

European T+1 Industry Task Force comments on recent UK report on moving to T+1 & outlines its next steps

"The European T+1 Industry Task Force welcomes the recent publication of a report by the Chair of the UK Accelerated Settlement Task Force, and in particular the statement that the "UK and other European jurisdictions should continue to explore opportunities for close collaboration...to see if they can align their moves to T+1." The members of the European T+1 Industry Task Force emphasise the need for a coordinated approach between the EU/EEA, Switzerland and the UK.

"Our shared ambition is for a low-cost, efficient, safe, resilient and integrated post-trade environment which supports globally competitive European securities markets, with high levels of automation and standardisation. We anticipate that alignment of dates will reduce the complexity of implementation projects for firms active across multiple jurisdictions, and minimise scoping issues related to instruments listed, traded and settled across geographical Europe.

"The Task Force intends to conduct further analysis of how Europe might transition to T+1, including development of a roadmap for adoption of T+1 in EU securities markets and a potential timeline that would allow enough time for firms to assess the changes they need to undertake, for the industry to conduct comprehensive testing, and for authorities to make the necessary regulatory changes. This analysis will also incorporate lessons learned from the North American migration to T+1 in May 2024. We intend that, once completed, this analysis will be shared publicly."

"Given the strong support for coordination across jurisdictions, the European T+1 Task Force, and its technical sub-groups, believe there is significant opportunity to work collaboratively with the proposed UK Technical Group and looks forward to doing so."

About the European T+1 Taskforce:

The Task Force was established in 2023, to bring together a diverse group of industry stakeholders who would be impacted by a potential move to a default T+1 securities settlement cycle. The Task Force contains representation from industry associations representing all types of market participant, including buy-side, sell-side and market infrastructures.

To date, the Task Force has conducted analysis on the potential impacts and challenges for European players from the North American migration to T+1 taking place in May 2024 and some initial factfinding across different subgroups about impacts of a potential EU move to T+1 in anticipation of ESMA's work. The Task Force also submitted a joint statement in response to the ESMA Call for Evidence on Shortening the Settlement Cycle in December 2023.

The Task Force is open to participation from any industry association representing securities market participants who would be impacted by T+1. Interested parties are invited to contact peter.tomlinson@afme.eu