

T+1 - Coordination Committee



EU T+1
INDUSTRY COMMITTEE

Chairman of EU T+1 Industry Committee, Giovanni Sabatini

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Key deliverables and Progress monitoring



The EU T+1 Industry Committee has communicated that it has published **sufficient and appropriate guidance** for successful transition to T+1 settlement

- Final key documents published at the end of June
- Deemed important to pass the message to the market that preparation has shifted to local level and to each institution and company touched by transition to T+1
- Additional, detailed guidance may be issued where found necessary; FAQ and Handbook may be updated

Future deliverables

- **Transition Period Report** identifying key challenges, potential risks, dependencies and considerations for the period immediately before the transition weekend
- Workplan for 2027 under preparation

EU T+1 readiness surveys

- Previous survey on Q2, benefit and content of potential additional surveys is yet to be discussed
- When moving to testing phase, readiness surveys do not necessarily capture readiness in an up-to-date or sufficiently detailed manner
- Potential alternatives to readiness survey are being assessed

EU T+1 Industry Committee has restricted mandate and resources to monitor testing and readiness

- Testing Facilitation Mechanism ToR was agreed taking limitations into consideration

Adherence to the EU T+1 IC Roadmap recommendations

- Attention is paid to recommendations where risks with adherence to them have been identified by any or several groups of industry participants

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UPDATE ON THE GATING EVENT



Consultation period: Additional feedback requested by 31 July

- **Limited additional feedback received, likely due to:**
 - Focus on Gating Event related ISO Change Requests at the end of summer
 - Extensive prior feedback, some of it already incorporated into the FAQ and Best Practice document
- **Only two further responses received by end-July:**
 - AFME
 - One individual firm/FMI
- Responses largely reiterated prior comments and concerns, including about potential misuse
- No significant new issues or proposals were raised

FMI response:

- Any decision on further implementation changes should be based on operational experience
- Assessment should therefore take place after T+1 go-live

AFME response:

AFME suggested further exploring possible restrictions in four areas:

- **Functional and technical controls (Post-transition):**
 - Possibility to move from unilateral to bilateral use
 - Restricting use of the flag, for example to fixed income or fixed income DvP transactions
- **Regulatory and supervisory measures**
 - Potential scope for additional regulatory guidance
- **Contractual measures**
 - Possible role of FMI rulebooks to require compliance with best practices
- **Post June 2027 monitoring**
 - Monitoring process and indicators should be defined as soon as possible
 - Monitoring to begin after Gating event functionality becomes available on T2S in June 2027

Two potential focus areas, both requiring close collaboration with CSDs and T2S

Monitoring:

- Develop proposed data points and indicators to monitor after T+1 go-live
- Assess use of the Gating Event and any unintended consequences
- Discuss monitoring process and responsibilities with T2S and CSDs

Functional restrictions and other measures to address usage that deviates from market practice:

- Develop a list of potential options to restrict use of the Gating Event
- Assess pros and cons of each option
- Prepare for a quick post-go-live decision if restrictions become necessary
- Take account of implementation lead times



Note: ESMA's support will be critical to monitor the application of the Gating Event and promote consistent market practice. Inappropriate use of the mechanism could undermine market integrity and weaken the effectiveness of the T+1 settlement framework by allowing individual participants to benefit at the expense of the broader market.

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EU T+1 TESTING FACILITATION MECHANISM



EU T+1 TESTING FACILITATION MECHANISM

The EU T+1 Industry Committee has set up an EU T+1 Testing Facilitation Mechanism to support testing. The EU T+1 Testing Facilitation Mechanism's principles and objectives include:

- 1 Collaboration with the UK AST and SwissSPTC
- 2 Facilitation of essential testing information
- 3 Provide visibility on testing timelines, constraints and availability across jurisdictions.
- 4 Respect for local responsibility — organisation, execution and scenarios will be lead and driven at local market and FMI level
- 5 Providing support and guidance where pan-European alignment brings clear benefits

► The EU T+1 Industry Committee Chair intends to issue a letter to the IC member associations to reinforce the importance of industry-wide testing



- The Facilitation Mechanism can effectively perform its role provided that industry-wide testing in each Member State is coordinated through appropriate local governance arrangements.
- As responsibility for industry-wide testing remains at the local level, it is essential to ensure that the design, implementation and monitoring of such testing are carefully organised locally
- This requires local market infrastructures, industry associations and National Competent Authorities (NCAs) to agree on a clear allocation of roles and responsibilities for the preparation, execution and oversight of industry-wide testing.

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TRANSITION PERIOD



TRANSITION PERIOD TASK FORCE

The EU T+1 Industry Committee decided to support transition period by setting up a Transition Period Task Force. The Task Force's objectives are:

- 1 Support a smooth, orderly and resilient transition to T+1 settlement.
- 2 Assess operational, technical, governance and communication considerations around the go-live period.
- 3 Identify cross-workstream dependencies, potential challenges and areas requiring industry-wide alignment.
- 4 Develop a Transition Period Report focused on industry risk mitigation.
- 5 Coordinate with the UK and Swiss transition initiatives and support local market preparations.



Unlike the UK approach, the EU Transition Period Task Force is not intended to operate as a 'common center'. Given the fragmented nature of the European market, the Task Force focuses on industry alignment and risk identification, while responsibility for execution remains with local markets and infrastructures.

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MONITORING



EU T+1 readiness scorecard

- The ValueExchange presentation of a T+1 readiness scorecard to monitor how market participants adhere to recommendations such as timely submission of allocations and confirmations. The scorecard could be a useful tool that is based on actual data and would reduce need for additional readiness surveys.
- Concerns were raised on the ability to gather data, laboriousness of the process and comparability of non-standardised data across markets and FMIs.
- As a follow up a group consisting of VX representatives, TFM co-chairs and some IC members that work for CSDs would convene to discuss aspects of data collection and standardisation, and what would be feasible for the purposes of T+1 readiness scorecard.

EU T+1 Future Readiness Surveys

- Following industry feedback on survey fatigue, the EU T+1 Industry Committee agreed to reduce the burden and frequency of readiness surveys.
- Future survey activities will be reassessed based on the outcome of this work and the viability of the scorecard described above.



CSD/FMI collaboration and support from ESMA and the European Commission will be critical to enable data collection, standardisation and industry-wide adoption of the readiness scorecard.

- **Complement EU-level monitoring with national metrics.** Beyond the KPIs and aggregated metrics developed by the EU T+1 Industry Committee to monitor overall market readiness, NCAs should promote the collection and publication of **national-level data** on key indicators, particularly allocation and confirmation timeliness, settlement instruction submission and matching, and settlement efficiency.
- **Provide firms with a meaningful national benchmark.** National aggregated metrics would allow individual firms to compare their own performance against that of their domestic market, helping them identify gaps and assess whether their operational readiness is progressing in line with their peers.
- **Support early identification of areas requiring remediation.** Regular monitoring at national level would help highlight processes or market segments where readiness is lagging, enabling firms, market infrastructures and industry associations to focus remediation efforts ahead of the transition to T+1.

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AoB



Stakeholder Engagement Initiative

Joint Letter

1

A communication initiative targeting smaller buy-side firms is being considered to help raise awareness of T+1 requirements and support readiness efforts across the asset management community. As part of this initiative, the EU T+1 Industry Committee may issue a joint communication with EFAMA (subject to confirmation) to reinforce key messages, highlight industry expectations and encourage timely preparation for the transition.

Events

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The EU T+1 Industry Committee will continue to support industry preparedness through a programme of events and webinars:

- Gating Event Webinar (Date TBD): Planned industry webinar dedicated to the Gating Event, focusing on implementation considerations, market practices and participant questions.
- "One Year to Go" Industry Event (29 October 2026): Planned industry event marking one year until the transition to T+1 in October 2027, providing an opportunity to review progress, discuss priorities and reinforce industry readiness.
- Poland Road Show (17 November 2026): The EU T+1 Industry Committee is preparing to continue with its series of roadshows with an event in Poland focusing on the local market specificities.



THANK YOU