



Important information on changes to the standard settlement cycle for US, Canadian and Mexican Securities

As you may be aware, on 15 February 2023, the Securities and Exchange Commission (SEC) adopted rule amendments to shorten the standard settlement cycle for most US securities from two business days after the trade date (T+2) to one business day after the trade date (T+1). Following the SEC's announcement, the Canadian Capital Markets Association (CCMA) and the Contraparte Central de Valores (CCV) also announced that it will reduce its standard securities clearing and settlement cycle to T+1. The shortening of the period between trade execution and trade settlement is expected to protect investors by reducing credit risk, make the trading process more efficient and improve liquidity.

The new T+1 settlement cycle will be effective from 27 May 2024 for Canadian and Mexican securities and 28 May 2024 for US securities.

The products subject to the shortened standard settlement cycle include the following US, Canadian and Mexican securities: equities, exchange traded funds, American depository receipts, warrants / rights, fixed income bonds (including corporate and sovereign debt) and unit investment trusts ("In-Scope Products"). For OTC derivative and structured note products which reference in scope securities, the settlement cycle details will be indicated in the respective termsheets.

In line with this change, accounts will be credited/debited one business day after the trade date (T+1) when transacting in an "In Scope Product". Corporate actions are not impacted by the settlement cycle changes.

There is no action required at your end. The Bank has implemented the relevant changes to comply with the new T+1 standard settlement cycle for the "In-scope Products" from the effective dates set out above. The trade settlement cycle will remain unchanged for other securities.

Thank you for partnering with us on your wealth journey.