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## PREFACE

T+1 is a regulatory development that is part of a broader international movement towards accelerated settlement cycles, intended to enhance market efficiency, reduce systemic risk, and ensure alignment with global standards. The transition to T+1 settlement will take place on Monday, 11 October 2027.

Euronext is fully committed to and capable of supporting shorter settlement cycles; the group is on track to ensure readiness from an operational and a technical perspective. Euronext has constituted a dedicated, cross-business T+1 Settlement programme to ensure the successful execution of the initiative throughout the entire value chain.

In addition to securing its own readiness, the group is working actively with regulators, authorities, clients and partners to ensure a seamless transition for all.

This document aims at providing an overview of frequently raised questions, both on a general and on more business-specific levels, currently raised on the topic of T+1. Please note that this FAQ can be subject to updates; please refer to the document history table shared below.

*Beyond being an active player in the successful transition to T+1, Euronext is committed to delivering on strategic opportunities that will serve a united, integrated, and strong European capital market, driving the growth of European companies and strengthening Europe's financial future. Find out more [here](#).*

## DOCUMENT HISTORY

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## **T+1 PROGRAMME – GENERAL FAQ**

### **What is T+1 securities settlement?**

T+1 refers to the length of the settlement cycle. Under T+1, settlement takes place one day (+1) after trading (T). Currently the settlement cycle for transactions made on EU trading venues is set to T+2. The initiative at EU level to shorten the settlement cycle involves moving from the current T+2 model to a cycle in which the settlement of securities transaction, that is, the delivery of the securities, and cash, if applicable, from buyer to seller is completed on the business day immediately following the trade date (T+1).

### **Why is the EU moving to T+1?**

The main drivers behind the move to T+1 are to reduce counterparty and market risk, enhance settlement efficiency, and bring European markets in line with other major global economies. The transition also supports the EU's broader objective of making its capital markets modern, competitive and attractive to global investors.

### **What changes are needed to support the migration to a T+1 environment?**

The shift to T+1 requires adopting uniform electronic workflows for allocations and confirmations, automating standing settlement instructions (SSIs) and trade information, and reinforcing matching processes to quickly identify discrepancies. It also involves adjusting DvP (delivery-versus-payment) and FoP (free-of-payment) cut-off times, allowing CSDs to begin settlement at midnight on settlement day and expanding the use of tools that improve efficiency across the settlement chain.

### **Are the recommendations in the EU T+1 Roadmap mandatory?**

No, the recommendations themselves are not legally enforceable. They follow an "Adhere or Explain" model, meaning that if a firm decides not to apply them, it should inform its stakeholders and outline the reasons behind that choice to help minimise negative impacts. However, the roadmap recommendations may become obligatory upon their incorporation into the Regulatory Technical Standards (RTS) developed by the European Securities and Markets Authority (ESMA). Once adopted by the European Commission, these RTS have binding legal effect across all EU member states, and firms will be legally required to comply with them.

### **What is the overall timeline for implementing T+1 changes at Euronext?**

The implementation of T+1 settlement across the EU and EEA is set for 11<sup>th</sup> October 2027, as agreed by EU co-legislators.

The overall timeline for implementing T+1 changes is from Q3 2025 to the Go-Live in Q4 2027.

The work to successfully implement T+1 changes is structured across four parallel streams, each covering a different set of activities to reach full implementation. Together, these streams outline a coordinated effort between the market infrastructure, regulatory bodies and clients throughout the transition, in particular:

1. The Coordination stream covers all governance and alignment activities at both European and national level:
  - Q3 2025 – Q4 2025: EU Working group
  - Q4 2025 – Q1 2026: EU Testing Task Force
  - Q1 2026 – Q4 2027: National Working Group
  - Q1 2027: T2S Release in test environment, including T+1 changes
  - Q2 2027: T2S Release in production environment, including T+1 changes
2. Clarification, development and testing:
  - Q3 2025 – Q1 2026: Scope clarifications
  - Q2 2026 – Q3 2026: Euronext development
  - Q3 2026 – Q4 2026: Euronext testing
  - Q1 2027 – Q4 2027: Client testing leading to Go-Live
3. Client Documentation and Rule Book. This stream focuses on producing the documentation required by clients:
  - User Guidelines expected in Q2 2026
  - Rule Book expected in Q2 2027
4. Client Readiness. This stream ensures all clients are prepared for the transition:
  - Client Readiness Plan expected in Q2 2026.

### **Which financial instruments and transactions are in the scope of the T+1 mandate?**

The T+1 Mandate, conforming to the EU T+1 High-Level Roadmap, applies to transactions executed on an EU trading venue for transferable securities (such as cash equities and ETFs) and settled in an EU-registered Central Securities Depository (CSD).

### **Which financial instruments and transactions are NOT in the scope of the T+1 mandate?**

For transactions executed over-the-counter (OTC Trades), moving to T+1 is considered a "Market Convention". There is no legal mandate. However, the industry is strongly encouraged to adopt T+1 for these trades to maintain harmonisation.

An agreement was reached to exempt Securities Financing Transactions (SFTs) executed on trading venues from the mandatory T+1 settlement obligation. However, currently, many SFTs are already settled on T+1 or T+0.

## **How and when will external testing be conducted for Euronext clients?**

In line with industry readiness, external testing is planned throughout 2027.

## **What resilience measures are being introduced to mitigate risks such as fails or funding mismatches?**

Measures being introduced at Euronext include:

- maximising the use of the Hold & Release functionality
- increasing the adoption of 'already matched' settlement instructions sent by a CCP with POA
- offering partial settlement by CSDs
- providing members with reports promptly following market closure.

## **What challenges have you encountered in T+1 readiness efforts?**

Key challenges include dependencies on:

- clients and counterparties
- readiness of custodians and settlement agents
- sufficient time for appropriate preparation
- execution of required internal system changes.

## **How will the changes be implemented in production at Euronext?**

Changes will be introduced through configuration and operational updates within the existing CSD systems and T2S platform, where applicable. For the T2S platform, updates will follow the Eurosystem Change Request (CR) procedure, with CSDs and CCPs adjusting operational parameters (cut-offs, settlement batches, processing windows). Migration will occur during industry testing (2026–2027), coordinated under T2S governance, and activated in production before October 2027.

Additional changes will also be made to the CSD systems in order to allow proper management of key dates for Corporate Actions (see below).

For CSDs not operating under T2S, such as Euronext Securities Oslo and ATHEXCSD, separate changes will be implemented following the current release processes and in close dialogue with the markets.

## **How will T+1 impact corporate actions at Euronext?**

The compressed timeline requires several key adjustments. The most visible change is that for distributions (such as dividends), the "ex-date" and "record date" will now fall on the same day.

While the EU Roadmap strongly recommends the automation of both buyer protection and market claims processing, this feature is not legally binding for the T+1 Programme.

Although automated buyer protection constitutes a recommendation, it is assumed that a fully automated solution will not be ready for T+1 go-live date in October 2027. However, firms must prepare for its eventual implementation, which will require the ability to send and receive new industry-developed messages in both ISO 15022 and ISO 20022 formats.

**How are you engaging with trading venues, clearing members, custodians, and CSDs?**

Active alignment with T2S/(I)CSD frameworks is ongoing. Within Euronext, a dedicated governance programme has been established to coordinate across impacted business units.

In addition, Euronext has created dedicated user groups for jurisdictions where it operates CSDs (DK, GR, IT, NO and PT) to coordinate the introduction of T+1 at national level.

**What are the upcoming key strategic initiatives the EU T+1 Industry Committee is working on?**

To ensure long-term efficiency and to address complex issues, the EU T+1 Industry Committee has established several task forces. Members of the Euronext T+1 programme and project governance are active participants of the EU T+1 Industry Committee and of several of its dedicated task forces.

In particular, the Industry Committee has established a task force focusing on Testing as of end of December 2025, with the aim of providing a framework for testing organisation by the end of Q1 2026. Euronext is fully involved and contributes to developing unified testing scenarios, methodologies, and readiness tools to support the transition. The testing task force is divided into three sub-groups, respectively covering:

1. Testing and logistics
2. Test flow designs
3. Actions to de-risk the transition and key metrics to follow.

**Will Euronext be ready in time for the switch to T+1?**

Euronext is fully capable of supporting shorter settlement cycles and is on track to ensure readiness from an operational and a technical perspective. In addition to securing its own readiness, the group is working actively with regulators, authorities, clients and partners to ensure a seamless transition for all. The group has constituted a dedicated, cross-business T+1 Settlement Programme to ensure the successful execution of the initiative.

### **How is the transition to T+1 an opportunity for Euronext?**

Euronext supports a shortening of the settlement cycle as it will make European markets more efficient through reduced capital and liquidity immobilisation throughout post-trade operations for market participants. T+1 demonstrates Euronext's ability to deliver seamless, cross-border solutions and operational excellence throughout the entire capital markets value chain.

### **What are the investments needed on Euronext's side?**

Euronext has instituted a dedicated cross-business T+1 programme to ensure a seamless transition to T+1 across its value chain. It is investing in system upgrades for shorter cycles, including enhanced automation for intraday matching and allocations, extended settlement windows across its CSDs, and optimised Hold & Release functionality with POA instruction.

### **Does it make sense to transition to T+1 when there are already discussions around a transition to T+0?**

Transitioning to T+1 makes sense as a practical, incremental step to reduce settlement risk and align with global standards, while early discussions on T+0 remain exploratory. It leverages proven infrastructure upgrades for a stable path to October 2027, helping the industry assess readiness for instant settlement — the widely accepted end goal. The move to T+1 is an incremental and manageable change that builds resilience without disrupting operations. Jumping directly from T+2 to T+0, on the other hand, would represent a structural rupture. T+1 acts as a crucial stepping stone, allowing market participants to modernise progressively and with a realistic assessment of the effort ahead.

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## T+1 PROGRAMME – BUSINESS FAQ

### Are margining, collateral, or default fund management being adjusted?

No adjustments are planned.

### What changes are expected in the clearing processes if trading hours are extended to 22:00 CET?

- **Process timing and reporting:** Current processes remain unchanged; if trading hours extend to 22:00 CET, CCP reports will be produced at around 22:40 CET. Margin call processes remain unchanged.
- **POA service:** Provided when offered by the CSD; continued provision is planned.
- **Hold & Release functionality:** Already available across all markets.
- **Trading after hours:** Extending trading hours to 22:00 CET will shift EOD processes accordingly, with reports published at around 22:40 CET.
- **Other adaptations:** No further changes are foreseen.

### How are clearing and netting processes being adapted?

Adjustments include:

- Stock loan recalls by 17:00 CET on T+0
- End-of-day netting reports by 22:30 CET on T+0
- Allocations and confirmations by 23:00 CET on T+0
- Settlement instructions by 23:59 CET on T+0
- FX transactions submitted to CLS by 00:00 CET on T+0
- Non-EURO DVP cut-off aligned to 16:00 CET
- Settlement instructions matched at the CSD or ICSD by 23:59 CET on trade date
- Opening CSDs for settlement at 00:00 CET on settlement date

CCPs confirm current processes are already compliant, with adjustments needed only if trading hours are extended to 22:00 CET.

### The EU Roadmap recommends a 00:00 CET start for settlement systems. How does this apply to our CSDs?

The new T2S schedule has been recommended by the EU Roadmap and applies to CSDs operating on the T2S platform. Settlement processing for T2S CSDs is expected to begin at 00:00 CET, in line with the harmonised European timetable.

The recommendation on general alignment with T+1 is to align with the harmonised European framework where relevant. European harmonisation is anchored to the 00:00 CET deadline for T2S CSDs. Our commitment as a leading global CSD network is to provide a seamless, cross-time-zone settlement service, which for non-T2S operations may require starting the day at a later time than the European standards.

In particular, Euronext's non-T2S CSD businesses, ATHEXCSD and Euronext Securities Oslo, operate outside T2S and follow different models.

**Is there any relief planned for the CSDR cash penalty regime during the transition?**

No. However, an agreement was made that gives the European Commission the power to suspend cash penalties temporarily if it detects a significant risk of a spike in settlements during the transition period.

**What are the most critical deadlines in the proposed EU T+1 Operational Timetable?**

- The roadmap outlines several key 'gating events' with recommended deadlines (all times in CET):
  - On Trade Date (T):
    - 17:00: Deadline for stock loan recall notification requests
    - 23:00: Deadline for trade allocations and confirmations
    - 23:59: Deadline for submitting settlement instructions (SIs) to CSDs for the first night-time settlement cycles.
  - On Settlement Date (T+1):
    - 00:00: Start of settlement processing in securities settlement systems (SSS)
    - 16:00: Proposed harmonised DvP (delivery-versus-payment) cutoff time. A future extension to 17:00 is also being explored by the Committee to further enhance settlement efficiency, but it is an industry-wide assumption that a potential extension could be implemented after T+1 go-live
    - 18:00: Proposed harmonised FoP (free-of-payment) cutoff time.

**Should you have any queries, please contact:**

T+1 Programme – External Engagement

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