European T+1 Settlement

COMMUNICATION INTENDED FOR ODDO BHF'S PROFESSIONAL CLIENTS.

Introduction

In May 2024, the United States—followed by Canada and Mexico—adopted a T+1 settlement cycle, initiating a trend toward international harmonization that the EU, the United Kingdom, and Switzerland have joined. In the EU, this development has led to a revision of the CSDR, which provides for a transition from a T+2 to a T+1 settlement cycle effective October 11, 2027. This reform, which requires adjustments to the operational processes across the entire post-trade chain, aims to reduce counterparty and market risks, enhance operational efficiency, and align European markets with leading international standards.

Major Milestones and Key Changes Over Time

Date	Key Milestone	Description
December 7, 2026	***Implementation of new requirements regarding allocations and confirmations***	*Allocations and confirmations: must be submitted no later than 23h00 on the trading day (T+0).* *Communications: Use of standardized electronic protocols.* *PSET: Mandatory inclusion in all allocations and confirmations.*
July 1, 2027	***Implementation of new T+1 requirements: enhanced reporting of settlement failures, addition of the MIC code, monthly CSD publications, and start of sector-wide testing.***	*Preparation for T+1: participation in European sector-wide tests, mandatory inclusion of MIC codes in settlement instructions, enhanced monitoring of settlement failures, and improved transparency by CSDs.*
October 11, 2027	***Official transition to the T+1 settlement cycle in the EU***	*Improved efficiency of settlement and delivery through earlier matching of instructions, the use of Hold & Release, automatic partial settlement, and optimized use of RTGS mechanisms.*

How to Prepare for T+1 Settlement and Delivery

To prepare for the transition to T+1 settlement, several market-wide industry testing campaigns will be organized in 2027. These tests may include connectivity checks, validation of operational workflows, and end-to-end exercises involving the various participants in the settlement chain.

Five testing windows have been defined. We recommend that clients assess their participation and ensure that their systems, processes, and counterparties are prepared.

For more information, clients are invited to consult the T+1 industry testing plan at as well as the documentation published by the transition's working groups and steering committees.

What the Transition to T+1 Means for Our Clients

Date	Event	Impact / Actions Expected from Clients
December 7, 2026	***Effective date of the new requirements regarding allocations and confirmations***	*Verify that the procedures for exchanging allocations and confirmations are fully electronic and enable the rapid transmission of settlement information.*
February through September 2027	***T+1 sector-specific testing campaigns***	*Participate in the tests as appropriate; validate connectivity, operational flows, and processing times with your depositories, custodians, counterparties, and service providers.*
July 1, 2027	***Start of major market-wide coordinated tests***	*Finalize operational adjustments and ensure the ability to comply with the new processing schedules.*
October 11, 2027	***Implementation of T+1 settlement in the European Union***	*Allocations, confirmations, and settlement instructions must be transmitted more quickly to enable settlement of the transaction on the business day following its execution.*

PLEASE USE THE CORRECT CLASSIFICATION SCHEME

18/11/2026

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Keep in mind...

- *Submitting complete and accurate allocations on the trade date (T+0),*
- *Using standardized and automated (STP) communication protocols,*
- *Keeping SSI information up to date, including PSET,*
- *Meeting the 23h00 CET (T+0) deadline for submitting allocations,*
- *Prioritizing submitting allocations on the trade date to optimize matching and settlement,*
- *And participating in market-wide and bilateral tests prior to the transition to T+1.*

Information we would like you to confirm

- *Your ability to allocate and confirm trades on the trade date, as well as your internal cut-off times.*
- *The channel and format used for allocations and confirmations, and your roadmap toward an electronic data feed.*
- *Your up-to-date SSI data, including the PSET, as well as your identifier or acronym on the SSI data platform used.*
- *Your support for auto-partial settlement.*
- *Any time zone or funding constraints that may affect T+1 settlement.*

Contact ODDO BHF

If you have any questions or would like to schedule a T+1 readiness review, please contact your usual ODDO BHF contact or the Post-Trade team at: martin.proux@oddo-bhf.com

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