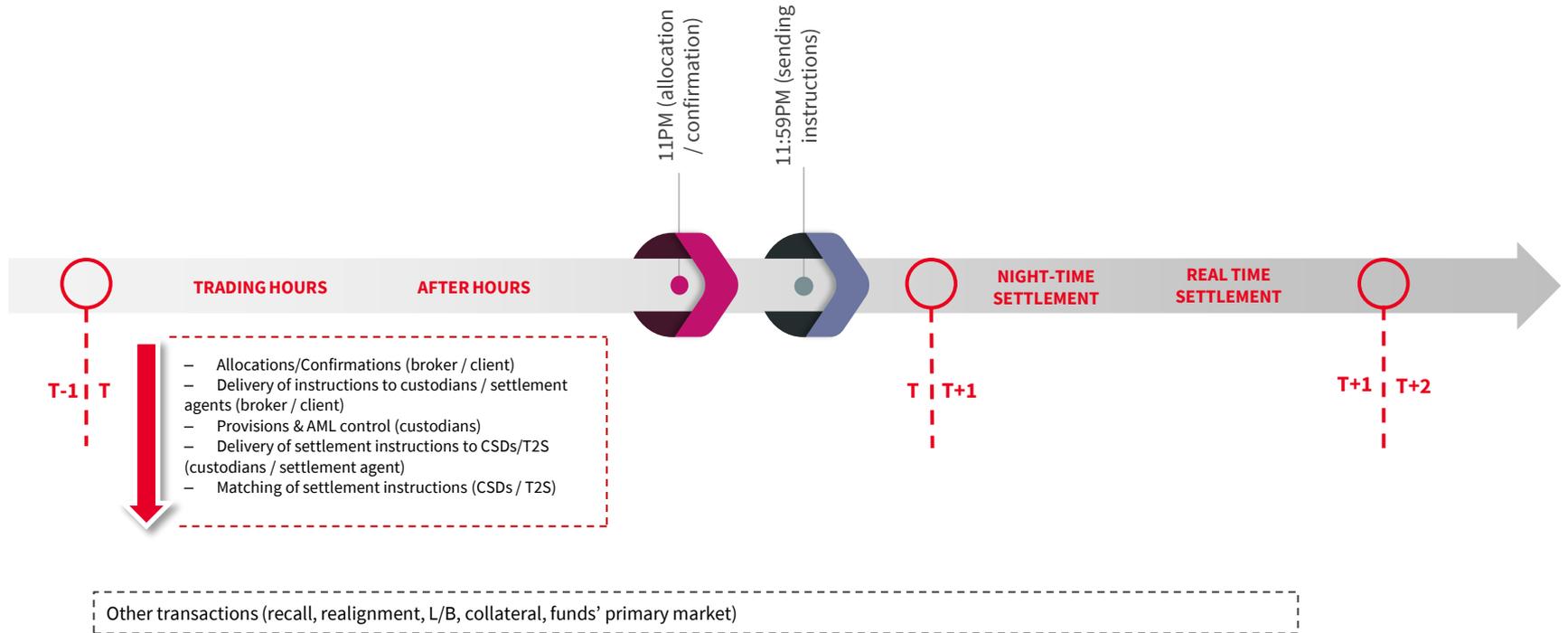


T+1 WEBINAR

SGSS Webinar - 03.03.26

FROM TRADING TO SETTLEMENT



Scope of transactions subject to T+1: Transactions involving securities and executed on a trading platform.

STEP 1: ALLOCATION / CONFIRMATION



ALLOCATION / CONFIRMATION

- Promote the standardised electronic exchange of Trade Allocations & Confirmations
- Intraday transmission and no later than 11PM on trade date
- Provision of the Place of settlement (PSET) at the point of allocation (market practice establishing how / when populating the PSET and PSAF)
- Management and exchange of standing settlement instructions to be standardised and automated (market practice detailing proposed format and minimum data)
- The type of transaction to reflect accurately the typology of the operation (market practice to help populate the field)
- Partial settlement to become a real per default model



SGSS'S CLIENTS

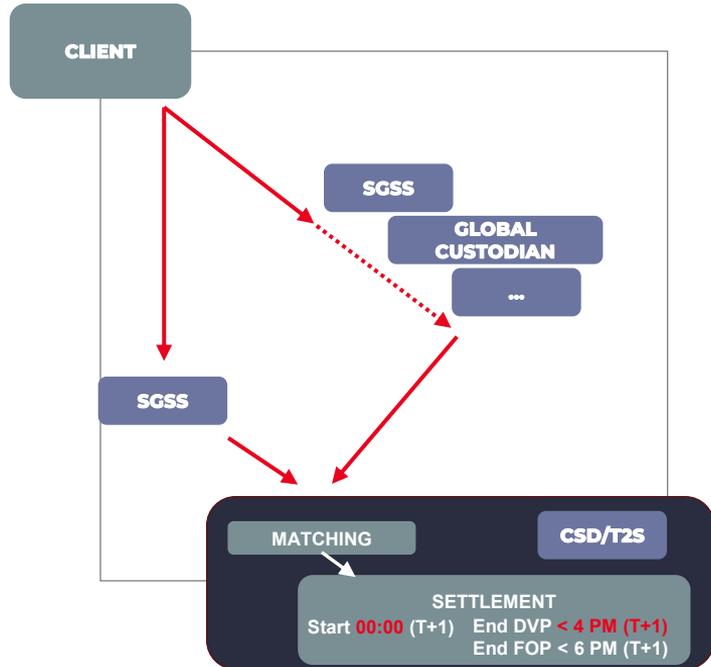
- To control all the required data (type of transaction, PSET, PSAF – if needed – are exchanged during the allocation / confirmation phase (it is important such data are the definitive ones)
- To ensure processes are automated, done in real time and by no mean after 11pm on trade date
- To review processes of SSIs' exchange
- To agree with the counterparty the potential opt-out from the partial settlement
- To ensure the CSDR cash tolerance level is respected
- Attention point: adaptation for the allocation / confirmation phase are expected “as soon as possible” and required by end of 2026 (the 7th of December according to ESMA)



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- Today, SGSS already provides the PSAF (SAFE) in the position statements sent to its clients

STEP 2: SETTLEMENT (1/2)



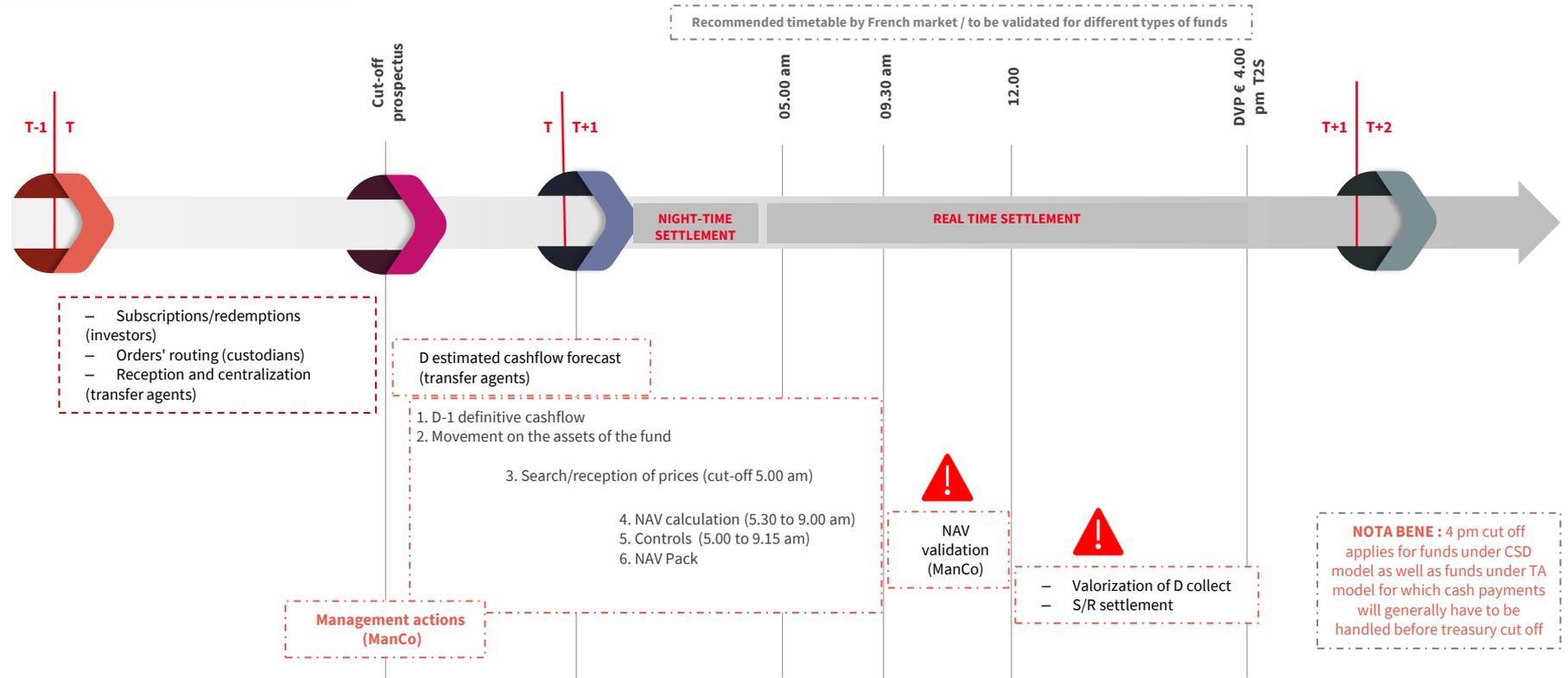
SETTLEMENT

- Instructions to be received by CSDs no later than 11:59PM on trade date
- A market practice reinforcing the usage of partial settlement/partial release:
 - partial settlement applies except for specific types of transaction or in case of a “double opt-out”
 - to be implemented ahead of the move to T+1 Place of safekeeping (PSAF) to be provided
- Place of safekeeping (PSAF) to be provided
- Standardization of the messages (market practice on how and when populating PSET & PSAF)

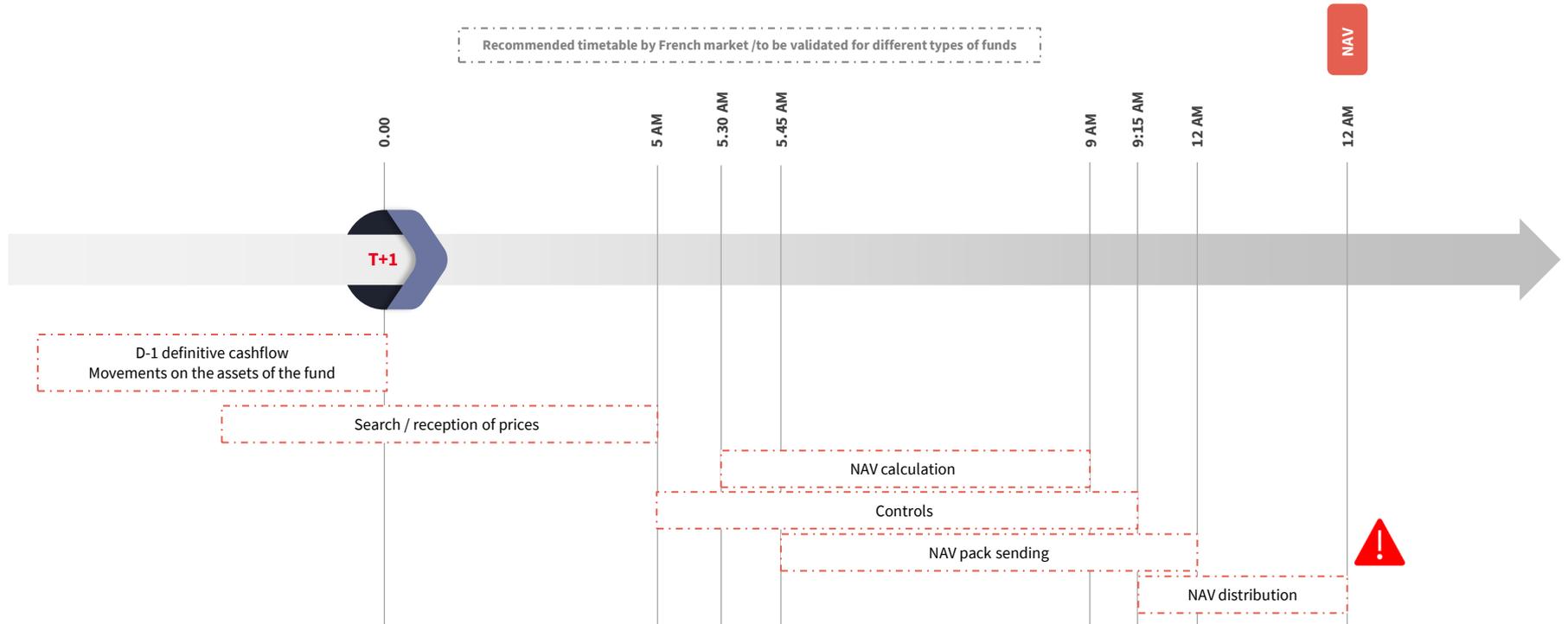
STEP 2: SETTLEMENT (2/2)

- New settlement platform at SGSS since end of 2024, E-Settlement, allowing a better appropriateness to market requirements (**instructions' standardization, speed and quality**)
- Cut off time:
 - ✓ SGSS able to send instruction to sub-custodian/CSD in less than 2 minutes
 - ✓ But on some markets, SGSS uses a sub-custodian; sub-custodian cut off times will have to be taken into account in settlement process
 - ✓ The earlier our clients send us their instructions, the faster they are sent to the CSD
- Partial settlement :
 - ✓ Functionality proposed by SGSS => no impact in our processes
 - ✓ Functionality with impact on all the settlement process : it implies management of multiple settlement confirmations and the accounting linked => IT system to be updated to use this functionality
- PSET :
 - ✓ Cross-settlement is a T2S functionality SGSS uses; it allows settlement with 2 different PSET (client vs broker) if compatible
 - ✓ Topic to be discussed with your counterparties and their settlement agent to ensure they also use it

ASSET MANAGER : FUND SUBSCRIPTION – REDEMPTION PROCESS



DAY-TO-DAY FUND ADMINISTRATION (1/2)



DAY-TO-DAY FUND ADMINISTRATION (2/2)



PRIMARY MARKET OF FUNDS:

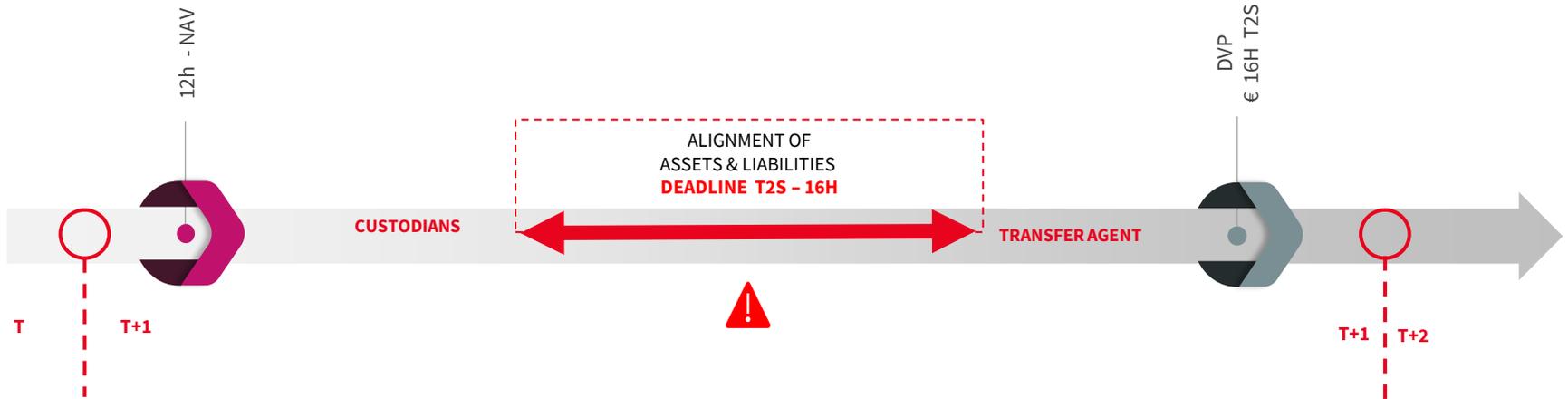
- Investment Management Companies should aim to reduce settlement cycles for funds' units to t+2 or ideally T+1 where feasible
- Regulatory clarification should be provided to ensure that cash breaches caused by settlement misalignment are categorized as passive and non-reportable

FUND ACCOUNTING CONSTRAINTS IF ASSETS-LIABILITIES ALIGNMENT



- Need to carry out all the processing related to NAV calculation within a limited time frame
- No integration of late trades possible
- Need for a high level of responsiveness from the ManCo in case of issue
- Strong constraints on the fund accounting due to the shortening of deadlines (bottleneck) and strong dependencies with the various stakeholders of the chain
- Need to distribute the NAV before 12.00 : question the need to maintain the market practice of NAV validation by the ManCo due to the shortened time limits for a settlement on D before 4 pm

DAILY FUND SETTLEMENT CYCLE (1/2)



DAILY FUND SETTLEMENT CYCLE (2/2)



PRIMARY MARKET OF FUNDS

- Investment Management Companies should aim to reduce settlement cycles for funds' units to t+2 or ideally T+1 where feasible
- Regulatory clarification should be provided to ensure that cash breaches caused by settlement misalignment are categorized as passive and non-reportable

SUBSCRIPTIONS – REDEMPTIONS IMPACTS IF ASSETS & LIABILITIES ALIGNMENT



- **Market constraint with settlement in T2S on 4pm : need to receive the Net Asset Value (NAV) on T°1 12.00 the latest to settle the instructions before 4 pm**
- **In case of NAV re-calculation : regularizations with risk of fails on settlement**
- **For each gap on a subscription-redemption (usually due to distribution contracts) : risk of settlement delay and penalties**
- **Settlement in currency (not in €) : difficulty to handle DAY cash payments to the cash correspondent and deliver securities.**
- **Manual operations / non swiftd custodians / non Euroclear funds : risk on the time required to generate settlement instructions.**
- **Switch to T+1 should only be considered for “vanilla” funds (in EUR, in DVP, with automated flows between stakeholders,...) and for which fund accounting would have all elements to communicate the NAV on time.**
- **Recommendation is to favor a reduction on settlement cycles from T+3 to T+2 and limit the T+1 settlement to “vanilla” funds where all stakeholders' interactions could be done on time.**

KEY INFORMATION FOR CLIENTS



T+1 Stream Client

Project T+1 Governance:

- A cross-functional and committed governance structure ensuring overall steering of the various internal and external stakeholders across all related topics.
- SGSS Project Director: Fabien REY/ Client Stream Leader: Thomas ROEMER
- Dedicated entry point for the client: Client Service Managers (CSM)

→ The CSMs remain your main contacts for any T+1-related questions.

This close-support approach ensures fast and personalized responses to all your requests, with immediate actions communicated and coordinated by the project team.

Next steps :

- Ongoing T+1 communications
- Dedicated workshops
- Organization of the necessary tests, tailored to each client's impacts and needs
- Go-live : 11 October 2027 !

Conclusion: Anticipating impacts now will ensure a well-controlled, gradual, and smooth transition throughout the project.

Q&As



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USEFUL LINKS

EU T+1 Governance Industry Committee

- [EU T+1 INDUSTRY COMMITTEE](#)
- [high-level roadmap eu_t1-1.pdf](#)
- [EU-T1-Handbook.pdf](#)
- [PowerPoint Presentation](#)
- [Guides & Resources – EU T+1 INDUSTRY COMMITTEE](#)
- (Handbook, Task Forces on partial settlement, SSIs and SFTs conclusions and summary of conclusions of Industry Committee meetings)

ESMA

T+1 requirement

- [Regulation \(EU\) 2025/2075 of the European Parliament and of the Council of 8 October 2025 amending Regulation \(EU\) No 909/2014 as regards a shorter settlement cycle in the Union \(Text with EEA relevance\)](#)

ESMA final report on settlement disciplines

- [ESMA74-2119945926-3430 Final Report on Amendments to the RTS on Settlement Discipline](#)

SGSS

[Transition to T+1 in Europe: challenges and impacts on financial markets](#)

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SGSS, Business Unit of Société Générale,

Societe Anonyme with a share capital of € 939,654,993.7 as of 23rd February 2026.

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