



---

# sec proposes shortening the securities transaction settlement cycle

---

Blake Baron  
*MSK Client Alert*

February 14, 2022

On February 9, 2022, the U.S. Securities and Exchange Commission (SEC) unanimously voted to propose shortening the standard settlement cycle for securities transactions from two days to one. The full proposed rule can be found [here](#) and a fact sheet can be found [here](#).

According to the fact sheet, the proposal, which aims to reduce risks in the clearance and settlement of securities, would specifically:

- Shorten the standard settlement cycle for securities transactions from two business days after trade date (T+2) to one (T+1);
- Eliminate the separate T+4 settlement cycle for firm commitment offerings priced after 4:30 p.m. (Eastern Time Zone);
- Improve the processing of institutional trades by proposing new requirements for broker-dealers and registered investment advisers intended to improve the rate of same-day affirmations; and
- Facilitate straight-through processing by proposing new requirements applicable to clearing agencies that are central matching service providers (CMSPs).

**[View Full Alert](#)**

## attorneys

Blake Baron

## practice areas

corporate & business transactions