



T+1



Updated in November 2024

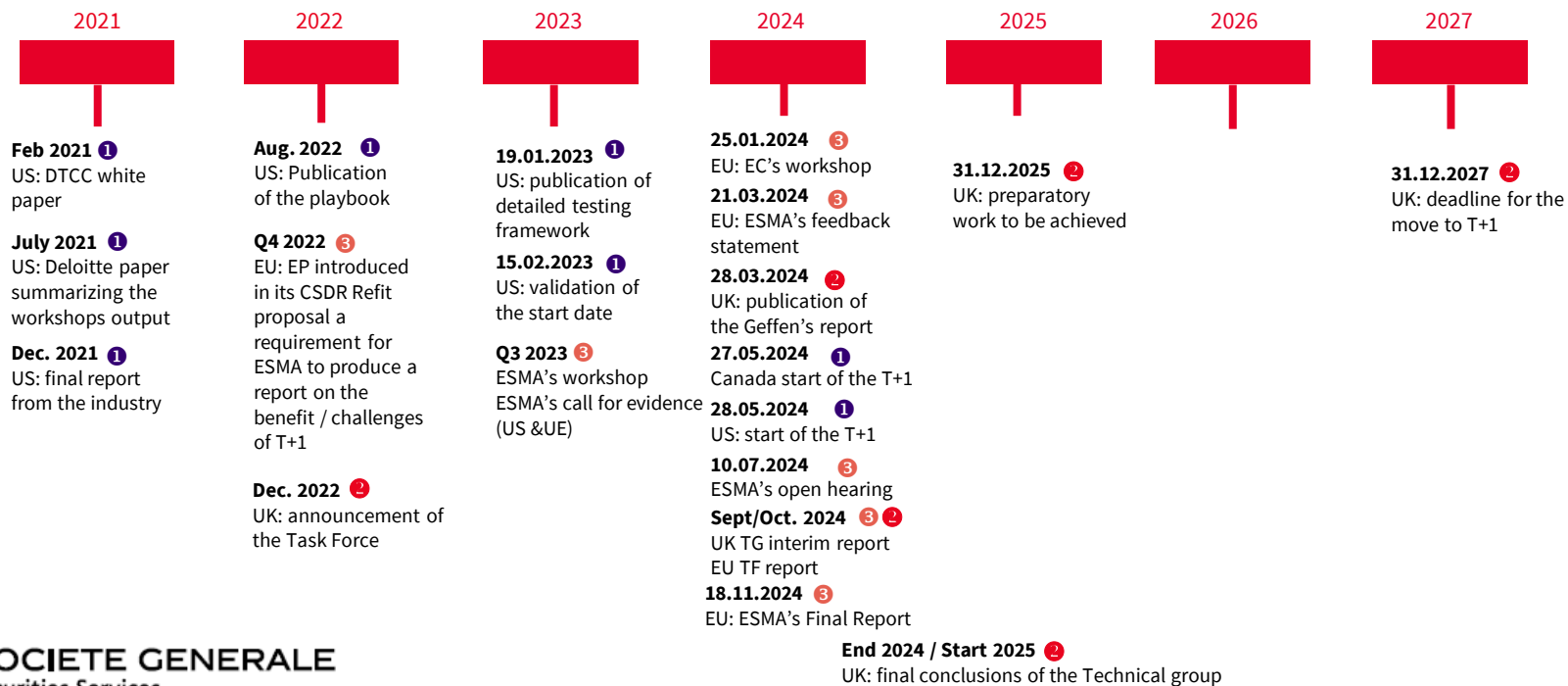
Updated in November 2024

REGULATORY EVOLUTION

- T+1 in the US & Canada ①
- T+1 in the UK ②
- T+1 in the EU ③

FOCAL POINTS

- US and Canada moved end of May after, for US, a 3 years preparation; no issue detected
- A political project included in the 2022 Government's Edinburgh Reforms with the will to follow the US that led to the creation of the Geffen TF
- The topic is both political (EC) and legislative (ESMA to provide an assessment); Unlike US or UK, the Union covers 27 countries that will have to move at the same time. In addition, a move to T+1 will mean important changes for the industry but also the market infrastructures thus significant costs. Such evolution should be carefully discussed,



Updated in November 2024

STATEMENT

- US / Canada (and Mexico): the move to T+1 has happened on the 28th of May 2024 (US) and on the 27th of May 2024 (Canada)
- Whereas for the UK and the EU, the move to T+1 is on progress
 - UK: TG interim report issued in September 2024; final version to be published before mid-January 2025
 - EU: ESMA final report should be issued end of 2024 / start 2025 (the deadline is the 17/01/25)
 - EU TF report issued in October 2024
 - ESMA/ECB/EC: publication of a statement announcing a future governance

FOR YOUR CONSIDERATION

- US T+1:
 - No main issue : a level of affirmation above what was expected; most of the difficulties were from APAC clients
 - However, a lack of full automation that led actors to use manual processes that may be costly with additional risk
 - DTCC to issue a detailed presentation of the results and of the way the move happened
 - No full harmonized way to handle corporate actions on US ISIN when traded in the EU (only for the record date)
- UK and EU:
 - UK: End 2027 is now “the date”; a list of prerequisites (more than 40 that are mandatory and around 15 optional) to allow a move to T+1 will be officialised and constitute the future Code of Conduct
 - 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
 - ESMA’s final report is awaited ; it will bring some clarity and certainty on the what and the when (budgets for 2026 need to be decided by mid-June 2025)

sylvie.bonduelle@sgss.socgen.com

“This document is for informational purposes only. Under no circumstance should it, in whole or in part, be considered as an offer to enter into a transaction. This document is not intended to have an advisory character or intended to represent an investment recommendation or a recommendation regarding a certain strategy, product or service. Although information contained herein is from sources believed to be reliable, Societe Generale makes no representation or warranty regarding the accuracy of any information and is not responsible for errors of any kind. Any reproduction, disclosure or dissemination of these materials is prohibited. The products and services described within this document are not suitable for everyone. This document is not intended for use by or targeted at retail clients. All of the products and/or services described may not be available in all jurisdictions”