Twitter Thread by VLAD



VLAD
@vladtenev

It’s time for T+2 to go. (1/9)

Last week we saw the impact the two-day trade settlement period has on investors and ultimately the entire American financial system. Clearinghouse deposit requirements skyrocketed overnight. (2/9)

People were unable to buy some securities they wanted. Investors were angry and concerned, an unintended byproduct of the antiquated settlement process. (3/9)

The 2-day period to settle trades exposes investors and the industry to unnecessary risk and is ripe for change. (4/9)

Investors are left waiting for their trades to clear, and the clearing brokers have their proprietary cash locked up, until the settlement is final days after the trade. (5/9)

The clearinghouse deposit requirements are designed to mitigate risk, but last week’s wild market activity showed that these requirements, coupled with an unnecessarily long settlement cycle, can have unintended consequences that introduce new risks. (6/9)

There is no reason why the greatest financial system the world has ever seen cannot settle trades in real time. Doing so would greatly mitigate the risk that such processing poses. (7/9)

We need to meet this moment with a vision for the future and a focus on the people we serve. We need to come together to deploy our intellectual capital and engineering resources to move to real-time settlement of U.S. equities. (8/9)

Accomplishing this won’t be without its well-documented challenges, but it is the right thing to do. Technology is the answer, not the oft-cited impediment. Let’s join together to move forward to real-time settlement. (9/9)

https://t.co/df5CZtJsYo