



# T+1



Updated in January 2024

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## REGULATORY EVOLUTION

- **T+1 in the US & Canada**
- **T+1 in the UK**
- **T+1 in the EU**

## FOCAL POINTS

- The process to move to T+1 is in its final stage with the change to happen on the 28<sup>th</sup> of May 2024
- Creation of a Task Force by the HMT (report expected by 2023, early 2024)
- The topic is also in the air but not at the same pace (should be handled in the context of CSDR Refit); moreover, the EU is currently dealing with the new CSDR penalties; the EU post-trade landscape could not be compared to the US one. Thus, the US T+1 could not be copied / pasted.



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## STATEMENT

- US / Canada (and Mexico): the move to T+1 is a project that will land on the 28<sup>th</sup> of May 2024 (US) and on the 27<sup>th</sup> of May 2024 (Canada)
- Whereas for the UK and the EU, the move to T+1 is at early stage (still needs to be assessed)
  - UK: the “intermediary” report of the Task Force (part of the Edinburgh reforms) to be issued early 2024 and be followed by a Technical Group
  - EU: through the revision of CSDR (CSDR Refit), ESMA is required to provide the EC a study on the benefit / challenges with; a call for evidence has been open from 15/10/2023 to 15/12/2023

## FOR YOUR CONSIDERATION

- US T+1:
  - The main impacts will be around allocation / confirmation process (new cut-off), FX transactions and lending activity
  - All the information could be found on a specific website: [Shortening the US Equities Settlement Cycle | DTCC](#)
  - A recent survey has shown that the level of readiness may be very low for some actors
  - The scope of financial instruments should include ETFs which could be an issue for ETFs made of “T+1” and “T+2” securities
- UK and EU:
  - UK: the April 2026 date seems to be less set in the stone; one of the main topics relates to the scope and its limitation to settlements happening within the UK CSD
  - The disadvantages may outweigh the benefits (the gain in terms of margins seems to appear extremely low)
  - To be noted, AFME advocated for a unique move encompassing the EU, the UK and Switzerland
  - ESMA’s Call for Evidence covers both a T+1 and a T0 models; numerous trade associations have answered to the CfE, highlighting the challenge of T+1 in the EU (the T0 not being an option), questioning the relation between a EU T+1 settlement cycle and the attractiveness and competitiveness of the EU

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