



# T+1 Foreign Exchange Considerations Discussion

# Impact Rating Summary

SIFMA, ICI, DTCC, and Deloitte identified a number of impacts across technology and operations that will require changes:

Discussion Topic	Process / Technology	Difficulty / Complexity	Timing	Breadth of Impact	Dependencies	Costs / Benefits	T+1 Impact Rating
Coordinated processing timeline	Orange	Orange	Orange	Orange	Orange	Orange	Orange
Inst. trade allocations / affirmation	Orange	Orange	Orange	Orange	Orange	Orange	Orange
Errors / fails	Orange	Orange	Orange	Orange	Orange	Orange	Orange
External documentation (e.g., 10b-10s)	Orange	Orange	Orange	Orange	Orange	Orange	Orange
Prime brokerage	Orange	Orange	Orange	Orange	Orange	Orange	Orange
Securities lending	Orange	Orange	Yellow	Yellow	Yellow	Yellow	Orange
Impacts on derivatives markets	Orange	Orange	Orange	Yellow	Orange	Yellow	Orange
Testing and migration (e.g., timelines)	Yellow	Orange	Orange	Orange	Orange	Orange	Orange
Time compression on cycles	Orange	Orange	Orange	Orange	Orange	Orange	Orange
Global considerations	Yellow	Orange	Orange	Orange	Orange	Yellow	Orange
Batch cycle timing	Orange	Orange	Orange	Orange	Orange	Orange	Orange
Migration to trade date matching	Yellow	Orange	Yellow	Orange	Orange	Orange	Orange
Regulatory rule sets	Yellow	Orange	Yellow	Orange	Yellow	Yellow	Orange
Settlement netting	Yellow	Orange	Yellow	Orange	Yellow	Yellow	Orange
Funding	Yellow	Orange	Yellow	Orange	Yellow	Yellow	Orange
Retail funding acceleration	Yellow	Green	Yellow	Yellow	Yellow	Yellow	Orange
ETF creation / redemption	Yellow	Yellow	Yellow	Green	Orange	Yellow	Orange
Corporation actions (dividends)	Orange	Yellow	Yellow	Orange	Orange	Yellow	Orange
Trade systems and reference data	Green	Green	Green	Orange	Yellow	Green	Orange
Liquidity / collateral	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Light Green
Forex (FX)	Yellow	Green	Yellow	Yellow	Yellow	Green	Light Green
Dematerialization of physicals	Green	Green	Yellow	Green	Yellow	Yellow	Light Green
Standard settlement instructions	Green	Green	Yellow	Green	Grey	Yellow	Light Green
Mandated match to settle	Grey	Yellow	Grey	Grey	Green	Green	Light Green

# T+1 Global settlement implications and FX markets – Key Recommendations

- Promote and socialize new T+1 settlement trade processing timelines in the U.S. and among international investors to reduce settlement issues, including Foreign Exchange (FX) conversion transactions and allocations
- Request that wholesale FX market participants conduct their own analysis related to their internal operating models and present-day global practices to identify changes and enhancements that would need to be implemented in order to facilitate T+1 FX where needed for U.S. T+1 settlement.

# High Level Transition Timeline

While two years seems like a long time, the transition from T+3 to T+2 took the industry 30 months. Currently, the SEC has proposed no later than March 31, 2024. The industry will provide comment to the SEC that it anticipates a transition date of May 24, 2024.

