

What is T+2?

STIFEL

At Stifel and all other U.S. firms, trades on most securities settle within three business days of the trade date. This is known as a “T+3” settlement cycle, short for “trade date plus three days.”

Next month, the U.S. financial services industry will shift to a T+2 settlement cycle.

Under T+2, if you place a trade on a Monday, for example, the trade will settle by Wednesday instead of Thursday.

When will this change take effect?

September 5, 2017

Why is this happening?

The shortened settlement cycle will improve market efficiency and reduce risk.

It will also align the U.S. settlement cycle with those of the many foreign exchanges that have already adopted T+2.

Which types of securities will be affected?

The shortened settlement cycle will apply to trades on:

- Stocks
- Corporate and municipal bonds
- Unit investment trusts

U.S. government securities, such as Treasury bonds and T-bills, settle in one day. The vast majority of mutual funds settle on a T+1 basis as well.

How will this affect me?

Under T+2, you will:

- Receive payment faster after selling securities
- Have less time to provide funds to Stifel when purchasing securities

For questions regarding the T+2 conversion, contact your Stifel Financial Advisor.

Note on selling and buying securities under T+2

When you sell physical securities certificates, you must now deliver them to Stifel no later than two business days after the sale. If your securities are held in street name at Stifel, however, the shortened settlement period will not impact you when it comes time to sell. Your Stifel Financial Advisor can assist you in converting your physical securities certificates to street name.

When you buy securities, Stifel must receive your payment no later than two business days after the trade is executed. If you typically purchase shares by mailing checks, this could be a cause for concern.

Instead of writing checks, you can:

- Transfer money using Stifel’s Automated Clearing House (ACH) or wire services
- Use Stifel Access to transfer funds from a linked bank account
- Deposit a check using the Stifel Mobile smartphone app

Post-September 5 Settlement Lifecycle

