

The logo for OpenDay 2026 features the text "OpenDay" in a large, white, sans-serif font, with "2026" in a smaller font below it. The text is enclosed within a circular, dashed white border. The background of the slide is a deep blue with a network of glowing white lines and dots, suggesting a digital or technological theme.

OpenDay
2026

Navigating the Transition to T+1 Settlement

CCP Impacts, Readiness Insights and
European Preparedness

23 September 2026

Agenda

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What is T+1 & Core Benefits

Definition of shortened settlement cycle and capital efficiencies

02

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Transatlantic friction points and European Structural Hurdles

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Milestones leading to the coordinated European go-live

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New Operational Timetable and Earlier deadlines

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T+0 repo liquidity, 11:00 CET settlement window

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Community Testing

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Key Takeaways & Action Plan

Automation, testing and readiness

01 | What is T+1 Settlement and Why does it matter?

Compressing the standard securities settlement timeline from Trade date + 2 days to Trade date + 1 day

The Fundamental Paradigm Shift

- **Settlement Cycle Compression:** Shortens the time gap between trade execution and final settlement across all asset classes - cash equity, ETF and fixed income instruments.
- **Post-Trade Velocity:** Transforms trade confirmation, allocation, affirmation, and netting from an overnight/next-day luxury into immediate execution.
- **Operational Window Impact:** The critical processing window for settlement instruction generation compresses significantly.
- **Elimination of Day 2 Cushion:** Discrepancies in allocations, account mapping, or SSI (Standing Settlement Instructions) must be resolved on Trade Date (T) before night-time batch processing.

Core Benefits

- **Counterparty & Credit Risk Reduction:** Shorter settlement cycles reduce counterparty exposure by shortening the duration of unsettled risk, lowering overnight and market-open exposure during periods of extreme volatility.
- **Capital & CCP Margin Efficiency:** Significant reduction in CCP Margin requirements, freeing up substantial collateral for clearing members and institutional investors.
- **Market Liquidity & Settlement Velocity:** Frees up cash, collateral and securities more quickly, reducing liquidity trapped in the settlement process and improving market-wide funding efficiencies.

02 | Global Landscape & European Structural Complexity

Global momentum and the transatlantic funding gap vs. Europe's unique post-trade challenges

GLOBAL MOMENTUM: MAJOR MARKETS HAVE MOVED TO T+1



US, Mexico and Canada: same-day affirmations >95%, consistent fail rates, and ~\$3B DTCC margin relief.



India operates fully on T+1 (piloting T+0)

China operates on a shortened settlement cycle

⚠ THE TRANSATLANTIC MISALIGNMENT & 24-HOUR FUNDING GAP

US ASSET PURCHASE (T+1)
Cash Outflow on DAY 1

EUROPEAN SALE (T+2 TODAY)
Cash Inflow on DAY 2

- **Overnight Financing Deficit:** Misaligned cycles create an overnight cash gap requiring short repo, FX swaps, or overdrafts.

HOWEVER, MOVING EUROPE TO T+1 IS NOT AS EASY DUE TO STRUCTURAL COMPLEXITIES

30+ CSDs & Multiple CCPs

- **Decentralized Model:** Over 30 distinct CSDs and multiple CCPs require synchronization.

Multi-Currency & FX

- **Cross-Currency Funding:** FX execution and cash funding (EUR, GBP, CHF) must complete within compressed windows.

Cross-Border Custody

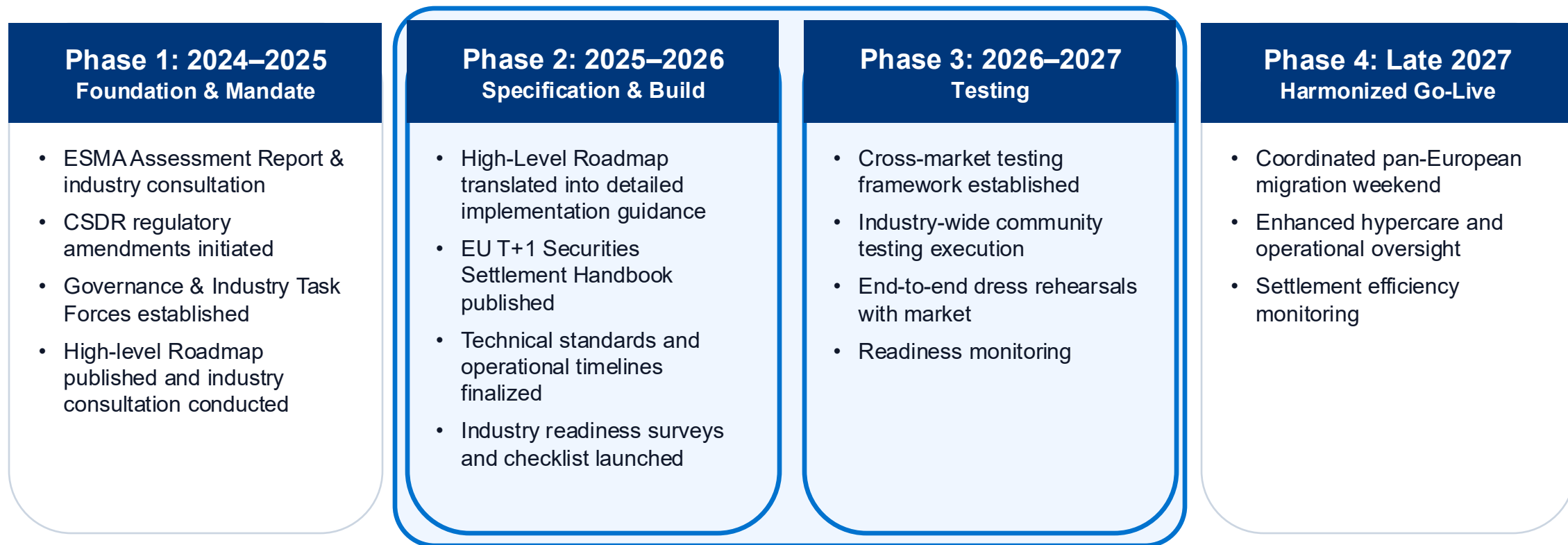
- **Multi-Layer Networks:** Trades traverse global custodians, local agents, CCPs, and CSDs, multiplying touchpoints.

Securities Financing (SFTs)

- **Repo Liquidity Squeeze:** Heavy reliance on repo and lending compresses the time to source inventory and cover short positions.

03 | European Industry T+1 Transition Roadmap

Phased journey to a Unified European T+1 Settlement Landscape



04 | Impacts on Eurex Clearing

Optimizing clearing workflows

Scope

- Cash Equities, ETPs/ETFs, domestic bonds and international/Eurobonds
- Physical deliveries in equities and ETPs move to T+1 as market practice
- Physical deliveries in fixed income futures remain T+2
- Repo transactions remain flexible (T+0 to T+n)

Netting & Settlement Instruction Timing

- Single Netting Run per trading venue on Trade Date (T) immediately following market close
- Settlement instructions sent to CSDs on T ahead of Night-time settlement cycle.
- Netting Reports delivered to members on T within ~30mins -~45mins following market close

Trade Capture & Clearing process

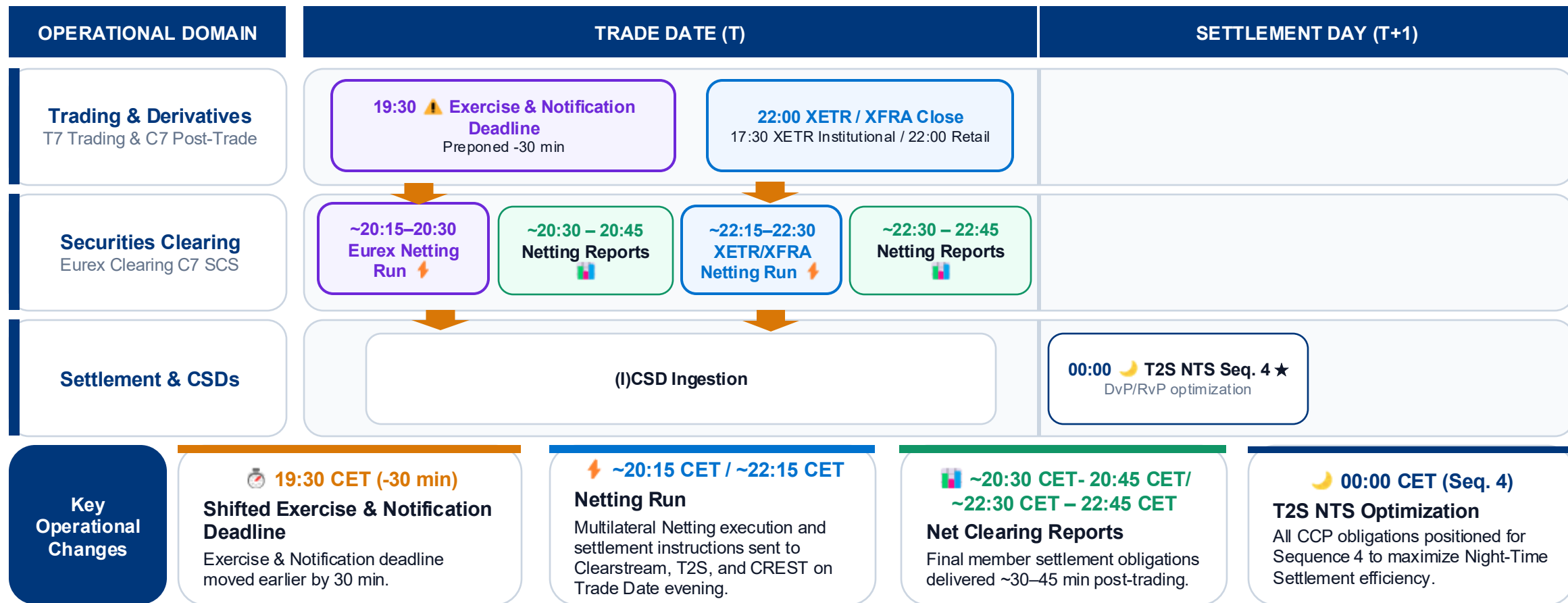
- Seamless intraday trade ingestion from Deutsche Börse Xetra and Börse Frankfurt
- Earlier Exercise & Notification deadlines (19:30 CET) for clearing members
- Decommissioning of “Linking before Aggregation” service

Margins

- Margin calls updated to reflect 1 day risk holding horizon.
- Potential aggregate margin reduction for clearing members across settled portfolios.

04 | Operational Timetable: Trade Date(T) to Settlement(T+1)

Key timeline across Trading, Eurex Clearing and T2S Night-time Settlement



05 | SFT Settlement Optimization: The Gating event

Harmonized repo settlement at 11:00 CET improves funding efficiency, reduces liquidity constraints

The SFT / Repo Challenge

Why T+1 Creates an Intraday Squeeze

- With T+1, a major share of the fixed income repo shifts to same-day T+0 settlement.
- Without changes, T+0 repos miss the T2S Night-Time Settlement (NTS) batch where settlement optimization occurs.
- Repos would settle unsynchronized on a gross basis during daytime settlement cycle.
- Drastic increase in intraday liquidity consumption, cash buffers and fail risk.

The Gating Event Solution

11:00 CET Settlement Window

- Introduces a new optional settlement window at 11:00 CET on Intended Settlement Day (ISD).
- Implemented across EU (I)CSDs and T2S.
- Dedicated SWIFT Indicator available.
- Hold & Release: Instructions with Gating indicator are held and released automatically at 11:00 CET.
- Unilateral indicator application gives operational certainty without bilateral matching bottlenecks.



CCP Implementation

Eurex Clearing Rules & Scope

- Gating event applicable for Fixed Income Repos.
- Gating is NOT justified for equities; holding equity settlement to 11:00 CET is disruptive.
- **Eurex Clearing Approach:**
 - Only Front-leg of T+0 Repo transactions instructed with Gating indicator
 - Gating event will be flagged by default for all Clearing members.
 - No impact on GC Pooling.

06 | Industry Readiness: EU T+1 Industry Committee Survey*

Market preparedness, bottlenecks and key takeaways across Trading, Clearing & Settlement

83% Industry Mobilization

Firms actively preparing; strong awareness

58% Formal Implementation Plans

More than double the baseline first survey results

<40% Counterparty Confidence

Intermediaries confident counterparties will be ready

>50% Manual Allocation Gaps

Firms still lacking full middle-office automation

Trading & Middle-Office

Allocation Bottlenecks & Asymmetric Readiness

- ✓ **Buy-Side & Local Broker Lag:** While market infrastructures and global banks lead, asset managers, pension funds, and smaller brokers lag in implementation.
- ✓ **Manual Interventions Persist:** Over 50% of participants still handle allocations and confirmations semi-manually, creating severe Trade Date fail risks.
- ✓ **Call for STP Discipline:** Broad industry consensus that mandatory electronic allocations and automated SSI enrichment are essential before go-live.

Clearing & CCP Workflows

High Infrastructure Maturity & Timetable Alignment

- ✓ **CCPs & Members Leading:** Central counterparties and primary Clearing Members report the highest readiness.
- ✓ **Acceptance of Shifted Cut-Offs:** Market participants recognize the operational necessity of earlier deadlines.
- ✓ **Margin & Liquidity Focus:** Firms actively modeling 1-day risk holding periods and capital reductions, while monitoring intraday cash buffer needs.

Settlement & Custody (CSDs)

The 23:59 Matching Gate & CSDR Fail Risks

- ✓ **23:59 CET Matching Gate:** Survey respondents view Trade Date matching before midnight as the single most critical determinant of T2S NTS success.
- ✓ **SFT Gating Endorsement:** Broad market validation of the 11:00 CET Gating event to prevent intraday liquidity dry-ups across bilateral repos.
- ✓ **Testing as the Litmus Test:** Overwhelming demand for early engagement in community testing windows to validate multi-tier custody chains.

* - EU T+1 Industry Committee Market Readiness Survey (conducted by The ValueExchange)

07 | Industry-wide community testing

Comprehensive market-wide testing is the most critical determinant of go-live success

The Ecosystem Multiplier Effect

- **Interconnected Dependency Chain:** Securities settlement is an interconnected chain spanning investors, trading venues, CCPs and CSDs. Delays at any point can trigger cascading settlement fails.
- **Validation of Compressed Timelines:** Testing verifies whether participants can realistically achieve trade allocation, confirmation, and affirmation within the compressed timeline.
- **Multi-Asset Class Stress Testing:** Ensures robust handling across Cash Equities, Fixed Income, ETFs, and Corporate Actions.
- **Operational Muscle Memory:** Trains operations and exception-handling teams to manage same-day breaks and mismatches without relying on a Day 2 buffer.

Five Market-Wide Community Testing Windows (2027)



FEB 2027
WINDOW 1

01 Feb 2027 – 12 Feb 2027



APR 2027
WINDOW 2

19 Apr 2027 – 30 Apr 2027



MAY 2027
WINDOW 3

17 May 2027 – 28 May 2027



JUN–JUL
WINDOW 4

28 Jun 2027 – 09 Jul 2027



AUG–SEP
WINDOW 5

23 Aug 2027 – 10 Sep 2027

07 | Member Testing & Readiness Roadmap

From internal process optimization to market-wide community testing and coordinated go-live

PHASE 1

Internal Testing & Optimization

Adapt Internal Processes, Optimize & Automate

- ✓ **Process Adaptation & Cut-Offs:** Re-engineer internal processing pipelines to meet compressed deadlines.
- ✓ **Elimination of Manual Touches:** Automate trade capture, allocation, and affirmation via Straight-Through Processing (STP) to eliminate operational bottlenecks.
- ✓ **Same-Day Allocation & Affirmation:** Ensure internal systems execute allocations and affirmations within hours of execution.
- ✓ **SSI & Static Data Automation:** Automate Standard Settlement Instruction (SSI) enrichment ensure clean, error-free instructions upon trade execution.

PHASE 2

Community-Wide Testing

5 Testing Windows | Full End-to-End Validation

- ✓ **5 Market-Wide Testing Windows:** Participate across the 5 coordinated community windows with venues, CCPs, CSDs, and counterparties.
- ✓ **End-to-End Trade Lifecycle:** Validate full multi-asset trade flows from trading to Clearing to settlement.
- ✓ **SFT Gating & T2S NTS:** Test the 11:00 CET SFT Gating mechanism for repos and validate net settlement instruction injection into T2S NTS Sequence 4 (00:00 CET).
- ✓ **Corporate Actions:** Validate automated market claims (RD = Ex) and instruction transformations.

PHASE 3

Go-Live & Hypercare

11 October 2027 | Coordinated Launch

- ✓ **Migration Weekend (08–10 Oct):** Coordinated system parameter switch from T+2 to T+1.
- ✓ **Cut-Over Checklists & Sign-Offs:** Execution of standardized cut-over runbooks, technical checks and readiness sign-offs.
- ✓ **Day 1 Live Settlement (11 Oct):** First live T+1 trade execution and evening clearing.
- ✓ **CSDR Fail & Liquidity Oversight:** Joint monitoring on settlement efficiency and CSDR cash penalty volumes.

08 | Key Takeaways & Action Plan for T+1

Success depends on automation, testing readiness and funding preparedness



Automate Trade Lifecycle

- Eliminate manual intervention.
- Ensure automated trade allocation, confirmation and Standard Settlement Instruction enrichment on Trade Date.



Engage early in Testing

- Participate actively across the 5 community testing windows.
- Validate end-to-end operational readiness across counterparties and infrastructures.



Funding & Liquidity

- Review funding, FX cut-offs to prevent settlement fails and CSDR cash penalties.
- Prepare for the 11:00 CET Gating Event and compressed funding windows.

Our Commitment to Market Readiness

- Deutsche Börse Group is fully committed to a smooth, synchronized transition on October 11, 2027.
- Eurex Clearing architecture provides the highest netting efficiency and operational resilience.
- Active engagement in community testing windows is the single best guarantor of Day 1 market readiness.

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