

Shortening of the settlement cycle for securities to T+1

Questions and Answers (last updated 17 November 2025)

Background

The settlement cycle for securities will be shortened in the EU. Today, securities transactions in Europe are required to be settled at the latest two days after the transaction is made (T+2). A shortening of the settlement cycle implies that settlement of the securities will instead have to take place no later than on the business day following the day of the transaction (T+1). The transition to T+1 will take place on 11 October 2027.

Purpose

The purpose of this document is to provide responses to the most posed questions regarding the transition to T+1 settlement for the Swedish market in the EU transition to T+1.

Questions and answers

The intention is to continually edit and update this document as and when new questions are received and new information is available.

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1.1 What is the background for the move to a T+1 settlement cycle?

The US, Canada, and some other markets around the world have already shortened their settlement cycle to T+1 and in November 2024 the European and Securities Markets Authority (ESMA) published a report on the shortening of the settlement cycle in the European Union together with a recommendation that the transition should take place on 11 October 2027.

The ESMA report can be found here: [ESMA74-2119945925-1969 Report on ESMA assessment of the shortening of the settlement cycle in the European Union](#)

1.2 Which markets and securities are affected by a T+1 settlement cycle?

According to the amended Article 5 of CSDR, transactions in transferable securities, e.g. shares, bonds and depositary receipts, within the EU are in scope of the transition to a T+1 settlement cycle, if they are executed on trading venues, with the following exceptions:

- a) transactions which are negotiated privately but executed on a trading venue;
- b) transactions which are executed bilaterally but reported to a trading venue;
- c) the first transaction where the transferable securities concerned are subject to initial recording in book-entry form;
- d) the following securities financing transactions, provided that they are documented as single transactions composed of two linked operations:
 - i. securities lending or securities borrowing as defined in Article 3, point (7), of Regulation (EU) 2015/2365 of the European Parliament and of the Council¹;
 - ii. buy-sell back transactions or sell-buy back transactions as defined in Article 3, point (8), of Regulation (EU) 2015/2365;
 - iii. repurchase transactions as defined in Article 3, point (9), of Regulation (EU) 2015/2365.

In addition to the regulatory scope, there are ongoing discussions about market practices for other types of transaction, which are expected to result in amendments of the current market practices to the effect that more transactions than those specified in the CSDR will have a T+1 settlement cycle.

¹ Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (OJ L 337, 23.12.2015, p. 1, ELI: <http://data.europa.eu/eli/reg/2015/2365/oj>).

Moreover, other processes than the settlement will also be affected, for example corporate actions and pre-settlement processes.

In terms of geographical markets, the EEA member states are expected to be required to adhere to the EU CSDR T+1 amendments through the EEA agreement, and hence transition to T+1 at the same time as the EU member states. The United Kingdom and Switzerland have communicated that they will transition to a T+1 settlement cycle on 11 October 2027, i.e. the same date as the EU.

1.3 What is the timeline for implementation of T+1?

The transition to a T+1 settlement cycle will take place on 11 October 2027. The operational timetable for preparing for the transition to T+1 will consist of an analytical part in 2025, followed by an implementation phase in 2026, while 2027 will be used for testing to ensure a successful transition. The timeline is applicable in all EU member states.

1.4 Is the settlement cycle for securities regulated by law?

Yes, the settlement cycle is regulated in Article 5, Intended settlement date, in the central securities depositories regulation (CSDR)².

An amendment of the article specifies that, as of 11 October 2027, the intended settlement date shall be no later than on the first business day after the trading takes place.

1.5 How is the EU T+1 work governed?

The transition is led by the financial industry in the EU. Given the complexity of implementing the changes needed to move to T+1, to the trading and post-trading environment in the EU, ESMA, the European Commission and the ECB have put in place a governance structure to help the industry coordinate the transition. The governance structure is composed of the T+1 Coordination Committee, and an industry structure comprising the T+1 Industry Committee and several dedicated specialised workstreams operating under the guidance of the Industry Committee.

² Regulation (EU) No 909/2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012

More information on the T+1 Governance Structure can be found on ESMA's website:
[Shortening the settlement cycle to T+1 in the EU](#)

1.6 What role does the Swedish Securities Markets Association (SSMA) have in the implementation activities for the Swedish market?

The SSMA follows the work in Europe closely and is working together with its members to prepare for the T+1 transition in Sweden. That work includes both representation in workstreams within the governance structure of the T+1 transition at EU level and cooperation with relevant authorities and stakeholders on the Swedish market, for example Euroclear Sweden, the trading venues, the CCPs, Finansinspektionen, Riksbanken and Riksgälden.

There is no governance structure to guide the transition on a national level in Sweden. The SSMA has therefore taken the initiative to organise a forum for information sharing among the authorities and stakeholders as regards the work on the national level.

1.7 Is there any documentation available regarding the transition to T+1?

Yes, see the links below:

The EU T+1 working documents and information have been published on ESMA's website: [Shortening the settlement cycle to T+1 in the EU](#).

A new EU T+1 website is under construction. There, the Industry Committee's High-level Roadmap, an upcoming instruction manual with practical guidance, and other relevant information are expected to be published. In the meantime, the Roadmap can be found here: [High-level Roadmap to T+1 Securities Settlement in the EU.pdf](#)

For the T+1 work in Sweden, there is a dedicated section on the SSMA's website where documents, links and relevant information are published: [T+1 - Svensk Värdepappersmarknad](#)

1.8 Will the Swedish market adhere to all the recommendations in the T+1 High-Level Roadmap?

The Swedish CSD, Euroclear Sweden, has communicated its readiness in relation to the CSD recommendations: [Euroclear Sweden t+1](#)

Other parts of the processes than those performed by the CSD or in the CSD system, such as pre-settlement processes, will also be affected by the T+1 transition. The industry recommendation is that changes to the pre-settlement processes to improve allocation and confirmation are implemented prior to the T+1 transition date.

There will be a review of existing market practices, such as *The Swedish Securities Markets Association's rules governing trading and settlement of transactions in Securities* (Swe: *Svensk Värdepappersmarknads regler för handel och avveckling av värdepapper*), ahead of the transition to T+1. The review is expected to result in amendments of the current market practices to adapt to the shorter settlement cycle.

1.9 How will the migration take place for the Swedish market?

A big-bang approach is the current direction for the move to T+1 for the EU market, including the Swedish market, i.e. all instruments in scope will move to a T+1 settlement cycle on 11 October 2027.

1.10 Are there any system development needs foreseen in relation to the transition to T+1?

The post-trade processing time will be substantially reduced. An AFME analysis has estimated that the time between the close of trading on trade date and the start of settlement on T+1 will be reduced by 83%. Hence, there are most likely system development needs for all involved parties to increase efficiency and to avoid manual processes. The Industry Committee's High Level Roadmap report stresses that improving automation in key processes (e.g., trade matching, securities lending, FX bookings, and corporate action handling) is essential, and several recommendations concern automation of different processes.

To get a better understanding of the impact of a shortening of the settlement cycle to T+1 on securities transaction lifecycles, the SSMA has made an illustration of the transaction lifecycle on the Swedish market in today's T+2 environment. The illustration covers the lifecycles for equities, bonds, ETFs and ETPs. [See the illustration](#). This can be compared with the operational timetable for T+1 on page 13 in the High-Level Roadmap to T+1 Securities Settlement in the EU: [High-level Roadmap to T+1 Securities Settlement in the EU.pdf](#)