

Nasdaq Makes Preparations to Shorten Settlement Cycle for Securities Transactions from T+3 to T+2

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In connection with the industry-led initiative to shorten the settlement cycle for transactions in U.S. equities and other securities from trade date plus three business days (T+3) to trade date *plus two business days* (T+2), the **Nasdaq Stock Market LLC** ("**Nasdaq**") has preliminarily identified certain rules that establish or reference a T+3 settlement cycle, including rules that establish the ex-dividend date for distributions by Nasdaq-listed companies.

In order to implement a T+2 settlement cycle, Nasdaq would modify [Rule 11140\(b\)\(1\)](#) to provide that the "ex-dividend date" will generally be the first business day before the record date. The ex-dividend date is the date on which a security is traded without the right to receive a dividend or distribution that has been declared by a listed issuer.

The following Nasdaq rules would also be impacted by this amendment:

- [Rule 2830](#) (Investment Company Securities, incorporated by reference from NASD Rule 2830)
- [Rule 11150\(a\)](#) (Transactions "ex-interest" in bonds which are dealt in "flat")
- [Rules 11210\(c\)](#) and (d) (Confirmations)
- [Rule 11320\(b\) and 11320\(c\)](#) (Dates of delivery)
- [Rule 11620](#) (Computation of interest)

Nasdaq anticipates filing rule amendments to accommodate the new T+2 settlement cycle later in 2016, and fully implementing T+2 settlement in the third quarter of 2017. Interested parties can submit comments prior to September 30, 2016.

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