SIX T+1 Project.

Overview of the Testing Activities Affecting Members and SIX Platforms

October 2026

Foreword

The purpose of this document is to outline the main changes that SIX will implement and test prior to deployment as part of the upcoming T+1 migration, and to describe how SIX will structure its testing activities within the internationally agreed T+1 testing framework. It also covers testing metrics and the changes foreseen in other areas, such as financial information and foreign exchange.

This document should be read together with the SIX High-Level Impact Assessment for T+1 Migration, published on 8 April 2026[1] (SIX High- Level Impact Assessment for T+1). While the April document assessed the expected impact of the European migration to a T+1 securities settlement cycle across the SIX value chain, this document focuses specifically on testing. Its purpose is therefore not to repeat the impact analysis, but to translate the main conclusions of that assessment into a structured testing approach for SIX platforms, services, participants and clients.

The transition to T+1, with a common go-live date of 11 October 2027 across the European Union, Switzerland, Liechtenstein and the United Kingdom, will require coordinated changes across trading, clearing, settlement and corporate actions. Testing is a critical element of this transition, as it provides market participants and financial market infrastructures with the opportunity to validate technical adaptations, operational processes, cross-border dependencies and end-to-end readiness under realistic T+1 conditions.

The sequence between the two documents is intentional. The April assessment first identified the areas affected by the shorter settlement cycle and the adaptations required across SIX. Once the impact had been clarified, the next step was to define how those changes can be tested in practice, in line with the EU, UK and CH T+1 Testing plan[2] (Industry testing plan for T+1) promoted by the EU T+1 Industry Committee (EU T+1 IC) , the UK Accelerated Settlement Taskforce and the Swiss Securities Post-Trade Council T+1 Task Force (SWISSSPTC). This document is therefore the natural continuation of the impact assessment.

Accordingly, this document describes the testing activities that SIX intends to support across the relevant markets and platforms. It outlines the principal adaptations to be made available in the testing environments, the expected testing windows, the functionalities to be validated, the treatment of Spain, Switzerland, Liechtenstein and relevant cross-border flows, and the role of testing metrics in monitoring readiness throughout the testing period.

By setting out this approach, SIX aims to provide participants and clients with a clear reference point for their own preparation and testing activities. The document is intended to support early planning, facilitate coordination across markets and infrastructures, and help identify potential issues before go-live. Effective testing will be essential to confirm industry readiness and to support a smooth, secure and coordinated transition to T+1.

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[1] SIX High-Level Impact Assessment for T+1

[2] European Union (EU), United Kingdom (UK), and Switzerland (CH) T+1 Testing Plan

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1 Introduction

The importance of testing and testing coordination has gained significant attention across international markets as a critical success factor for the transition to T+1. To support this objective, the Industry testing plan for T+1 established, among other things, the key principles, the scope and testing logistics, the testing periods, and the proposed testing scenarios to facilitate effective market-wide testing activities.

One of the key pillars of the testing framework was the establishment of a common testing calendar, enabling financial market infrastructures, market participants, and other stakeholders to conduct testing activities in a coordinated and consistent manner. Particular emphasis has been placed on end-to-end and cross-border testing, given their critical role in validating interactions across trading, clearing and settlement processes, as well as ensuring interoperability between jurisdictions and market infrastructures.

This document defines different periods, testing windows and scenarios.

Periods

- **Blue period:** To optimise internal processes, leverage existing FMI (Financial Market Infrastructures) solutions, and implement new solutions.
- **Green period:** Period during which the EU operational day changes, including the gating event, can be tested.

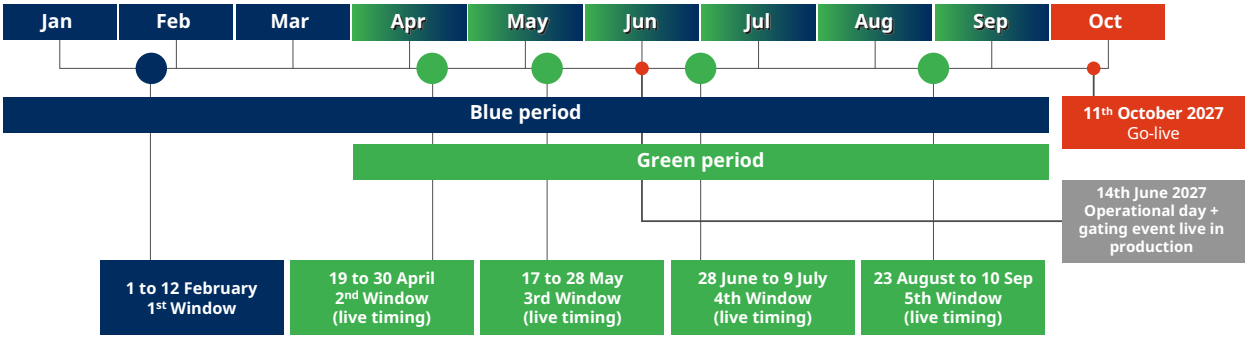
Testing windows

Five testing windows are planned between February 2027 and September 2027. FMIs and Testing Providers have been requested to make their testing environments available at least during these windows. From the start of the second window, on 19 April 2027, once the EU operational day changes, including the gating event, have been implemented, the window schedules should replicate the production timetable.

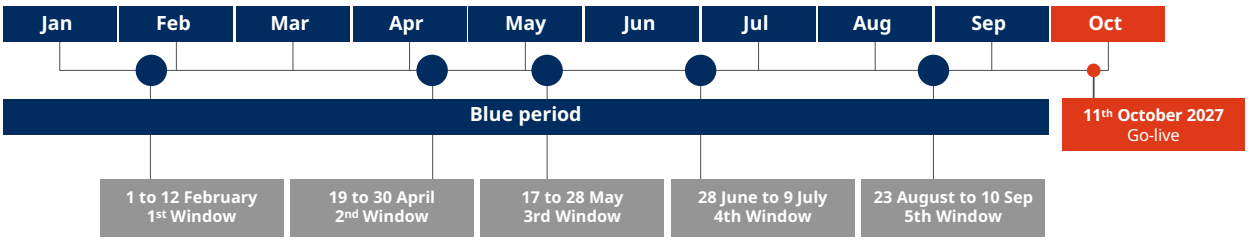
Scenarios

According to the Industry Testing Plan for T+1 two different scenarios are foreseen; one for UK and CH and another for EU.

EU Timeline industry testing period: 2027



UK and CH timeline industry testing period: 2027



Preparation phase

During 2026, market participants, FMIs and service providers are expected to focus on implementing the system enhancements and operational changes required to support the T+1 settlement cycle. This phase is primarily dedicated to internal testing activities, allowing them to validate individual system components, optimise business processes, and identify potential issues at an early stage.

Market-wide testing

The five common testing windows are the core period for coordinated community testing. During this phase, entities will be able to validate end-to-end processing, test interactions with counterparties and FMIs, and assess the effectiveness of the changes under realistic operating conditions.

Finally, the Industry Testing Plan for T+1 explains the scenarios that are recommended for testing:

- On exchange (cleared trade using or not power of attorney and uncleared trades),
- Bilateral / Over the counter trades
- Securities lending,
- Repos
- Foreign exchange.

All the scenarios will be supported by SIX.

The following sections of this document explain the changes expected to be implemented within SIX Group, how the testing period will be covered, the functionalities that will be available in each window and the specifications that should be taken into account.

2 Adaptations of the SIX Group

2.1 Spain / European Union

TECHNICAL ADAPTATIONS

In the context of the T+1 migration, this chapter presents the value chain from the perspective of SIX as a FMI, covering trading, clearing, settlement, and corporate actions. It focuses on the key changes to be implemented across each segment and on their deployment in the testing environments.

Trading

The transition to a T+1 settlement cycle, effective 11 October 2027, represents a coordinated transformation across BME and SIX Swiss Exchange, aligned with global market developments and the European regulatory landscape. The initiative introduces targeted enhancements across trading platforms, post-trade processes, and participant workflows to ensure that all in-scope transactions settle on the next business day.

Changes affecting trading activities are largely procedural in nature. This is particularly the case for BME, where existing trading processes are already broadly aligned with current European market recommendations.

Settlement cycles for funds' units

For transactions executed at Net Asset Value (NAV), current market practice allows the communication of the NAV on T+1, T+2 or T+3 for securities issued by Investment Companies with Variable Capital (referred in Spanish as SICAVs) or Free-Investment Companies (referred in Spanish as SILs).

Under the T+1 framework, a revised model will be proposed whereby the trade date and the allocation date coincide, while the settlement date remains unchanged. The key change therefore affects the trade date only.

As a result, the trade date for SICAVs and SILs will align with the NAV availability date and the CCP (Central Counterparty) registration date. This adjustment may have implications for client booking processes and valuation timing, which will need to be addressed by market participants.

Alignment of corporate actions key dates

The move to T+1 implies a compression of corporate action timelines, including the alignment of dividend ex-date and record date on the same day (one day before the payment date). From a trading perspective, this change will require updates to documentation and system configuration for BME equity instruments, ensuring consistency with T+1 corporate action processing timelines.

Clearing

The move to a T+1 settlement cycle requires a compression of several clearing activities for the Spanish market, where certain processes currently run on T+1.

Operational timetable:

To comply with EU T+1 IC recommendations, the deadline for Spanish market functionalities (internal and external allocations, Hold & Release and netting process, including the sending of settlement instructions to the CSD) will be changed from today's schedule on T+1 to T as follows:

Spanish function	On T+1 (Current timings)	On T (Target T+1 timings)
External allocations (non-SICAVs at NAV)	14:00	20:15
Internal allocations and external allocations (SICAVs at NAV)	16:00	20:15
Hold & Release	19:00	20:15
Netting (Dependent on above processes concluding beforehand)	19:00	20:30

The new CCP timings will apply to all equity transactions, including the physical delivery of Equity Exchange-Traded Derivatives (ETDs).

According to these deadlines, End of Day Member reporting files will be distributed to Clearing Members at around 21:00.

Other enhancements:

With regard to other functionalities aimed at improving settlement efficiency, CCP processes are already largely compatible with the EU recommendations. Nevertheless, the following adaptations are expected to be implemented as part of the Cash Clearing Platform Project before T+1 go-live to ensure full compliance with the T+1 requirements:

- Hold & Release (H&R) functionality: SIX already offers the H&R functionality for the Spanish market through the CCP. SIX will also implement the possibility of performing H&R directly at the CSD (Central Securities Depository) level for T2S markets. Both H&R functionalities will include partial release functionalities.

Settlement

As a result of previous regulatory initiatives, T2S (TARGET2-Securities) harmonisation and the implementation of Reform Project, SIX already complies with a significant number of the recommendations issued by the EU T+1 IC and developed by the EU T+1 Securities Settlement Handbook in the areas of settlement, as explained in the SIX High- Level Impact Assessment for T+1.These functionalities are implemented both in the production environment and in the testing environment and can already be tested by entities to verify the changes they may have implemented to comply with the recommendations or to automate their processes.

The main changes related to T+1 are the following:

Operational day:

T2S will adapt its overnight settlement process to make the future T+1 settlement cycle work smoothly, as described in the T2S change request: T2S-0858-URD[3] Adjustment of the Night-Time Settlement for accommodating the shortening of the settlement cycle to T+1. Counterparties will need to adjust their operating hours to align with the new operational day.

Main changes introduced in the night-time settlement cycle:

- C1S4 is delayed to 00:00, giving participants more time before that key settlement sequence.
- A new C1SX partial settlement window is added, allowing partially settled transactions to be processed earlier.
- The second cycle starts at 02:00, after a pause that gives participants time to react to results from the first cycle.

The objective is to maintain settlement efficiency despite the reduced processing timeframe between trade execution and settlement.

Gating event

With T2S change request T2S-0865-URD[4] a new optional settlement functionality (Gating Event) is included to help synchronise the settlement of repos and related cash market activity.

As explained by the EU T+1 IC, the Gating Event was introduced because market participants in fixed-income repo and cash markets are concerned that moving to T+1 will sharply increase the number of repos settling on T+0. This shift would create major intraday liquidity and settlement challenges.

In the case of bilaterally cleared trades, the gating event indicator can be applied by either counterparty on a unilateral basis. If one of the entities completes the indicator, it will be applied automatically at 11:00 CET to flagged settlement instructions on their intended settlement day (ISD).

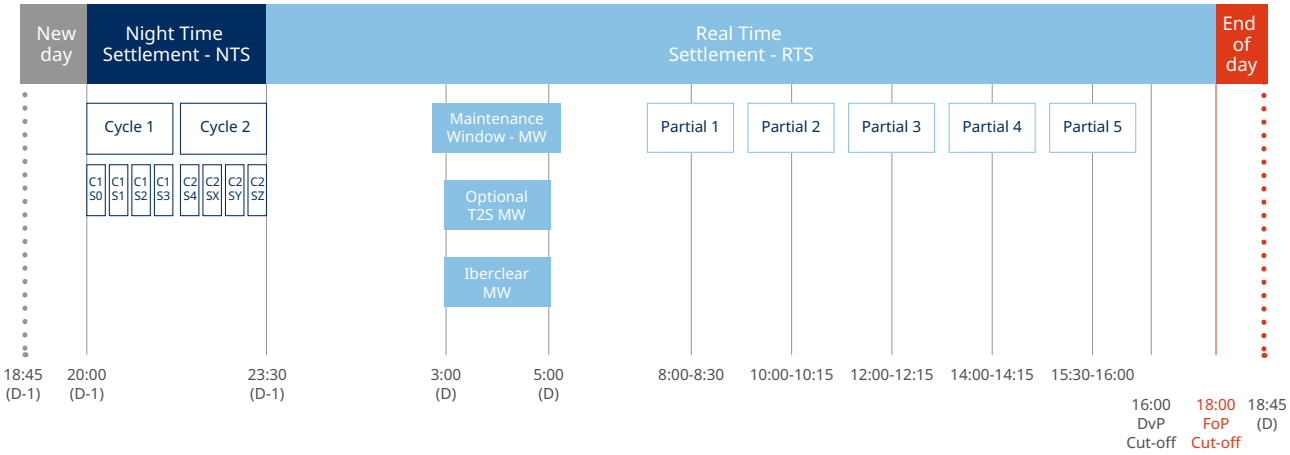
The Gating Event field could be used for a broad range of settlement instructions, as it is not technically limited to particular asset classes, transactions or instruction types. However, as explained in the final Taskforce report, the expectation is that the Gating Event will be used primarily for repos, especially where they are traded for same-day settlement (T+0), and related cash bond trades.

Instructions identified under this scheme will be processed according to the standard T2S priority order, without introducing changes to the general prioritisation rules.

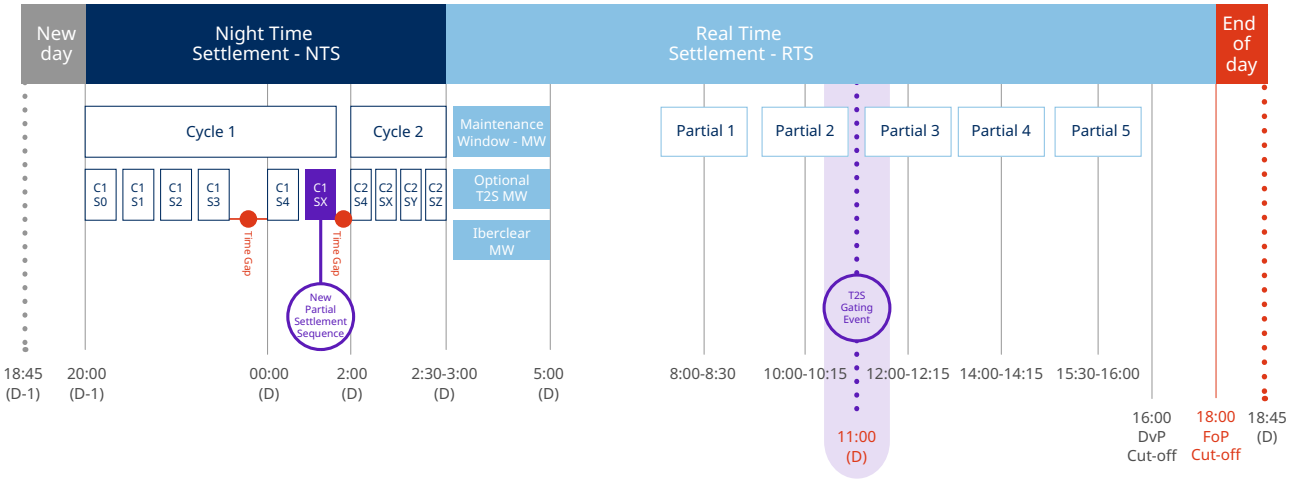
[3] ecb.targetseccrg251007_T2S-0858-URD.en.pdf

[4] T2S-0865-URD Dedicated T2S gating event to optimise settlement resources in the context of the move to T+1

T+2: Operational day



T+1: Operational day + Gating event



Where instructions do not settle on the first attempt during the gating event, or if they are sent after that event, they will continue to be processed under the standard T2S settlement rules, without differentiated treatment.

For further information, it is recommended to consult the information published by the EU T+1 IC, in particular: Gating Event – FAQs Best Practice[5].

Operational gate and Gating event

A comparison of the current and future situation follows:

The new Operational Day changes and the Gating Event will be implemented by T2S in the testing environment in April in the second testing window and will be implemented in production in June 2027 before the go live on 11th October 2027.

Transaction type identifier:

The messages currently support the proper structure and the codes used to identify transactions follow ISO 15022 and ISO 20022 standards. There will be no major technical changes, only minor changes to adapt the current codes, as usual, to ISO specifications and client requests. Clients can already test the different types of transactions in the testing environment. Potential changes, such as the use of the PORT, TRPO/TVPO, COLI, COLO, operations types, will be implemented previously as soon as agreed with the Spanish community.

[5] Gating-Event---FAQs-Best-Practice

ESMA RTS

Entities responsible for settlement failures will be required to provide more detailed reporting on the underlying causes of those failures, as well as on the corrective actions taken to avoid their recurrence. In particular, the ten entities with the highest number of settlement fails, measured both by volume and value during the period prior to the reporting month, will be required to submit monthly information covering:

- the main reasons for the settlement failures; and
- the internal measures implemented to enhance settlement efficiency and reduce the likelihood of future failures.

Settlement readiness analysis via Market Insights & Custody cockpit

SIX intends to support clients in assessing their readiness for the move to T+1 by providing access to relevant settlement data in both the production and testing environments. The availability of this information, as described in the testing metrics chapter, will enable participants to monitor their readiness and progress throughout the testing period.

For further details, please refer to the testing metrics chapter.

Corporate actions

Following the EU recommendations, Handbook[6] and T+1 Corporate Events Harmonised Implementation Guide[7], issued by the CEG (Corporate Events Group) within the T+1 project and the market practices defined by SMPG (Securities Market Practice Group), SIX will adapt the relevant corporate actions processes to the T+1 settlement cycle.

Key dates

SIX will adapt the changes to key dates of corporate events due to the shortening of the settlement cycle to T+1. In the context of the migration to T+1, relevant adjustments will be introduced to the definition of the main dates associated with corporate events.

On the one hand, the ex-date and the record date will coincide on the same date. In addition, for mandatory reorganisations, the interval between the *Last Trading Date* and the Record Date will be reduced to one business day.

For reorganisations with options, both mandatory and voluntary, the reference timelines will also be shortened. Specifically, the period between the Guaranteed Participation Date and the Buyer Protection Deadline will be reduced to one business day. According to the latest version of the T+1 Corporate events Harmonised Implementation Guide published in July 2026 the Buyer Protection Deadline shall coincide with the Market Deadline and shall not be sent later than 11:00 a.m.

These adjustments respond to the need to adapt operational calendars to the requirements of a shorter settlement cycle, while ensuring consistency and efficiency in the processing of corporate events.

[6] Handbook2-v17.pdf

[7] T+1 – Corporate Events Harmonised Implementation Guide

		T-4	T-3	T-2	T-1	T
Settlement cycle in T+2	1			Ex-date	Record Date	Payment Date
	2		Last trading Date		Record Date	Payment Date
	3	Guaranteed Participation Date Last trading Date		Buyer Protection Deadline	Market Deadline	Payment Date
	4	Guaranteed Participation Date		Buyer Protection Deadline	Market Deadline	Payment Date
Settlement cycle in T+1	1				Record Date Ex-Date	Payment Date
	2			Last Trading Date	Record Date	Payment Date
	3			Guaranteed Participation Date Last Trading Date	Market Deadline Buyer Protection Deadline	Payment Date
	4			Guaranteed Participation Date	Market Deadline Buyer Protection Deadline	Payment Date

1. Distributions; 2. Mandatory reorganisations; 3. Mandatory reorganisations with options; 4. Voluntary reorganisations

Market Claims

Improvements will be introduced to the processes for detecting and generating market claims, with the aim of strengthening efficiency and consistency in the handling of these adjustments in the T+1 environment.

In this context, market claims will be generated from the close of the record date and subsequently on an hourly basis throughout the detection period, which will extend until record date + 10 days.

In addition, EX and CUM indicators will no longer be considered in the detection process, thereby simplifying the logic used to identify the affected transactions.

On the other hand, the generated market claims will be kept on hold (CSD validation hold) and will only be released once the corporate event has been effectively settled, thereby ensuring the correct sequencing and avoiding operational mismatches.

Generation of Market Claims from the close of the Record Date and on an hourly basis during the detection period (Record Date + 10 days)

EX and CUM indicators will be ignored

The Market claims will be generated on hold (CSD validation hold) and will be released once the corporate action has settled

In addition to maintaining the MT54X settlement messages for the management of market claims, the recommendation to adopt the new ISO20022 messaging for market claims will be implemented.

In this regard, an equivalent ISO15022 version using MT56X custody messages will be implemented to facilitate the use of this ISO standard for those participants that have not yet migrated to ISO 20022.

Participant configuration should consist of applying ISO15022, ISO20022, or both for the scope of CA Management and market claims. The subscription of this new messaging is voluntary for the participants.

Transformations

Improvements will be introduced to the processes for detecting and generating transformations, with the aim of strengthening operational efficiency and ensuring proper adaptation to the T+1 environment.

In this context, transformations will be generated from the close of the record date or the market deadline, as applicable, as well as when new matched instructions are entered during the detection period, which will extend until record date/market deadline + 10 days.

In addition, transformations involving cash only will always be generated in released status, facilitating their processing and avoiding unnecessary settlement delays.

Transformations are generated from the close of the Record Date/Market Deadline and whenever new matched transactions are instructed during the detection period (Record Date/Market Deadline + 10 days)

Transformations involving cash only will always be generated as released

CALENDAR

Testing approach for SIX as FMI for the Spanish market

The testing approach reflects the scope of the changes described in the preceding sections. Accordingly, the testing calendar has been designed to enable participants and clients to validate the functionality relevant to their role, market, product, and service configuration.

The testing calendar follows the EU industry testing timeline. The Green Period represents a key milestone in the testing phase, as it is during this period that the changes related to the new Operational Day and the Gating Event will come into effect. These changes will be implemented from the second of the five planned testing windows onwards, during which the production timetable will be replicated to allow participants to validate the impact of the new operating model under live-market conditions.

The testing calendar and implementation schedule are based on the information published by the various industry working groups, market infrastructures, and intermediaries up to September 2026. Consequently, subsequent developments, including the postponement of the SWIFT SR2026 release, originally scheduled for November 2026, may have an impact on the testing timeline and approach.

This section distinguishes between the Preparation Phase and Market-wide Testing. The Preparation Phase during 2026 should be used by clients and market infrastructures to implement and internally validate the relevant changes. Market-wide Testing during 2027 will enable participants to perform end-to-end testing of both their own adaptations and the SIX changes described in the previous sections, ensuring readiness for the transition to T+1.

Preparation phase

During 2026 and until the start of the first testing window, scheduled for 1 February 2027, efforts will focus on the development, implementation, and internal testing of the planned changes. Entities can test their processes. However, it should be noted that end-to-end testing across trading, clearing, settlement and corporate actions will not be possible until the first testing window.

Market-wide testing

In 2027, the testing environments will be made available during the five testing windows, enabling entities to perform end-to-end testing. This means that the trading, clearing, and settlement and corporate actions testing environments will be available to entities.

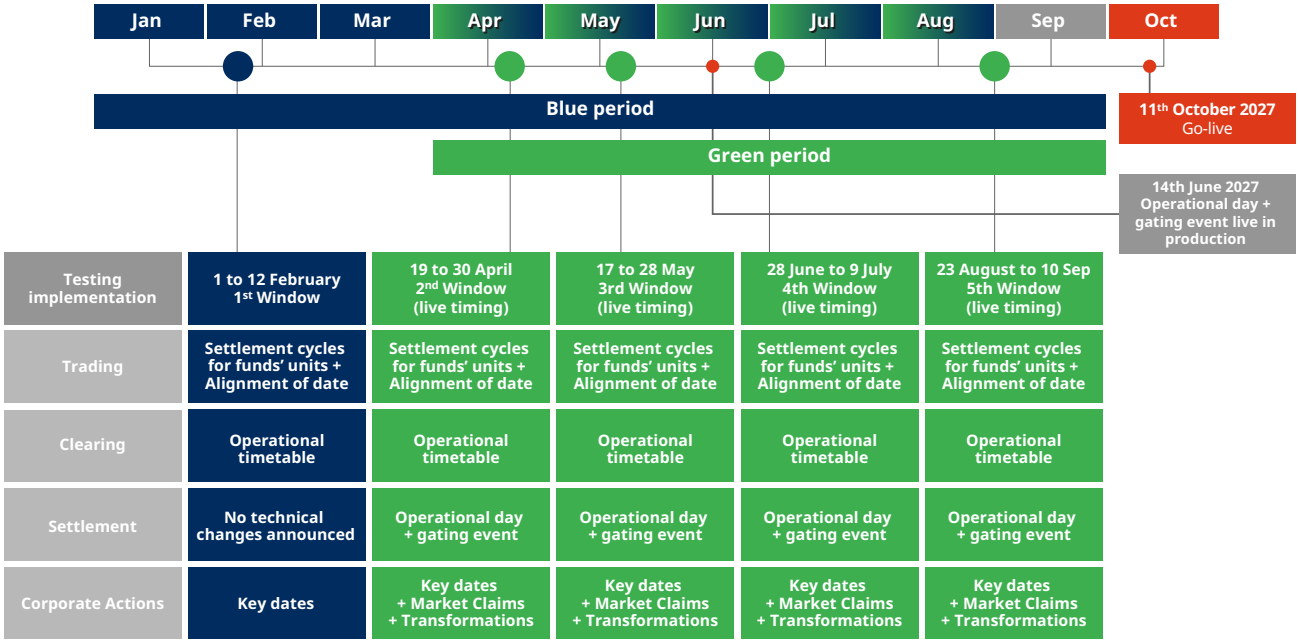
It should be noted that the Green Period runs from 5 April 2027 until 1 October 2027 and represents the core phase for validating T+1-specific changes, including the new operational day and the gating event, which are planned to enter into production in June 2027. These changes will remain available throughout the entire Green Period in the testing environments, allowing market participants to

complete comprehensive validation activities before the migration to T+1.

SIX has developed a harmonised testing calendar based on the five industry-agreed testing windows. This calendar serves as the basis for defining the different testing periods and coordination activities. It also provides a clear overview of the testing timeline and identifies the periods during which coordinated testing can be executed.

The graphic below shows the main changes explained in the previous sections that will be implemented in each of the testing windows.

Technical Changes – SIX as FMI for the Spanish Market



Prior to Window 1, all infrastructures will continue operating under T+2 conditions, with the primary focus on internal testing and preparation activities.

Window 1 (1–12 February 2027) marks the formal start of industry-wide T+1 testing. During this period, Trading and Clearing will move to T+1 and execute the applicable T+1 test cases within their respective domains. Testing activities will focus primarily on Corporate Actions key dates and related testing campaigns.

A key milestone in the testing calendar is Window 2 (19–30 April 2027), particularly from a Settlement perspective. By this stage, the T2S R2027.JUN release is expected to be available in the testing environment, introducing the New Operational Day and the Gating Event. These changes will be available not only in Window 2 but also in the following ones, and are planned to be implemented in the production environment on 14 June 2027. In addition, the testing scope will be expanded to include Market Claims and Transformations. This window also represents the first opportunity to perform comprehensive end-to-end testing across trading, clearing, settlement and corporate Actions processes. All planned changes will be made available to entities in this window and in the following ones.

From Window 2 onwards, in line with the recommendation set out in the testing plan, live timing will be followed and, therefore, the usual testing timetable will apply. Consequently the DVP cut off for testing will be at 16:00 instead of at 14:30.

Therefore, the industry testing plan for 2027 will be structured as follows:

- **Window 1:** 1–12 February 2027 — start of client end to end testing. Activities will focus primarily on Corporate Actions key dates and related testing campaigns
- **Window 2:** 19–30 April 2027 — continued end to end testing focus on Corporate Actions key dates, market claims and transformations while introducing the new Operational day and the Gating Event replicating live timing.

- **Window 3:** 17–28 May 2027 — continued broader value chain testing across key end-to-end scenarios.
- **Window 4:** 28 June–9 July 2027 — continued broader value chain testing across key end-to-end scenarios.
- **Window 5**: 23 August–10 September 2027 — continued broader value chain testing across key end-to-end scenarios.

Besides the specific channels enabled for trading, clearing, settlement and corporate actions since the start of the T+1 project, clients can direct their questions to the following email address: **ProyectoT1@grupobme.es**

2.2 Switzerland / Liechtenstein and international / cross-border flows

TECHNICAL ADAPTATIONS

In the context of the T+1 migration, this section describes the adaptations relevant for Switzerland, Liechtenstein and international / cross-border flows involving SIX. For the Swiss domestic market, it reflects the full value chain from the perspective of SIX as FMI financial covering trading, clearing, settlement and corporate actions. It also considers SIX's custody and settlement services for clients active in international markets. The following content therefore distinguishes between domestic Swiss impacts, international / cross-border considerations and T2S relevance where applicable.

Trading

The impact of the T+1 migration on trading activities in Switzerland and Liechtenstein is expected to be mainly procedural and configuration-driven. The required changes will primarily be addressed through system configuration updates, validation enhancements, and adjustments to existing processes, rather than through fundamental changes to the trading platforms. From a trading perspective, the key focus is to ensure that transactions in scope are correctly configured for T+1 settlement, that trade acceptance and cancellation processes are completed within the shorter timeline, and that downstream clearing and settlement processes receive the required information on time.

Domestic market

The adaptations that require technical changes to be available within the testing windows are the following:

General trading configuration

In line with the SwissSPTC recommendations[8], SIX Swiss Exchange (SSX) will adapt selected domestic market processes to reflect the shorter settlement cycle. The changes mainly concern configuration, validation and process timing to ensure that in-scope transactions are instructed with the correct settlement date and can be processed within the compressed T+1 timeline.

Fixed income products

For fixed income products, the last trading day will move one business day later. This reflects the shortened settlement cycle and allows trading closer to maturity. Related processes, including interest calculation, mistrade handling, clearing eligibility and settlement processing, will be reviewed and adjusted where required.

Bilateral off-book trades and delivery reports

Bilateral off-book trades, countertrades, and delivery reports will need to be accepted on the same business day. Transactions not accepted within the same business day will continue to be processed and published as today but will not be instructed for clearing and/or settlement. This ensures that only timely accepted transactions are forwarded into the downstream post-trade process under T+1.

Mistrades, cancellations and reversals

For mistrades, the cancellation of a trade must settle on the same day as the original trade to ensure a neutral overall outcome. As a result, mistrade processing will be restricted to the trade date. Corrections, reversals, and related operational follow-up actions will therefore need to be completed within the shortened trade-date timeline.

Corporate action key-date alignment

From a trading perspective, the alignment of corporate action key dates will also require documentation and system configuration updates. In particular, for dividend payments, the ex-date and record date will fall on the same day, one business day before the payment date. Trading-related documentation, product guides, circulars, and validations will need to reflect the updated T+1 corporate action processing timelines.

[8] six-group.com

International markets / cross-border

No fundamental technical adaptations are required to support the testing windows. However, the following considerations should be taken into account.

Trade forwarding and settlement visibility

For trades subject to trade forwarding or cross-border settlement, no settlement-failure message is currently returned from SECOM to the exchange. As a result, the exchange will not be directly informed if settlement failures increase following the move to T+1. This makes timely upstream processing, correct configuration and strong participant readiness particularly important.

Trades settled via foreign CSDs

For trades settled by clearing houses into a foreign CSD under a Power of Attorney arrangement, the respective CCP remains responsible for tracking and overseeing settlement. Trading participants should therefore ensure that their own processes, CCP arrangements, and downstream settlement setup are aligned with the relevant international market requirements.

Cross-border dependency management

Where trading activity results in cross-border settlement flows, the compressed T+1 timeline increases the importance of timely trade acceptance, correct settlement-cycle configuration, and early exception management. Participants should consider whether their cross-border booking, matching, settlement and reconciliation processes can operate within the reduced timeframe.

Industry testing participation

Trading participants are expected to participate in coordinated industry testing where relevant, including scenarios involving CCPs, CSDs and cross-border settlement flows. Where test environments of external depositories are not available or not continuously operational, SIX will support testing by simulating the relevant flow in its own test environment. This approach allows participants to validate the SIX-related processing steps and dependencies, while recognising that full end-to-end validation across all parties in the settlement chain may not always be possible.

Clearing

The transition to T+1 shortens the post-trade lifecycle and requires Clearing Members to complete clearing-related activities within a reduced timeframe. From a Swiss clearing perspective, the market is well positioned for this transition.

The impact on the Swiss clearing services is expected to be mainly operational rather than technical, as the current clearing framework already supports a T+1 settlement cycle. Existing settlement-efficiency tools, such as hold and release, Power of Attorney and partial settlement, will help the market manage the compressed timeline.

Domestic market

SIX is aligned with Swiss market recommendations and already supports key functionalities required under T+1, including hold and release, direct CSD Power of Attorney in the domestic market and partial settlement. Settlement splits are already possible today, while partial settlement is planned to be implemented by June 2027. These functionalities are important to maintain settlement efficiency in a compressed settlement cycle.

No fundamental technical changes to Swiss clearing processes are expected as a direct result of T+1, as the current clearing framework already supports a T+1 settlement cycle. The main impact for Clearing Members will therefore be the need to execute existing processes faster, with fewer manual interventions and stronger focus on operational readiness.

The following recommendations should be taken into account.

Automation and straight-through processing
Manual processing becomes more challenging under T+1. Clearing Members relying on manual interventions may face higher operational risk and settlement inefficiencies. Increased automation and straight-through processing across the trade lifecycle are therefore recommended to support timely processing and reduce the risk of late or failed settlement instructions.

Settlement optimisation tools
Clearing Members should align their processes with CCP-supported market practices, including partial settlement and hold and release where necessary. These tools support more effective management of custody holdings, release decisions and settlement-instruction timing under tighter T+1 deadlines.

Compressed internal clearing processes
Clearing Members are expected to streamline internal processes such as trade reconciliation, inventory management and the sending and release of settlement instructions. Under T+1, there will be less time to resolve discrepancies before settlement, making timely exception handling and operational discipline more important.

Night-Time Settlement readiness
Greater focus should be placed on meeting deadlines linked to the Night-Time Settlement cycle. This cycle becomes more critical under T+1 because the shortened operational timeline leaves less time for late-day corrections and manual follow-up activities.

Shaping
Shaping in the Swiss market is already a long-standing market practice. Market participants are expected to maintain this standard by shaping and limiting the settlement amount of settlement instructions to at most CHF 100 million. This supports settlement efficiency and helps reduce the risk of large-value settlement issues under the shortened T+1 timeline.

International markets / cross-border

The clearing-related operational recommendations described for domestic markets also apply to international market activities where SIX is involved. Clearing Members should assess whether their existing cross-border clearing and settlement processes remain sufficiently automated and timely under the compressed T+1 cycle.

In addition, the following points should be taken into consideration.

Power of Attorney for international markets
While Power of Attorney for settlement instruction submission is already available in the Swiss domestic market, additional Power of Attorney services are planned for European markets where this is not yet implemented. This enables the CCP to send the Clearing Member's settlement instruction directly to the local CSD, supporting timely instruction transmission under T+1.

Hold and release for T2S markets
SIX already offers hold and release functionality for the Spanish market through the CCP. For T2S markets, SIX will also implement the possibility of performing hold and release directly at CSD level. Both hold and release functionalities will include partial release functionality, supporting more flexible settlement management under compressed timelines.

Netting process in European markets
For European markets outside Spain, SIX already complies with the EU recommendation, as the netting process is performed at around 20:00 on trade date. This supports timely end-of-day processing and settlement instruction preparation within the T+1 framework.

International shaping limits
For questions regarding shaping limits in international markets, Clearing Members are encouraged to inquire directly with SIX. Local market practices may differ, and Clearing Members should ensure that their operational setup reflects the relevant market requirements.

Settlement

The transition to T+1 will compress the time available between trade execution and settlement. From a settlement perspective, the impact differs between the Swiss domestic market and international / cross-border markets. In the Swiss domestic market, the core SECOM settlement infrastructure is expected to remain stable, while targeted enhancements such as Partial Settlement and Partial Release will support settlement efficiency. For international markets and cross-border flows, SIX will continue to align with local market requirements and activate or adapt functionalities where required and supported by the relevant market infrastructure.

Domestic market

For the Swiss domestic settlement market, SIX does not expect to introduce fundamental technical infrastructure changes in connection with T+1, apart from the implementation of Partial Settlement and Partial Release. This approach was confirmed as part of the Swiss market T+1 preparations, based on the assessment that existing SECOM services and core settlement functionalities already support the move to T+1.

Settlement cycles and the SECOM operational timetable, including beginning-of-day and end-of-day processing, are expected to remain unchanged.

The existing transaction type indicators will continue to be used, and no additional SFT indicator is currently required for the Swiss domestic market.

Matching criteria, fail-driven Securities Lending and Borrowing, allegements, and hold and release functionality are expected to remain broadly unchanged.

SIX will not implement a gating event in SECOM for the Swiss domestic settlement market. This was discussed and assessed within the SwissSPTC Settlement Expert Group in the context of the Swiss T+1 preparations. Based on the current Swiss domestic settlement model and market feedback, no market need for such an event was identified. As a result, it was decided not to introduce a gating event in SECOM for the Swiss domestic market.

Partial Settlement and Partial Release

A key domestic enhancement will be the implementation of Partial Settlement and Partial Release. These functionalities are intended to improve settlement efficiency and support the Swiss market in managing the shorter T+1 settlement cycle. The functionality and related message formats will be aligned with international standards.

Phased implementation approach

The rollout will take place in two phases:

- **Phase 1** – planned go-live on 16 November 2026: Partial Settlement and Partial Release will initially be available for bilateral OTC settlements, meaning in-house settlements without a central counterparty.
- **Phase 2** – planned go-live on 14 June 2027: Additional transaction types will follow, including settlements with CCPs, locked-in exchange trades on SIX Swiss Exchange and BX Swiss, and Eurex CCP-related flows. The current splitting process for CCP transactions will be replaced by partial settlement.

For Phase 1 transactions, participants may choose whether transactions are partial-enabled by specifying the relevant indicator in the instruction or by setting a default value per account. For Phase 2 transactions, partial settlement is expected to be applied by default.

Settlement readiness analysis via Custody Cockpit

SIX intends to support clients in assessing their readiness for the move to T+1 by providing the possibility to review relevant settlement data in the Custody Cockpit. Based on past transaction data, clients will be able to analyse whether their transactions would have settled on time if T+1 were already in place today, and to identify transactions that may require action in future, e.g. earlier instructing, matching or release under the shortened settlement cycle.

This service is intended to provide clients with practical transparency during the T+1 transition and to support their internal preparation, remediation activities and testing focus ahead of go-live.

For further details, please refer to the testing metrics chapter.

International markets / cross-border

Operational timetables

For international markets and cross-border flows, SIX will continue to rely on direct information from the relevant European and UK markets. At this stage, no major changes have been confirmed across most jurisdictions. Where updated guidance is received, SIX will inform participants accordingly. Initial indications suggest that certain market deadlines may be amended for Sweden and Norway; further details will be communicated once confirmed.

Cross-border custody flows

The T+1 settlement impact is not limited to the Swiss domestic market. Relevant cross-border custody flows will also need to be considered where SIX forms part of the client's settlement value chain. This includes ensuring that settlement instructions, matching, allegements, market deadlines and local market-specific requirements can be processed within the compressed T+1 timeline.

Settlement readiness analysis via Custody Cockpit

SIX intends to support clients in assessing the potential impact of T+1 on their cross-border settlement activity. Through the Custody Cockpit, clients will be able to review past settlement data and analyse whether their transactions would have settled on time if T+1 were already in place today.

This analysis is intended to provide practical transparency on transactions that may require action, e.g. earlier instruction, matching or release under the shortened settlement cycle. It can also help clients identify market-specific dependencies and focus their preparation and testing activities on the flows most affected by the move to T+1.

For cross-border custody flows, the outcome may also depend on local market practices, CSD requirements, custodian cut-offs and the readiness of other parties in the settlement chain. Where external depository test environments are not available or not continuously operational, SIX will simulate the relevant parts of the flow in its own test environment. The analysis and testing should therefore be understood as support to help clients assess their own readiness and identify areas where further review or coordination may be required, rather than as full end-to-end validation across all external parties.

For further details, please refer to the testing metrics chapter.

Pre-advice
SIX plans to activate pre-advice functionality across international markets where this is supported by the relevant local market infrastructure. Pre-advice decouples the matching process from the settlement process by forwarding the instruction to the custodian for matching without a prior position check. This allows counterparties to see orders shortly after participants submit them to SECOM. The introduction of pre-advice functionality is not expected to require changes to instruction formats for participants. Any newly activated market will be communicated through a separate Market Guide update.

Allegements
Allegement support varies by market. In the Swiss domestic market, allegement functionality is already implemented. For international markets, some markets do not currently offer this functionality. Where allegements are supported locally, SIX provides the functionality to participants. To receive allegements, participants must ensure that their counterparties set up the corresponding counter-instructions as specified in the relevant Market Guide.

Transaction type identifiers
For transaction type identifiers, no change is planned in the Swiss domestic market. For international markets, SIX will adapt where local market-specific requirements exist to ensure compliance and continuity of service.

T2S gating event / STCO//GATE
For international custody flows settling in markets which offer a gating event, SIX will store and forward the STCO//GATE field where provided in the relevant settlement instruction messages.

Corporate Actions

The transition to T+1 will have a direct impact on corporate action timelines, particularly where key dates are linked to the settlement cycle. For the Swiss domestic market, the main focus is on aligning key dates, managing the transition period around go-live, and confirming the treatment of market claims and buyer protection. For international markets and cross-border custody flows, SIX will continue to monitor local market developments and adapt its services where required and supported by the relevant market infrastructure.

Domestic market

Key dates alignment

Following the SwissSPTC recommendation, the Corporate action key dates will be adjusted to reflect the shortened settlement cycle. For distribution events, the ex-date and record date will fall on the same day, one business day before the payment date. For mandatory reorganisations, the timeline between the last trading date and the record date will be shortened accordingly. Reorganisations with options, including mandatory and voluntary events, will also need to follow compressed timelines for the guaranteed participation date, market deadline, and buyer protection deadline. For Mandatory Reorganisations with Options, SIX will align the Guaranteed Participation Date with the Last Trading Date. The Buyer Protection Deadline will be set four business hours before the Market Deadline, with the Payment Date following one business day later.

Market claims processing

Market claim processing is already highly automated in the Swiss and Liechtenstein domestic market and will continue to rely on the existing ISO 15022 messaging framework. The following enhancements will be introduced to support the transition to T+1

Claim identification period
The identification period will be reduced to 10 business days following record date. The existing real-time identification will be retained, and the applicable end date will be adapted.

Eligibility and validation criteria
EX and CUM indicators will no longer be used as part of the market claim identification and creation logic.

Claim processing and release
Market Claims will initially be placed on hold by SIX and released once the underlying corporate event has been paid, automatically for cash proceeds and considering the status of the underlying transaction for securities proceeds.

Messaging
Existing ISO 15022 market claim processing and messaging will remain unchanged. No MT567 market claim status messaging and no ISO 20022 market claim messaging are planned as part of the T+1 migration.

Transformation process
Under current Swiss market practice, including Liechtenstein, settlement instructions may be submitted

for matching until end of day on record date. At end of day on record date, all pending settlement instructions that are successfully matched are automatically transformed. Unmatched transactions are cancelled by the SIX and are therefore not transformed. Any settlement instructions received from SIX participants after record date are rejected. No changes to this process are planned as part of the T+1 migration.

International markets / cross-border

Cross-border custody impact

The corporate actions impact is not limited to the Swiss domestic market. Relevant cross-border custody flows will need to be considered where SIX forms part of the client's settlement and asset servicing value chain. This includes the handling of key dates, market claims, buyer protection processes and local market-specific requirements under the compressed T+1 timeline.

Market claims in cross-border flows

For cross-border custody flows, the treatment of market claims depends on developments and decisions in the relevant international markets. SIX will monitor further developments, provide updates to participants and make service adjustments where required and feasible. Any additional messaging or processing changes for cross-border market claims will depend on the respective local market infrastructure and market practice.

Optional MT567 status messages for market claims

For international custody services, MT567 status intimation messages for market claims are planned to be introduced as an optional service for clients. MT567 represents the ISO 15022 equivalent of the ISO 20022 market claim status messaging model and provides an alternative way of communicating market claim lifecycle events and status updates. Clients may choose to receive MT567 messages, continue using the existing market claim messaging framework, or use both in parallel, depending on their operational requirements. No implementation of ISO 20022 market claim messages is currently planned as part of the T+1 migration.

Transformation process

For international markets and cross-border custody flows, the transformation approach under T+1 will depend on the practices and timelines adopted by the relevant local markets. SIX will monitor market developments and align its processing accordingly.

Buyer protection in cross-border flows

For cross-border flows, buyer protection processing will depend on the applicable local market rules and the evolution of international market practice. SIX will continue to monitor developments and provide updates where changes may affect clients using SIX custody services.

CALENDAR

Testing approach for the Swiss domestic market and relevant international / cross-border flows

The testing approach follows the scope of the changes described in the preceding sections. Relevant changes are prepared for the Swiss domestic market and for international markets where SIX provides custody and settlement services. Accordingly, the testing calendar must allow participants and clients to validate the functionality relevant to their role, market, product and service setup, including Swiss domestic functionality and international / cross-border custody flows where SIX forms part of the settlement value chain.

Within the joint EU, UK and Switzerland T+1 Industry Testing Plan, the Blue Period represents the general T+1 industry testing period. For participants and clients, it is the main framework to validate T+1 readiness for Swiss domestic flows and, where applicable, for relevant international / cross-border custody flows supported by SIX. This includes domestic settlement and corporate action adaptations, as well as changes relevant for international market activity.

The Green Period is particularly relevant for international / cross-border custody flows settling in T2S markets. SIX plans to support the T2S gating event by storing and forwarding STCO//GATE information where provided in settlement instruction messages.

The postponement of certain Swift SR2026 changes may affect the delivery and testing of these requirements. SIX will assess the impact on delivery timelines, test availability and the testing approach as part of the ongoing release replanning, and will reassess its approach once Swift provides further information on the revised implementation timeline.

Not all changes described in the adaptations for Switzerland, Liechtenstein and international / cross-border flows will be relevant for every participant or client. The applicable testing scope depends on the participant's role in the Swiss value chain, the markets and securities in scope, the use of SIX custody services, and the specific functionality or client service used.

Against this background, the Calendar section distinguishes between the preparation phase, pilot client testing and market-wide testing. The preparation phase is used to implement and internally validate the relevant changes. Pilot client testing allows selected clients to validate executable scenarios and provide feedback before broader participation. Market-wide testing then provides the coordinated industry framework for wider testing across the Swiss domestic value chain and relevant international / cross-border flows, including T2S-related dependencies where applicable.

Preparation phase

During 2026 and until the start of the first industry testing window on 1 February 2027, the focus will be on the development, implementation and internal validation of the changes required for the Swiss and Liechtenstein T+1 transition. This phase is primarily dedicated to readiness activities across Trading, Clearing, Settlement, Custody and Corporate Actions, including system configuration, operational process alignment, technical stability checks and the validation of key dependencies across the Swiss value chain.

Swiss T+1-related changes are expected to be made available in the test environment before broader external testing starts. The preparation phase will be used to confirm that the relevant internal components, processes and test cases are ready for subsequent client and market-wide validation. The objective is to identify and address potential issues early and to prepare the testing approach for the dedicated pilot client validation and market-wide testing activities.

Pilot client testing

Following the first industry testing window, selected pilot clients may have the opportunity to test relevant Swiss value chain scenarios. This phase is intended to validate selected executable scenarios, assess whether the defined test cases are suitable for broader market use and confirm the related support processes before participation increases in the subsequent industry testing windows.

The pilot scope may also include relevant cross-border custody flows where SIX is part of the client's settlement value chain. The outcome of the pilot client validation should help refine the testing approach before broader industry participation.

Market-wide testing

In 2027, market-wide testing for Switzerland and Liechtenstein will follow the five common testing windows defined in the joint EU, UK and Switzerland T+1 Testing Plan. These windows provide the common framework for coordinated testing across market participants, FMIs and service providers and are intended to validate readiness under realistic T+1 conditions.

The first testing window, from 1 to 12 February 2027, marks the formal start of industry-wide T+1 testing. For Switzerland and Liechtenstein, this window will provide an initial opportunity to test selected executable scenarios and readiness activities under Business as Usual-like testing conditions, although not necessarily under live-timing. Client participation may still be limited during this first window.

From the second through the fifth and final industry testing window, broader external testing is expected to take place. During these windows, the testing approach will increasingly focus on Swiss value chain testing across Trading, Clearing, Settlement, Custody, and Corporate Actions, including market-specific Swiss processes and relevant cross-border dependencies. Testing should be conducted as far as possible in line with production-like timing and operating conditions and in accordance with the trading hours and availability of the respective Member test environment.

The industry testing windows are expected to support a gradual increase in scope: from selected early test cases in Window 1, to pilot client validation after Window 1, and broader Swiss value chain testing from Window 2 through Window 5. The testing scope will include relevant cross-border custody flows where SIX is part of the client's settlement value chain. This provides repeated opportunities to test, retest and stabilise processes before the common T+1 go-live on 11 October 2027.

For Switzerland and Liechtenstein, the T+1-related changes are expected to remain available in T+1 mode throughout the entire industry testing period. Maintaining a stable T+1 test environment across all testing windows supports continuous end-to-end testing and avoids the operational complexity and risks associated with repeatedly switching between T+1 and T+2 configurations. It also provides market participants and financial market infrastructures with the opportunity to identify, analyse and resolve issues throughout the testing cycle and to progressively stabilise their processes ahead of the T+1 migration.

The Swiss T+1 industry testing plan for 2027 is structured around the following five testing windows:

- **Window 1:** 1–12 February 2027 — start of client testing with selected executable test cases and readiness activities.
- **Window 2:** 19–30 April 2027 — start of broader Swiss value chain testing across key end-to-end scenarios.
- **Window 3:** 17–28 May 2027 — continued broader Swiss value chain testing across key end-to-end scenarios.
- **Window 4:** 28 June–9 July 2027 — continued broader Swiss value chain testing across key end-to-end scenarios.
- **Window 5:** 23 August–10 September 2027 — continued broader Swiss value chain testing across key end-to-end scenarios.

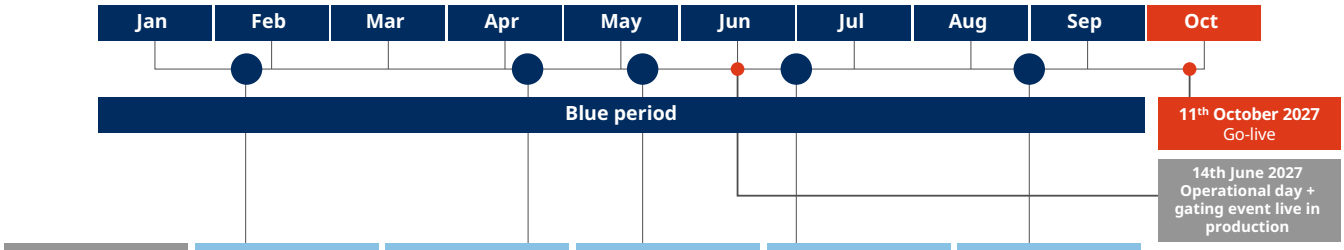
Testing for Partial Settlement and Partial Release phase 1 is scheduled to take place between 5 October 2026 and 30 October 2026, ahead of the planned production launch on 16 November 2026.

Partial Settlement and Partial Release phase 2 testing is currently planned to be available in the same test environment as T+1 during the April and May 2027 industry testing windows, from 19 to 30 April 2027 and from 17 to 28 May 2027. This is relevant because settlement optimisation tools such as Partial Settlement are expected to become more important under T+1, where tighter timelines reduce the time available to resolve issues manually.

The graphics below provide an overview of the principal technical and functional changes described in the preceding sections for both domestic and international markets. They also indicate the respective testing windows during which these changes are expected to be available for testing.

DOMESTIC MARKET

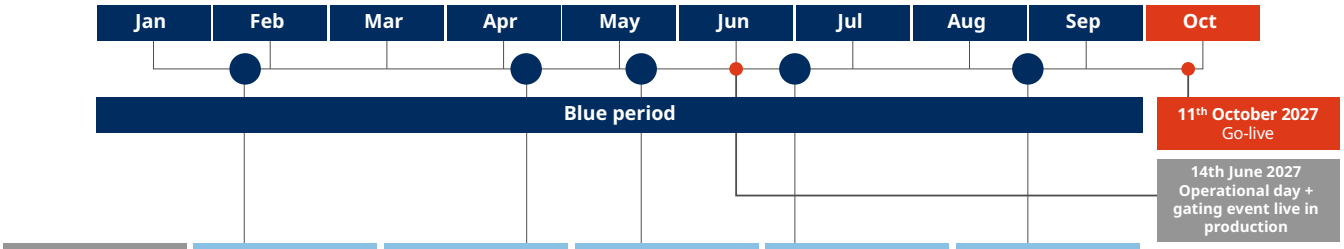
Technical Changes – SIX as FMI for the Swiss Domestic Market



Testing implementation	1 to 12 February 1st Window	19 to 30 April 2nd Window	17 to 28 May 3rd Window	28 June to 9 July 4th Window	23 August to 10 Sep 5th Window
Trading	T+1 settlement-date configuration, procedural changes & validations	T+1 settlement-date configuration, procedural changes & validations	T+1 settlement-date configuration, procedural changes & validations	T+1 settlement-date configuration, procedural changes & validations	T+1 settlement-date configuration, procedural changes & validations
Clearing	No technical changes announced	No technical changes announced	No technical changes announced	No technical changes announced	No technical changes announced
Settlement	No technical changes announced	Partial Settlement & Partial Relese (Phase 2)	Partial Settlement & Partial Relese (Phase 2)	No technical changes announced	No technical changes announced
Corporate Actions	Key-date configuration updates	Key-date configuration updates	Key-date configuration updates	Key-date configuration updates	Key-date configuration updates

INTERNATIONAL MARKETS / CROSS-BORDER

Technical Changes – SIX as Custodian for International Markets + T2S



Testing implementation	1 to 12 February 1st Window	19 to 30 April 2nd Window	17 to 28 May 3rd Window	28 June to 9 July 4th Window	23 August to 10 Sep 5th Window
Trading	No technical changes announced	No technical changes announced	No technical changes announced	No technical changes announced	No technical changes announced
Clearing	No technical changes announced	PoA expansion (tbc) Shaping automation	PoA expansion (tbc) Shaping automation	PoA expansion (tbc) Shaping automation	PoA expansion (tbc) Shaping automation
Settlement	GATE-code processing	GATE-code processing	GATE-code processing	GATE-code processing	GATE-code processing
Corporate Actions	No technical changes announced	Optional MT567 claim-status messages	Optional MT567 claim-status messages	Optional MT567 claim-status messages	Optional MT567 claim-status messages

Besides the specific channels enabled for trading, clearing, settlement and corporate actions, clients can direct their questions to the following email address: **T1@six-group.com**

3 Testing metrics

During each of the windows that make up the T+1 Industry Testing period, SIX will monitor the data entered by participants in the testing environments, both in Spain and Switzerland. The objective is to provide a comprehensive view of the tests performed, the level of participation, and the volume and quality of the data, all with the aim of ensuring a smooth transition to the new T+1 settlement cycle.

More specifically, it is foreseen to monitor at least the following:

Allocation timing in the CCP

The CCP has an allocation system that ensures all transactions are registered in the correct account to be sent for settlement on ISD-1. One of the key challenges of this transition is to ensure that all transactions are allocated to the correct account on trade date. SIX will monitor the status of this functionality and assess whether any action is required by the clearing members to accelerate the process.

Bilateral transactions

The main key performance indicators (KPIs) that SIX will monitor with regard to bilateral activity are the following ones:

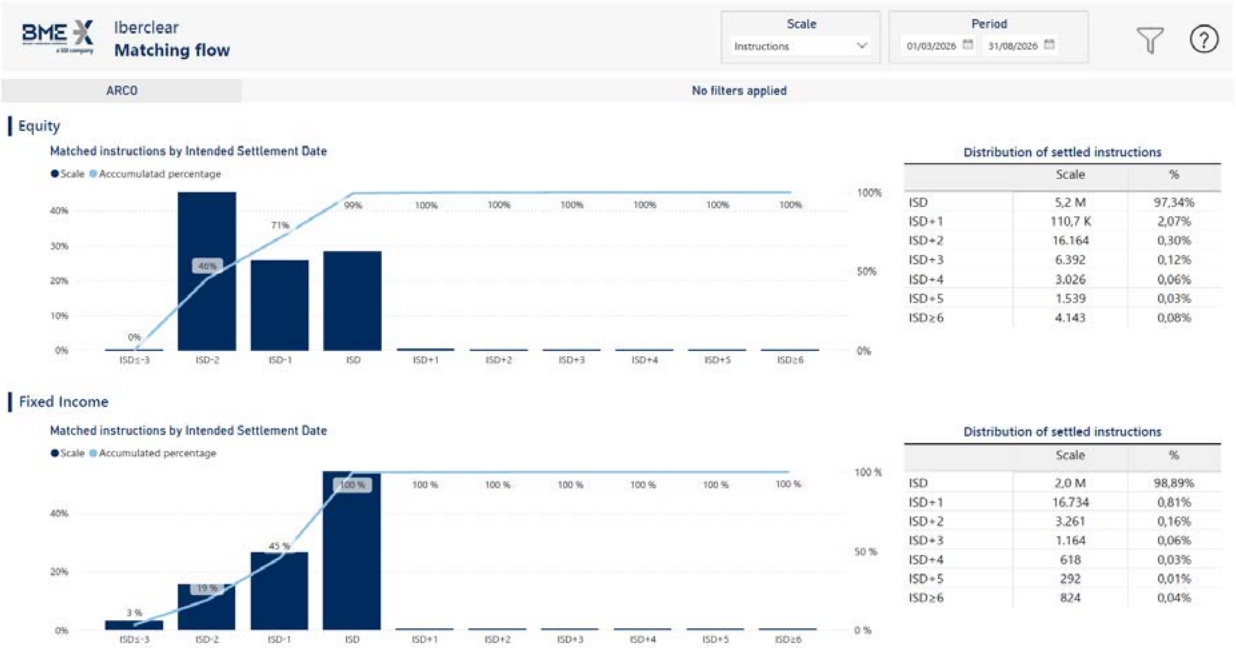
- Settlement transactions registered in the system vs trade date: Monitor what is the percentage of the activity submitted to the system by each Business Partners on Trade Date (TD), TD+1, TD+2, etc.
- Matching efficiency: Out of the activity sent to the system on Trade date, monitor the percentage that is matched on TD, TD+1, TD+2, etc.
- Matching date vs ISD: Monitor what is the percentage of the activity that is matched on Intended Settlement Date-2, on ISD (Intended Settlement Date) -1 on ISD and after ISD
- Settlement efficiency: Following the same methodology currently used for Settlement Discipline Regime (SDR)

These KPIs will be collected at both the CSD level and the Business Partner level, enabling SIX's CSDs to work collaboratively with their clients to help identify potential bottlenecks or operational issues during the testing period and support a T+1 smoother transition.

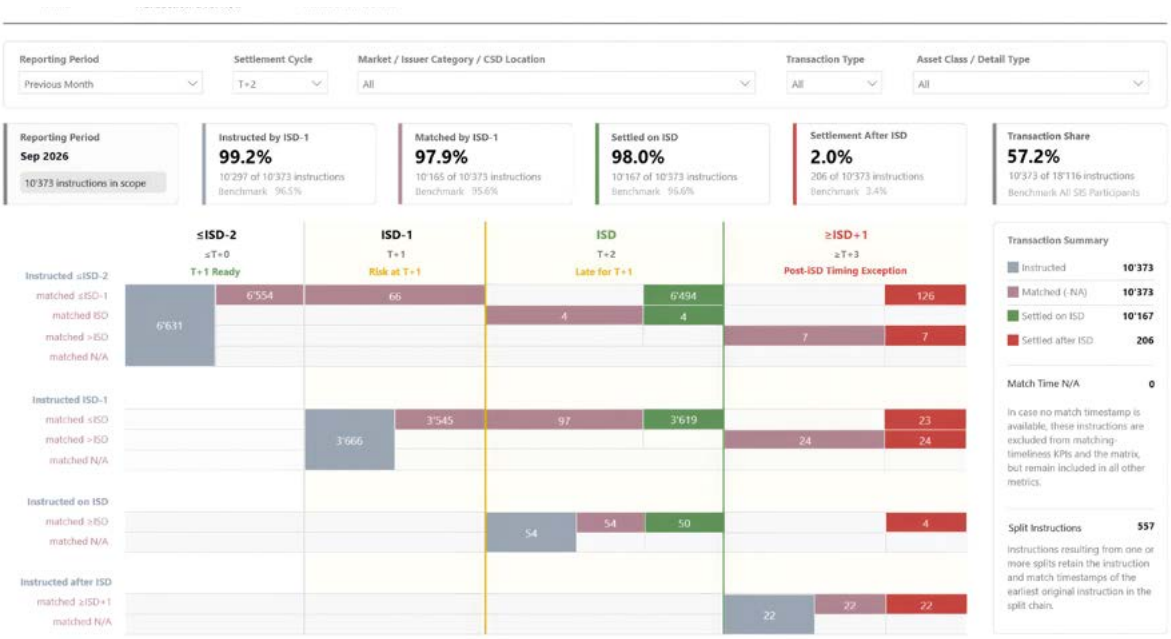
SIX Group has already implemented the necessary tools. The metrics are already being monitored in the production environment through a set of reports that track the evolution of these KPIs over time. Some examples of the different dashboards are shown below.

Example of a Dashboard to follow the percentage of the activity sent and matched on trade date

Example of a dashboard to follow the percentage of the activity matched before the ISD by segment:



Example of a dashboard to follow the percentage of the activity sent and matched by date



4 Financial Information

The transition to a T+1 settlement cycle across Europe, Switzerland and the UK, effective 11 October 2027, represents a fundamental shift in post-trade processing. With significantly reduced timelines between trade execution and settlement, market participants will require critical instrument and reference data to be available faster and with greater operational efficiency than ever before. SIX Business Unit Financial Information (BFI) is undertaking a comprehensive transformation program to ensure the timely delivery of the data required to support this accelerated settlement environment.

A key implication of T+1 is that many post-trade activities that traditionally took place on T+1 will increasingly need to be completed on trade date. This places additional importance on the timely availability of high-quality reference data, corporate actions information, issuer data and instrument lifecycle events. Delays or inconsistencies in data delivery may have a direct impact on trade processing, allocation, confirmation, settlement preparation and exception management activities.

To support market participants in this new environment, BFI is reviewing and enhancing the end-to-end data supply chain. The objective is to accelerate the acquisition, validation, enrichment and dissemination of financial information while maintaining the high standards of data quality, accuracy and operational resilience expected by clients. Particular focus is being placed on shortening processing times for newly issued instruments, corporate actions events and reference data updates that may affect settlement readiness.

Automation plays a central role in the BFI T+1 program. Existing operating models are being enhanced through increased straight-through processing, improved integration with upstream and downstream data sources, and the implementation of additional monitoring and control mechanisms. These enhancements are designed to reduce manual intervention, improve scalability and enable faster reaction to market events occurring close to settlement deadlines.

Beyond operational efficiency, T+1 also creates an opportunity to further strengthen data distribution services. As market participants adapt their own processes, demand for timely intraday updates, automated workflows and high-quality reference datasets is expected to increase. BFI is therefore assessing additional capabilities that may support clients in managing compressed settlement timelines and improving operational readiness.

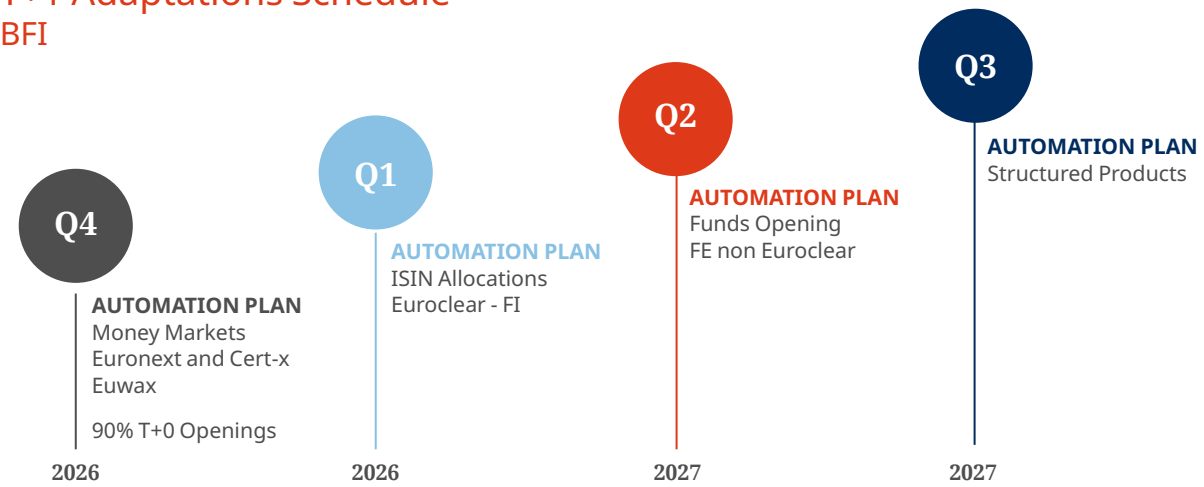
From a testing perspective, BFI will validate both the operational processes and the technological components supporting data acquisition, processing and distribution. Internal testing activities are already focused on ensuring that critical data required within the T+1 lifecycle can be delivered within the expected timelines. Community testing windows will provide an opportunity to verify end-to-end readiness and to confirm that information can be consumed efficiently by client systems and market infrastructures.

The principal areas under review include:

- Instrument onboarding and security master creation.
- Reference data acquisition and distribution.
- Corporate actions data processing and dissemination.
- Data quality controls and exception management.
- Automation of operational workflows.
- Monitoring and reporting capabilities.
- Integration with downstream consumers and market infrastructures.

By modernising its operating model and aligning services with the requirements of a T+1 environment, BFI aims to provide market participants with the timely, accurate and reliable financial information necessary to support efficient settlement, reduce operational risk and facilitate a smooth transition to the new settlement cycle.

T+1 Adaptations Schedule
BFI



Clients can direct their questions to the following email address: **support@six-group.com**

5 Foreign Exchange

From a Foreign Exchanges (FX) perspective, the key consideration is that currency conversion becomes more critical under T+1 because the securities transaction and the related FX hedge must be precisely synchronised. Under the current T+2 model, treasury and markets teams typically have additional time to execute FX spot transactions, often until T+1, without compromising the settlement of the underlying securities transaction. Under T+1, this flexibility is reduced, as the FX hedge may need to be executed on trade date, T, or within a significantly compressed timeframe.

The FX impact of the shorter cycle will reduce the margin for error in funding, hedging, trade matching and exception management. In this sense, automation is key. It is recommended strengthen the automation of FX booking, bilateral confirmation and operational reconciliation to meet the shorter T+1 deadlines.

ESMA identifies currency conversion as a significant challenge in a T+1 environment, particularly where different time zones, less liquid currencies or dependency on systems such as CLS are involved. Entities with higher FX dependency will need to adapt their processes to ensure execution in T and avoid settlement-related failures.

The potential increase in settlement risk if more FX transactions are settled bilaterally outside PvP (Payment versus Payment) mechanisms suggests that there may still be room to increase the use of PvP arrangements to mitigate FX settlement risk.

The core trade-off remains between settlement safety and execution flexibility. Maintaining FX flows within PvP/CLS should remain the preferred risk-reduction route where possible, but compressed securities timelines may oblige some participants to use bilateral, same-day or short-dated FX alternatives. CLS is not offering PvP services for same-day transactions, while BME FX is positioning in providing more flexible and automated solutions to help entities with the transition to T+1 from a Forex perspective.

BME FX is offering the full value chain in FX operations, by providing entities with both a trading (BME FX Spot) and a settlement platform (FXS):

BME FX Services – overview
Two complementary and unbundled services

BME FX Settlement

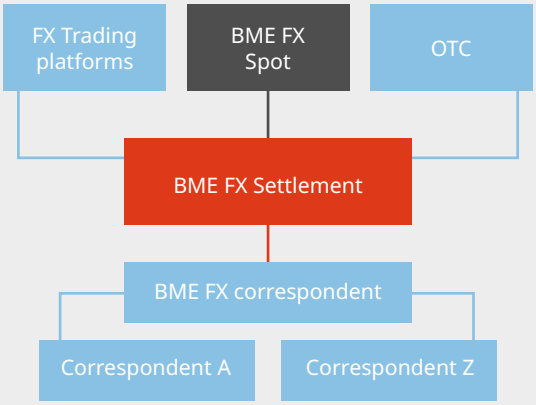
- BME provides an **alternative to CLS,** targeting FX settlement flows that are still not subject to PvP and netting BIS recommendations, including D+1 D+0 settl.
- Operated by a European FMI, it provides a cost-effective solution for credit and buy-side institutions to benefit from Herstatt[1] risk mitigation measures
- **Main benefits** of BME FX Settlement are:
  - **Risk mitigation:** bilateral netting optimizing liquidity needs and unlocking bilateral trading capacity, and PvP simultaneous settlement on D+2, D+1, D+0 or any maturity
  - Open to **buy-side:** financial buy-side (fund managers and insurance) already in scope
- BME FX Settlement operates as a licensed **EU payment system** that can easily expand services into CH and the UK
- One single net settlement per currency and counterparty
- Service started with USD, EUR, CHF and GBP

Trades can be received from BME FX Spot trading solution, OTC or other FX trading platforms (e.g. 360T)

BME performs netting and coordinates reception of payments

Once all inflows are received, BME releases payments to counterparties

Cash movements take place between BME correspondent and those of the clients



[1] Risk of losing the principal amount in a FX transaction due to time difference, and one counterparty delivers while the other fails.

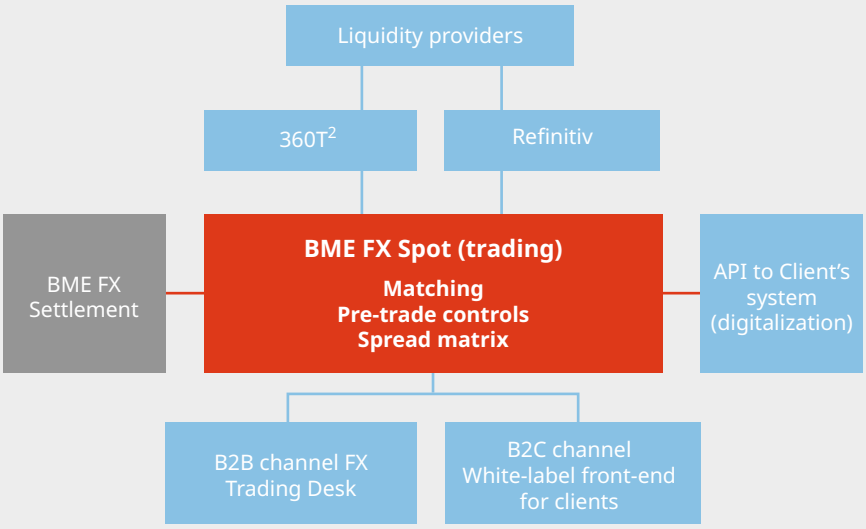
BME FX Spot (Trading)

- **Complementary** and subsidiary service to BME FX Settlement to trade FX spot
- Enables **digitalization** for FX trading for low-mid tier banks through an API integration to client's accounting systems
- **Double channel:** Multi-dealer (bank to bank) or single-dealer (bank to client)
- Trades **flow into BME FX** settlement solution for net PvP settlement
- Includes a **white-labelled front-end** for banks to automate processing with their clients (e.g. spread/ commission management and pre-trade controls)
- **Trading on D+0 and D+1** is under development, to facilitate timely FX execution on **T+1 adaptations.** Entities can either **hedge** each transaction back-to-back or aggregate their FX needs and execute a single hedge, including through block trading

Liquidity provided through connectivity with multi-contributed external liquidity pools (e.g. 360T/ Refinitiv)

API connectivity to enable digitalization of the whole process

FX Spot transactions can be directly settled in FXS for eligible currencies



[2] 360T is a major FX spot execution platform fully owned by DB1

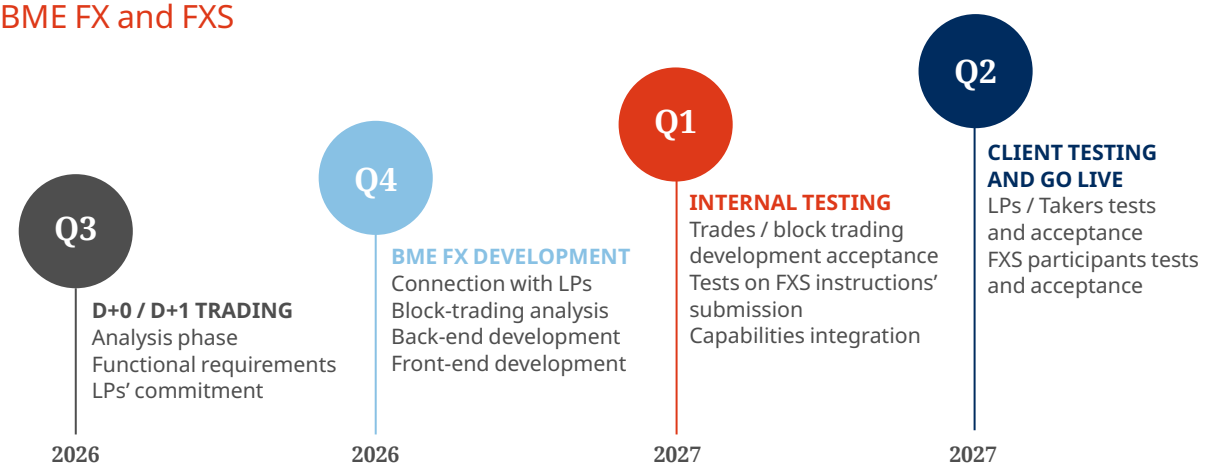
For BME FX, the opportunity is to support clients with controlled alternatives for European T+1 settlement: execution on T based on execution reports and currency countervalue, or execution on T+1 using net positions for same-day settlement. Transactions executed with both maturities will be automatically confirmed and settled in FXS under a PvP mode, and in net amounts if desired, resulting in liquidity optimisation and counterparty risk elimination.

Technology is in place, adaptations are only necessary in the trading platform, as the settlement platform is already prepared to settle same-day transactions (and any other maturity) in EUR, USD, GBP and CHF. Main developments are:

- Include the possibility to trade on prices for T / T+1 settlement.
- Include a new functionality for block-trading: entities can accumulate their positions in the different currency and consolidate their operations into one file that will be imported in the application for instant execution. This is essential for Fund Managers but also any financial entity can automate the conversion of the positions they hold in the different venues.
- Define any technical adjustments that allow efficient and timely instruction transmission, including before midnight on settlement date, and to integrate these capabilities with internal processes for automated transactions' confirmation and conciliation.

These tasks are scheduled as follows:

T+1 Adaptations Schedule
BME FX and FXS



Clients can direct their questions to the following email addresses: **fx@grupobme.es or fx@sixgroup.com**

6 Conclusions

The transition to a T+1 settlement cycle on 11 October 2027 represents a significant transformation of the European post-trade environment. Its successful implementation will require not only technological adaptations, but also a broader transformation of the post-trade lifecycle and close coordination among market participants, financial market infrastructures and service providers to prepare for and implement the required changes.

From a SIX Group perspective, the existing trading, clearing, settlement and corporate actions infrastructures provide a solid foundation for the transition. Nevertheless, targeted adaptations will be required across the value chain to address compressed operational timelines, settlement optimisation, corporate actions processing and cross-border dependencies.

In Spain, the main changes include the rescheduling of clearing activities to trade date, the introduction of the new T2S Operational Day and Gating Event, and adjustments to corporate actions processes.

For Switzerland and Liechtenstein, the impact is expected to be primarily operational rather than driven by fundamental changes to the existing infrastructure. The implementation of Partial Settlement and Partial Release, together with the adaptations to corporate actions processes, will be key to supporting the transition.

Coordinated testing will be essential to market readiness. The five common industry testing windows scheduled between February and September 2027 will provide participants with the opportunity to validate domestic, end-to-end and cross-border processes.

Testing metrics will complement these activities by allowing SIX and its participants to monitor allocation timing, instruction submission, matching efficiency and settlement efficiency. Monitoring these indicators at CSD and Business Partner level will help identify potential bottlenecks and operational issues during the testing period and support participants in assessing their readiness for T+1.

The transition will also affect services beyond the traditional trading, clearing and settlement chain. Financial Information is reviewing and enhancing its data supply chain to accelerate the acquisition, validation, enrichment and distribution of reference data, instrument information and corporate actions information. From an FX perspective, the shorter cycle will require closer synchronisation between securities settlement and currency conversion, together with greater automation of booking, confirmation and reconciliation processes.

The transition to T+1 can be achieved within the planned timeline, provided that implementation, preparation and testing activities continue to progress in coordination across the industry. Active participation throughout the testing cycle will be essential to validate operational and cross-market dependencies, identify issues before go-live and support a smooth transition to the new settlement cycle.

In conclusion, the move to T+1 is more than a settlement-cycle reduction. It represents a strategic opportunity to modernise post-trade processes, increase automation, improve settlement efficiency and strengthen market resilience. Through a coordinated international testing approach and targeted infrastructure enhancements, SIX is committed to supporting clients and market participants in achieving a smooth, secure and successful transition to T+1 on 11 October 2027.

7 Acronyms

Acronym / code	Description
AMI-SeCo	Advisory Group on Market Infrastructures for Securities and Collateral
BAU	Business as Usual
BFI	Business Unit Financial Information
C1S4 / C1SX	T2S night-time settlement sequence and partial-settlement window codes
CA	Corporate Actions
CEG	Corporate Events Group
CET	Central European Time
CLS	Continuous Linked Settlement
COLI / COLO	ISO settlement transaction-type codes referenced for collateral-related operations
CCP	Central Counterparty
CSD	Central Securities Depository
CSDR	Central Securities Depositories Regulation
DvP / DVP	Delivery versus Payment
ESMA	European Securities and Markets Authority
FAQ	Frequently Asked Question
FMI	Financial Market Infrastructure
FX	Foreign Exchange
FXS	BME FX settlement platform
H&R	Hold and Release
ISD	Intended Settlement Date
ISO	International Organization for Standardization
ISO 15022 / ISO 20022	International standards for financial messaging
KPI	Key Performance Indicator
MT54X	ISO 15022 settlement message family
MT56X	ISO 15022 corporate-action message family
MT567	ISO 15022 corporate-action status and processing advice message
NAV	Net Asset Value
OTC	Over the Counter
PvP	Payment versus Payment
RTS	Regulatory Technical Standards
SDR	Settlement Discipline Regime
SICAV	Investment Company with Variable Capital
SMPG	Securities Market Practice Group
SSX	SIX Swiss Exchange
SwissSPTC	Swiss Securities Post-Trade Council
T2S	TARGET2-Securities
URD	User Requirements Document

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