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GENERAL INFORMATION

What is happening?

The Securities Industry and Financial Markets Association (SIFMA), the Investment Company Institute (ICI), and The Depository Trust & Clearing Corporation (DTCC) established an Industry Working Group (IWG) to accelerate the U.S. securities settlement cycle from trade date plus 2 (T+2) to trade date plus 1 (T+1) in the first half of 2024. On February 15, 2023, the Securities Exchange Commission (SEC) approved changes to modify Rule 15c6, Shortening the Securities Transaction Settlement Cycle, from trade date plus two (T+2) to trade date plus one (T+1). The SEC received over 3,000 comments, where most advocated for the shorter settlement cycle and supported a longer period to implement the change from the proposed March 31, 2024, compliance date. The industry widely promoted a conversion over the Labor Day weekend, September 2, 2024. In a vote of 3 to 2, the SEC approved a May 28, 2024, compliance date.

Subsequently, on December 1, 2021, the Canadian Capital Markets Association (CCMA) announced plans to shorten the trade settlement cycle to T+1.

The CCMA has been working with industry participants, U.S. (United States) Securities Industry and Financial Markets Association (SIFMA), Investment Company Institute (ICI) and Depository Trust & Clearing Corporation (DTCC) and Canadian Depository for Securities (CDS) in coordinating efforts for the transition. CCMA has been discussing T+1 settlement cycle since the market moved from T+3 to T+2 in September 2017. On May 14, 2023, the CCMA announced T+1 settlement will start on May 27, 2024.

Following the formal intent for the U.S. and Canada, Mexico Contraparte Central de Valores (CCV) and the Mexican Association of Brokerage Firms (AMIB) has announced their recommendation to change the settlement cycle to T+1 and has proposed a May 27, 2024, effective date. The proposal is pending ratification by the regulator, which is expected later this year.

Why are the Industry Working Groups reducing the settlement cycle?

The industry has been discussing the eventual migration to a shorter settlement cycle since the move from T+3 to T+2, which was implemented on September 7, 2017. In addition, the SEC has highlighted two recent events that increased market volatility; in March 2020 following the outbreak of the COVID-19 pandemic, and in January 2021 following the heightened interest in certain “meme” stocks. These two episodes have highlighted potential vulnerabilities in the U.S. securities market that shortening the standard settlement cycle could help mitigate.

Accordingly, the transition to a T+1 standard settlement cycle was approved in both the US and Canada. They believe that achieving settlement by the end of trade date (“T+0”) could benefit investors by further reducing the amount of time investors are exposed to their
counterparties and related systemic risk. While neither market is introducing a T+0 standard settlement cycle at this time, they sought industry feedback to better understand the challenges that market participants may need to address and resolve to achieve T+0.

What operational areas will be impacted?
All operational teams are impacted by this change and industry participants must update their procedures and systems to adopt the shorter settlement cycle.

- Trade Processing
- Middle Office
- Settlement Systems
- Securities Lending
- Asset Servicing
- Broker-dealers
- Client Onboarding
- Collateral Management
- Funding & Treasury
- FX
- Staff Operating Hours
- Regulatory Reporting
- Enterprise

What should I be doing?
Market participants should begin their internal review of their current operating models and assess where potential changes are needed to the existing process and or internal infrastructure to support the move to T+1. Clients should review the new rules and the operating playbook published in August 2022 by the IWG to help execute your own change program. In addition, organizations should:

- review existing batch and manual processes
- review trade confirmation, allocation and affirmation processes
- review SSI (Standard Settlement Instructions) to ensure accuracy
- engage with your brokers and other service providers to assess any downstream impacts
- leverage industry testing approach
- review existing industry best practices and reference materials

Northern Trust continues to assess the client impacts and change requirements and will notify clients promptly if action is needed to address the T+1 transition in our products and services.
TRADE

How will trading procedures be impacted?

The trade life cycle will be compressed from T+2 to T+1. This means financial institutions will have less time to process trade confirmations, allocations, and affirmations. All trade affirmations will need to be sent to DTCC by 9:00 P.M. ET (Eastern Time) on the trade date (TD). As a result, Northern Trust will amend its current cut-off times to align with the shorter settlement timeframe. Northern Trust will announce the new cut-off times in due course through the Atlas Bulletin and on its website.

Institutions with an investment book of record held outside of the U.S. will need to consider the funding ramifications of a move to T+1. When planning for their settlement needs, such firms may need to purchase USD (United States Dollar) earlier or change the settlement cycle of the foreign exchange they execute.

Organizations should review their current settlement process for mutual funds and other pooled investment vehicles. In many instances these types of products have a T+2 settlement cycle and their trading schedules will need to be updated to T+1 to reduce operational issues. In addition, firms that operate non-U.S. mutual funds with exposure to U.S. securities should consider the potential cash management implications of the misalignment of the fund settlement with the underlying securities’ trade life cycles.

In the final Rule 15c6, the SEC requires registered investment advisers (RIAs) to maintain trade confirmation, allocation, and affirmations with date and timestamps. The investment adviser recordkeeping rule is designed to ensure that registered investment advisers that are parties to contracts under Rule 15c6-2 to retain the records. Therefore, the SEC does not approve Northern Trust as a keeper of these records on your organization’s behalf. RIAs should prepare for this record keeping burden and may want to consider signing up for their own DTCC TradeSuite ID, which is addressed in the below Q&A.

Why should I review my standard settlement instructions?

Maintaining and updating Standard Settlement Instructions (SSI) are key components for timely affirmations and settlements. Clients should review their existing SSIs (Standard Settlement Instructions) and validate they have the correct counterparty SSIs. Incorrect SSIs will result in late trade matching and could result in unnecessary fails. All trades will need to be matched on T+0, which means less time to resolve settlement issues. Trades must be submitted to the relevant depository before the cut-off time.

What are existing SLAs (Service Level Agreement) for instructions sent via FAX vs. Swift?

In general, faxed instructions to Northern Trust are required 2 hours before any stated electronic instruction cut-off.
Do securities pledged as collateral need to be returned and applied by custody to the account before market cut-off for the trade to settle?

If Northern Trust is the lending agent - the SLA is with the Asset Manager, as they would manage the collateral, and would dictate when they need to see market trades in the system to ensure recall/reallocation can be processed in time for the trade to settle.

If the client appointed an external lending agent, the SLA is again with the Asset Manager and Northern Trust acts as custodian to process transactions for the client’s instruction.

Do you believe there will be sufficient details transmitted in SWIFT messages or will your organization be seeking to get new fields added (Y/N)?

There is sufficient detail in current SWIFT messaging to accommodate the settlement cycle change to T+1.

Will US stocks, US corporate bonds, ADRs, ETFs, Canadian stocks and Mexican stocks be subject to “contractual settlement”?

If you take up Northern Trust ’s contractual settlement services, we will continue to offer these services, even in a T+1 settlement environment.

Are there Overdraft fees in case of Settlement fails if it is not subject to “contractual settlement”?

Yes, US, Canada and Mexico markets are included within the Northern Trust contractual settlement product offering. Assets not included with Northern Trust contractual policy will settle on an actual basis, meaning proceeds for purchases are debited from client account when they settle, and sales are credited to client account once actual proceeds are received. If a purchase fails, the client has excess funds in their account until actual settlement date. If a sale fails, the client has the potential to go overdrawn and be subject to overdraft fees.

Please advise any changes to the DTCC’s trade affirmation process in future vs current state, if any?

The main change from current to future state is the timing for trade instructions and affirmations, which needs to be completed by the market cut-off on Trade Date, which is the day the trade was executed with the broker. Its market best practice to ensure that all trade confirmations and allocations are instructed by 7:00 p.m. EST with an affirmation deadline of 9:00 p.m. EST.
Please advise which affirmation models Northern Trust supports in current state and will support in future state T+1?

Northern Trust currently supports Investment Managers who directly affirm trades and Investment Managers who do not directly affirm trades and will continue to support both models in the T+1 environment.

Direct Trade Affirmation Model
The Investment Manager can directly affirm trades through DTCC’s TradeSuite ID application or use automated affirmation methods such as CTM or M2i. However, you choose to affirm these trades, Northern Trust will systemically retrieve these affirmations from DTCC as custodian in order to settle these trades.

Non-Direct Trade Affirmation Model
The other model is where Northern Trust can affirm trades on behalf of the Investment Manager, which sends the trade instructions through SWIFT (preference) or fax. Northern Trust will match the broker’s trade confirmation to the client’s trade instruction and affirm the trade using our omnibus TradeSuite ID as long as the mandatory fields match. Our current dollar tolerance is $1 on fixed and equity trades.

If Investment Managers sign-up for their own TradeSuite ID Northern Trust can still affirm the trades with our Agent ID (20290), irrespective of what institution ID is used for non-affirming managers. Its market best practise that IMs affirm their own trades on their own ID.

Is there an alternative model if CTM/M2i is down? Also need to understand if this is an industry standard.

DTCC’s CTM workflow is a market standard. If CTM is down the Investment Manager can submit trade instructions to Northern Trust via SWIFT or fax.

The current cost differential for trades settled via delivery orders is absorbed by Northern Trust. As part of the move to T+1, the time available in which to take advantage of the preferential pricing of affirmed trades is shorter, and therefore this cost differential may increase overall. Northern Trust is evaluating the impact of this cost increase.

Is it your intention to affirm confirms via TradeSuite once T+1 is implemented?

Yes, we will continue to use TradeSuite when Northern Trust is the affirming party. The industry best practise is that each Investment Manager obtains their own TradeSuite ID. The following DTCC FAQ provides guidance on how to obtain your own ID: [28757-M2i-Omnibus-TradeSuite-ID.pdf](dtcc.com).
Will you use an omnibus TradeSuite ID? If yes, could we be added as interested third party to receive a copy of related affirmation information to comply with SEC’s record keeping policy?

Northern Trust currently supports Investment Managers who directly affirm trades and Investment Managers who do not directly affirm trades and will continue to support both models in the T+1 environment.

The Investment Manager can directly affirm trades through DTCC’s TradeSuite, where Northern Trust will retrieve these affirmations to settle respective activity. The other model is where Northern Trust can affirm on behalf of the Investment Manager with their trade instructions communication through SWIFT (preference) or Fax.

In the final Rule 15c6, the SEC requires Registered Investment Advisers (RIAs) to maintain trade confirmation, allocation, and affirmations with date and time stamps. The Investment Adviser recordkeeping rule is designed to ensure that Registered Investment Advisers that are parties to contracts under Rule 15c6-2 retain the records. Therefore, the SEC does not approve Northern Trust as a keeper of these records on your organization’s behalf. RIAs should prepare for this record keeping burden appropriately.

Whilst it is possible to be set up as an interested party in order to receive the relevant affirmation information, it requires the correct set up within the Standard Settlement Instructions (SSIs). It is market best practice that Investment Managers should obtain their own TradeSuite ID regardless of the affirmation model. The following link provides details on how to obtain your own ID: 28757-M2i-Omnibus-TradeSuite-ID.pdf (dtcc.com)

If Investment Managers choose to self-affirm at DTCC, is there anything that Northern Trust Custody must do to ensure that trades are fed back to Northern Trust?

Self-affirm means an IM affirms the trade with DTCC directly using one of their tools. The service team needs to amend the affirmation responsibility at the Investment Manager level. Please coordinate with your Northern Trust representative to change your profile in our data tables.

Are you seeing a lot of Investment Managers choosing to go with DTCC affirmation?

Yes, there has been an uptick in Investment Managers changing their process to affirm their own trades.

Will there be any standard settlement instruction change to reflect the change of Trade Suite ID?

Northern Trust would update SSIs to reflect the appropriate IDs if the Investment Manager is on GC Direct.
How do I get a TradeSuite ID?

The attached link is the DTCC FAQ, which provides questions and answers on how to obtain your own TradeSuite ID: 28757-M2i-Omnibus-TradeSuite-ID.pdf (dtcc.com).

For Investment Managers based in APAC that can only get broker confirmation at the end of the US Day, which will be Asia T+1 morning. How will this affect the matching process and the trade instruction deadline that we will be announcing?

The deadline for affirmation in the market has been confirmed as 9pm EST on T+0, with matching and allocation to occur before this time. Investment Managers in other time zones will need to consider whether they have sufficient coverage to allocate and match, or confirm, trades, deal with exceptions, and arrange for the affirmation of the broker’s confirm prior to this deadline.

How will cancellations be handled in each future state affirmation model?

Due to the accelerated reconciliations and short remediation timeline, the expectation is that cancelled trades and rebooks will need to be completed on a T+0 basis.

Does this mean Northern Trust will not be able to support cancel/amends on Settlement Date?

If the situation requires, Northern Trust will support cancel and amendments on SD and beyond.

Does Northern Trust currently support the use of UTIs for trades?

Northern Trust does accept Unique Transaction Identifiers (UTIs) in the trade SWIFTs from Investment Managers. The UTI is not currently passed to DTCC as we are using the fixed message formats which do not support the UTI. Northern Trust will consider how to modernize our instructions and switch to ISO 15022/20022 messages that DTCC Supports.

FOREIGN EXCHANGE

Challenges arranging funding for T+1 settlement

Northern Trust is assessing the impact of the shortened U.S. securities settlement cycle across their global trading and operations businesses, and across asset classes including foreign exchange (FX).

Accelerating U.S. securities settlement to T+1 requires Northern Trust to optimize the processes to ensure the funding (which is in turn dependent on the FX settlement) is supported in a timely manner.

Cross-border U.S. security transactions with a related FX trade will require the expedited execution of both trades to enable settlement to be completed in the shortened T+1 window.
The FX settlement process involves trade matching, confirmation, and payment all be completed within local currency cut-off times.

Any challenges or risks for sourcing USD via FX trades where there is a settlement mismatch?
We do not envisage this being an issue for Northern Trust. Prefunding may be required where clients allocate USD assets in locations that are further away from the US time zone, i.e., Australia and/or jurisdictions that are subject to currency controls like China, India, Korea, and Taiwan. This is because fundamentally clients may not be able to meet market settlement cut-off times. Some clients are considering managing USD securities, across all portfolios, from the US to avoid the complexities of Securities-linked FX settlement scenarios.

Estimate of how much funding for securities settlement relies on FX transactions?
If cash balances are held in non-USD currencies, as in the case with some of the Global strategies, then FX transactions will be required. We estimate around 12% of trading activities require FX transactions for settling the USD denominated securities.

Will there be any changes to the FX process?
Currently there are no anticipated changes to FX systems since the applications support same day FXs. However, Northern Trust is reviewing the current cut-off times and operational processes, and any changes will be announced through Atlas Bulletin and updated on our website.

Are there any currency pairs that are causing you concern regarding equities settling on T+1?
Currently there are no concerns about currency parings.

The concern, however, is with respect to institutions that are domiciled outside of the U.S. who will need to consider the funding requirements for their trading activity. They must adjust to the shorter settlement timeframe. This would mean that some institutions may need to prefund their trading activity if their current operations cannot support same day FX on trade date or FX settlement in the U.S. on T+1 to align with the equities market.

Will Northern Trust still accept third party FX?
Yes, Northern Trust will still accept third party FX for accepted currencies. All third-party FX for funding trade activity must adopt to the shorter settlement cycle and counterparties will need to update their procedures.

Will T+1 trades still be able to settle through Continuous Link Settlement (CLS)?
Yes, they will need to be instructed to Northern Trust and matched by the counterparty prior to CLS cut-off on T+0.
It’s important to note that CLS will not change their current cut-off times due to T+1 at this time, which would be a significant change for the market.

Please provide cut-off times for G20 currencies for T+0 settlement?

We are aligning our cut-off times with the industry best practice, and we are discussing our revised cut-off times with the Association of Global Custodians. We will be issuing an Atlas Bulletin once we have our new cut-off times. For our current guidelines, please refer to in Institutional Investor Passport, under News and Resources: Guidelines & Deadlines (ntrs.com)

SECURITIES LENDING

How will T+1 impact my securities lending program?

The goal of securities lending is to provide incremental revenue without disrupting the investment management process. To be successful, securities lending should be transparent to the investment manager. Northern Trust is working with the industry to adapt the securities lending program and maintain the objectives of incremental revenue without operational impact.

What is Northern Trust securities lending doing to meet the T+1 transition?

Northern Trust is working with industry participants and vendors to agree on new standards to meet the T+1 initiative. Involvement with industry participants from SIFMA, DTCC, ISITC and RMA helps us define and shape changes needed to the current processes.

Northern Trust is updating our systems to increase the frequency and efficiency of our securities lending operational processes. Some specific examples are sending recall notices multiple times throughout the day on trade date to allow borrowers more time to source securities to be returned; triggering recalls based on initial trade instructions as opposed to waiting for trade confirmation; and setting earlier deadlines for IMs to instruct sales. Northern Trust will align our processes with industry standards once they are finalized.

The changes will reduce the impact to clients while continuing to provide the same world class securities lending program.

Will the instruction deadline change for clients/IMs participating in a securities lending program?

Northern Trust publishes investment manager guidelines that detail trade instruction deadlines. Clients participating in securities lending have a different set of deadlines. With the move to T+1 settlement, all trade instruction deadlines are expected to change. While the trade deadlines have not been finalized, we expect them to be closely aligned to the close of market to provide sufficient time to notify borrowers of recalls.
Currently the DTCC affirmation mandate requires trades must be affirmed by 9pm EST on trade date. While SIFMA has published an industry best practice for securities lending recalls of 11:59pm EST on trade date, the industry continues to have dialogue on an earlier deadline.

**What open T+1 issues related to securities lending is Northern Trust still addressing?**

Northern Trust is continuing to work with industry groups to finalize the best practice timings related to recalls and to clarify responsibility of all parties on the issuance and acceptance of trade date recall notices to borrowers. The proposed T+1 best practice stipulates recalls can be issued on trade date until 11:59pm EST for T+1 settlements, however the broker community is challenging the trade date recall cutoff suggesting it aligns with the market close (4pm EST).

**CORPORATE ACTIONS**

**Will there be any changes for corporate actions?**

In a T+1 environment, ex-date and record date will be the same, commonly referred to as “regular way ex-date.” With regular way ex-date, due bills are not necessary as any trade entitled to the dividend will settle on the record date. However, due bills are required for any ex-date that is not a regular way ex-date. The exchanges set ex-dates and typically will set a later ex-date (e.g., day after payment date) for stock or large cash dividends that exceed 25% of the value of the stock. This practice helps to maintain market values because in a regular way ex-date, the price will typically drop by the value of the dividend on ex-date; however, the proceeds would not be paid until later. This undervalues the stock and impacts portfolio modeling and purchasing power. Any non-regular way ex-date will still require a due bill. Organizations must adjust the ex-date period for regular way ex-date and modify the due bill period calculation for regular way and non-regular way ex-dates.

Additional information can be found in the DTCC Playbook [T1-Industry-Implementation-Playbook.pdf (dtcc.com)](https://dtcc.com)

**How will the shortened cycle affect the timelines for corporate action & proxy events?**

In a T+1 environment for corporate actions, ex-date and record date will be the same, commonly referred to as “regular way ex-date.” For proxy we are still assessing the impacts and we will update our FAQ with our assessment.
COLLATERAL MANAGEMENT

What SWIFT format is permissible for collateral management purposes to instruct custody to deliver & receive securities which have been pledged and returned, without the use of a “Triparty” Collateral agent?

MT540/MT542 would be the correct SWIFT formats to instruct Custody, where no cash is involved. Messages may require specific coding in 22F field (or similar) so the transaction can be identified as a collateral movement in line with Securities Market Practice Group guidelines.

PENALTIES & FEES

Do you believe either the U.S., Canada or Mexico will introduce penalties for late settlement?

There has not been any indication from the regulators that penalties will be introduced at this time as a result of the new T+1 rules.

Is there any difference in “custody fees” depending on whether settlement SWIFT instructions are in time for the T+0 Affirmation verses late Affirmed trades?

Currently there are no differences in custody fees. There is an increase in market charges for settlement overnight process due to T+1. Northern Trust is assessing this impact and reviewing how to manage the potential increase in market costs related to late affirmations.

Are there any additional costs associated with different affirmation models?

Northern Trust does not apply different charges depending upon the affirmation model the Investment Manager uses. However, if the Investment Manager is looking to take over the affirmation process, they will need to work with DTCC to assess what charges could be applicable.

TECHNOLOGY

Is your organization considering implementing new technologies to handle T+1 settlement?

No new technologies are being considered at this time. Rather, opportunities to improve current technology and operational efficiencies are in focus.

The Canadian Depository for Securities has announced plans to introduce a securities recall portal, similar to DTCC’s. Northern Trust has engaged with the depository to better understand the process and requirements, which will automate the workflow from the current Canadian market practice to manually recall shares. Once the change program can
fully assess the solution, we will be able to determine if existing or new technology will be required.

**OTHER MARKETS & WHEN**

**Are other markets considering a move to T+1 settlement cycle?**

Yes, other markets are considering moving to T+1. India completed their transition to T+1, which we have highlighted in Northern Trust’s Atlas Bulletins. This was completed in January 2023.

In Europe, the Association for Financial Markets in Europe (AFME) published a white paper that covers the key considerations, similar to those outlined in the U.S. AFME has called for an industry task force to assess the risk, benefits, cost and challenges for moving to a shorter settlement cycle.

The UK has established a taskforce to assess the feasibility to move to T+1. A report is due with key considerations and recommendations by the end of Q4 2023.

Other markets are considering the move as well. Northern Trust is closely monitoring regulatory developments globally and anticipates formal announcements. We are working closely with our sub-custodians to ensure a smooth transition for all global settlement changes.

**When is T+1 to be implemented?**

United States: The SEC approved a **May 28, 2024 (Memorial Day holiday) compliance date**, which is the first trade date for securities settling with a T+1 trade cycle. Trades executed before the compliance date should be instructed with a T+2 settlement cycle.

Canada: The CCMA approved a **May 27, 2024, compliance date**, which is the first trade date for T+1 settlement cycle. Trades executed before the compliance date should be instructed with a T+2 settlement cycle.

Mexico: The CCV and AMIB have proposed a **May 27, 2024, compliance date**, which is pending approval.

**INDUSTRY ENGAGEMENT & NORTHERN TRUST PROGRAM**

**How has Northern Trust engaged with the industry in its efforts to prepare for the move to T+1?**

There is regular engagement with industry groups at the Northern Trust enterprise and Asset Servicing business unit levels. Northern Trust plays an active role in a number of
industry forums and working groups addressing T+1, including the Association of Global Custodians (in which Northern Trust serves as a co-chair of its T+1 Working Group), the Investment Company Institute (ICI), Securities Industry and Financial Markets Association (SIFMA), Canadian Capital Markets Association (CCMA) and others. The Asset Servicing transition has evaluated the outcomes of the industry forums to align Northern Trust’s program with best practices for converting to T+1 settlement.

**What is Northern Trust doing?**

Northern Trust has established an enterprise change program, reviewed the IWG playbook and detail testing framework, and has incorporated the industry considerations and the test approach in our program.

**How will the program keep clients and relationship staffed informed?**

The program has established an active communication strategy with stakeholders across our business and our clients, which will be distributed through our established communication channels.

Client: clients can obtain information about the T+1 Program through the Northern Trust website [www.nt.com](http://www.nt.com), Atlas bulletins, and external website [Northern Trust T+1](http://www.nt.com). In addition, Northern Trust is issuing a series of webinars to assist clients in navigating through this change.

Internal: Northern Trust partners can obtain information through the same channels as well as the internal Yammer channel and internal SharePoint site.

**What impact will T+1 settlement have on your daily operations acting as custodian for managed accounts?**

There will be changes to the operating model, policies, and procedures to be in line with the T+1 change. These are a work in progress and will be shared once internal review and due diligence is completed.

**Will you need resources from clients to facilitate any testing on enhancements to your processes?**

Northern Trust will engage in Market Testing from August 2023. If there are any specific scenarios that clients would like to be included, we can accommodate, if requested.

If clients would like to be involved in direct client testing phases, this can be requested through your Relationship Manager, and Northern Trust will review to determine if this can be accommodated.
Please share your current preparedness and status of client communication regarding US T+1.

Northern Trust has identified a number of internal changes and potential Client impacts around T+1. Internal changes are in flight and will be tested over the summer ready for engagement in Market Testing later this year.

To assist Clients in preparation for T+1, the Northern Trust T+1 Program is working with our Regulatory Product leads to produce a series of webinars supported by information releases through Atlas Bulletins and Client Questionnaires. For more information and to see details of upcoming events please see the T+1 Landing Page: [https://www.northerntrust.com/united-states/about-us/t1-shortening-the-settlement-cycle](https://www.northerntrust.com/united-states/about-us/t1-shortening-the-settlement-cycle)

Can Northern Trust provide details on their vendor risk management oversight? Have key vendors for the transition been identified?

Northern Trust has a robust third-party risk management program (TPRMP) which is adopted and practiced by all business units. The corporate Third-Party Risk Committee and Operational Risk Committee provide required executive management oversight and guidance to the business units.

TPRMP comprises of a comprehensive risk assessment during the vendor onboarding process, followed by a thorough due diligence process before a contract is drafted that includes appropriate contractual safeguards to manage and monitor relevant risks and supports adherence with regulatory requirements. Additionally, there are policies governing the ongoing relationship monitoring and issue management. For third-party service providers, Northern Trust maintains a documented and approved exit strategy. All vendors impacted by T+1 have been assessed. We are closely monitoring the development efforts to ensure they meet the required timeline to comply with the regulations.

For additional information, please contact your Northern Trust representative.
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