

Summary of Global Settlement Cycle Compression Initiatives

AS OF NOVEMBER 2024

INTRODUCTION

The global trend to compress settlement cycles is accelerating. Increasingly, markets are migrating to settlement cycles that have fewer business days between the trade execution date and trade settlement date. Markets that are not actively migrating are undertaking feasibility studies and consultations. The move to compressed settlement cycles offers investment managers a new opportunity to drive growth across their organizations through a wide range of process improvements. It starts with embracing automation to facilitate the internal workflow enhancements that are essential for compliance with these new regulations and can also help boost efficiencies across trading operations. Putting these systems and processes in place will not only allow you to manage risk and funding challenges inherent in a shortened settlement cycle, it can also leave your organization in a stronger position to service clients and members.

Market	Settlement Cycle Change	Effective Trade Date	Comment
Australia	T+2 to T+1	n/a	<ul style="list-style-type: none"> The Australian Stock Exchange (ASX) issued a considerations paper and invitation to comment on April 23, 2024. Feedback from the consultation: <ul style="list-style-type: none"> The market expects Australia to adopt a T+1 settlement cycle The market advises against adopting T+1 at the same time as CHES Replacement The market wants to prioritise CHES Replacement over a move to T+1 The ASX issued a CHES replacement phase 2 consultation paper in which it proposes phase 2 to go live in 2029. Australian Financial Markets Association (AFMA) feedback suggests adopting T+1 in 2029, following the CHES replacement which is a priority. Relevant links: <ul style="list-style-type: none"> ASX public consultations and policy submissions
Bermuda	T+2 to T+1	n/a	<ul style="list-style-type: none"> An initiative is under review.
Brazil	T+2 to T+1	n/a	<ul style="list-style-type: none"> An initiative is under review. Implementation is expected for Q2 2026.
Chile	T+2 to T+1	n/a	<ul style="list-style-type: none"> An initiative is under review.

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			<ul style="list-style-type: none"> Implementation is expected for Q2 2026.
Colombia	T+2 to T+1	n/a	<ul style="list-style-type: none"> An initiative is under review. Implementation is expected for Q2 2026.
European Union	T+2 to T+1	n/a	<ul style="list-style-type: none"> The European Securities and Market Authority (ESMA) recommends that the migration to T+1 occurs simultaneously across all relevant instruments and that it is achieved in Q4 2027. Considering the difficulties associated with implementing such a significant change in November or December and the challenges linked to the first Monday of October (just after the end of a quarter), ESMA identifies 11 October 2027 as the optimal date for the transition. A coordinated approach with other jurisdictions in Europe is also deemed desirable. <p>Relevant link:</p> <ul style="list-style-type: none"> ESMA proposes to move to T+1 by October 2027
Ghana	T+3 to T+2	n/a	<ul style="list-style-type: none"> There is a proposal to align the equities T+3 settlement cycle with the current T+2 settlement cycle for fixed income securities. It has been recommended that implementation come only after the new CSD system go-live scheduled for February 2025.
Hong Kong	T+2 to T+1	n/a	<ul style="list-style-type: none"> The Hong Kong Exchange (HKEX) has appointed a third party consultant to collect feedback from market participants on impact of shortening the settlement cycle.
India	T+1 to T+0	n/a	<ul style="list-style-type: none"> The T+0 pilot, which went live March 28, 2024, is limited to 25 ISINs and applies to non-custodial participant code clients only T+1 will continue along with T+0. A of September 2024, the optional T+0 equity settlement for institutional clients has been deferred until further notice. The revised date for implementation will be communicated in due course.
Pakistan	T+2 to T+1	n/a	<ul style="list-style-type: none"> An initiative is under review and consultation. Focus groups are being established with key stakeholders. Feedback is being sought from global custodians. The National Clearing Company of Pakistan Limited has released the finalized mechanism for the migration to a T+1 settlement cycle and is seeking public feedback
Peru	T+2 to T+1		<ul style="list-style-type: none"> Implementation of T+1 for securities other than dually listed securities (which have already transitioned to T+1) is expected for Q2 2026. <p>Relevant links:</p> <ul style="list-style-type: none"> A list of dual-listed securities is available through the following link (filter by Seg. and sort by RV3): https://www.bvl.com.pe/mercado/movimientos-diarios
United Kingdom	T+2 to T+1	n/a	<ul style="list-style-type: none"> A government Accelerated Settlement Taskforce is examining a move to T+1.

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			<ul style="list-style-type: none"> • The taskforce published its report on March 28, 2024. • The taskforce recommended moving to T+1 by December 31, 2027, and a coordinated approach with Switzerland. Relevant links: <ul style="list-style-type: none"> • Accelerated Settlement Taskforce
Zimbabwe	T+3 to T+2	n/a	<ul style="list-style-type: none"> • An effective date is not confirmed. • Go live moved to 2025 with no clear timelines around the project rollout available.

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