



T+1



Updated in November 2023

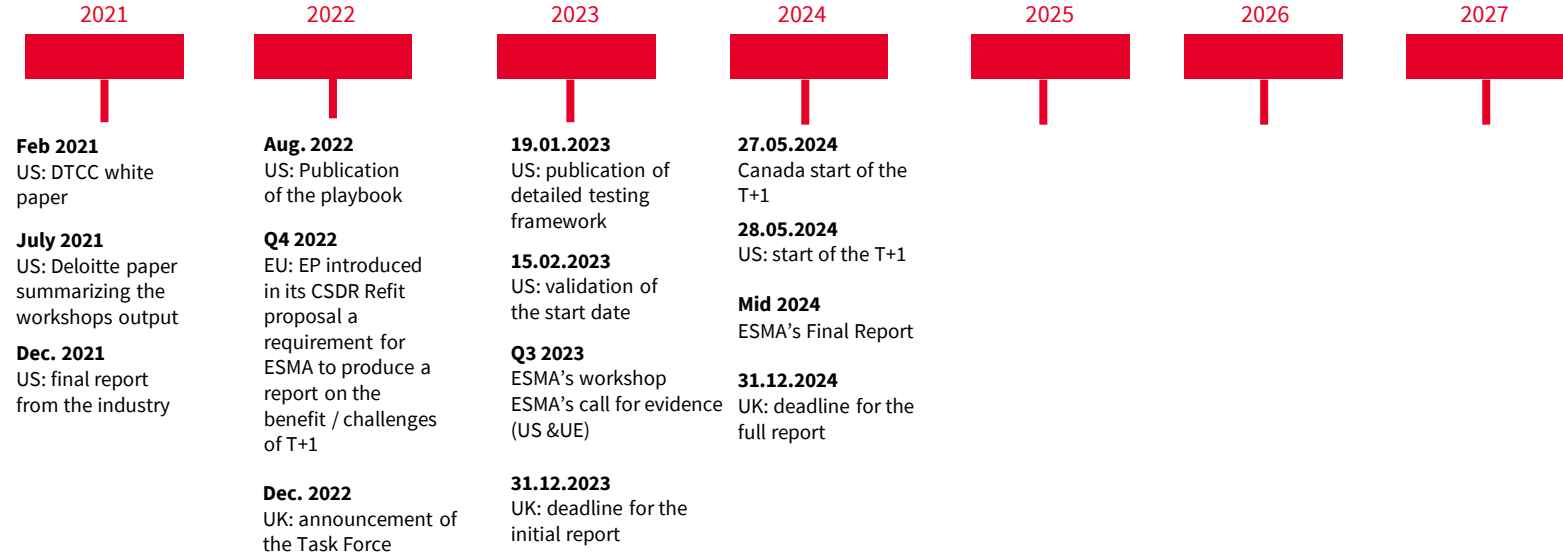
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REGULATORY EVOLUTION

- **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 28th 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 should land on the 28th of May 2024
- Whereas for the UK and the EU, the move to T+1 is at early stage (still needs to be assessed)
 - UK: the HMT has launched a Task Force (part of the Edinburgh reforms)
 - EU: through the revision of CSDR (CSDR Refit), ESMA will be required to provide the EC a study on the benefit / challenges with; a call for evidence and a workshop will be launched / held by ESMA before end of 2023; a final report is expected for mid 2024

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:
 - Although being quite inevitable at the end, the topic is at its early stage and the move has not been decided so far
 - The (EU and UK) T+1 are already at the agenda of trade associations (AFME, FPM) working groups. Their aim is to explore what it would mean for the industry (challenges, prerequisites, ...) and contribute to the future assessments
 - The disadvantages may outweigh the benefits
 - To be noted, AFME advocated for a unique move encompassing the EU, the UK and Switzerland
 - ESMA has issued a Call for Evidence on T+1 and T0 (deadline to answer 15th of December 2023).

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