</p> |
| | * Friday May 24, 2024, is the last business day under T+2 | ** Tuesday May 28, 2024, is the first business day under T+1 | | |

Asset Servicing – Corporate Actions

The following DTC Corporate Action processes will be changed as part of the move to the T+1 Settlement Cycle on May 28, 2024:

- DTC Investor Voluntary Redemptions System (IVORS) settlement date
- Guarantee of Delivery or Cover/Protect period on a Voluntary Corporate Action
- Ex-Date Calculation for Regular Way and Irregular Way Distribution Processing

THESE CHANGES ARE OUTLINED IN THE TABLE BELOW:

| Asset Servicing | | | | |
|---|--|---|--|-----------------------------------|
| Please note DTCC will be closed on Monday, May 27, 2024, in observance of Memorial Day | | | | |
| Trade Type | PRE- CONVERSION RULE (T+2) | POST-CONVERSION RULE (T+1) | | |
| | Friday, May 24, 2024* | Tuesday, May 28, 2024** | Wednesday, May 29, 2024 | Thursday, May 31, 2024 |
| DTC IVORS - Settlement Date Changes | <p>The settlement date of a UIT Redemption/Rollover request in the DTC IVOR function is transaction date plus two business days</p> <p>UIT Redemption transactions submitted to DTC's IVOR system on or before Friday, May 24, 2024, will settle on a T+2 settlement date</p> | <p>The settlement date of a UIT Redemption/Rollover request in the DTC IVOR function is transaction date plus one business day</p> <p>UIT Redemption transactions submitted to DTC's IVOR system on May 24, 2024, will settle on a T+2 settlement date.</p> <p>IVORS submissions on May 28, 2024, will settle T+1</p> | Same T+1 settlement as Tuesday, May 28, 2024 | Same T+1 as Tuesday, May 28, 2024 |
| <p>Guaranteed Delivery or Cover/Protect Period for Voluntary Corporate Action</p> <p>The timeframe to cover a protect is established by the issuer or its agent, and passed to DTC for processing</p> | <p>Cover/Protect period is calculated as two business days after the offer expiration date.</p> <p>Note: NSCC's Continuous Net Settlement system (CNS) will not support any voluntary corporate action events over the T+1 conversion period. Securities subject to voluntary offers that would require Member instruction input from Monday, May 20, 2024, through Friday, June 7, 2024, will be exited from the CNS system</p> | <p>It is anticipated that effective May 28, 2024, the Cover/Protect period should be denoted as one business day after the offer expiration date.</p> <p>Note: Voluntary offers with a Cover/Protect greater than two days will no longer be supported by CNS.</p> <p>As noted, before, securities subject to voluntary offers that would require Member instruction input from Monday, May 20 through Friday, June 7, 2024, will be exited from the CNS system</p> | Same as Tuesday, May 28, 2024 | Same as Tuesday, May 28, 2024 |
| | * Friday May 24, 2024, is the last business day under T+2 | ** Tuesday May 28, 2024, is the first business day under T+1 | | |

Asset Servicing

Please note DTCC will be closed on Monday, May 27, 2024, in observance of Memorial Day

| Trade Type | PRE- CONVERSION RULE (T+2) | POST-CONVERSION RULE (T+1) | | |
|---|--|--|--|---|
| | Friday, May 24, 2024* | Tuesday, May 28, 2024** | Wednesday, May 29, 2024 | Thursday, May 30, 2024 |
| <p>Ex-Date Calculation for Regular Way Dividend Processing</p> <p>Ex-Date is provided to DTC by the organized securities exchanges or FINRA</p> | <p>Ex-Date is one business days prior to the Record Date</p> <p>The T+2 convention for Ex-Date calculation will apply to Regular Way Distribution events with Record Date (R/D) of May 28, 2024, or before.</p> <ul style="list-style-type: none"> For R/D May 28, 2024 - the Ex-Date will be May 24, 2024 | <p>Ex-Date and Record Date are the same day</p> <p>The organized securities exchanges (NYSE, NASDAQ) and FINRA have agreed <u>not to rule May 28, 2024</u>, as an Ex-Date for Distribution events, given the potential processing complexities that could occur with Distribution events having Ex-Date of May 28, 2024</p> | <p>Ex-Date and Record Date are the same day</p> <p>The T+1 convention for Ex-Date calculation will apply to Dividend distribution events with Record Date of May 29, 2024, or after</p> <ul style="list-style-type: none"> For R/D May 29, 2024, - the Ex-Date will be May 29, 2024) | <p>Ex-Date and Record Date are the same</p> <ul style="list-style-type: none"> For R/D May 30, 2024, - Ex-Date will be May 30 2024, (T+1 Ex-Date convention) For R/D May 31, 2024, - the Ex-Date will be May31, 2024, (T+1 Ex-Date convention) |
| | * Friday May 24, 2024, is the last business day under T+2 | ** Tuesday May 28, 2024, is the first business day under T+1 | | |

| Asset Servicing | | | | |
|--|--|---|---|---|
| Please note DTCC will be closed on Monday, May 27, 2024, in observance of Memorial Day | | | | |
| Trade Type | PRE- CONVERSION RULE (T+2) | POST-CONVERSION RULE (T+1) | | |
| | Friday, May 24, 2024* | Tuesday, May 28, 2024** | Wednesday, May, 29, 2024 | Thursday, May 30, 2024 |
| <p>Ex-Date Calculation for Irregular Way Dividend Processing for a large distribution, such as Spin Off or Stock Split</p> <p>Ex-Date is generally provided to DTC by the organized securities exchanges or FINRA. DTC publishes the Distribution Settlement Date for Irregular Way Distributions (also known as the Due Bill Redemption Date) based on the Ex-Date of the Dividend Distribution event to perform interim accounting</p> | <p>Distribution Settlement Date is one business day after the Ex-Date on the Dividend Distribution Event</p> <p>The T+2 settlement cycle convention will apply to Irregular Way Distributions events with Ex-Date ruled of May 24, 2024, or before.</p> <ul style="list-style-type: none"> For Ex-Date May 24, 2024, the Distribution Settlement Date (a.k.a. Due Bill Redemption Date) will be May 28, 2024 | <p>Distribution Settlement Date is the same business day as the Ex-Date on the Dividend Distribution Event</p> <p>The organized securities exchanges (NYSE, NASDAQ) and FINRA have agreed <u>not to rule May 28, 2024</u>, as an Ex-Date for Distribution events, given the potential processing complexities that could occur with Distribution events having Ex-Date of May 28, 2024</p> | <p>T+1 settlement cycle convention will apply</p> <p>For Ex-Date May 29, 2024, the Distribution Settlement Date (a.k.a. Due Bill Redemption Date) will be May 29, 2024</p> | <p>T+1 settlement cycle convention will apply</p> <p>For Ex-Date May 30, 2024, the Distribution Settlement Date (a.k.a. Due Bill Redemption Date) will be May 30, 2024</p> |
| | * Friday May 24, 2024, is the last business day under T+2 | ** Tuesday May 28, 2024, is the first business day under T+1 | | |

ADDITIONAL NOTE:

DTCC will publish a guide specifically on Corporate Actions processing prior to the T+1 conversion period to [UST1.ORG](https://www.ust1.org) website. This document will provide additional information on the complexities related to Distribution events with Ex-Date of May 28, 2024, and Voluntary Reorganization events with Guarantee of Delivery features expiring on and after for Friday, May 24, 2024.

Wealth Management Services – Mutual Fund Services- NSCC

Effective May 28, 2024, NSCC Wealth Management Services will systematically update the settlement cycle for domestic securities in the Fund/SERV system®, which currently have a T+2 settlement cycle, to a T+1 settlement cycle. Additionally, in order to maximize the window for confirmation and correction processing in a T+1 environment, NSCC will systematically update ALL U.S. denominated T+1 securities (including offshore Security Types 59 and 62) with a USN Currency Code to a USD Currency Code. Currency code changes will not be applied to Security Type 63 since they are not denominated in U.S. dollars.

Important notice [a9321](#) and [FAQs](#) provide additional information on the mutual fund settlement cycle updates to T+1. The following table outlines the impact to Fund/SERV trades submitted prior to, and on or after the May 28, 2024, effective date for the securities being systematically updated from a T+2 to T+1 settlement cycle.

| Fund/SERV | | | | |
|---|--|---|--------------------------------|--------------------------------|
| <i>Please note DTCC will be closed on Monday, May 27, 2024, in observance of Memorial Day</i> | | | | |
| Trade Type | PRE- CONVERSION RULE (T+2) | POST-CONVERSION RULE (T+1) | | |
| | Friday, May 24, 2024* | Tuesday, May 28, 2024 | Wednesday, May 29, 2024 | Thursday, May 30, 2024 |
| Settlement Date of Orders (Settlement cycle is based on trade date of a confirmed order) | Orders submitted with a trade date on or before Friday, May 24, 2024, will settle based on a T+2 settlement cycle | Orders with a trade date of May 28, 2024, or after will settle based on a T+1 settlement cycle | Same as Tuesday, May 28, 2024, | Same as Tuesday, May 28, 2024, |
| Settlement Date of Orders with an 'Alternate Settlement Cycle' (settlement cycle is based on trade date of a confirmed order) | Orders with an alternate settlement cycle submitted with a trade date on or before Friday, May 24, 2024, will settle on a T+2 settlement cycle | Orders with an alternate settlement cycle submitted with a trade date of May 28, 2024, or after will settle on a T+1 settlement cycle | Same as Tuesday, May 28, 2024 | Same as Tuesday, May 28, 2024 |
| Settlement Date of "As-of" Orders and Exchanges (settlement cycle is based on confirmation date) | "As-of" Orders and Exchanges confirmed on or before Friday, May 24, 2024, will settle based on a T+2 settlement cycle | "As-of" Orders and Exchanges confirmed on or after Tuesday, May 28, 2024, will settle based on a T+1 settlement cycle | Same as Tuesday, May 28, 2024 | Same as Tuesday, May 28, 2024 |
| Settlement Date of Cash Adjustments (settlement cycle is based on submission date) | Cash adjustments with a submission date on or before Friday, May 24, 2024, will settle based on a T+2 settlement cycle | Cash adjustments with a submission date on or after Tuesday, May 28, 2024, will settle based on a T+1 settlement cycle | Same as Tuesday, May 28, 2024, | Same as Tuesday, May 28, |
| | * Friday May 24, 2024, is the last business day under T+2 | ** Tuesday May 28, 2024, is the first business day under T+1 | | |

T+1 Impact on DTCC Outputs

NSCC'S CONSOLIDATED TRADE SUMMARY (CTS) OUTPUT

The move to a T+1 settlement cycle will **not** impact the format, reporting logic and distribution processing of existing ITP, DTC and NSCC outputs. All outputs will be produced in the same format and at the same time as in the current T+2 settlement cycle.

However, shortening the standard settlement cycle from T+2 to T+1 will shift the reporting of certain transactions on the CTS output. Additionally, on May 28, 2024.

THESE CHANGES ARE DEFINED IN GREATER DETAIL BELOW:

| Consolidated Trade Summary (CTS) | | | | |
|---|---|--|--|---|
| <i>Please note DTCC will be closed on Monday, May 27, 2024, in observance of Memorial Day</i> | | | | |
| Trade Type | PRE- CONVERSION RULE (T+2) | POST-CONVERSION RULE (T+1) | | |
| | Friday, May 24, 2024* | Tuesday, May 28, 2024** | Wednesday, May 29, 2024 | Thursday, May 30, 2024 |
| CTS Cycle 1 (distributed at approximately 9PM ET) | <p>Regular Way trades (TD = 05/24) are reported in the CTS Cycle 1 output on T (as trades settling in two business days) – SD (05/29)</p> <p>Next Day Trades (TD = 05/24) and As of RW Trades (TD =05/24 or before) will be reported with a settlement date = 05/28</p> | <p>RW trades (with the exception of OCC stock option trades), will be reported in the CTS Cycle 1 output on T (trades settling in one business day)</p> <p>Reports all RW OCC trades received with a TD=05/24, SD=05/29</p> <p>RW OCC Stock Option Trades (TD =05/28, SD=05/29) will be reported in the CTS Cycle 2 output</p> | <p>Same as May 28, 2024</p> <p>RW OCC Stock Option Trades (TD =05/29, SD=05/30) will be reported in the CTS Cycle 2 output</p> | <p>Same as May 28, 2024</p> <p>RW OCC Stock Option Trades (TD=05/30, SD=05/31) will be reported in the CTS Cycle 2 output</p> |
| | <i>* Friday May 24, 2024, is the last business day under T+2</i> | <i>** Tuesday May 28, 2024, is the first business day under T+1</i> | | |

Consolidated Trade Summary (CTS)

Please note DTCC will be closed on Monday, May 27, 2024, in observance of Memorial Day

| Trade Type | PRE- CONVERSION RULE (T+2) | POST-CONVERSION RULE (T+1) | | |
|--|---|---|--|---|
| | Friday, May 24, 2024* | Tuesday, May 28, 2024** | Wednesday, May 29, 2024 | Thursday, May 30, 2024 |
| CTS Cycle 2 distributed at approximately 11:59PM ET today, will be distributed at approximately 11:30PM ET on May 28, 2024 | Reports trades received between CTS Cycle 1 and CTS Cycle 2, settling in two business days and one business day | Reports trades received between CTS Cycle 1 and CTS Cycle 2, settling in one business day Reports all RW OCC trades received with a TD=05/28, SD=05/29 | Same as May 28, 2024 Reports all RW OCC trades received with a TD=05/29, SD=05/30 | Same as May 28, 2024 Also reports all RW OCC trades received with a TD=05/30, SD=05/31 |
| CTS Cycle 3 distributed at approximately 11:45AM ET today, will be distributed at approximately 1:45PM ET on May 28, 2024 | Reports trades settling in one business day or on the same business day | Reports trades settling on the same business day | Same as May 28, 2024 | Same as May 29, 2024 |
| | <i>* Friday May 24, 2024, is the last business day under T+2</i> | <i>** Tuesday May 28, 2024, is the first business day under T+1</i> | | |

UTC REAL-TIME BALANCE ORDER MESSAGE

Effective Tuesday, May 28, 2024, UTC will begin distributing a new Real-Time Balance Order message between approximately 4:00AM. ET and 1:30PM. ET (CTS Cycle 3 cutoff) for all non-CNS transactions received on settlement date.

This message will enable firms to settle those balance orders earlier at DTC as opposed to waiting for CTS Cycle 3 to be distributed. The message will include the balance order control number reported on CTS Cycle 3. In addition to generating a new Real-time Balance Order Message on settlement date for non-CNS trade-for-trade balance order transactions, UTC will also send those balance orders to the Obligation Warehouse (OBW) in near real time. OBW, upon receipt, will then distribute advisory messages of the newly created obligations for same-day settling balance orders in near real time to Members between from 4:00 AM ET and 1:30 PM ET. Additionally, if the deliverer set-up for the Auto DO process on the NSCC Masterfile, OBW will forward those deliveries over to DTC settlement on their behalf at 8:00 AM ET, 11:00 AM ET and 1:40 PM ET.

CNS Input/Output

CNS MIDDAY PROJECTION FILE

- NSCC will distribute the CNS Midday Projection File beginning May 28, 2024, at 5PM ET.
- The Midday Projection File will include an updated projection of CNS settling positions for the next business day. This output will primarily include the net of the following: 1- Closing CNS Positions from SD 05/28/24, 2- All post conversion RW trades received by UTC before 4:30 PM ET with a TD = 05/28/24, SD= 05/29/24 and 3- All pre-conversion RW or SO trades with a TD = 05/24/24 or before, SD = 05/29/24
- This output will be distributed at approximately 5PM ET, after the CTS Cycle 3 distribution at 1:45PM ET.
- The CNS Midday Projection File will be distributed as both Machine Readable Output (MRO) and Comma Separated Value (.CSV) file. The latter can be downloaded to Excel to create a report version. The production AutoRoute #s are 02042358 (MRO) and 02042366 (CSV)

CNS EXEMPTION AND PRIORITY INPUT

- Starting on 05/28/24, the cutoff time to submit CNS exemption & priority instructions will change to 10:45 PM EST. Absent submission of an override instruction, the Member's regular standing exemption & priority instruction on the NSCC Masterfile will be used. Specifically for exemptions, the override instruction just applies to CNS short positions settling in the night cycle that are reported on the CNS Position Prior to Night Cycle File/Report distributed at 9:45PM ET. The CNS Projection File can no longer be used for this process because it will be distributed at 2:00AM ET on settlement date, after the night cycle completes. For new or increased short positions created in the day cycle resulting from late "as of" RW trades that missed the night cycle or cash trades received on settlement date, a Member's One Day Settling exemption instruction (which will now be renamed to Same Day Settling exemption instruction) on the NSCC Masterfile will be used. This exemption instruction cannot be overridden and is either a Level 0 or a Level 1.
- As a result of the changes to the exemption process, one-day settling CNS ACATS positions from a transfer that has aged to "Settle-Close" can now have a CNS exemption override instruction processed against that position for settlement in the night cycle. Members should review their exemption process of CNS ACATS settling positions as both two-day settling ACATS and one day settling ACATS with the same settlement date are eligible for exemption override instructions. For CNS ACATS exemption processing, it is suggested that Members use the CNS Midday Projection File issued at 5:00PM ET or the CNS Position Prior to Night Cycle File issued at 9:45PM ET.

OTHER CNS OUTPUT

- Please see the Accelerated Settlement (T+1) DTC, NSCC & ITP Functional documents for the new CNS file/report output times beginning on May 28, 2024

DTCC's Implementation Support Structure

DTCC's support of the T+1 implementation process will be incorporated within the T+1 Industry Command Center's support plan, which will be published to the [UST1.org](https://ust1.org) website.

Key elements of the Command Center's T+1 implementation support plan are as follows:

- **Contact List:** The Command Center will publish a contact list for quick access to Key Industry and Market Infrastructure staff, including DTCC contacts.
- **Industry Calls:** Industry calls will be scheduled from Friday, May 24, 2024, through Friday, May 31, 2024, to provide Industry Members with a common forum to raise and discuss issues and feedback, including any that pertains to DTCC. DTCC may also establish separate calls for its Members, if needed.
- **T1 Implementation Mailbox:** DTCC will continue to use the UST1@dtcc.com T+1 testing mailbox so that Industry Members can submit any T+1 implementation questions or issues. This mailbox will be monitored by a T+1 support team throughout the transition process and ending at the end of the business day on May 31, 2024. The support team will route the questions to appropriate industry infrastructure or organization and will coordinate timely resolution of inquiry.
- **Status Updates:** The Command Center will publish status and issue tracking information to the UST1.ORG website beginning Friday, May 24, 2024, through Friday May 31, 2024, on an as needed basis.

For more information on our products and services, visit [DTCC.com](https://www.dtcc.com)

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