



Accelerated settlement

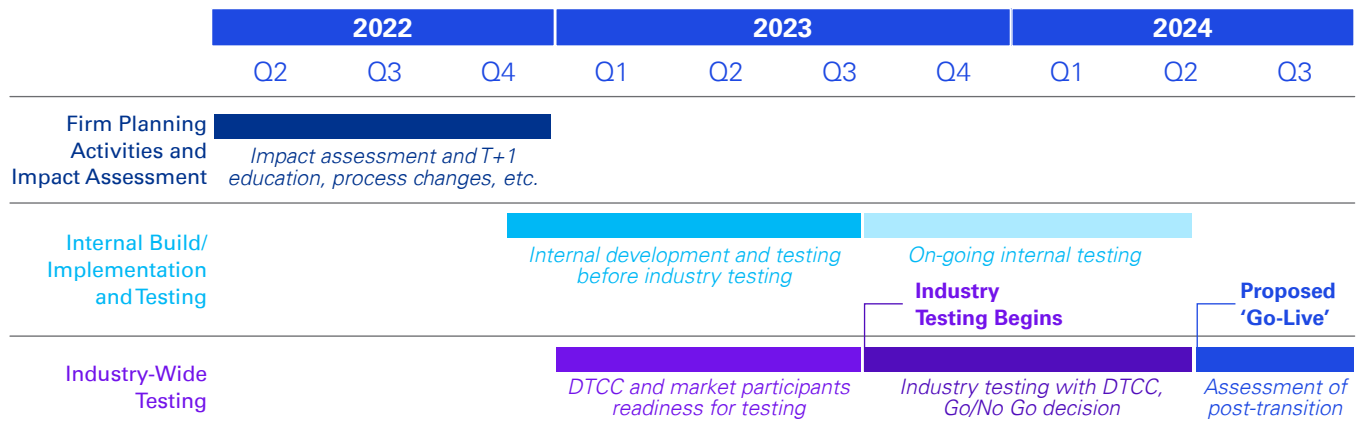
T+1 is coming. Are you ready?

The Securities and Exchange Commission (SEC) issues final T+1 rules and declares **May 28, 2024** as T+1 transition date

Firms should ramp up their preparation and testing efforts for the T+1 transition date.

Under the current T+1 accelerated timeline, market participants should have completed their initial impact analysis and be close to finalizing their testing strategy with specific focus on both their internal build and configuration enhancements to systems and processes, as well as their internal testing preparation and execution. The need for a comprehensive strategy, adequate preparation, and an effective approach will be critical for each organization.

Transition timeline:



Critical steps in the journey include:

- **Comprehensive impact assessment**, clearly defining impact front-to-back
- **Detailed gap identification for systems and processes** that require enhancements
- **Analysis and mapping** of your current **batch processing and associated timing cycle(s)** including required modifications
- **Consolidated operational metrics**¹ (e.g., trade volumes, fail rates, allocation rates, affirmation rates, etc.) to understand the order of magnitude¹ of the size and/or volume of specific processes
- **Comprehensive** plan that defines **your operational workflow compression, associated technology, and operating model changes**
- **Transaction lifecycle dependency identification** and re-sequencing across the trade lifecycle to address significant work compression across front, middle and back-office operations, **and associated workflows** to manage client transitions effectively
- **Inventory of client facing and 3rd party communications** and related processing and/or service agreements
- **Robust testing strategy and associated playbook** defined and ready to be actioned
- Internal **testing underway or kicking off eminently** with an expected completion target of the end of Q3 2023.
- **Industry-wide testing plans defined** with added focus on readiness for testing, scheduled to begin mid-Q3 2023.

KPMG developed a proprietary accelerator to assist organizations with their readiness for T+1 Accelerated Settlement, as well as extensive expertise in leading large transition initiatives with a focus on testing

¹ Critical transition considerations detailed in the T+1 Implementation Playbook (Section 1.2.7)

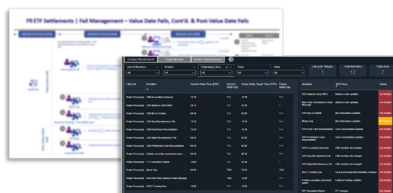
KPMG offers vast industry experience to provide guidance and market insights to support T+1 transition

Our approach and change management plan for accelerating settlement cycle is comprised of 3 phases: rapid impact review, targeted test strategy, and an effortless transition into test execution & transition support.

Impact review

Rapid review of T+1 impact and delivery of additional KPIs critical to testing strategy

- Comprehensive sequencing and mapping of impacted teams, processes, systems, clients, and vendors
- Detailed gap analysis and metrics, showcasing change management fragmentations across the operational lifecycle
- In-depth process decomposition, digitizing 'offline' SME knowledge and workflows to address critical gaps



Test strategy

Integrated testing strategy across the program

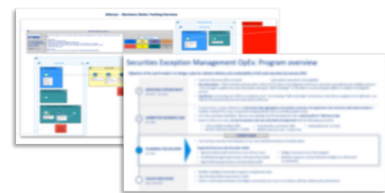
- Robust testing strategy, encompassing the processing chain across the institutional trade lifecycle
- Extensive test preparation – validating technical requirements, systematic configurations, and process sequencing
- Exhaustive testing scenarios based on business events across products and trade lifecycle



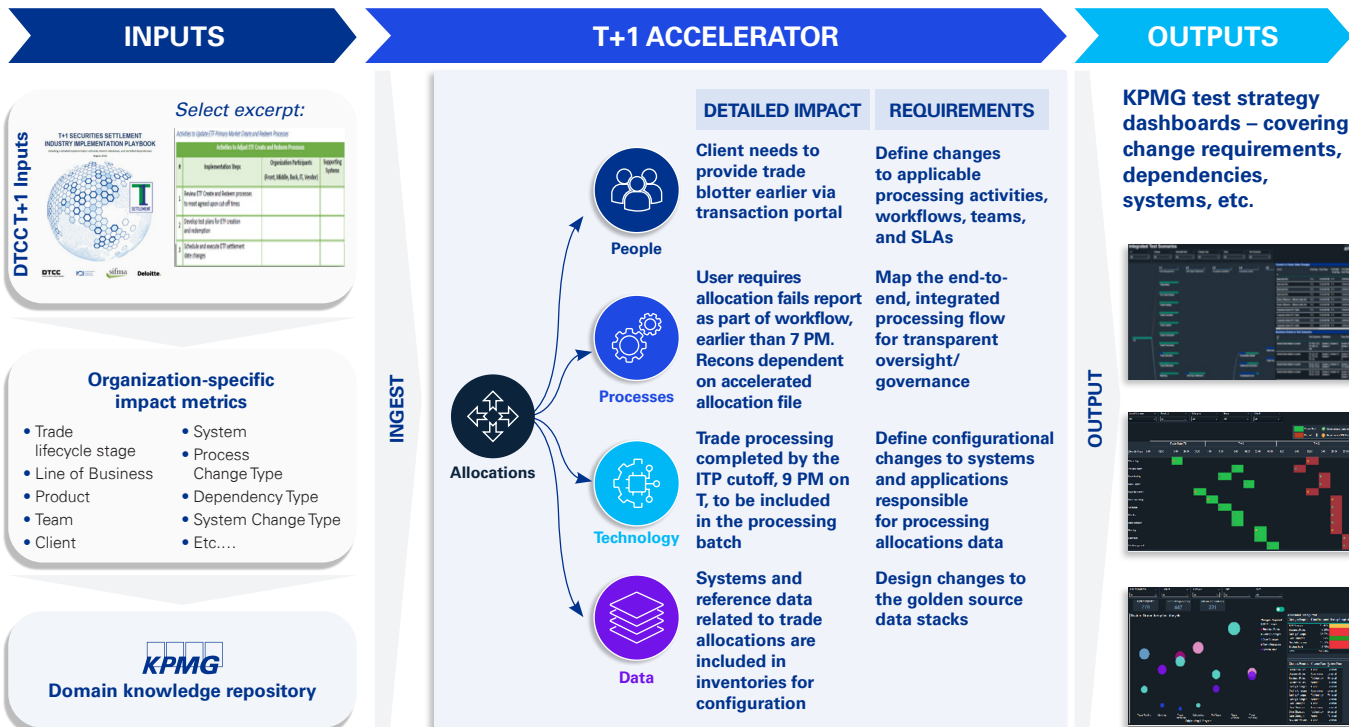
Test execution and transition

Organize and support overall test execution at the program level and post transition activities

- Pre-built low-code automation solutions, enabling the compression of the testing cycle and rapid output validation
- Detailed transition deployment plan, coordinating tasks, roles, dependencies and responsibilities amongst stakeholders
- Comprehensive OKR, KPI, and KRI metrics and dashboards, aligned to new business benchmarks



KPMG utilizes our proprietary accelerator to quickly analyze your impact assessment and deliver multiple layers of insights critical to informing your testing strategy.



Our Test Strategy and Execution Support is powered by our T+1 accelerator to deliver truly differentiated support that you need to test confidently and strategically.

<p>Frictionless data ingestion and metrics analysis</p> <p>Enabling a dynamic, one-stop-shop for all the data and metrics driving your test strategy</p>	<p>Actionable insights from all areas impacted by T+1</p> <p>Fusing industry-standard requirements, organization-specific metrics, and deep domain expertise to help ensure that no stone is left unturned</p>	<p>Accelerates test strategy by >50%²</p> <p>Leveraging our proprietary trade lifecycle, workflow data model, and low code analytics capabilities to accelerate your testing journey</p>
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² Representative metric from prior engagements; prior results do not guarantee similar outcomes on future engagements

Our T+1 accelerator helps firm bridge the gap between current and future state – tailored to your unique business model and requirements



The KPMG Client Promise: We're dedicated to helping you shape your vision of the future



We help deliver results that matter.



We know how your business works.



We know how to get things done.



We get the best out of technology.



We're on your side, all the way.

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