

EU T+1 Coordination Committee

June 4° 2025

Remote meeting

Summary of latest developments

- **15/05** - All Technical Workstreams drafted a first set of recommendations and sent it to the Industry Committee.
- **28/05** - During the Industry Committee T+1 meeting in Brussels, a first draft of the consolidated report - containing high-level recommendations from the Technical Workstreams for the T+1 transition - has been approved by representatives from the capital markets ecosystem.

The Industry has defined the next steps towards the publication of the final report of the recommendations expected on 30th June.

Agenda

- Introduction on Industry Committee and Recommendations
- T+1 Scope
- T+1 Operational Timetable
- Key Recommendations: Core TWs
- Key Recommendations: Others TWs
- Next steps to final report
- Work plan for Q3 and Q4 2025

Role of EU T+1 Industry Committee

- **Delivery of Industry Documentation:** Produce public materials to document the necessary business and regulatory changes required to support the transition to T+1, including a detailed roadmap for implementation of the changes. Prioritise the changes by distinguishing where relevant between critical and 'beneficial but not critical' changes.
- **Coordination and Steering:** Agree and monitor deliverables and timelines in the delivery of key milestones, as well as to oversee and coordinate the Workstreams, addressing interdependencies between different areas.
- **Issue Resolutions:** Serve as the escalation point for unresolved technical and operational challenges, deploying consensus-based solutions.

TW Recommendations': the “three Cs”

- **COMPLETENESS**

Addressing all the critical issues identified by TWs

- **CONSISTENCY**

The whole set of recommendations represents the blueprint of changes that the EU T+1 Industry Committee believe must be collectively delivered to ensure successful delivery of the project

- **COHERENCE**

Internal: recommendations are developed by TW in a coordinated manner to ensure they are coherent among them

External: UK – CH Recommendations

TW Recommendations: principles

- **High level**, addressing critical issues only (“nice to have” to be addressed at a later stage).
- **Non-binding**: “adhere or explain” approach.
- **Based on current arrangements** (e.g. current trading hours), able to be updated if and when needed.
- **Not “the magic wand”** to T+1 transition, controversial issues, not perceived as critical roadblocks, will be assessed and addressed at a later stage¹ (e.g. derivatives).

(1) AST considering a second release of its recommendations

TW Recommendations: summary of conclusions

- **Recommendations have been divided into 4 main categories:**
 - Recommendations that have **reached a consensus** and no further analysis is required
 - **Duplicated** recommendations: they will be shortly identified and will be reviewed for consistency by the respective WS leads jointly.
 - Recommendations that still **require additional work** (within the next few days for the Roadmap, by Sep for the Rulebook) to be clearly defined and presented (see next slide);
 - Recommendations that can be considered **non critical** or to be added for “future-proofing” any legal, operational and technology developments that will be deployed for T+1 transition in October 2027.
 - Recommendations on the timing of the EOD DVP Cut-off: No final recommendation was agreed upon; further discussion is required.
 - Description of the process to apply recommendations by CEG and Corporate Event WS about automatic buyer protection and more in general about corporate actions “on flow” (e.g. transformations and market claims).

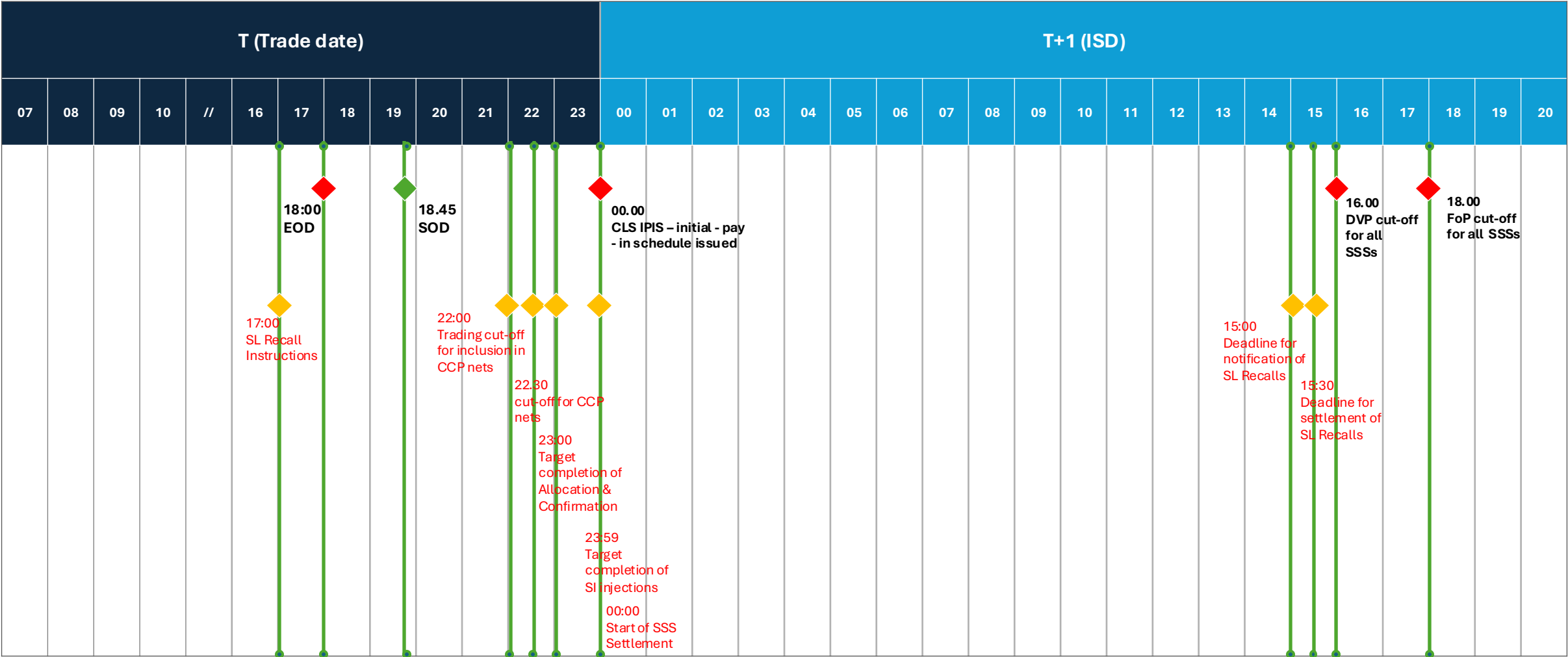
TW Recommendations: summary of conclusions

- Recommendations that still **require some additional work** :
 - Recommendation on the introduction of an additional net settlement batch in the T2S RTS process (tentatively at around 12:00 CET): to be further evaluated (also in the CSG MSE TF) against alternative tools and procedures that exist already today or may need to be adjusted for T+1.
 - Recommendations on Derivatives: open points related to derivatives will be addressed in a dedicated section for further analysis.
 - Recommendation on the standardized settlement instruction formats to agree on a 'gold standard' format for settlement instructions, including cross-border templates, to be discussed by Settlement WS and representatives of SMPG, (I)CSDs, settlement agents custodian community and SWIFT.

T+1 Scope

Security	Scenario #	Trading Venue	Place of Settlement	Trading Line (EQ)	Market of Issue (FI)	Issuer	ISIN Prefix	Settlement Cycle	Enforcement	Regulation Mandated
Cash Equities & ETPs	CE1	EU	EU	EU	n/a	EU	DE/FR/IT etc.	T+1	CSDR (EU)	Y
	CE2	EU	EU	EU	n/a	Other	Other	T+1	CSDR (EU)	Y
	CE3	EU	Other	Other	n/a	Any	Any	T+n	Trading Venue Rulebook	N
	CE4	Other	EU	EU	n/a	Any	Any	T+1	Trading Venue Rulebook	N
	CE5	OTC	EU	EU	n/a	EU	DE/FR/IT etc.	T+1	Market Convention (EU)	N
	CE6	OTC	EU	EU	n/a	Any	Any	T+1	Market Convention (EU)	N
	CE7	Other	Other	Other	n/a	EU	DE/FR/IT etc.	T+n	Varies	Varies
	CE8	OTC	Other	Other	n/a	EU	DE/FR/IT etc.	T+n	Varies	Varies
Domestic Bonds	DB1	EU	EU	n/a	EU	n/a	DE/FR/IT etc.	T+1	CSDR (EU)	Y
	DB2	EU	EU	n/a	Other	n/a	Other	T+1/n	CSDR (EU)	Y
	DB3	EU	Other	n/a	EU	n/a	DE/FR/IT etc.	T+1	Trading Venue Rulebook	N
	DB4	EU	Other	n/a	Other	n/a	Other	T+n	Trading Venue Rulebook	N
	DB5	Other	EU	n/a	EU	n/a	DE/FR/IT etc.	T+1	Trading Venue Rulebook	N
	DB6	Other	EU	n/a	Other	n/a	Other	T+n	Trading Venue Rulebook	N
	DB7	Other	Other	n/a	EU	n/a	DE/FR/IT etc.	T+1	Trading Venue Rulebook	N
	DB8	Other	Other	n/a	Other	n/a	Other	T+n	Trading Venue Rulebook	N
	DB9	OTC	EU	n/a	EU	n/a	DE/FR/IT etc.	T+1	Market Convention (EU)	N
	DB10	OTC	EU	n/a	Other	n/a	Other	T+n	Varies	Varies
	DB11	OTC	Other	n/a	EU	n/a	DE/FR/IT etc.	T+1	Varies	Varies
	DB12	OTC	Other	n/a	Other	n/a	Other	T+n	Varies	Varies
Eurobonds	EB1	EU	EU	n/a	Mixed	Mixed	XS	T+1	CSDR (EU)	Y
	EB2	Other	EU	n/a	Mixed	Mixed	XS	T+1	Trading Venue Rulebook	N
	EB3	OTC	EU	n/a	Mixed	Mixed	XS	T+1	Market Convention (EU)	N
	EB4	EU	Other	n/a	Mixed	Mixed	XS	T+1	Varies	Varies
	EB5	Other	Other	n/a	Mixed	Mixed	XS	T+1	Varies	Varies
	EB6	OTC	Other	n/a	Mixed	Mixed	XS	T+1	Varies	Varies

T+1 Operational Timetable



Key Recommendations: Core TWs

Trading

1. Operational Timetable
2. End of day signal from TVs to CCPs
3. “Early bargain”
4. Trading venues' rulebooks
5. Allocation & confirmations sharing
6. Liquidity
7. *{Derivatives settlement*
8. *DvP cut-off extension}*

Matching & Confirmation

1. Promote the Standardized Electronic Exchange of Trade Allocations and Confirmations
2. Intraday Transmission of Allocations and Confirmations
3. Provision of PSET Data at the Point of Allocation
4. Default Use of Partial Settlement Functionality (PAR) in Settlement Matching
5. Industry Standard for SSI management and exchange

Clearing

1. CCP process timings
2. Clearing Member, Settlement Agent, Broker-dealer process timings
3. CSD Power of Attorney (POA)
4. Hold and Release functionality
5. End of Trading confirmation to CCPs
6. Further assessment of the Equity derivatives exercise and assignment timing process
7. Home Market Settlement for Listed Derivatives

Settlement

1. Instruction Management
5 detailed recommendations under this topic
2. Liquidity Injection
5 detailed recommendations under this topic
3. Tools and Functionalities
9 detailed recommendations under this topic

Key Recommendations: Others TWs

SFT

1. Recall and return framework
2. Market Infrastructure and timing alignment
3. Settlement efficiency tools
4. Standardisation of Pre-Matching and SSIs
5. Collateral and Loan Release Practices
6. Operational Resilience and Continuity
7. Post-Execution Coordination

Legal & Regulatory

1. Update to CSDR Article Securities Financing Transactions (SFT) exemption
2. Temporary suspension of CSDR cash
3. National
4. Unharmonised insolvency protections

Corporate Events

1. Alignment of corporate event key dates with the T+1 standard settlement cycle
2. Automation of buyer protection
3. Automation of market claims processing

FX

1. Awareness Asia, UK and US markets on EU t+1
2. Custodian/3rd party providers engagement to successfully execute FX
3. Impacts of potential increase in the partial settlements
4. FX Market Participants will review their practices to reduce FX Settlement Risk
5. FX Market Participants PvP mechanism
6. Impact assessment of the US T+1 move on FX trading, liquidity provision and settlement
7. Settlement WG summary

Asset Management

1. Reduction of the settlement cycles for funds' units
2. Regulatory clarification on cash breaches
3. Temporary relief from the penalty regime under CSDR

Next Steps to final report

- **03 June:** Revision of duplicate recommendations by co-leads
- **05 June:** Release of 1st full draft report
- **11 June:** Deadline for comments
- **17 June:** Release of 2nd draft for final review
- **20 June:** Final comments due
- **30 June:** Official report release
- **Post-30 June:** Public statement and press release
- **By mid July:** Public Event to present the road map

Work plan for Q3 and Q4 2025

1. Launch event:

1. When: no later than July 15th
2. Where: Bruxelles/Paris
3. Who: EC-ESMA – Industry Committee- Pwc

2. Road Show

1. When: October – November
2. Where: Milan-Madrid-Berlin-..
3. Who: Industry Committee – PWC

3. Communication Strategy

1. Communication TW + Tought Treelab + Pwc

4. Website

Work plan for Q3 and Q4 2025

1. Best practice rule book
2. 2026 Implementation work plan – role of Industry Committee (update Tor?)