

T+1

Updated in February 2025



## **ACCELERATING SETTLEMENT CYCLE (MOVE TO T+1)**

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#### REGULATORY EVOLUTION

- T+1 in the US & Canada ①
- T+1 in the UK
- T+1 in the EU 6

## 2021

Feb 2021 1 US: DTCC white paper

July 2021 🕕 US: Deloitte paper summarizing the workshops output

Dec. 2021 🕦 US: final report from the industry



Aug. 2022 1 **US: Publication** of the playbook

Q4 2022 🚯 EU: EP introduced in its CSDR Refit proposal a requirement for ESMA to produce a report on the benefit / challenges of T+1

Dec. 2022 🔮 UK: announcement of

# 2023

19.01.2023 US: publication of detailed testing framework

15.02.2023 US: validation of the start date

Q3 2023 6 ESMA's workshop ESMA's call for evidence 28.05.2024 (US &UE)

## **FOCAL POINTS**

- o US and Canada moved end of May after, for US, a 3 years preparation; no issue detected
- o 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,



EU: EC's workshop

EU: ESMA's feedback

21.03.2024

27.05.2024

Canada start of the T+1

US: start of the T+1

ESMA's open hearing

Sept/Oct. 2024 (3) (2)

**UK TG interim report** EU TF report 18.11.2024 EU: ESMA's Final Report

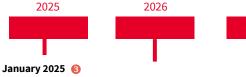
10.07.2024

statement

EU: creation of the EU governance and the related workstreams

Feb 2025 UK: publication of the final 28.03.2024 rapport of the Technical UK: publication of the Geffen's report group

> Feb 2025 📵 EU: CE proposes an amendments to CSDR Refit to implement the T+1



11.10.2027 🔒 🕄 UK & EU: date retained for the move to T+1

2027

the Task Force



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#### **STATEMENT**

- o 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 final rapport published (Feb 2025)
  - ESMA final report issued in November 2024: 11/10/2027 is the date proposed by ESMA
  - EU ITF report issued in October 2024
  - EU governance: workstreams have started their work
  - CE published a proposal to amend CSDR Refit (Feb 2025)

#### FOR YOUR CONSIDERATION

#### o 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
- No full harmonized way to handle corporate actions on US ISIN when traded in the EU (only for the record date)
- O UK and EU:
  - 11/10/2027 is the target date for both UK and EU
- o EU:
  - The proposed amendment of CSDR Refit (article 5(2)) needs to be adopted by the European Parliament and by the Council (level 1 text procedure)

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