

Keynote speech

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Good afternoon and thank you for inviting me to join you today. It is a pleasure to speak at this **important moment in the European transition to T+1**. We are now at a critical juncture as we are **moving from design to delivery**. The policy direction is clear, the implementation date is fixed, and the remaining months must be used to **turn planning into operational readiness across the whole trading and settlement chain**.

EU T+1 Industry Committee work

Let me start by acknowledging the **very substantial work of the EU T+1 Industry Committee**. The Committee has helped structure the market's response to one of the most significant operational changes in the European post-trade ecosystem in recent years. It has brought together infrastructures, intermediaries, trading venues, issuers, investors, service providers and other stakeholders around a common objective: ensuring that Europe can move to a shorter settlement cycle in a coordinated and resilient way. And I would like to add that the active coordination between the industry committee and the public authorities has been very positive.

This joint work matters because T+1 cannot be delivered by regulation alone, and it cannot be delivered by any single part of the market acting alone. The Committee's roadmap, handbook, market practices, checklist, testing plan and readiness surveys have provided **practical tools for implementation**. They have also created a shared language for discussing dependencies, bottlenecks and priorities. That is precisely the type of public-private cooperation that is needed for a transition of this scale and can maybe serve as a blueprint for other projects in the future.

Authorities' role and regulatory update

From the authorities' side, our role has been **complementary**. Our focus has **been** to provide regulatory clarity, promote supervisory convergence, monitor preparedness, and support coordination where this can reduce implementation risk. ESMA, the European Commission,

the ECB, national competent authorities and central banks have therefore been working closely through the ESMA Post-Trading Working Group and other relevant fora to ensure that the regulatory and supervisory framework helps to support an orderly transition.

The **destination** has been set a long time ago: [as originally proposed by ESMA in its 2024 report] the EU will move to T+1 on 11 October 2027. Regarding Level 2, ESMA delivered its final report on the amendments to the CSDR settlement discipline RTS in October 2025. The Commission's **endorsement** of those amendments is now **imminent**. Once endorsed, the text will proceed through the remaining institutional steps before publication and entry into force. This will be an important signal to the market. While it may be less significant to those entities that have been closely involved in the work of the Industry Committee, whose input into these requirements has been instrumental. It will send a clear message to a broader range of market participants that the new securities settlement framework is no longer a distant project; it is becoming an implementation reality.

The **first key regulatory milestone** will come well ahead of the T+1 go-live date, in fact already this year. From 7 December 2026, new requirements related to allocations and confirmations are expected to start applying. These requirements are central to T+1 readiness because they address the upstream processes that determine whether settlement instructions can be sent, matched and settled in time. In a T+1 environment, delays in allocations, confirmations or data enrichment on trade date will quickly translate into settlement pressure the next day.

That is why authorities will now increasingly focus their attention on **monitoring, and supervising**, the implementation of the T+1 related requirements. At ESMA, we are working on further **guidance** on allocations and confirmations, so that, in combination with the recommendations of the EU T+1 Industry Committee, firms have a clear basis for finalising the implementation of electronic, standardised and timely communication processes.

This regulatory work is only one part of the authorities' contribution. We are also **monitoring readiness** through the Industry Committee survey and the complementary work carried out by national authorities. These surveys are not a box-ticking exercise. They help identifying where awareness is high, where preparation is lagging, and where further engagement may be needed. They also help authorities understand whether the whole ecosystem is moving forward in step, including smaller firms, cross-border participants, vendors, custodians and service providers.

What we expect from market participants until the go-live

Let me now turn to what we expect from market participants. First, please review and provide input to **ESMA's consultation** on the revised Guidelines on allocations and confirmations. The consultation closes on **7 July**. This is a short but important window. We need practical

feedback from the firms and infrastructures that will have to implement the requirements in daily operations. Responses should help us ensure that the final guidance is clear, workable and aligned with the realities of different business models, while maintaining the level of standardisation and automation that T+1 requires.

Second, firms should **finalise their preparations** for T+1 now. This means moving beyond programme mobilisation and into concrete delivery: upgrading systems, reviewing operating models, improving static data and standard settlement instructions, agreeing procedures with clients and counterparties, and reducing manual intervention wherever possible. Automation is not an optional enhancement in a T+1 environment; it is a precondition.

Third, and this is perhaps the most important message today: **no one can be ready in isolation**. Each firm must, of course, assess its own readiness, but that alone is not enough. You need to check the readiness of your entire ecosystem: your clients, your brokers, your custodians, your CSDs, your CCPs, your trading venues, your vendors and your outsourcing providers. Readiness has to be tested up and down the trading and settlement chain. One weak link can create pressure throughout the chain.

This is particularly important in a market as **interconnected** as Europe. Cross-border settlement, investor-CSD models, securities financing transactions, international investors and multi-market custodial chains all create dependencies that cannot be adapted at the last minute. Firms should therefore use the Industry Committee tools, including the handbook, checklist and market practices, to identify where they depend on others and where others depend on them.

Finally, firms should be **ready for testing in 2027**. Testing will be the moment when planning assumptions meet operational reality. It should not be treated as a final check after implementation is complete; it should be built into implementation planning. Internal testing, bilateral testing with key counterparties, and coordinated market-wide testing will all be needed to identify defects early and reduce the risk of disruption at go-live. And information sharing at national level and with the EU Industry Committee on testing challenges encountered will also help you and the broader market be better prepared for the actual transition.

Conclusion

The transition to T+1 is mostly described as an acceleration, a shortening of the timeframe. In reality, it is also a **test of coordination**. It will require discipline, transparency and early engagement from every part of the market. If we get this right, Europe will achieve a more efficient settlement process, reduce costs and operational friction, and strengthen the competitiveness and resilience of its capital markets.

So my message today is simple: On our side, the authorities intend to continue providing clarity, ensuring convergence and monitoring progress. On your side, we expect the Industry Committee to continue supporting coordinated implementation. But most importantly, operational **readiness must now be delivered by each market participant, together with and within its ecosystem**. Please finalise and continue executing your implementation plans. Please engage with your clients, providers and other counterparts. And please be ready to test in 2027.

Giovanni always likes to use mountaineering references, let me use another sporting comparison. This transition is not a solo sprint, but a relay: each part of the market must be ready to pass the baton smoothly, safely and speedily. As authorities we can help set the course and mark the milestones, but every participant must be ready to run their part, pass the baton, and help Europe cross the finish line together.

Thank you for your attention. I look forward to continuing our collective relay sprint and our intensive work together - towards a successful T+1 transition in Europe on 11 October 2027.