i absolutely agree with this rule.

brokers are responsible to their customers and responsible to the market. they must make sure that trades settle in a timely fashion. they cannot outsource their requirement responsibility to make sure that they meet deadlines. they must supervise any settlement.

further, brokers who represent the buyer have a responsibility to their customer and should also respond by buying in any shares that have not been delivered in a timely fashion. to do otherwise is legally denying your responsibility to your customer. the buying broker should be buying in any shares that have not been delivered much sooner than 13 days. accepting interest for allowing a failure to deliver is against your customer's best interest.

the major problem with the stock market is failure to deliver stock and naked shortselling. shortselling is a debt to the investors of a security and there is a moral/legal requirement that shares be delivered. further, borrowing shares in order to reset due dates of transactions should not be allowed. this is trading but it is still a failure to deliver shares, even though there is a new entity that holds the shares to be delivered. this is an indication of willfully not intending to deliver shares in a timely fashion.

if there are any complaints by brokers about the increased compliance costs, the brokers should be reminded that outsourcing cannot be used to thwart government supervision nor deadlines that must be met. the market is regulated and this is the nature of the industry. brokers should already be complying with deadlines that have been established for a long time.

suzanne hamlet shatto (i would rather be anonymous, but if my name is required, then i give my permission. i am an investor.)