

BC3402 QUIZ: March 2022

*Type out your answers and submit them via the course site of NTULearn under the Assignment Tab. All answers have to be submitted before the due date/time, and failure to do so will result in a deduction of marks. Answer all questions below. **SUBMIT BY 11 MARCH 2022 AT 8:45PM (Singapore Time)***

After the GameStop Saga in 2021, there were calls to speed up clearing and settlement of trades, perhaps up to real-time settlement (T+0). Real-time settlement (T+0) will require all trades to be settled at the point of execution, which is even more speedy than the T+1 settlement that regulators have advocated but not achieved in the past decade.

1. From the perspective of post-trade, how will instances of exponential increase in trade volumes (e.g. the GameStop saga) impact trade?
(10 marks)
2. If real-time settlement of trades (T+0) is required, what are some potential drawbacks and challenges for the market participants?
(20 marks)
3. Assuming you are consulting for SEC, sketch out an execution plan to help the market achieve T+0 settlement. Your plan should be outlined in chronological order and point form.
 - Stage 1: #####
 - Stage 2: #####(20 marks)