

Market Notice

5 September 2014



London
Stock Exchange

N07/14

Implementation of T+2 standard settlement period

Introduction

1. Further to Stock Exchange Notice N14/13 which informed member firms of the reduction in standard settlement cycle from T+3 (trade date plus three business days) to T+2 (trade date plus two business days) with effect from Monday 6 October 2014, this Notice acts as a reminder to member firms of its implementation as well as to provide further information and guidance.

Rules of the London Stock Exchange (“the Rules”)

2. Under the Rules, where standard settlement is currently T+3, it will become T+2 for:
 - SETS;
 - SETSqx (with or without market makers);
 - SEAQ (including fixed interest);
 - Trade Reporting Only (including fixed interest);
 - International Order Book;
 - Order book for Retail Bonds (ORB) (Corporates);
 - Order book for Fixed Income Securities; and
 - ETFs – Euroclear Bank Settlement.
3. Standard settlement will remain T+1 for:
 - Gilts (including Gilts trading on ORB); and
 - Rights Issue executions both on and off order book for securities that would otherwise settle on T+2 above.
4. Standard settlement will remain T+3 for:
 - International Board (reflecting standard settlement for the securities’ home market).
5. Member firms are reminded that the list of securities for the Exchange’s trading services can be accessed at www.londonstockexchange.com/products-and-services/trading-services/trading-services.htm
6. London Stock Exchange Millennium Exchange Business Parameters, which can be accessed at www.lseg.com/tradingservices will be updated on 6 October 2014 to reflect the change to standard settlement (as defined in Rule 5010).

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Non standard settlement

7. Pursuant to Central Securities Regulation Article 5 (2) and Rule 5011, member firms can agree bilaterally an extended settlement date of no more than 20 business days after trade date for on Exchange trades.

Ex Dividend regime

8. An updated Dividend Procedure Timetable for 2014 has been issued, together with the Dividend Procedure Timetable for 2015. These timetables reflect the change of the Ex Dividend date from Wednesdays to Thursdays and can be found at www.londonstockexchange.com/traders-and-brokers/rules-regulations/rules-regulations.htm Record dates will remain as Fridays. These changes will not apply to the Ex Dividend arrangements in place for Gilts.

Transitional arrangements

9. Standard settlement dates for trades subject to the transition to T+2 during the period Thursday 2 October and Tuesday 7 October are outlined below. Member firms will note that an implementation date of 6 October 2014 will lead to increased settlement on Wednesday 8 October 2014.

Trade Date

Thursday 2 October
Friday 3 October
Monday 6 October
Tuesday 7 October

Settlement Date

Tuesday 7 October
Wednesday 8 October
Wednesday 8 October
Thursday 9 October

UK and Ireland's T+2 Working Group - Frequently Asked Questions

10. Member firms are recommended to review the Frequently Asked Questions document drafted by the UK and Ireland's T+2 Working Group which can be accessed via Euroclear UK & Ireland's Operational Bulletin 2014-168.
11. Any comments or queries on this notice should be addressed to Tim Beckwith, telephone +44 (0)20 7797 1402 (STX 31402) or email: tbeckwith@lseg.com

Denzil Jenkins
Head of UK Compliance & Group Regulatory Policy

This Stock Exchange Notice will be available on the website at
www.londonstockexchange.com/en-gb/products/membershiptrading/rulesreg/stockexnoticesnew/

Calls to London Stock Exchange plc may be recorded to enable London Stock Exchange to carry out its regulatory responsibilities