

FAQ on T+0 Settlement Cycle

1) What is T+0 settlement cycle?

In T+0 settlement cycle, settlement of trades will be done on trade date only, i.e., settlement of securities and funds will be carried out on the T Day (trade date) itself.

2) Who is eligible to participate for T+0 settlement cycle?

All investors are eligible to participate in the segment for T+0 settlement cycle, if they can meet the timelines, process and risk requirements as prescribed by the stock exchanges and clearing corporations.

3) Whether T+0 settlement cycle is mandatory?

T+0 settlement cycle is optional and launched as beta version with only specific securities available for trading. The list of such specific securities will be published by stock exchanges.

4) What will be happen to the existing T+1 settlement?

T+1 settlement cycle will continue to co-exist and settlement guidelines and processes that are applicable for T+1 settlement cycle will continue as-is.

5) What are points to be noted while submitting instructions for T+0 settlement cycle?

- a) There will be a separate market type for T+0 settlement.
- b) Early pay-in (EPI) of securities will be mandatory for delivery in the T+0 settlement cycle, using the new market type. The account transfer instruction has to be with 'Block with Early Pay-in' indicator flag.
- c) No other type of transfer instructions will be permitted under T+0 settlement cycle.

6) Whether the Pay-in obligation matching will be done by NSDL?

All the EPI instructions with status as 'Ready for Settlement' will be shared with respective CCs at a pre-defined interval, as per existing defined mechanism between CC and NSDL.

7) What is the cut-off timing to execute Early Pay in instruction for the T+0 settlements?

All EPI instructions submitted to the Participants or Clearing Members must be before the defined cut-off time of 1:45PM on same trade date.

8) What happens those instructions that are in overdue to insufficient balances?

As mentioned above, the status of the instruction has to be in 'Ready for settlement'. In case the instructions are in overdue status, such instructions will be cancelled at or after the early pay-in deadline time.

9) What happens to those instruction where the matching obligation is not available?

For T+0 settlement cycle, the full/partial EPI cancellation facility is provided to CCs for which matching obligation is not available at CCs. Using this facility, CCs can partially accept or cancel EPI instruction if there's no matching obligation available for the trade date. Investors and their participants need to be cautious and provide correct details in submitting EPI instructions.

10) What will be pay-in time and the process for T+0 settlement cycle?

The cut-off pay-in time, as prescribed by clearing corporation, is 3.30PM for T+0 settlement cycle.

Further, during the pay-in process at NSDL, blocked securities will be debited from client's demat account and credited to CC settlement account routed through TM/CM Pool account as per the existing process.

11) Whether Trading and settlement will be carried out on settlement holiday/ex-date of corporate action?

No trading and settlement will be allowed/permitted for T+0 Settlement cycle on settlement holiday/ex-date of corporate action.

12) Whether the Netting will be allowed between T+0 and T+1 settlement cycles?

There shall be no netting in the pay-in and pay-out obligations between T+0 and T+1 settlement cycles.

13) Will SPEED-e facility be available for executing T+0 settlement?

Yes, the EPI instruction can be submitted by Clearing Members and Clients using SPEED-e facility.