

April 1, 2022

Vanessa Countryman  
Secretary, Securities and Exchange Commission  
By email: rule-comments@sec.gov

Re: File Number S7-05-22

Dear Secretary Countryman:

The U.S. Securities and Exchange Commission has proposed to adopt rules and rule amendments to shorten the standard settlement cycle from two business days after the trade date (T+2) to one business day after the trade date (T+1). The Securities Transfer Association (STA) is pleased to provide our comments. STA is a professional trade association of transfer agents, official record-keepers interacting daily with issuers, their investors, and broker-dealers regarding securities offerings, issuances, transfers, dividends, corporate actions, and a myriad of other functions. STA's membership is comprised of over 130 commercial stock transfer agents, bond agents, mutual fund agents, and related service providers within the United States and Canada. Collectively, STA members service more than 100 million registered shareholders on behalf of more than 15,000 publicly traded and private companies.

When the industry moved from T+3 to T+2, STA was included in the discussions from the start through to implementation in 2017 by participating on the Industry Steering Committee and the Industry Working Group, providing our views as well as guidance on potential industry impacts. Unfortunately, we were not involved in discussions prior to the announcement of the proposed rules this time, and therefore, we can only assume that the other industry groups have concluded that the proposed move to T+1 will have no material impact on transfer agent processing. We note that while the move from T+3 to T+2 required only modest changes to transfer agent day-to-day processing once implemented, preparation for and implementation of T+2 changes were not inconsequential. Those changes involved additional programming, additional staffing, and material changes to corporate action and dividend processing.

We would expect similar costs for transfer agents in a move to T+1, assuming broker-dealers utilized by some transfer agents to effect certain trades do not charge materially more than they did as a result of the move to T+2. These charges incurred by transfer agents should be included in the Commission's Economic Analysis. And,

since the associated Economic Analysis in the proposed rule did not contain any data related to transfer agent processing, we infer that the move to T+1 is not expected to necessitate any material structural industry process changes. If that is *not* the case, and material industry changes impacting transfer agents are being implicated, we respectfully request an extended comment period of 60 days to assess the impact and the subsequent practicality of the proposed implementation date.

STA fully supports the move to reduce risk in the clearance and settlement cycle by adopting a T+1 settlement. We do, however, request that the SEC consider moving the T+1 effective date to a three-day weekend that corresponds with a holiday weekend in North America, as was the case for T+2.

The proposed rule release also requests feedback on moving to a T+0 settlement and asks specific questions related to dematerialization in a T+0 environment. Absent dialogue with other market participants, we are not able to thoughtfully respond to the questions posed by the Commission. We believe that shortening to T+0 would entail substantial changes and costs to transfer agents and also impact their issuer clients and their shareholders. STA would be glad to seek specificity regarding T+0 adoption among transfer agent members with additional lead-time and information.

In addition to the inclusion of transfer agent-related data in the Economic Analysis and consideration of our comment on holiday adjustments, we would welcome insight regarding any anticipated changes to current SEC Transfer agent rules. Those considerations would involve transfer turnaround, handling of certificates, proposed rules regarding dematerialization in a T+0 settlement environment, and impact on current timing of share movement between transfer agents and broker-dealers through DTCC interfaces in order to lay the groundwork for such research.

STA appreciates the opportunity to comment. We are available for further discussion at your convenience via Melissa Cabocel, Executive Director:

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Sincerely,

A handwritten signature in black ink, appearing to read "Peter Duggan", written in a cursive style.

Peter Duggan  
President, Securities Transfer Association