

RESCINDED

Replaced - See OCC 2024-3

The "Securities Transaction Settlement Cycle" final rule published at [83 Fed. Reg. 26347](#) (June 7, 2018) remains in effect.

OCC Bulletin 2018-15 | June 7, 2018

T+2 Securities Transaction Settlement Cycle: Final Rule

To

Chief Executive Officers of All National Banks, Federal Savings Associations, and Federal Branches and Agencies of Foreign Banks; Department and Division Heads; All Examining Personnel; and Other Interested Parties

Summary

The Office of the Comptroller of the Currency (OCC) published a final rule in the *Federal Register* to shorten the standard settlement cycle for securities purchased or sold by national banks, federal savings associations, and federal branches and agencies (together, banks). The final rule is being issued jointly with the Federal Deposit Insurance Corporation (FDIC).

The effective date of the final rule is October 1, 2018.

Note for Community Banks

The final rule will apply to all banks that effect securities trades for the bank's own account or for customers.

Highlights

The final rule will require banks to settle most securities transactions within the number of business days in the "standard settlement cycle followed by registered broker dealers in the United States" unless otherwise agreed to by the parties at the time of the transaction. In doing so, the rule aligns the settlement cycle requirements of the OCC, FDIC, and Board of Governors of the Federal Reserve. At present, the standard settlement cycle followed by registered broker dealers in the United States is two business days after the date of the contract.

Background

On September 5, 2017, the securities industry in the United States transitioned from a standard securities settlement cycle of three business days after the date of the contract, commonly known as "T+3," to a two-business-day standard, or "T+2." The transition was the culmination of a multi-year securities industry initiative and rule changes implemented by the U.S. Securities and Exchange Commission and securities self-regulatory organizations. In connection with the transition to T+2, on June 9, 2017, the OCC issued Bulletin 2017-22, "Securities Operations: Shortening the Settlement Cycle," which notified OCC-supervised institutions that they should be in compliance with T+2 as of the September 5 transition date. The notice of proposed rulemaking for this rule was published in the *Federal Register* on September 11, 2017. The OCC understands that, consistent with the industry's transition to T+2 and the OCC's bulletin, banks are already complying with a two-business-day settlement standard.

Further Information

Please contact David Stankiewicz, Special Counsel, Securities and Corporate Practices Division, (202) 649-5510; Daniel Perez, Attorney, Legislative and Regulatory Activities Division, (202) 649-5490; or Patricia Dalton, Technical Expert, Asset Management Group, Market Risk, at (202) 649-6360.

Karen Solomon

Acting Senior Deputy Comptroller and Chief Counsel

Related Links

- ["Securities Transaction Settlement Cycle"](#)
- [OCC Bulletin 2017-22, "Securities Operations: Shortening the Settlement Cycle"](#)

Topic(s): [ASSET MANAGEMENT](#)

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