

Zurich, 26 March 2026

Swiss Securities Post-Trade Council Recommendation on the Automation of Buyer Protection Processing

The joint European Migration set for 11 October 2027 necessitates coordination across all European securities markets to achieve optimal alignment among various jurisdictions. Accordingly we are collaborating with the EU T+1 Industry Committee and the UK Accelerated Settlement Task Force, the responsible industry committees for planning a successful migration in the EU and UK, respectively. This applies in particular to corporate actions processing. The goal is to establish harmonized standards for national and cross-border processes across Europe, even if the settlement cycle is shortened. Nevertheless, there may be differences in national circumstances or market needs.

This market update aims to inform the industry about the current decision of the swissSPTC on the Automation of the Buyer Protection (BP) Processing.

Context

In November 2025 the swissSPTC published 17 Recommendations that provide high-level guidance to support the transition to T+1. For translating the high-level recommendations into actionable implementation, the swissSPTC is currently developing a “market practices overview” that helps to comply with these recommendations

SwissSPTC View

The swissSPTC recognises the importance of strengthening BP process under T+1 and therefore an automation could be planned for the coming years. However based on available data, the swissSPTC’s Corporate Actions Expert Group assessment and current operational practices with very low volumes and usages, BP automation is not considered a prerequisite for a successful migration to T+1 in October 2027, even if the relevance of a timely BP handling could be increased by shorter processing windows. In addition, at this point in time the market participants see a significant imbalance between benefits and costs.

As part of swissSPTC’s efforts to define specific market practices, a decision has been made in the context of the automation of buyer protection. ***The swissSPTC recommends not to automate the buyer protection processing for Switzerland and Liechtenstein before the migration to T+1 on 11 October 2027.***

The swissSPTC will continue to actively monitor developments in the European market and will conduct a “new” assessment at the appropriate time. Against this backdrop, the swissSPTC particularly welcomes and supports the ECSDA’s proposal, which addresses the concerns of the Swiss and Liechtenstein markets:

- Target date 2030 for a potential full BP automation,
- combined with a formal checkpoint around 2028, to assess volumes, risk exposure and market readiness in a T+1 environment.

Evidence on Volumes, Usage and Costs for automated Implementation in the Market

The BP handling in Switzerland and Liechtenstein is based on a manual processing, based on the standardised BP format. It is therefore difficult to get exact counts on BP instructions, but the number of potential events can be assessed with more confidence:

- Total BP instructions fewer than 20 (per year), of which 20% are relevant/effective events;
- Trading of Rights (EXRI) in the Swiss/Liechtenstein market is already on T+1;
- Tender Offers (BID) in the Swiss market is different to the European market standard¹;
- Costs assessed for implementation of BP automation: CSD level > 1 Mio; CSD participants average 250k each;
- A usage of ISO 20022 or extended ISO 15022 is currently not in place in the Swiss and Liechtenstein market;
- Swiss and Liechtenstein markets have a very high settlement rate (near 98-99% for on-exchange and OTC transactions) and current T+1 simulations are in a similar range.

Operational Reality and Need

The market participants addressed following constraints:

- Low observed volumes in the domestic markets (Switzerland and Liechtenstein);
- Low cross-border frequency observation of relevant events, which is not directly in the scope of the swissSPTC T+1 mandate, but swissSPTC and its members will keep a close eye on the developments in Europe and will take them into consideration in any future decision;
- The assessed figures and caused implementation costs do not justify or support the implementation of an automation of BP in the Swiss and Liechtenstein markets;
- The current situation in European markets is ambivalent:
 - Realisation of end-to-end automated BP processing is depending on the custody/intermediary chain as a whole whereas a need/readiness seems actually to be limited, as disagreement prevails in the European markets;
 - BP processing remains largely manual across Europe today;
 - Short term ISO 15022 versus midterm ISO 20022 only 1 ½ year before T+1 going live;
- Full automation of BP Processing would require:
 - Extensions to existing ISO 15022 messages;
 - New ISO 20022 messages;Whereby the ISO 15022 is regarded as a temporary short term solution and ISO 20022 as midterm solution that will also be considered as the target standard;
- At present, beside a disproportionality there is no need for automation, either among individual market participants or in the market as a whole.

¹ Voluntary Reorganisation, Swiss Tender Offers: As per Swiss law Guaranteed Participation Date and Market Deadline are on the same day.

SwissSPTC Recommendation

Given the missing business need from a domestic and cross-border perspective, as well low volumes and usage of BP in the domestic area, the swissSPTC recommends:

- Not to implement BP automation before 11 October 2027;
- To consider 2030 as potential target date based on ISO 20022 standard with a checkpoint in 2028 to reassess BP volumes in the context of the T+1 environment;
- To support the development of the standards and market practices in coordination with Swiss Association for Swift & Financial Standards (SASFS), SMPG, ECSDA, EACH and European standard bodies;

This approach reflects the current need of the Swiss and Liechtenstein market participants and supports the flexibility towards future European developments. It is a phased approach that addresses a proportionality, provides immediate operational certainty and supports investor protection.

On behalf of the swissSPTC,

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