

For immediate release

September 1, 2017

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**Agencies Issue Notice of Proposed Rulemaking to Shorten Settlement Cycle**

The Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC) today issued a notice of proposed rulemaking to shorten the standard settlement cycle for securities purchased or sold by national banks, federal savings associations, and FDIC-supervised institutions.

The three-day settlement cycle, which is the current standard for the securities industry in the United States, is known as "T+3"—shorthand for "trade date plus three days." The OCC and FDIC are issuing the proposal in connection with an industry-wide shift to a T+2 settlement cycle. The new T+2 cycle is the culmination of a multi-year securities industry initiative and rule changes being implemented by other financial regulators and securities self-regulatory organizations. The change applies to trades placed on or after September 5, 2017. A shorter settlement cycle will directly reduce banks' counterparty settlement risk and reduce systemic risk.

The agencies note that the industry-wide standards established by the applicable securities and self-regulatory organizations' rules for T+2 securities clearance and settlement go into effect on September 5, 2017, and that the agencies previously issued guidance to assist their supervised institutions in preparing for the change. On June 9, 2017, the OCC issued [Bulletin 2017-22](#), which notified OCC-supervised institutions of the upcoming change and the OCC's expectations. The FDIC issued guidance applicable to FDIC-supervised institutions through [Financial Institution Letter 32-2017](#) on July 26, 2017.

The current OCC and FDIC regulations on settlement periods do not interfere with banks' adapting to the T+2 settlement cycle, but the agencies are proposing amendments to these regulations to further align them with T+2. Comments will be accepted for 30 days from publication in the *Federal Register*.

**Related Links:**

- [Notice of Proposed Rulemaking: Shorten Settlement Cycle](#)
- [Bulletin 2017-22: Securities Operations: Shortening the Settlement Cycle](#)
- [Financial Institution Letter 32-2017: Securities and Exchange Commission Rule Amended to Shorten the Securities Transaction Settlement Cycle](#)

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