



It's OK, Capital Markets Associates, You (Probably) Haven't Lost a Day to Get to Closing

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We can imagine that many law firm capital markets associates reacted to that news by turning pale and getting nervous, thinking about one fewer day between pricing and closing of a public securities offering.

But, not to worry! It's going to be OK. You will still (probably) have the same amount of time to close a public offering that you had previously (which, in the context of an overnight offering for a WKSI, still probably doesn't feel like a lot). That is because the amendment to Rule 15c6-1(a) does **not** affect the settlement cycle for **firm commitment underwritings**. Those offerings are still covered by Rule 15c6-1(d), which was not changed.

To refresh, Rule 15c6-1(d) provides that, for purposes of paragraphs (a) and (c) of Rule 15c6-1, parties to a contract shall be deemed to have expressly agreed to an alternate date for payment of funds and delivery of securities at the time of the transaction for a contract for the sale for cash of securities pursuant to a firm commitment offering if the managing underwriter and the issuer have agreed to such date for all securities sold pursuant to such offering and the parties to the contract have not expressly agreed to another date for payment of funds and delivery of securities at the time of the transaction.

So that means that issuers and underwriters can still agree to settle on T+3, notwithstanding the amendment. However, if the CFO says that he or she wants the offering to settle on T+2, well...the team had better get ready to move even faster than before.

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