

UBS Custody *News*

Priority: Medium – Market: Malaysia

Malaysia – Change of settlement cycle

The Malaysian Central Securities Depository (Bursa) confirmed that the change of settlement cycle from T+3 to T+2 will take place as per April 29, 2019.

Bursa Malaysia conducted an industry engagement with market participants on 22 January 2019 for the External User Acceptance Test (EUAT) briefing and announced the target launch date for T+2 settlement cycle will be on Monday, 29 April 2019. The confirmation of the date will however be subject to successful testing with market participants and amendments to the rules approval by the Securities Commission.

The scope of the tests is to ensure relevant market participants readiness and to ensure smooth transition from T+3 to T+2 settlement cycle. In addition, the T+2 settlement cycle implementation is part of Bursa Malaysia's ongoing efforts to improve operational efficiency, reducing systemic risks and aligning the clearing and settlement processes of the Malaysian capital market with international practices.

Friday 26th April – Last trading day with a T+3 settlement cycle.

Monday 29th April – First trading day with T+2 settlement cycle. All transactions from this day onwards will be settled as T+2.

Thursday 2nd May – First settlement day under T+2. Transactions done on 26 and 29 April 2019 will be settled on this day.

Impact

UBS recommends to review your systems, processes and other dependencies to assure smooth implementation of the new settlement cycle T+2.

Source: UBS Switzerland AG

Should you have any questions, please contact your UBS Custody Relationship or Client Service Manager.

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