
One-Day Settlement Cycle (T+1) To Begin May 28, 2024

As previously noted, in February 2023, the Securities and Exchange Commission adopted amendments to Rule 15c6-1 under the Securities Exchange Act of 1934 to shorten the standard settlement cycle for most broker-dealer transactions from two business days after the trade date (“T+2”) to one business day after the trade date (“T+1”). Note that for firm commitment underwritten offerings that price after 4:30 pm (Eastern Time), the settlement cycle will be T+2. Please see our previous memorandum entitled “SEC Adopts Final Rules Regarding On-Day Settlement Cycle (T+1),” which can be found [here](#), for a summary of the adopted amendments.

T+1 settlements will be required beginning on May 28, 2024 (the Tuesday after Memorial Day). Trades subject to the standard settlement cycle made on Friday, May 24, 2024 and on Tuesday, May 28, 2024 will settle on Wednesday, May 29, 2024.

As noted in our previous memorandum, the new rules do **not** repeal or otherwise alter the “override provision” that allows parties in firm commitment underwritten offerings to expressly agree to a settlement cycle longer than T+1. Industry participants believe that most fixed income offerings (other than equity-linked securities) are likely to continue with the current market practice of contracting for a longer settlement cycle, while most equity offerings are likely to move to the T+1 cycle without contracting for a longer period.

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If you have any questions about the issues addressed in this memorandum, or if you would like a copy of any of the materials mentioned in it, please do not hesitate to call or email authors Susanna Suh (partner) at ssuh@cahill.com or 212.701.3686; Geoffrey E. Liebmann (senior counsel) at gliebmann@cahill.com or 212.701.3313; or Nichole Scholl (associate) at nscholl@cahill.com or 212.701.3689; or email publicationscommittee@cahill.com.