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Live Webinar: Custody Conversation on T+1

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Summary of key regulatory changes



T+1 Settlement

[§ 240.15c6-1](#)

The mechanics of settling on the first business day after trade date, unless an exception or agreed at time of trade.

- Directly applies to brokers, indirectly applies to their counterparties on the buy side, and service providers such as middle office, custody, etc.
- Exceptions for some instrument types, including security-based swaps (were not excluded from T+2)
- IPOs move from T+4 to T+2
- Non-standard settlement is still allowed

[Read more.](#)



Affirmation on T

[§ 240.15c6-2](#)

Broker/Dealers and Investment Managers would need to complete allocations, confirmations, and affirmations as soon as technologically practicable and no later than by the end of trade date.

- Procedures are prescriptive; set target timeframes, describe communications, systems and processes, exceptions/delays, and monitoring/tracking of affirmation rates

[Read more.](#)



Recordkeeping Requirements

[§ 275.204-2](#)

For transactions subject to Rule 15c6-2(a), make and keep records of each confirmation received, and any allocation and each affirmation sent or received, with a date and time stamp for each indicating when it was sent or received.

- Directly applies to Registered Investment Advisors (RIAs)
- RIAs must obtain and use their own institutional ID at DTCC (TradeSuite ID) for accurate recordkeeping requirements

[Read more.](#)

Client behavioral change best practices

Automate
wherever
possible.

1 Streamline your post-trade processing:

DTCC ALERT®

- Store SSIs in ALERT
- Engage U.S. Bank to maintain SSIs on your behalf with the Global Custodian Direct workflow (GCD)

CTM, M2i

- Increase same-day affirmation

TradeSuite ID®

- Facilitate electronic settlement and regulatory compliance

TradeSuite Confirm Archive

- Applicable for RIAs under SEC rule 204-2

2 Affirmation model alignment

3 Eliminate manual instructions

U.S. Bank affirmation models supporting T+1

Affirmation Model	Process Flow	Client-Generated Trade Instruction Formats	U.S. Bank Sends Affirmation Message to DTCC	Clients Who Can Benefit
Auto-Affirmation	A confirm is generated by the broker, affirmed by the client and sent to U.S. Bank which will auto generate a trade settlement instruction.	Client is not to send trade instructions.	No	Clients submitting single allocation trades who affirm confirms and <i>do not send trade instruction to U.S. Bank.</i>
Client Affirmation	<p>Confirm is generated by the broker and affirmed by the client. Client sends trade instruction to U.S. Bank.</p> <p>U.S. Bank automatically compares the trade instruction to the confirm for trade/confirm pairing and settlement.</p>	<p>Instruction required. Acceptable formats:</p> <ul style="list-style-type: none"> • SWIFT • FTP (U.S. Bank Layout) • Pivot (U.S. Bank Layout) <p>Note: Auto Affirming would eliminate the need to instruct the custodian bank.</p>	No	Clients affirming confirms, who submit custodial trade notifications via Automated Trade Transmission channels and may participate in an industry platform (e.g., DTCC M2i, CTM Affirmation workflow).
U.S. Bank Affirmation	<p>U.S. Bank auto-matches client trade instructions received via FTP files, SWIFT message.</p> <p>Manual trade instructions received in files, PDF, etc., may involve manual matching processes against the broker confirm. U.S. Bank sends affirmation to DTCC.</p>	<p>Instruction required. Acceptable formats:</p> <ul style="list-style-type: none"> • SWIFT • FTP (U.S. Bank Layout) • Pivot (U.S. Bank Layout) • Pivot Trade Affirmation • Email (least preferred method) 	Yes	Clients who outsource affirmation services to U.S. Bank.



Q&A?