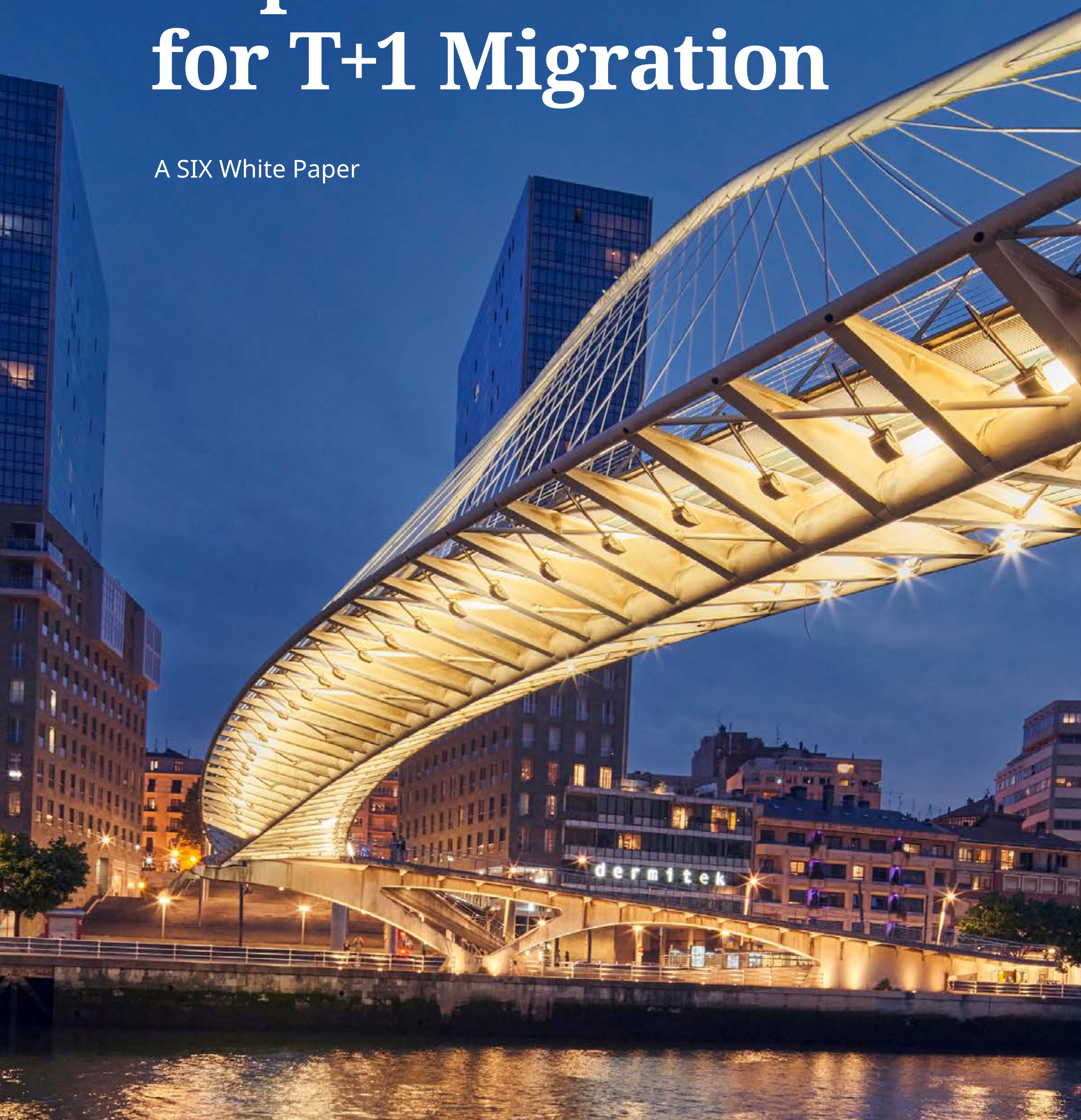
SIX High-Level Impact Assessment for T+1 Migration

A SIX White Paper



Foreword

The transition to a T+1 securities settlement cycle represents one of the most significant structural transformations of European capital markets in recent decades. Following the successful migration of North American markets to T+1 in May 2024, Europe has embarked on its own transition journey, driven by the dual objective of enhancing post-trade efficiency and strengthening the resilience of financial markets. This initiative is supported by a coordinated regulatory and governance framework at European level, with a common migration date set for 11 October 2027 across the European Union, Switzerland, Liechtenstein and the United Kingdom.

At SIX, we are fully committed to supporting the market throughout this transition. As part of the preparations for the move to a T+1 settlement cycle in Europe, SIX is actively working to ensure a timely and effective adaptation to the new standard. This includes leading the creation of dedicated working groups in both Spain and Switzerland, reinforcing our role as a trusted partner for market participants. In parallel, SIX continues to contribute actively to international working groups, ensuring close alignment with global initiatives and with the broader European transition framework.

Given the scale and complexity of this change, the analysis presented in this document is firmly grounded in the recommendations issued by the EU T+1 Industry Committee (EU T+1 IC), the regulatory developments arising from the amendments to CSDR and the related Regulatory Technical Standards on Settlement Discipline, as well as the market-specific guidance published by the Swiss Securities Post-Trade Council (swissSPTC). Against this backdrop, the document provides a detailed overview of the required adaptations across trading, clearing, settlement and corporate actions within the SIX Group, clearly distinguishing between areas already aligned with industry recommendations and those requiring targeted enhancements.

This document aims to offer market participants a clear and structured view of the strategic rationale for the transition, the European and Swiss frameworks governing the move to T+1, the roadmap leading up to go-live, and the role of SIX as a key enabler of a coordinated, resilient and efficient migration to a T+1 settlement cycle.

Francisco Béjar Nuñez
Head of Custody, SIX

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1 Introduction

The transition to a T+1 securities settlement cycle represents a major structural evolution of European capital markets. Following the successful migration of North American markets to T+1 in May 2024, Europe has accelerated its own initiative with the dual objective of improving post-trade efficiency and strengthening financial market resilience.

On 14 October 2025, a significant regulatory milestone was reached with the publication of Regulation (EU) 2025/20275 by the European Parliament and the Council. This regulation amends Regulation (EU) No 909/2014, specifically addressing the need for a shorter settlement cycle within the European Union. The new regulation stipulates that, with certain exceptions, transactions involving transferable securities—such as stocks and bonds—executed on trading venues (including regulated markets and trading platforms) must be settled no later than the first business day following the trade date. The intention behind this accelerated settlement cycle is to reduce risk exposure for market participants and enhance the efficiency of financial markets. However, this change also necessitates operational adjustments across the industry, as market participants must adapt their processes to comply with the tighter settlement timeframe. Taking into considerations all the change requirements to achieve a T+1 settlement cycle, authorities and industry stakeholders in Europe, Switzerland, Liechtenstein and the United Kingdom have jointly converged on **11 October 2027** as the target date for the transition to T+1 settlement, aligned with the European Regulation updates. This date reflects a coordinated approach across the European Markets, designed to minimise cross-border frictions and operational misalignment.

The agreed roadmap to reach T+1 settlement cycle successfully, spans the period 2025–2027, structured around the definition of market standards and recommendations, system development and industry-wide testing, and finally, the controlled implementation of the new settlement cycle.
Compared with North America, the European transition presents significantly greater complexity. Europe's post-trade landscape is characterised by a high degree of fragmentation across central securities depositories (CSDs), central counterparties (CCPs), currencies, legal framework and market practices. This heterogeneity requires broader industry engagement, higher levels of straight-through processing (STP), and much earlier operational readiness.

A successful transition to the T+1 settlement cycle requires more than just the individual preparedness of market participants; it relies fundamentally on coordinated efforts throughout the entire settlement chain. In this context, **SIX occupies a pivotal role** as a market infrastructure operator in both Switzerland and Spain. This is achieved through its management of key financial market infrastructures, including SIX SIS and Iberclear as Central Securities Depositories (CSDs), SIX Clearing as Central Counterparty Platform (CCP), as well as the SIX and BME Trading Venues. As a client-focused enabler, SIX actively participates in European and national T+1 governance forums. Its involvement extends to the direct development of industry playbooks and implementation frameworks, supporting harmonised approaches and facilitating the adoption of the new settlement cycle across the region.

2 The European Union and Swiss paths towards T+1

The European transition to T+1 is being driven by a dedicated governance framework involving public authorities and industry stakeholders. At EU level, the process is coordinated through the *EU T+1 Coordination Committee* and the EU T+1 *Industry Committee* (EU T+1 IC), with the support of ESMA, the European Commission and the European Central Bank. In parallel, Switzerland and Liechtenstein are advancing their own transition through the *Swiss Securities PostTrade Council (swissSPTC).* A key outcome of all this governance boards has been the agreement on a **panEuropean migration date of 11 October 2027,** aligned with the EU, Switzerland, Liechtenstein and UK jurisdictions, to avoid settlement cycle fragmentation and ensure crossborder consistency across interconnected.

EU T+1 Industry Committee recommendations

The *High-level roadmap*[1] **published by the EU T+1 IC on 30 June 2025,** places particular emphasis on the redesign of the settlement day and the increased use of automation and standardisation across all stages of the post-trade lifecycle. Industry recommendations focus on harmonised operational windows, including same-day submission of settlement instructions, the improvement of the quality of static reference data to facilitate Straight Through Processing (STP), a coordinated start of securities settlement systems (SSSs) at the beginning of the settlement date, and aligned end-of-day cutoffs for delivery-versus-payment (DvP) processing. These measures are intended to compress post-trade processing into a much shorter timeframe while preserving settlement efficiency and risk controls.

From a scope perspective, the *final report on amendments to the RTS on Settlement Discipline*[2] published by ESMA on 13 October 2025, prioritises **transferable securities executed on EU trading venues,** while over-the-counter (OTC) transactions are addressed through market conventions rather than direct regulatory mandates. The guiding principle adopted by the industry is an **"adhere or explain"** approach, encouraging broad alignment while allowing flexibility were justified by specific business models or products.

Following both publications above mentioned, the EU T+1 IC published on 3 February 2026 the *Securities Settlement Handbook*[3] to reinforce the structured implementation guide aligned with a roadmap to facilitate consistent understanding and execution, to facilitate the industry's transition to the amended settlement discipline framework published by ESMA.

swissSPTC recommendations

On 12 September 2025, the swissSPTC published a *comprehensive set of recommendations to the Shortening of the Settlement Cycle*[4]. The aim of the recommendations is to translate international best practices into concrete and actionable guidance tailored to the specific characteristics of the Swiss and Liechtenstein markets, including harmonized trading, clearing, and settlement processing timelines, the introduction of partial settlement as the default practice with clearly documented exceptions, alignment of corporate action key dates to the new settlement cycle, and increased automation in areas such as buyer protection and market claims.

Through its active participation in both European and Swiss governance structures, SIX contributes to shaping a coordinated and pragmatic transition framework. This dual involvement supports alignment between EU and Swiss markets, reinforces operational resilience, and provides market participants with a clear and consistent pathway towards T+1 settlement in 2027.

1 high-level_roadmap_eu_t1-1.pdf
2 ESMA74-2119945926-3430 Final Report on Amendments to the RTS on Settlement Discipline
3 EU-T1-Handbook.pdf
4 swiss-sptc-t1-recommendations-paper.pdf

3 SIX as an Enabler: Value proposition and joint roadmap

Transitioning to T+1 requires regulatory alignment and robust execution to support faster post-trade processes in fragmented markets. Success depends on coordinated efforts across the settlement chain, with early preparation, automation, data quality, and process standardization being key. Ongoing dialogue among industry participants and authorities is essential to address challenges promptly. In this context, SIX acts as an enabler of T+1, utilizing its comprehensive trading and post-trading services, cross-border presence, and strong market collaboration.

Joint roadmap 2025–2027

In line with the European and Swiss timelines, SIX's proposed roadmap for T+1 implementation follows a progressive, industry centric approach, fully aligned with the EU T+1 framework and national initiatives.

In **2025** SIX Group focused on detailing impact assessments, alignment on market standards and the definition of target operating models. This phase was consistent with the Industry Committees emphasis on early preparation and common standards as prerequisites for a successful migration.

Particularly in Spain, the transition to a T+1 settlement cycle has been facilitated by a clearly structured approach. A significant milestone was the publication of the T+1 *Spanish Market Playbook*[5] in July 2025, which was developed in close coordination with Iberclear (BME). This playbook served to promote a shared understanding of the requirements and dependencies across the Spanish market ecosystem, ensuring that participants had clear guidance on the steps necessary for migration.

Building on this foundation, the *BME Roadmap*[6] was released in November 2025 as the second phase of the initiative. The roadmap provided further support to market entities, detailing the processes and timelines essential for their transition to T+1.

By outlining specific actions and responsibilities, the roadmap aimed to streamline efforts and foster collaboration among market participants, reinforcing the structured progression towards the new settlement cycle.

In Switzerland and Liechtenstein, a key milestone followed on 14 November 2025, when the swissSPTC published its *Final Report to the T+1 Recommendations Paper*[7] for the Swiss and Liechtenstein markets. SIX, as the primary domestic financial market infrastructure, participates in the swissSPTC Task Force and stated that it will integrate the swissSPTC requirements into its own implementation project, reinforcing a coordinated and pragmatic pathway for the 2027 migration.

The second phase, scheduled for **2026,** is currently focusing on system development, enhanced automation, and comprehensive testing. European guidelines emphasise the necessity of both bilateral and industry-wide testing, including end-to-end processes, cross-border interoperability, and contingency planning, well before implementation. Therefore, SIX's roadmap will include plans for community testing with participants as well as sector-wide testing cycles to ensure preparedness under T+1 settlement conditions.

The final phase during **2027** will be focused on community testing of all the T+1 settlement cycle for the coordinated **go live on 11 October 2027.** In this sense, some important insights have been published by the EU T+1 IC that SIX Group is currently reviewing.

Through this structured roadmap and its role as a central financial market infrastructure in multiple jurisdictions, SIX aims to support a coordinated, resilient and industry driven transition to T+1, reducing complexity for market participants while aligning with the broader European and Swiss objectives.

5 Proyecto T+1
6 tplus1-bme-roadmap-activities.xlsx
7 swiss-sptc-tf-t1-recommendations-20251114-final-report.pdf

4 Adaptations of the SIX Group in Trading, Clearing and Settlement

4.1 Spain / European Union

The **EU T+1 IC recommendations and Securities Settlement Handbook** establishes a common operational framework for the European transition to a T+1 settlement cycle. It recognises the structural complexity of European markets and promotes early trade-date processing, automation, harmonised cut-offs and the mandatory availability of key settlement functionalities.

Against the backdrop of the European transition to a T+1 settlement cycle, SIX Group has been progressing a broad set of initiatives across its European post-trade ecosystem to ensure timely readiness and market alignment. The following three sections (trading, clearing and settlement and corporate actions) provide an overview of the key advancements implemented to date, taking into account the recommendations listed by the European T+1 Industry Committee.

4.1.1 Trading

The transition to a T+1 settlement cycle has a limited but targeted impact on trading activities. Most trading related processes are already aligned with the EU T+1 IC recommendations, with the main implications arising from the need to reflect the shortened settlement cycle in rulebooks, documentation and specific trading practices. As a result, the adaptations required in the trading layer are primarily regulatory and procedural in nature, rather than structural.

Despite the above, there remain specific EU T+1 IC recommendations where the BME Stock Exchanges must focus their attention to ensure a successful transition to the T+1 settlement cycle:

- **Trading venues' rulebooks updates (TR-02):** BME will update its regulatory and operational documentation to explicitly reflect the transition to a T+1 settlement cycle. In particular, but not exclusive:
  - Equity market rulebooks: BME's Market Rules (Stock Exchange Regulation) will be amended to update the definition of the "value date" from T+2 to T+1, in line with equivalent provisions in other European markets (e.g. Article 15.1 of SSX). This will require an amendment to Article 40 of the Stock Exchange Regulation.
  - Fixed income market documentation (AIAF, MARF): Internal and external circulars and manuals applicable to fixed income instruments will be updated to reflect the new settlement cycle.

- **Settlement cycles for funds' units (AM-01):** 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 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 event key dates with the T+1 standard settlement cycle (CE01).** The move to T+1 implies a compression of corporate action timelines, including the alignment of ex-date and record date on the same day. From a trading perspective, this change will require updates to documentation and system validations for BME equity instruments, ensuring consistency with T+1 corporate action processing timelines.

4.1.2 Clearing

The move to a T+1 settlement cycle requires a compression of several clearing activities, particularly for the Spanish market where certain processes currently run on T+1. For other European markets, SIX Clearing already operates within timelines and process standards largely compatible with the EU T+1 Industry Committee expectations.

The following points summarise the key recommendations from the EU T+1 Recommendations that affects clearing and the corresponding operational adaptations or capabilities:

- **CCP process timings (CL-01):** The deadline for various Spanish market-related functionalities (allocations and transfers, Hold & Release and netting process) will be changed from today's schedule on T+1 to T to ensure a timely distribution of netting reports and settlement instructions on T. Although the deadlines are under discussion, the table below lists the proposed dates.

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

*Cut-off times: 15-30 minutes before Spanish market closure

For the rest of the markets, SIX Clearing already complies with the EU recommendation as the netting process is performed at around 20:00 on T.

- **Real-time processing of settlement instructions (ST-01.1):** As mentioned above, CCP processes related to the Spanish market will be reviewed and adapted for a timely distribution of netting reports and settlement instructions on T.

- **SSS Closing: Explore the potential establishment of a DvP cutoff of 17:00 (ST-02.4):** SIX Clearing can support and would adapt its processes to accommodate the extension of the DvP cutoff to 17:00 if ultimately implemented.

- **Partial settlement functionality (Intermediaries) (ST-03.2):** SIX Clearing has already implemented partial settlement across all T2S markets, as all CCP settlement instructions are flagged as "partial eligible" with T2S. Auto-partial settlement is activated in those markets where this functionality is supported. Consequently, the effective provision of partial settlement depends on its availability and configuration at the respective CSDs.

- **Hold & Release functionality – Intermediaries (ST-03.6):** SIX Clearing already offers the Hold & Release functionality for the Spanish market through the CCP. To fully comply with this recommendation, SIX Clearing intends on offering Clearing Members both methods of Hold & Release: the current CCP-driven process of Hold & Release and a future method of Hold & Release which is operationally aligned with the Hold & Release process of other T2S markets. Currently, partial release is offered in the Spanish market and will be offered in all serviced markets before T+1.

- **POA Functionality (ST-03.9):** SIX Clearing plans to offer optional POA feature to those CSDs where it is not implemented yet, enabling the CCP to send Clearing Member's leg of settlement instruction to the local CSD directly. SIX Clearing already fully supports POA features to send Clearing Members' settlement instructions to their designated settlement agent.

In addition to the above, SIX Clearing will support the alignment of deliverable Equity Exchange-Traded Derivatives (ETDs) to a T+1 settlement cycle, in line with the Futures Industry Association (FIA) preferences for the treatment of derivatives.

4.1.3 Settlement and Corporate Actions

A significant number of the recommendations issued by the EU T+1 Industry Committee in the areas of settlement and corporate actions are already implemented in the Spanish market. As a result of previous regulatory initiatives, T2S harmonisation and the implementation of Iberclear's Reform Project, Iberclear already complies with several of the key market practices identified as critical for a successful transition to a T+1 settlement cycle, including, at this stage, the following ones:

- **Establish an Industry Taskforce to develop a single 'gold standard' format for settlement instructions (ST-01.3).** The SSIs (Standing Settlement Instructions) task force has published a series of recommendations to standardise the transfer of instructions and reduce manual processes.

  Market practice defines the following:
  - Minimum content requirements to ensure consistency in the information exchanged.
  - Standardised ISO/SWIFT messages for creation, update, cancellation, and status of SSIs.
  - Clear operational processes for the exchange of SSIs, including flows with and without vendor utilities.
  - Full interoperability between all parties, ensuring that SSIs can be applied in real time to multiple transactions.

To this end, Iberclear has standardised transmission mechanisms that allow for the correct exchange of information with all its participating entities, facilitating compliance with the standards agreed by this task force. As of today, no need to implement any changes has been identified.

- **Custodians to offer PSAF information in Statement of Holding (ST-01.4):** The inclusion of this field in reconciliation messaging may be useful in those CSDs and major custodians whose account nomenclature does not allow direct identification of which CSD the positions are associated with. In the case of Iberclear, no change is foreseen, as its account nomenclature allows clear identification that positions are in Iberclear accounts.

- **SSS Closing: Explore the potential establishment of a DvP cutoff of 17:00 (ST-02.4):** This proposal aims to delay the Delivery versus Payment (DvP) closing from 16:00 to 17:00, which could lead to increased efficiency in the settlement process and a reduction in the time gap between the closing of free-of-payment and DvP operations. However, implementing this change would require greater coordination between Target Services on top of treasury desks, participating entities, and the availability of operational and liquidity resources.

  In a T+1 scenario, this measure becomes even more relevant, as the shortening of the settlement cycle from execution to market settlement makes it especially valuable to have an additional hour for DvP settlement, helping to minimise settlement failures and, consequently, the application of penalties.

  The change is not expected to be implemented before the project's entry into force on 11 October 2027, nor is considered to be a prerequisite for the transition to T+1.

- **Establish Industry Taskforce to develop Partial Settlement Market Practice (ST-03.3)[8]:** The Partial settlement Task Force establishes partial settlement as the default option in markets and the key measure to improve operational efficiency in the transition to T+1. Furthermore, it aligns with the ESMA Final Report on the RTS on Settlement Discipline, which advises against default ineligibility and supports broader use of partial functionalities.

  The proposed market practice is based on all instructions being considered eligible for partial settlement unless expressly agreed otherwise between the two parties. The NPAR indicator becomes the sole mechanism to block partial settlement, and non-application is strictly limited to two cases:
  - Exemptions linked to predefined flows (securities lending, corporate actions, and portfolio transfers).
  - Justified and mutually agreed bilateral exceptions.

  Iberclear complies with this market practice, entities already have available the necessary tools to use the functionality of partial settlement and release.

- **Interaction with other global regions (ST- 02.5):** Iberclear is continuously and thoroughly monitoring developments announced by the various CSDs with which it has established links, both within T2S and outside this platform, as well as any updates from the provider offering Asset Servicing Only (ASO) for several European markets.

  To date, no relevant changes have been identified in any of the jurisdictions analysed. Special attention is being given to the Brazilian market, as the existence of asymmetric settlement cycles could generate specific operational challenges, especially regarding corporate events.

- **Automation of buyer protection processing (CE-02):** Iberclear recognizes the strategic importance of strengthening Buyer Protection mechanisms in the context of the transition to a T+1 settlement cycle and the long-term goal of increasing automation and efficiency in post-trade processes.

Iberclear already complies with T2S (CASG) standards regarding manual Buyer Protection. Nevertheless, Iberclear believes that implementing automation of Buyer Protection on 11 October 2027 is premature. In the Spanish market, the volume that could trigger Buyer Protection instructions and the current use of Buyer Protection remain low. Moreover, the participant entities of Iberclear have not requested this automated functionality, In addition market readiness does not support immediate full automation, since most Buyer Protection instructions are managed manually and bilaterally between participants.

For all these reasons, Iberclear will not implement the recommendation for automation of Buyer Protection in the Spanish market for 2027 and, instead, supports a gradual and proportionate approach, in line with positions already expressed by ECSDA and other industry associations.

[8] https://eu-t1.eu/wp-content/uploads/2025/12/EU-T1-Industry-Committee-%E2%80%93-Taskforce-on-Partial-settlement-Market-Practice-Report-1.pdf

The following recommendations require some changes in the context of the T+1 transition:

- **Use of Transaction type identifier in settlement instructions (ST-01.6):** Since the implementation of the Reform Project in March 2025, the codes used to identify transactions follow ISO15022 and ISO20022 standards. Just minor changes are foreseen like the use of the PORT operation type, not only in accordance with the ISO standard, but also to identify specific changes in the custody chain.

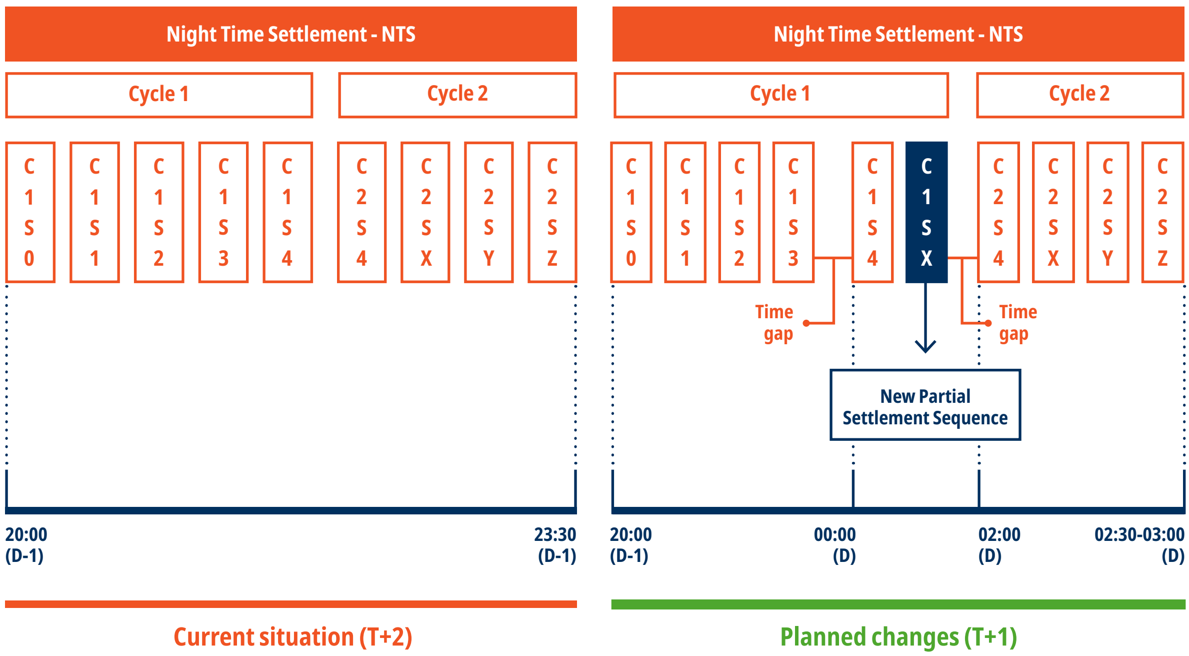
- **Inclusion of partial settlement window in the first cycle of T2S NTS(C1SX) - (ST-03.4)[9]:** The new C1SX sequence aims to improve settlement efficiency in T2S by introducing an additional partial settlement window in the first cycle of Night-Time Settlement cycle (NTS), which did not exist previously. This improvement allows for the early release of securities and liquidity after the C1S4 sequence, strengthening netting and optimisation processes, and reducing the volume carried over to Real-Time Settlement (RTS).

This change is being addressed through the following T2S Change Request: T2S-0858-URD Adjustment of the Night-Time Settlement for accommodating the shortening of the settlement cycle to T+1, which also extends the T2S NTS.

With the new scheme, NTS will start at 20:00 (D-1) and, depending on the length of the sequences, may finish approximately between 02:30 and 03:00 (D), instead of the current 23:30 (D-1), according to T2S estimates.

Participating entities will need to adapt their systems to receive messaging associated with partial settlements during the new sequence, between approximately 00:00 and 02:00 (D), as well as ibsinc02 messages (ICP participants) or camt.019 messages (DCP participants), which will not be generated until the closing of NTS at around 02:30–03:00 (D).

A comparison of the current and future situation follows:



9 T2S 0858 URD : ecb.targetseccrg251007_T2S-0858-URD.en.pdf

- **Alignment of corporate event key dates with the T+1 standard settlement cycle (CE-01):** Iberclear will adapt the changes to key dates of corporate events due to the shortening of the settlement cycle to T+1.

  The main changes include Ex-Date and Record Date coinciding on the same day for distributions; bringing forward the Last Trading Date for mandatory reorganizations, and reducing the time between Guaranteed Participation Date, Buyer Protection Deadline, and Market Deadline for mandatory reorganizations with options and voluntary events.

  Under T+1, key corporate action dates are compressed, reducing the time available for elections. Market participants are therefore required to act earlier and ensure timely instruction submission.

  The changes are shown in the following image:

Key dates for corporate actions

		T-4	T-3	T-2	T-1	T
T+2 settlement cicle	1			Ex-date	Record Date	Payment Date
T+2 settlement cicle	2		Last trading Date		Record Date	Payment Date
T+2 settlement cicle	3	Guaranteed Participation Date Last trading Date		Buyer Protection Deadline	Market Deadline	Payment Date
T+2 settlement cicle	4	Guaranteed Participation Date		Buyer Protection Deadline	Market Deadline	Payment Date
T+1 settlement cicle	1				Record Date Ex-Date	Payment Date
T+1 settlement cicle	2			Last trading Date	Record Date	Payment Date
T+1 settlement cicle	3		Guaranteed Participation Date Last trading Date	Buyer Protection Deadline	Market Deadline	Payment Date
T+1 settlement cicle	4		Guaranteed Participation Date	Buyer Protection Deadline	Market Deadline	Payment Date

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

  In addition, Iberclear will promote the rules established in the recommendation to manage corporate events announced prior to the migration to T+1 but with payment dates after 11 October 2027.

- **Automation of market claims processing (CE-03):** Iberclear already complies with the recommendation since the current processes for detecting and generating market claims operate correctly and in accordance with the standards defined by T2S (CASG) and by the corporate actions' framework (CEJWG). However, to comply with new CEG recommendations, the process will address the new modifications:
  - EX/CUM indicators will be ignored.
  - *Market claims* will be generated from close of the business of RD and per hour during daytime processing in the 20 business days detection period.
  - *Market claims* will be generated always on hold until the corporate event is 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 (Seev.050, Seev.051, Seev.052 and Seev.053) will be implemented, following the guidance issued by the CEG group within the T+1 project, as well as the market practices defined by SMPG.

  In this regard, an equivalent ISO15022 version using MT56X custody messages (such as MT567 and MT566) will be implemented to facilitate the use of this ISO standard for those participants that have not yet migrated to ISO 20022.

Given that MT56X messaging is the same as that used for corporate actions, 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. The new messaging configuration is shown in the following diagram:

Current Settlement ISO15022 messages

- MT540, MT541, MT542, MT543, MT544, Mi545, MT546, MT547, MT548, MT530

New and updated ISO20022 messages

- Seev.050 - Market Claim Creation
- Seev.051 - Market Claim Cancel/ation Request
- Seev.052 - Market Claim Status Advice
- Seev.053 - Market Claim Cancellation Request Status Advice
- Seev.036 - Corporate Action Movement Confirmation
- Sese.030 - Securities Settlement Conditions Modification Request

Updated Custody ISO15022 messages

- MT567, MT566, MT599

- **Settlement optimization for SFTs (SF-01)[10]:** The SFTs (Securities Financing Transactions) Task Force has published a document on settlement optimisation and the use of a "gating event" to minimise intraday liquidity risks and ensure efficient settlement of Securities Financing Transactions (SFTs) during the transition to T+1.

  The "gating event" must:
  - Synchronise settlement to maintain adequate netting and optimisation levels.
  - Be applicable to other types of transactions, not only SFTs, given the interdependence between repos and cash operations.
  - Minimise costs and operational changes for participants.

  The key proposal is the creation of a new structured field in settlement messages, requested to SWIFT, allowing parties to unilaterally flag instructions that should be settled within the gating event. This event will initially be implemented as a single window at 11:00 CET, with the possibility of adding new windows after the T+1 go-live. Instructions flagged are expected to be processed with all optimization functionalities (autocollateralisation, partial settlement, auto-borrow, H/R, etc.) from the start of the gating event.

- At Iberclear, compliance with this recommendation will be achieved through T2S CR-0865[11], scheduled for implementation in the T2S June 2027 release (pending official confirmation from various T2S governance groups).

ESMA RTS – IMPACT ON PARTICIPATING ENTITIES

Following the analysis of the ESMA Final Report published on 26 June 2025, a limited set of additional requirements has been identified. Most of these measures will be implemented in July 2027, ahead of the entry into force of the T+1 settlement cycle on 11 October 2027.

The changes arising from the ESMA RTS focus on enhanced transparency and monitoring of settlement activity. In particular, the following requirements will apply:

- **IDENTIFICATION OF THE Trading venue (MIC code):** Participant entities will be required to indicate the trading venue or execution platform using the relevant MIC code. No changes to message formats are required, as this information is already captured in an existing voluntary field. The update is limited to clarifying the circumstances under which completion of this field becomes mandatory.

[10] https://eu-t1.eu/wp-content/uploads/2025/12/EU-T1-Industry-Committee-SFT-Settlement-optimisation-TF-Report-1.pdf

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

- **Enhanced reporting on settlement failures:** Participant entities responsible for settlement failures will be required to provide additional information on both the causes of failures and the corrective measures adopted by the participants to prevent recurrence. In particular, the ten entities with the highest number of settlement fails in terms of both volume and value (based on the period preceding the reporting month) will be required to submit monthly information detailing:
  - the reasons for the failures, and
  - the internal actions undertaken to improve settlement efficiency and reduce future failures.

The introduction of these requirements does not imply significant changes to existing processes but reinforces supervisory oversight and continuous improvement in settlement efficiency.

4.2 Switzerland / Liechtenstein

The **swissSPTC Recommendations** to support the transition of the Swiss and Liechtenstein securities markets from T+2 to T+1 settlement, aligned with the European Union and the United Kingdom and targeting a joint migration on 11 October 2027, provide a coordinated framework covering the full post-trade lifecycle, including trading, clearing, settlement, corporate actions, liquidity management, and legal and regulatory considerations.

Building on the swissSPTC's recommendations and in its role as the primary financial market infrastructure in Switzerland, SIX Group is actively progressing the adaptation of its post-trade ecosystem to support the transition to T+1. The following sections summarise the key advancements implemented to date across SIX infrastructures and services, illustrating how industry guidance is being translated into concrete operational and technical changes.

4.2.1 Trading

Overall, the Swiss Stock Exchanges (SSX) are broadly aligned with the recommendations issued by the swissSPTC in the context of the transition to a T+1 settlement cycle. The existing trading model, operational processes, and market practices have been designed to support a timely and orderly post-trade lifecycle, in line with the principles and objectives set out in the swissSPTC recommendations. Nevertheless, the migration to T+1 requires targeted adjustments in the following specific areas:

- **Trading Venues' Rulebooks Updates:** Following the swissSPTC recommendations, SSX will adjust the Rule Book of SIX Exchange Regulation (SSX) to accommodate the change of the settlement cycle at the appropriate time. A non-exhaustive list of the documentation to be amend is the following:
  - Amendment to Art 15.1 Trading Rules (value date)
  - Directive 3 (Art 21.1, two-sided trade report)
  - Trading Parameters Guideline (Art. 7, value date)
  - Most Product Guides
  - Interface changes of affected applications (most likely no structural changes – to be analysed)

- **Alignment with international standards / best practices in terms of handling late arrival of data that are critical for pricing and settlement:** In line with the recommendations issued by the swissSPTC for the migration to a T+1 settlement cycle, SSX will adapt specific processes and calculation of accruals accordingly:
  - As for BME, accruals are calculated based on the shortened settlement cycle, and;
  - The Ex-Date and Record Date will be consolidated into the same day.
  - In addition, current SSX procedures allow for two sided off-book trades to be reported asymmetrically, whereby one counterparty may report a trade on the trade date (T) and the second counterparty may accept it on T+1. With the transition to T+1, this practice will no longer be permitted. Both trade legs must be fully matched on the trade date. A trade leg reported on T cannot be accepted on T+1.

These changes ensures that all off-book transactions are finalised on T, fully aligned with the compressed post-trade processing window required under T+1. Consequently, confirmations, corrections, reversals and mistrades, must be instructed and completed on the trade date and prior to the relevant CCP cut-off times, in order to ensure settlement in SIX SIS at T+1.

4.2.2 Clearing

From a clearing perspective, the Swiss market is already well positioned to transition from a T+2 to a T+1 settlement cycle. On a preliminary basis, it represents an operational challenge as much as a technical one. Nevertheless, SIX Clearing is fully aligned with some initial recommendations (such as to allow partial settlement and hold and release functionalities).

On the other side, from Clearing members perspective, swissSPTC recommendations include some operational aspects and market practices to take into consideration:

- **Automating processes to ensure straight-through processing (STP):** as a full working day for post-trade processing will be lost, Clearing Members are encouraged to review their internal operational and IT processes to ensure that they are able to manage the accelerated settlement cycle.

- FMI and Clearing Members / intermediaries are requested to review and ensure that their internal processes comply with the CCP **partial settlement market practice** of the domestic market

- While CCPs will ensure their Clearing Members receive all necessary post-trade reports (e.g. CCP EoD netting and resulting settlement instructions), Clearing Members are requested to analyse and, if necessary, to compress their internal clearing related processes (e.g. reconciliation and inventory management, sending / releasing of settlement instructions) to **ensure settlement in the NTS cycle** and in compliance with the operational timetable of the domestic market.

4.2.3 Settlement and Corporate Actions

The transition from T+2 to T+1 settlement requires a comprehensive set of operational and functional adaptations on the settlement side of SIX SIS, the Swiss CSD, in line with the recommendations issued by the swissSPTC to ensure a safe, orderly, and harmonised market transition.

Although SIX SIS aligns with numerous swissSPTC recommendations, certain areas still necessitate further adjustments:

- **Operational timetable:** A key impact of the move to T+1 is the increased importance of strict adherence to the settlement operational timetable. In the Swiss market, the existing settlement timetable already supports the requirements of a T+1 settlement cycle and therefore does not require structural changes. However, the shortened settlement cycle significantly reduces tolerance for late processing and exception handling. As highlighted by the swissSPTC, this places greater emphasis on operational discipline, timely instruction management, and proactive intraday monitoring of settlement statuses. Settlement processes must therefore be adapted to ensure that pre-settlement activities are completed earlier within the existing timetable and that potential settlement risks are identified and addressed as early as possible.

- **Strength settlement efficiency mechanisms:** On the other hand, to address the heightened risk of settlement fails inherent to a shorter settlement cycle, the swissSPTC explicitly recommends strengthening settlement efficiency mechanisms. To this end, Partial Settlement and Partial Release are identified as key tools to support settlement completion in a T+1 environment. In line with these recommendations, SIX SIS will introduce Partial Settlement and Partial Release in the Swiss market through a phased approach:
  - Phase 1, scheduled for November 2026, will cover bilateral OTC settlements without a central counterparty, allowing participants to opt in or out of partial settlement at instruction or account level.
  - Phase 2, planned for June 2027, will extend the functionality to CCP related settlements and locked in exchange trades, where partial settlement will be applied by default. The solution will align with international standards and existing MT54x message formats, as advocated by the swissSPTC to ensure consistency and interoperability.

- **Enhance pre-settlement transparency:** Another area emphasised by the swissSPTC is the importance of enhanced pre-settlement transparency. Pre-Advice is therefore promoted as a critical enabler for T+1 settlement, as it allows earlier visibility of settlement instructions and supports proactive securities and cash management. SIX SIS plans to activate Pre-Advice across a broad range of European markets where supported by the local market infrastructure, with multiple implementations targeted for 2026. The effective use of Pre-Advice requires close coordination between counterparties and adherence to market specific setup requirements, as defined in the relevant Market Guides.

- **Processing:** With regard to transaction processing, the swissSPTC recommends minimising unnecessary market specific deviations in order to preserve straight through processing. Consistent with this approach, no changes are planned for Transaction Type Identifiers in the Swiss market. For international markets, SIX SIS will continue to store and forward transaction type information as received from the local market infrastructures and will only adapt where specific local requirements apply. Allegement processing is already fully implemented in the Swiss market, while for international markets its availability remains dependent on local market capabilities and appropriate counterparty setup.

Overall, the settlement side adaptations at the Swiss CSD reflect a close alignment between infrastructure developments and the swissSPTC's industry led recommendations. By combining compressed operational timetables, enhanced settlement efficiency tools such as partial settlement and pre-advice, and careful liquidity planning for the transition period, the Swiss post- trade ecosystem aims to preserve settlement efficiency and financial stability in a T+1 environment while supporting market participants throughout the migration.

Corporate Actions adaptations at the Swiss CSD under T+1

The transition from T+2 to T+1 settlement has a direct impact on the processing of corporate actions, primarily due to changes in key dates and the compression of event timelines. In line with the EU recommendations regarding Corporate Actions timelines, in the Swiss market, these adaptations are designed to ensure consistency with international standards while safeguarding operational clarity and legal certainty for market participants.

A fundamental change under T+1 is the shift in the relationship between key corporate action dates. The shortened settlement cycle affects the calculation and alignment of ex-date, record date, and payment date across different event types. For distribution events, the compression of the settlement cycle results in a closer alignment of ex-date and record date, which may occur on the same business day. This requires market participants to adapt their internal processes for position reconciliation, entitlement calculation, and client communication accordingly.

For mandatory reorganisations, including those with and without options, the revised settlement cycle alters the sequencing of last trading date, record date, buyer protection deadlines, and guaranteed participation dates. Under T+1, these key dates are recalculated based on the shorter settlement period, reducing the available time for operational processing and election handling. In particular, for events with options, the guaranteed participation date and buyer protection deadlines are moved closer to the last trading date, increasing the need for timely instruction submission and proactive monitoring of event deadlines by participants.

Voluntary reorganisations are subject to similar adjustments. The relationship between guaranteed participation date, market deadline, and buyer protection deadline is recalculated under T+1, resulting in a compressed timeline compared to T+2. This reinforces the importance of early decision making and efficient client communication, as delays in election processing may have a more immediate impact on entitlements.

4.3 T+1 community testing

One of Europe's structural challenges is the interaction between multiple trading platforms, CSDs, CCPs and jurisdictions. The coordinated migration of the EU, UK, Switzerland and Liechtenstein to T+1 aims to reduce cross border frictions, but requires strong interoperability among infrastructures.

In line with the broader coordination across jurisdictions, the community testing phase for T+1 migration is being designed to be closely aligned and cross-jurisdictional. This approach will ensure that community testing activities are planned and executed in a harmonised manner across interconnected European markets, specifically including the European Union, Switzerland, Liechtenstein and the United Kingdom.

The UK Accelerated Settlement Taskforce (AST), the EU T+1 IC, and the SwissSPTC T+1 Task Force have established a Testing & Readiness Workstream to deliver a harmonised, pan-European testing plan in preparation for the 11 October 2027 T+1 migration.

The guiding principles of this testing plan are as follows: testing should commence immediately, each firm's approach must be customised to its specific operational activities, readiness must encompass more than testing alone and the framework is intended to be applied consistently across the EEA, the UK, and Switzerland.

Readiness initiatives are organised around three core pillars: enhancing internal processes and tools, providing access to coordinated European-wide testing windows, and ensuring preparedness for the new EU operational day (including the new settlement optimization gating event)

A harmonised suite of five testing windows will take place across the EU, UK, and Switzerland in 2027, supported by Financial Market Infrastructures (FMIs) and testing providers. While the UK and Switzerland do not introduce changes to the operational day, they will participate in the same five testing windows as the EU, though without any requirements to test operational day changes.

5 Conclusions

The transition to a T+1 settlement cycle represents a fundamental shift in the European post-trade landscape, requiring early preparation, strong coordination and a high level of operational discipline across the entire securities value chain. As outlined in this document, a successful migration to T+1 depends on a collective, well-coordinated and industrywide execution, aligned across jurisdictions and market infrastructures.

Throughout the transition period, SIX Group is progressing steadily towards the common migration date of 11 October 2027, translating regulatory requirements and industry recommendations into concrete implementation initiatives across trading, clearing, settlement and corporate actions. As detailed throughout this document, SIX infrastructures already comply today with a significant number of the recommendations issued by the EU T+1 Industry Committee and the Swiss Securities Post-Trade Council, reflecting the Group's strong starting position. Building on this foundation, and by further aligning its infrastructures and services with the applicable European and Swiss frameworks, SIX is ensuring that its markets in Switzerland, Spain and across Europe are prepared to operate safely and efficiently under the shortened settlement cycle, thereby supporting a controlled and successful execution of the T+1 transition in close coordination with market participants.

Beyond market infrastructure readiness, a successful transition to T+1 will ultimately depend on each market participant's ability to assess and adapt its own internal processes. Clients are therefore encouraged to proactively review their end-to-end operating models, identify process gaps and dependencies, and determine the organisational, operational and technological changes required to achieve timely and efficient settlement in a T+1 environment. Early internal readiness assessments will be key to mitigating implementation risks and ensuring a smooth and coordinated migration across the market.

6 Glossary

Acronym	Description
AIAF	Fixed Income Market documentation
AMI-SeCo	Advisory Group on Market Infrastructures for Harmonised Implementation Guide Securities and Collateral (Eurosystem)
ARCO	Iberclear Settlement System Manual
ASO	Asset Servicing Only
BME	BME, a SIX Group
CASG	Corporate Actions Sub-Group
CCP	Central Counterparty
CEJWG	Corporate Events Joint Working Group
CET	Central European Time
CNMV	Comisión Nacional del Mercado de Valores
CSD	Central Securities Depository
CSDR	Central Securities Depositories Regulation
DCP	Directly Connected Participant
DvP	Delivery versus Payment
ECB	European Central Bank
ECSDA	European Central Securities Depositories Association
ESMA	European Securities and Markets Authority
ETDs	Equity Exchange-Traded Derivatives
EU	European Union
EU T+1 IC	EU T+1 Industry Committee
FIA	Futures Industry Association
FMI	Financial Market Infrastructure
ICP	Indirectly Connected Participant
ISO	International Organization for Standardization (ISO15022 / ISO20022)
MARF	Fixed Income Market documentation
MIC	Market Identifier Code
NAV	Net Asset Value
NPAR	Non-Partial Settlement Allowed Reason indicator
NTS	Night Time Settlement
OTC	Over-the-Counter
POA	Power of Attorney
PSAF	Position Segregation Account Flag
RTS	Regulatory Technical Standards
RTS (T2S)	Real-Time Settlement
SFTs	Securities Financing Transactions
SICAVs	Investment Companies with Variable Capital
SILs	Free-Investment Companies
SIX SIS	SIX Central Securities Depository located in Switzerland
SMPG	Securities Market Practice Group
SSIs	Standing Settlement Instructions
SSS	Securities Settlement System
SSX	Swiss Stock Exchange
STP	Straight Through Processing
swissSPTC	Swiss Securities PostTrade Council
T2S	TARGET2-Securities
TF	Task Force

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SIX Group Ltd.
Hardturmstrasse 201
P. O. Box
8021 Zurich
Switzerland

www.six-group.com

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