

Zurich, 27th March 2025

Switzerland and Liechtenstein are moving to T+1 – Recommendation on Securities Financing Transactions (SFT)

The goal is to shorten in the Swiss- and Liechtenstein Market the settlement cycle on securities trades, from currently two business days ('T+2') to one business day after the trade date ('T+1'). The transition to a shorter settlement cycle in Europe is planned for 11 October 2027. The change of settlement cycle will therefore prevent a misalignment between EU, UK and global financial markets and maintain the competitiveness of the Swiss/Liechtenstein capital markets.

SFTs are financial transactions with the objective of investors and institutions to use assets, such as the shares or bonds they own, to secure funding for their activities. After discussion in the industry the swissSPTC agreed however to **exempt securities financing transactions (SFTs) from the scope, from a change of the current settlement cycle and from other requirements of the swissSPTC's proposal**. This is also in line with the plans in UK and EU.

In Switzerland, there is no regulation with respect to settlement cycles for securities financing transactions. Accordingly, market participants are not required to settle securities financing transactions within a specific settlement cycle. Rather, it is up to the parties of a securities financing transaction to reach a bilateral corresponding agreement in this regard. Therefore, securities financing transactions are out of scope from the swissSPTC's recommendations to migrate to T+1.

The Swiss and Liechtenstein institutions will have to adopt the market practices that then will apply from 11 October 2027.

On behalf of the swissSPTC

Florentin Soliva
Chairman swissSPTC

About swissSPTC

The Swiss Securities Post-Trade Council (swissSPTC) is an autonomous and independent market committee in the securities industry, comprising representatives from banks, issuers, and the financial market infrastructure for the Swiss and Liechtenstein market.

About swissSPTC Task Force T+1

The swissSPTC accepted the mandate to act on behalf of the financial community to analyse the impact of shortening the settlement cycle and to draft a proposal and recommendations for the domestic markets. The swissSPTC Task Force T+1 is acting as a coordinator for its domestic markets for all inquiries relating to this initiative.