

## **T + 1 Settlement of SGL transactions**

**May 29, 2001**

In the Monetary & Credit Policy 2001-02, it was proposed that from June 2, 2001, all transactions in Government securities settled through the Subsidiary General Ledger (SGL)/Delivery versus Payment (DVP) system would be on T + 1 basis. The feedback from the market participants with whom Reserve Bank has had several rounds of consultation is that the date from which T + 1 settlement will be introduced for Subsidiary General Ledger settled transactions should be coterminus with operationalisation of the Negotiated Dealing System (NDS), as both measures would require changes in the internal systems of market participants. Also it is felt that there should be a provision for T + O settlement under certain conditions.

Accordingly, it has been decided to postpone the date for introduction of T + 1 settlement for SGL settled transactions in Government securities to make it coterminus with introduction of NDS which is expected to commence shortly. The date to be notified will be announced in consultation with market participants.

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