

# **T+1 global overview**

## ValueExchange update (February 2026)



# The VX effect



How are we supporting over 60% of the world's market capitalisation in their T+1 journeys?

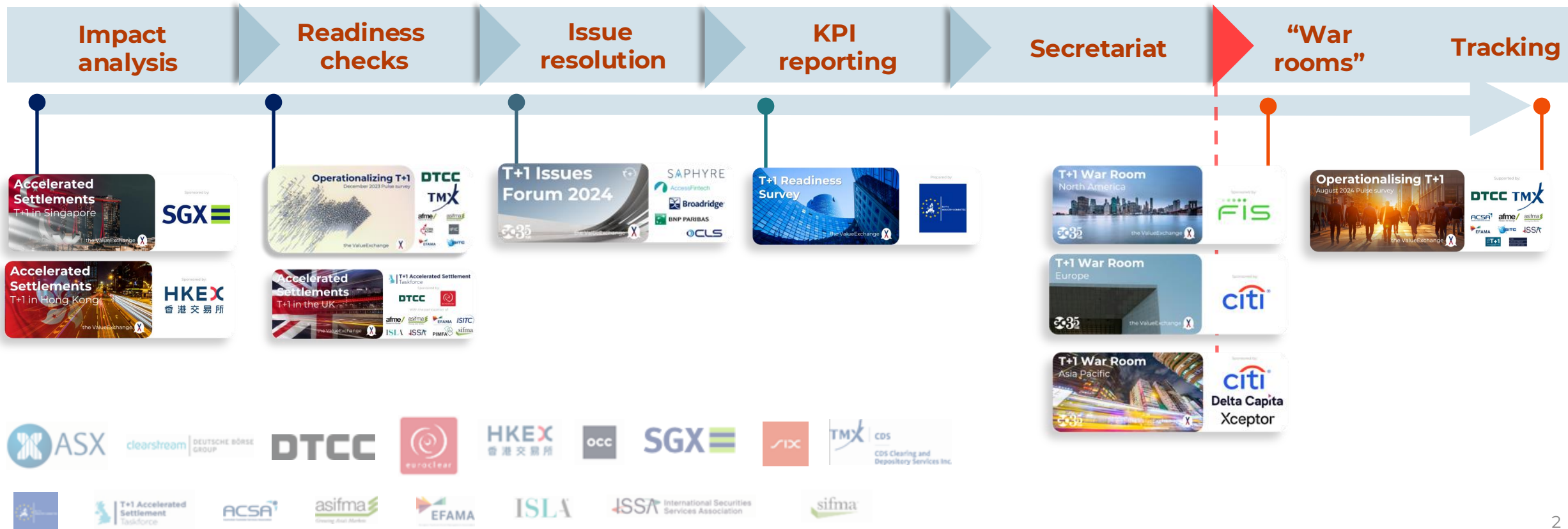
Supporting key FMIs in engaging with a global community of over 350 firms and market participants. Providing statistical analytics on readiness and impact across the world

Bringing the industry together to answer critical execution questions and to drive best practice

Providing real-time, immediate feedback on the impacts of T+1 on global operations

Logistical support to help markets and associations to build the best practice industry plan

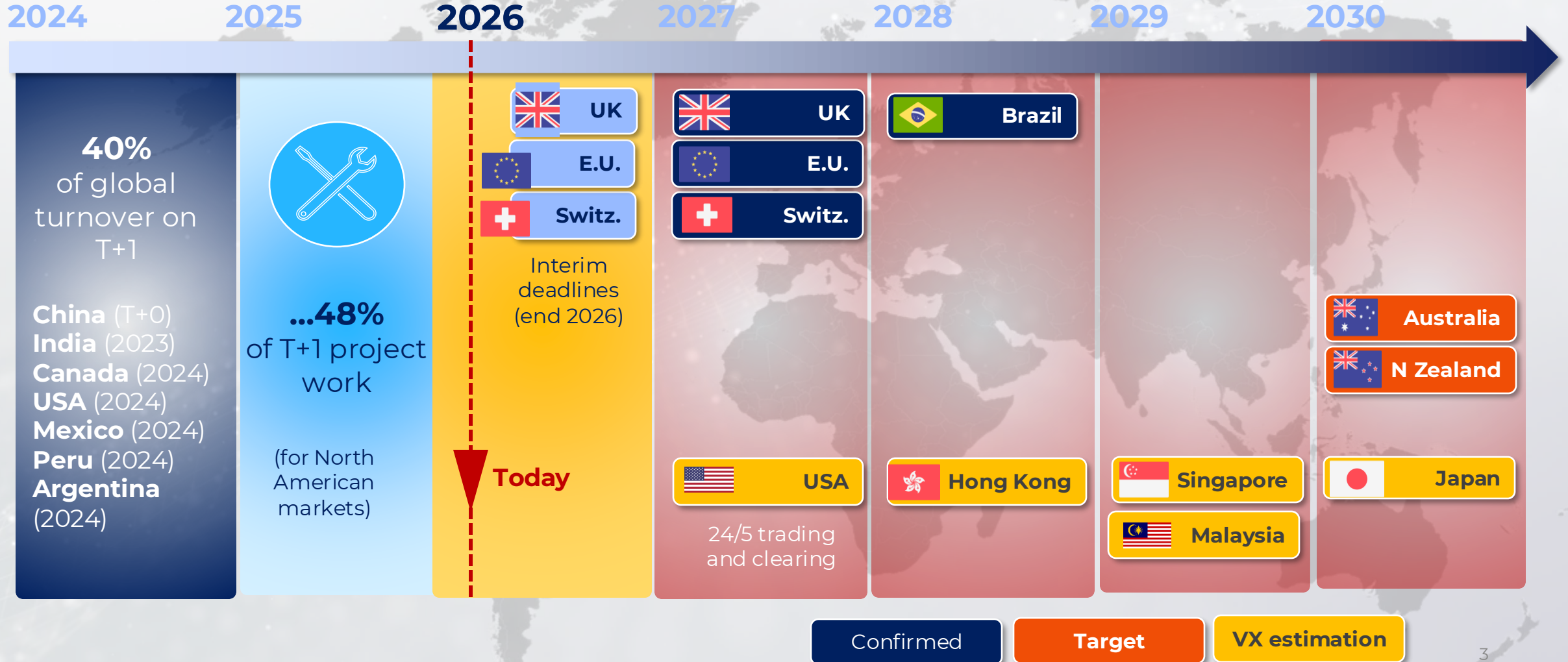
Providing statistical clarity on the direct and hidden impacts of T+1 globally



# The T+1 roadmap: 2026 is the foundation year



VX approximate expectation of T+1 transition date by market

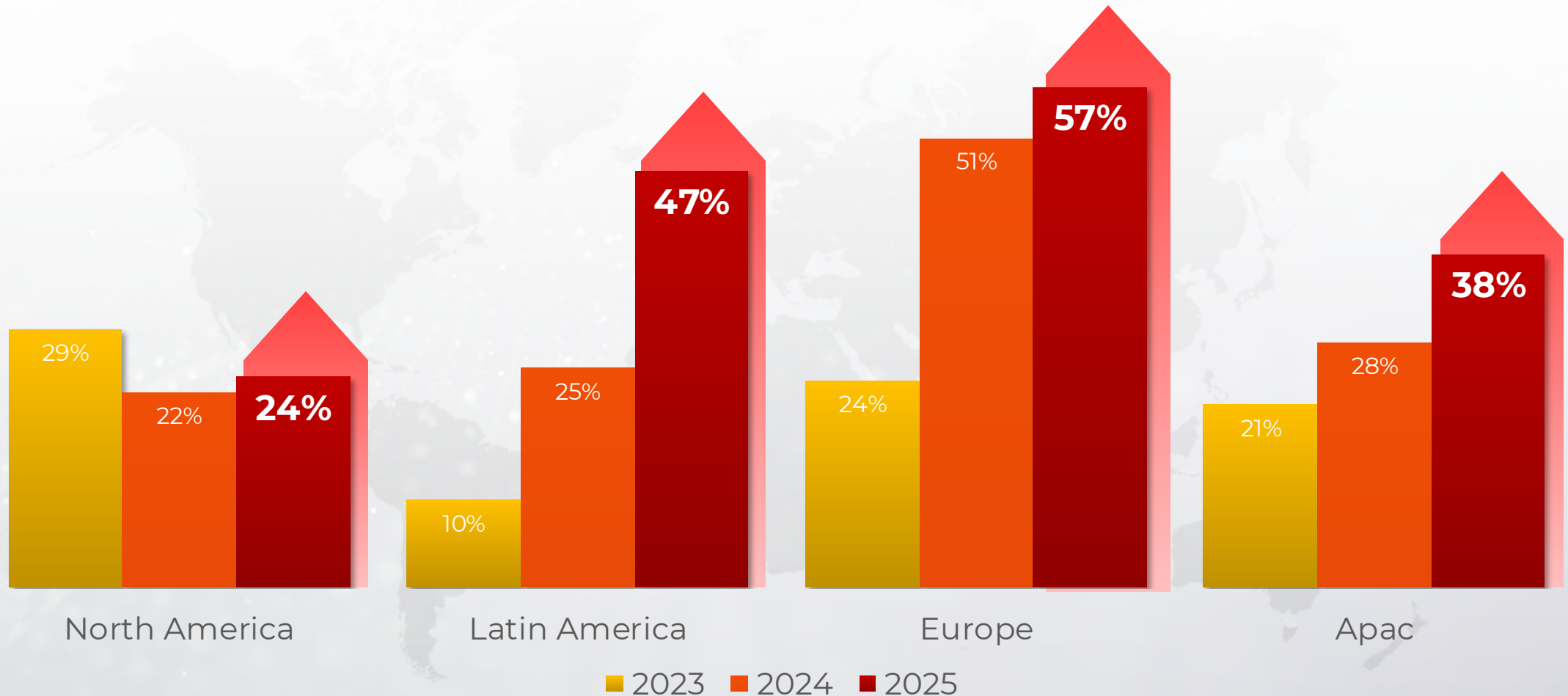


# T+1 is dominant in every region

T+1 is a growing in significance for everyone in every region YoY



**% of respondents citing T+1 and Accelerated Settlements as their most significant post-trade change in 2025**  
(by region and year)

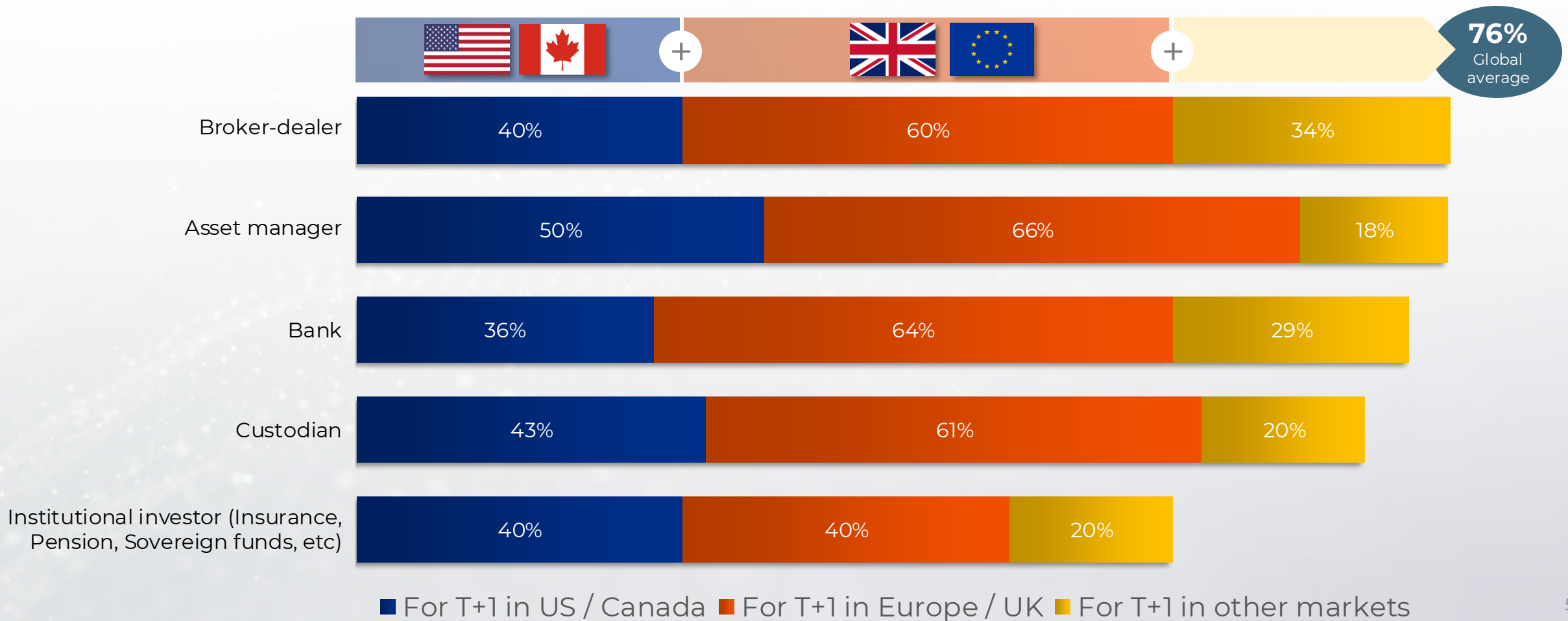


# The cumulative load is huge



Across every region, firms are running T+1 projects with Asset Managers leading the charge

**% of respondents with active T+1 projects**  
(by segment and T+1 zone)



**01**



# T+1 in North America

# US debrief: Lack of automation drive headcount costs immediately following transition – especially amongst small firms



## Investment in T+1

## T+1 Costs



% Net change in **automation** as a result of T+1 (average)

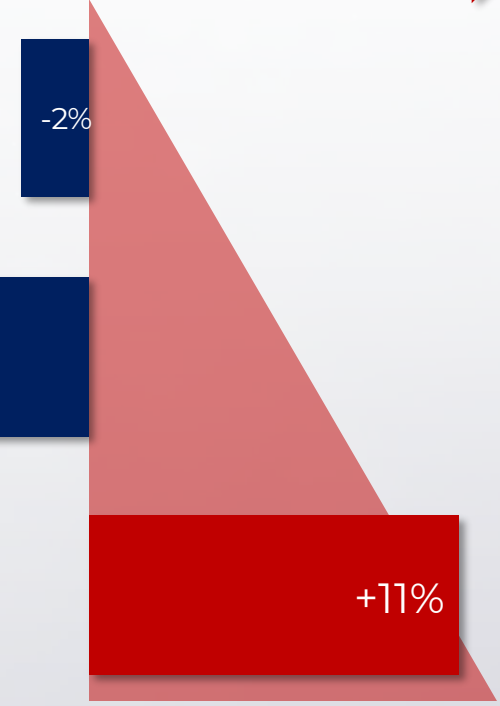
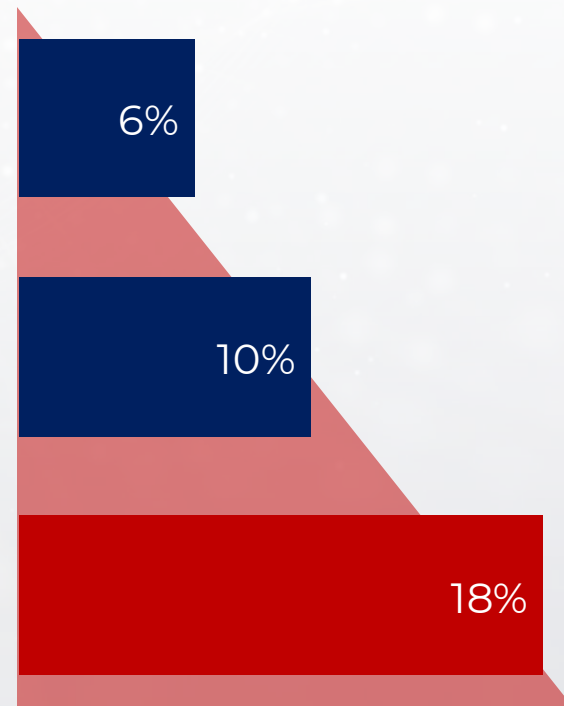


T+1 impact on out-of-hours **staffing costs** (net change)

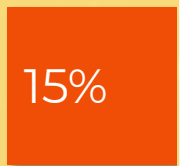


T+1 impact on **trade fails** (net change)

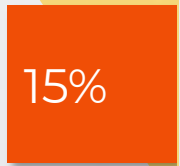
Top tier firms  
(over 100,000 staff)



Mid-tier firms  
(500-10,000 staff)



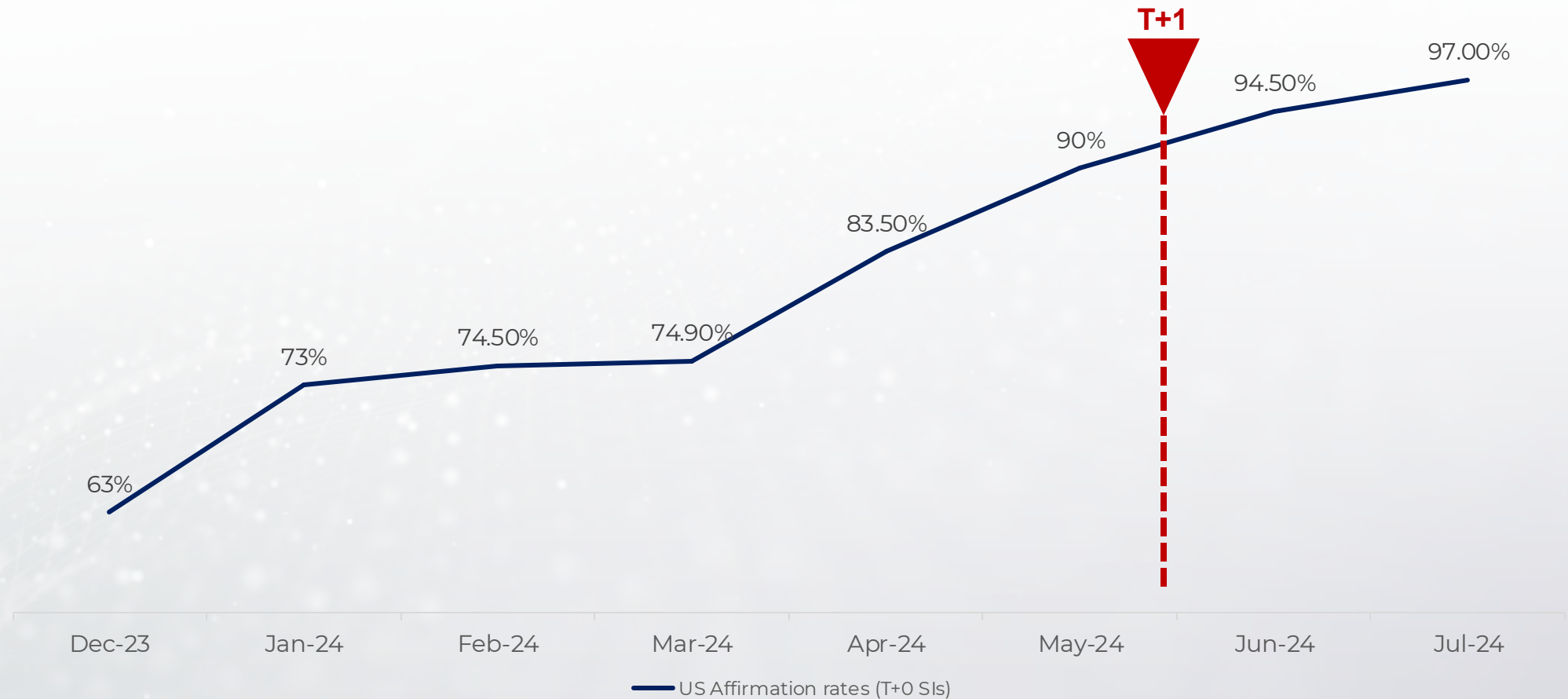
**Boutique firms**  
(less than 500 staff)



# Affirmation rates rose by 50% in the six months before transition



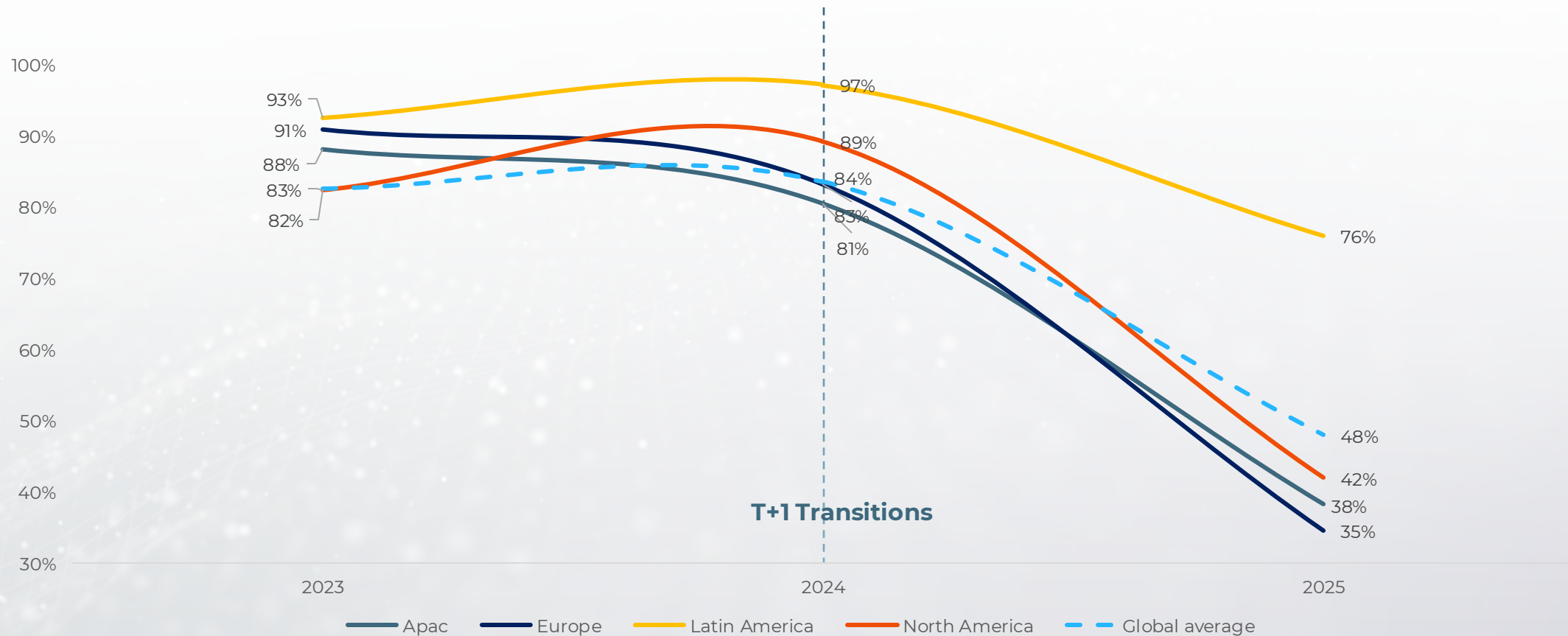
Affirmation rates per month for US trades





# 48% of firms were still running projects for the North American T+1 after 12 months

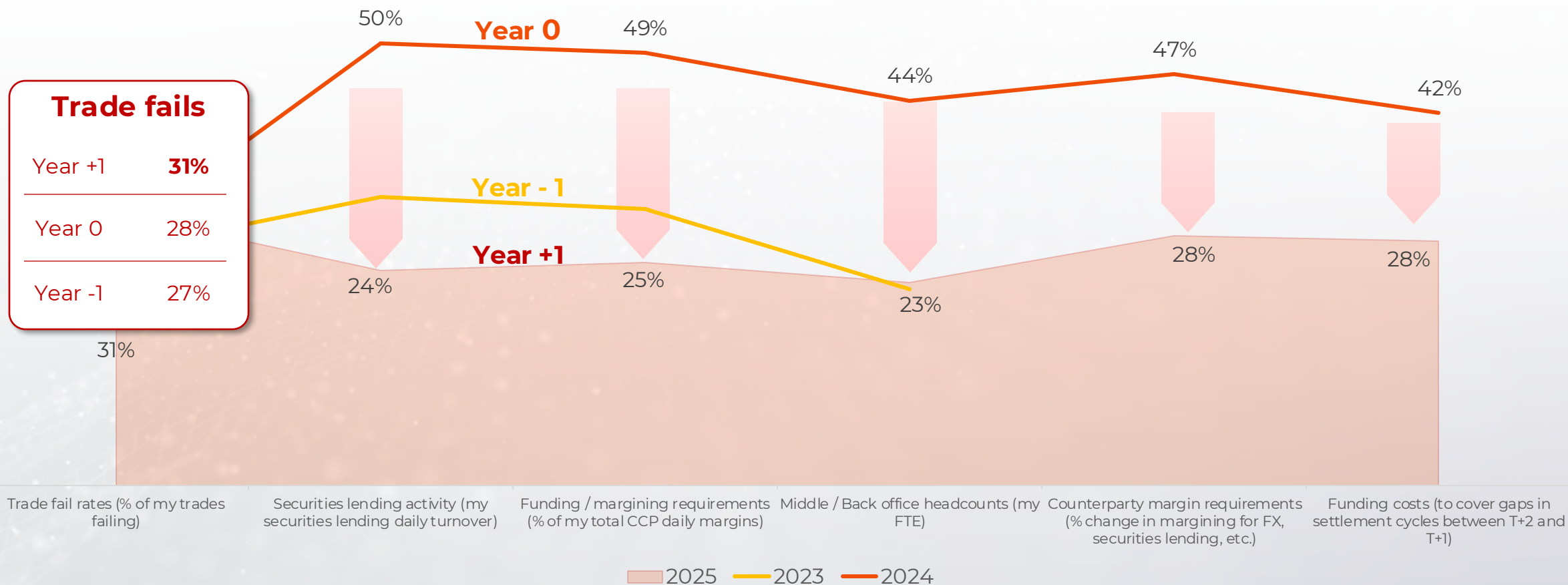
**% of respondents with active T+1 projects for North America  
(by T+1 zone)**



# 27% of respondents were still feeling a significant impact from the North American transitions after 12 months. Pressures on trade fails have risen



**% of respondents significantly impacted by T+1 in North America (by survey year)**



**02**

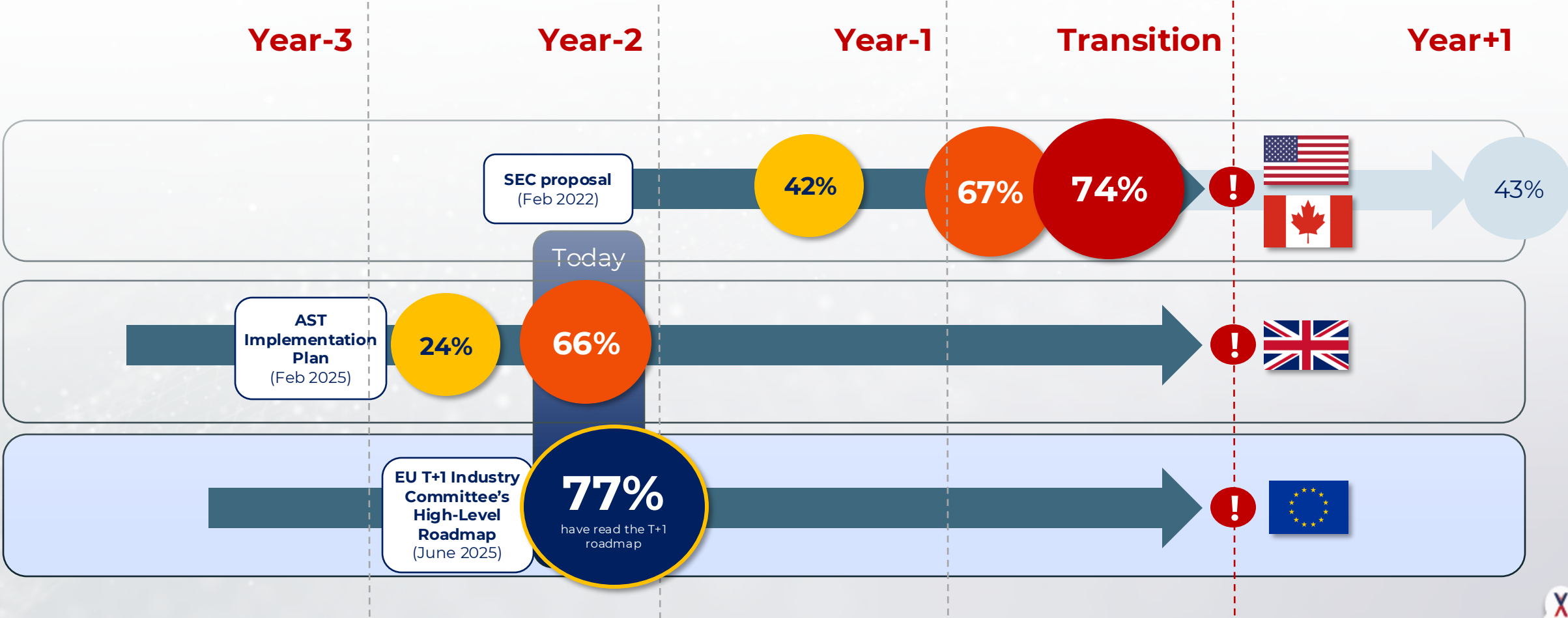


# T+1 in Europe, UK and Switzerland

# With 77% of firms actively engaged on T+1 in Europe, the industry is two years ahead



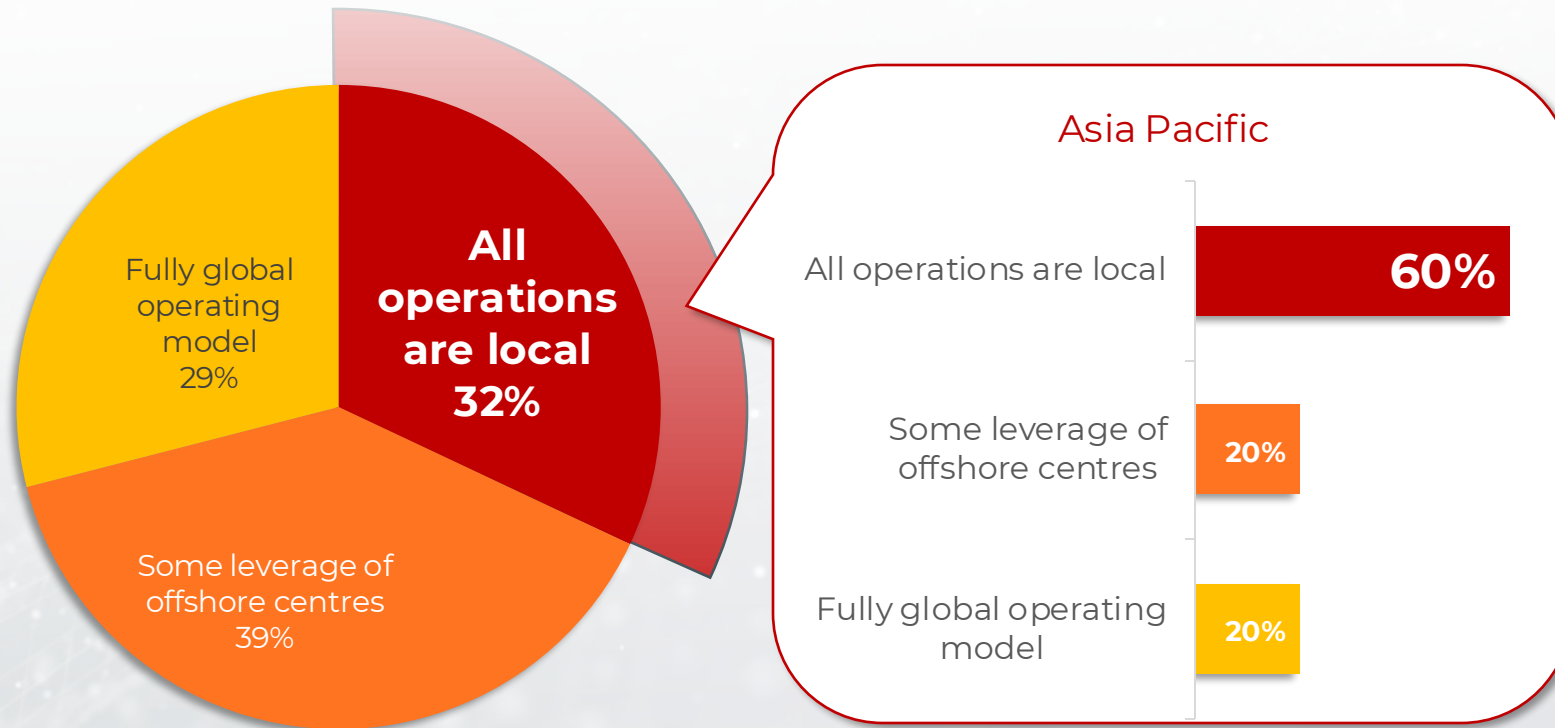
% of respondents actively preparing for T+1 by market and by year



# 32% of firms are still managing their trade processing locally – with rising to 60% in Asia-Pacific



% of global respondents by trade processing operating model



**29% of European firms do not have a global operating model - including 28% of institutional firms and 31% of tier 2 firms.**

This number rises amongst brokerages to **33%**.

And it rises to **60%** in Asia

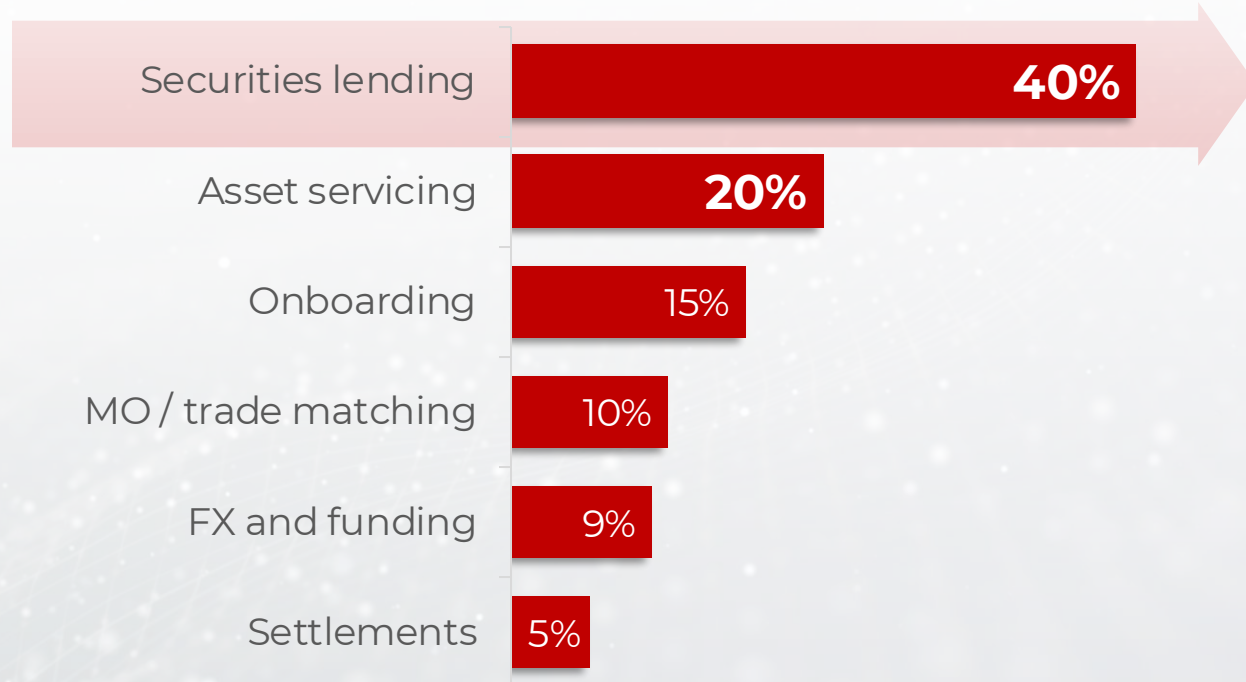
How are we going to trim a day off processing for those people?



# Settlement platforms look set to handle T+1 well – but securities lending and asset servicing may struggle



% of respondents who believe that their current technology can not scale into T+1 (by activity)



1 in 4 firms believes that their current infrastructure can't scale to meet the pressures of T+1. That includes 21% of tier one firms and 25% of institutional firms. Are we just hoping it will be ok?

Securities lending is the biggest area of platform risk. **40%** of firms believe that their current SBL platforms cannot scale into T+1.

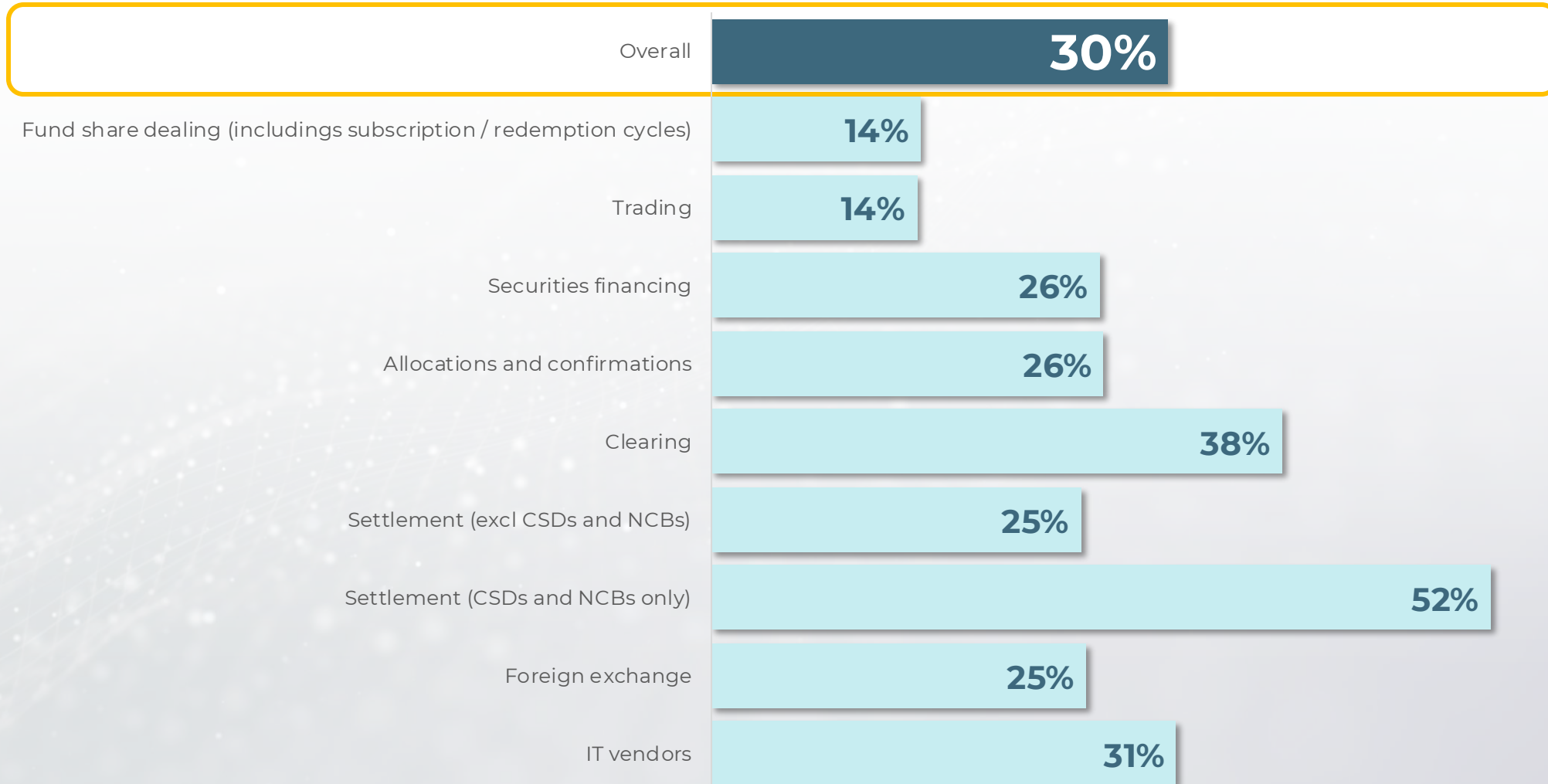
Asset servicing is also an area of concern, with **20%** of platforms unable to scale into T+1.



# 30% of the industry recommendations have already been implemented



## Percentage of firms that have already implemented recommendations



# 2026 is a key planning year: with 53% of implementation plans to be prepared this year



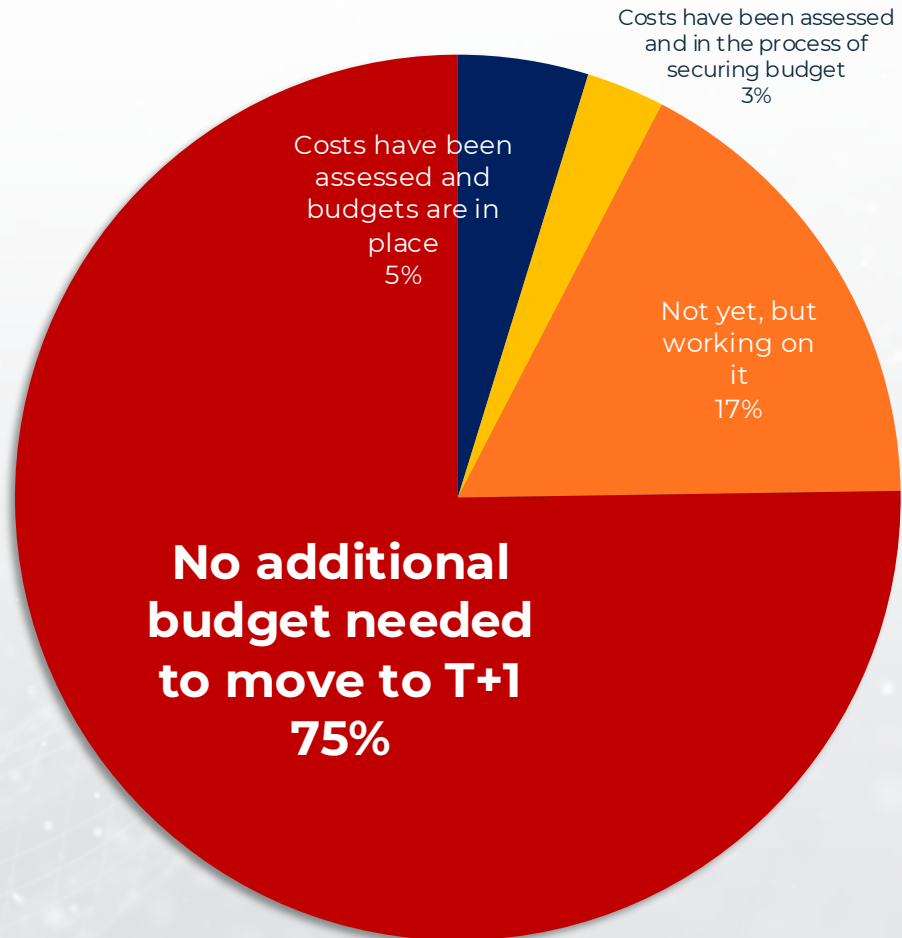
Outlook for firms to develop a formal implementation plan for the T+1 transition



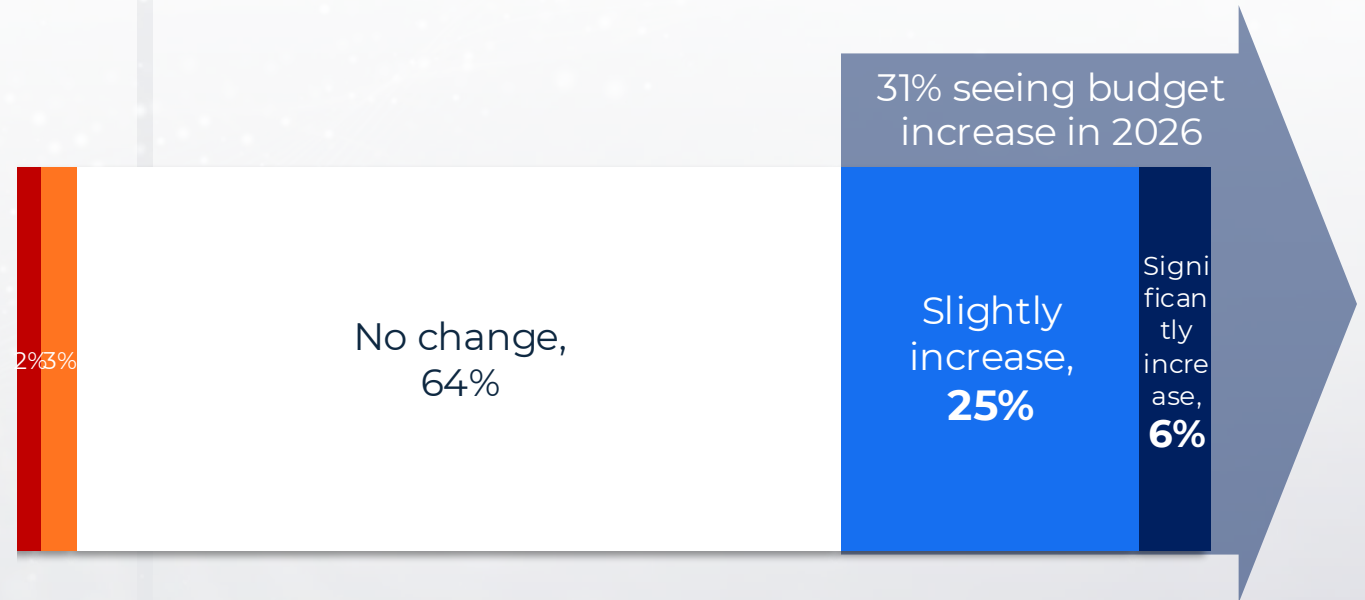
# 75% of respondents do not need additional budget to move to T+1 – rising to 79% on the buy-side. 31% of the sell-side are working on securing budgets



% of respondents by level of budget readiness for T+1



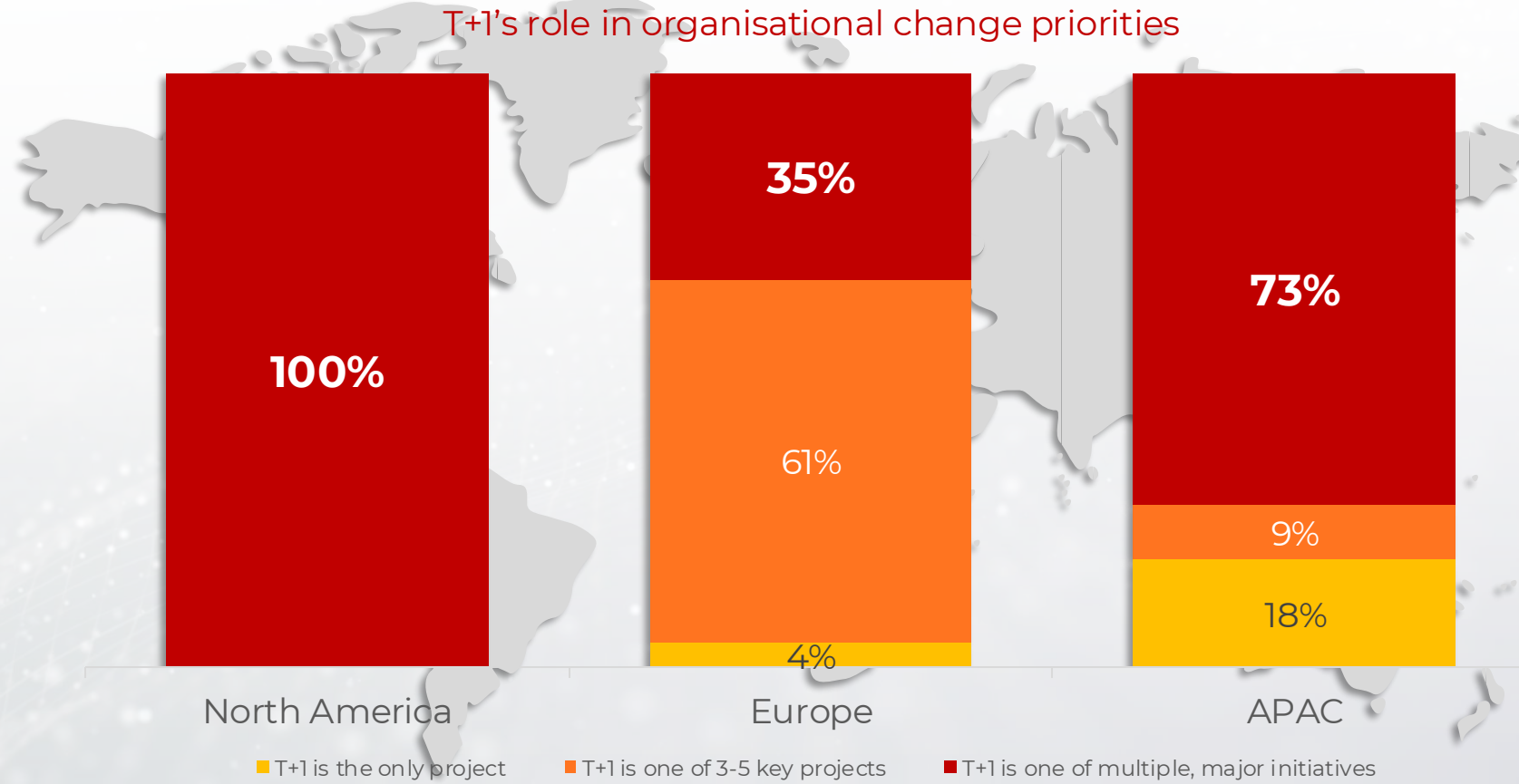
Year on year changes to investment operations budgets (% of respondents by level of budget change)



- Significantly reduce
- Slightly reduce
- No change
- Slightly increase
- Significantly increase



# T+1 is a top 5 change priority for 61% of firms in Europe – but is it mission critical elsewhere yet?



T+1 is leading the operating agenda: it is a Top 5 project for **52%** of firms so far - and **61%** of firms in Europe.

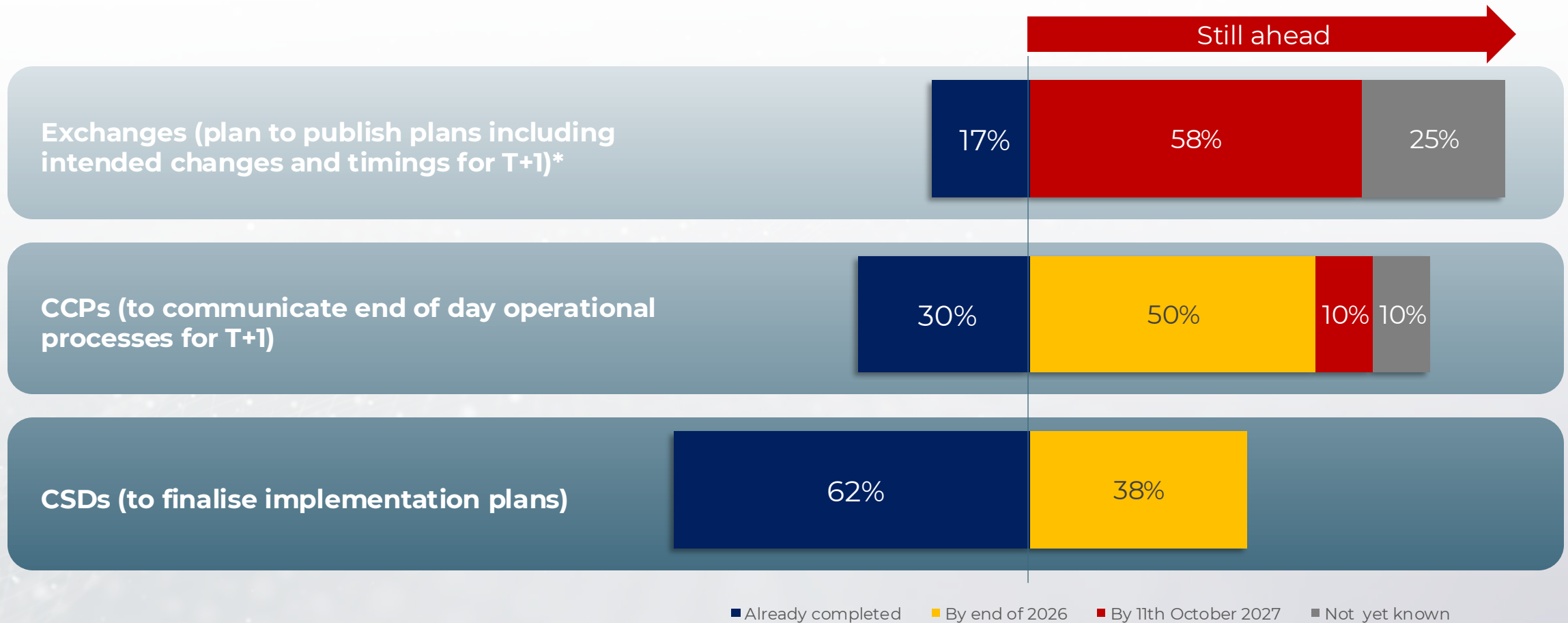
But that changes quickly outside of Europe. In America, T+1 is not a priority for anyone and in Asia it is not a priority for **73%** of firms. That may not be surprising but it is a concern



# 62% of CSDs have already completed their implementation plan while exchanges & CCP planning lies ahead



% of FMIs' T+1 activities already completed and ahead



Question: By when do you expect to complete the following activities?  
 Question: By when do you plan to complete or implement the following T+1 - related actions?



# Up to 53% of 2026 deliverables are on track with securities lending same-day returns leading the way



TR-01 – End of day signal from TVs to CCPs



TR-02 – Trading venues' rulebooks



MC-01 – Promote the Standardised Electronic Exchange of Trade Allocations and Confirmations



MC-02 – Intraday Transmission of Allocations no later than 23.00



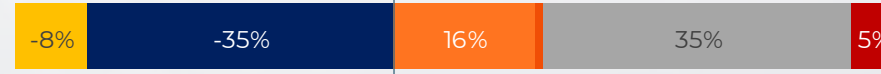
MC-02 – Intraday Transmission of Confirmations, no later than 23.00



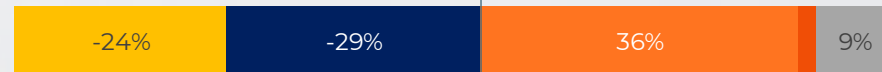
ST-01.4 – Custodians to offer PSAF information in Statement of Holding



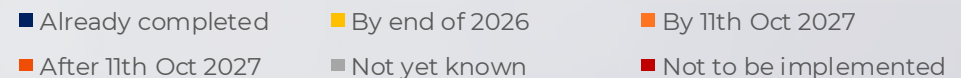
ST-01.6 – Use of Transaction type identifier in settlement instructions



SF-03.01 – Same-day returns for securities lending transactions



SF-03.02 – Automation of securities lending recalls and return instruction flows

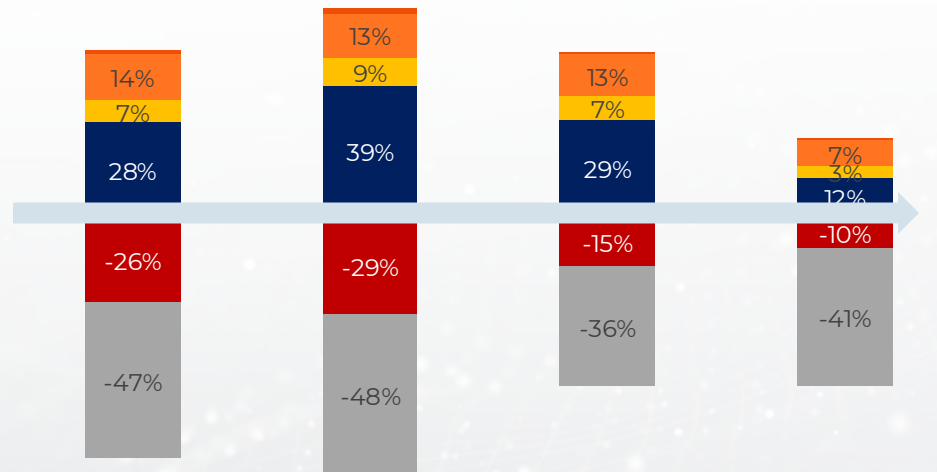


# A new trade cycle: industry changes to adapt to European T+1



■ Already implemented 
 ■ By the end of 2026 
 ■ By 11th October 2027 
 ■ After 11th October 2027 
 ■ We do not intend to implement this recommendation 
 ■ Not yet known

## Resource management



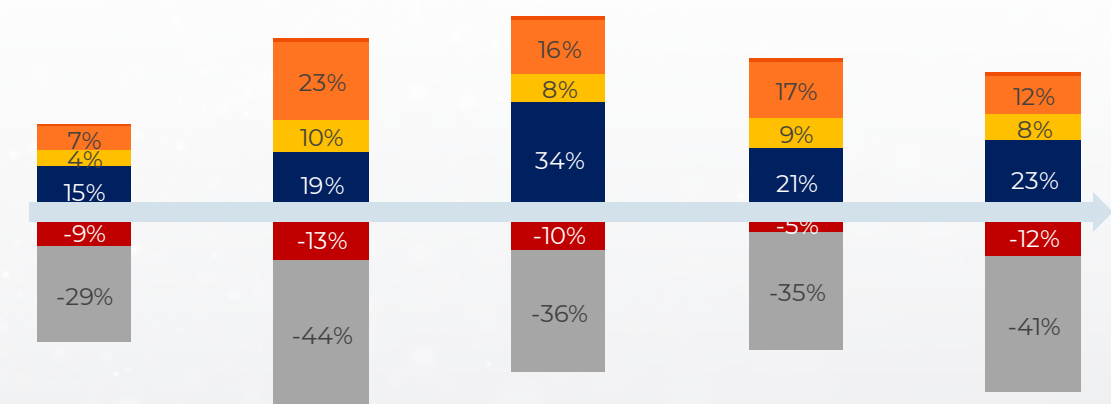
Use funding and position-forecasting tools to support timely settlement on intended settlement date (ISD) (Reference ST-01.5)

Use / offer partial settlement and partial release functionality (Reference ST-03.2)

Use or offer auto-borrowing facilities (Market participants) (Reference ST-3.12)

Use or offer auto-collateralisation facilities (Reference ST-3.10)

## Instruction processing



Use and/or offer hold & release functionality (References ST-03.6 and ST-03.7)

Compress your end-of-day clearing process to ensure your cleared transactions are ready for settlement by 23:59 on T (CL-02)

Populate the ISO "Transaction Type" identifier in your settlement instructions (e.g., TRAD, REPU, RVPO, SECL, SECB) (Reference ST-01.6)

Report PSAF / SAFE (place of safekeeping) in the statement of holdings (Reference ST-01.4)

Use or offer allegation functionality (Reference ST-03.8b)



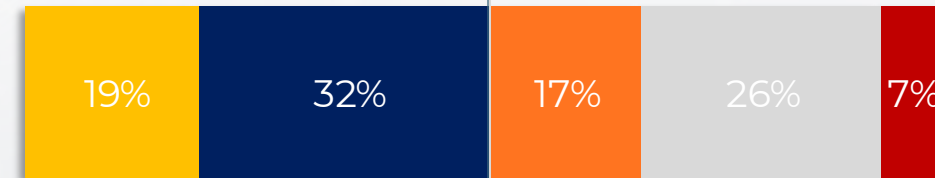
# 52% of respondents plan to automate their communication flows before 2027



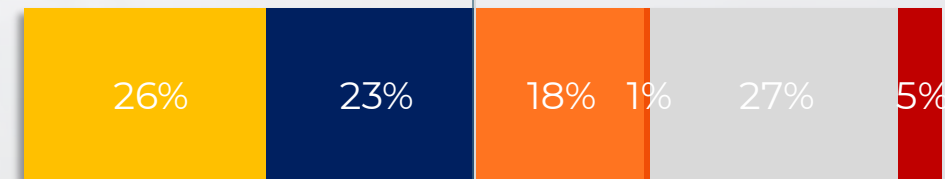
Automate the storage and exchange of Standard Settlement Instructions (SSIs) with counterparties (e.g., via electronic or third-party platforms)



Adopt electronic (standardised) communication methods for the exchange of allocations and confirmations (MC-01)



Begin monitoring your counterparties' PSET instructions to identify mismatches



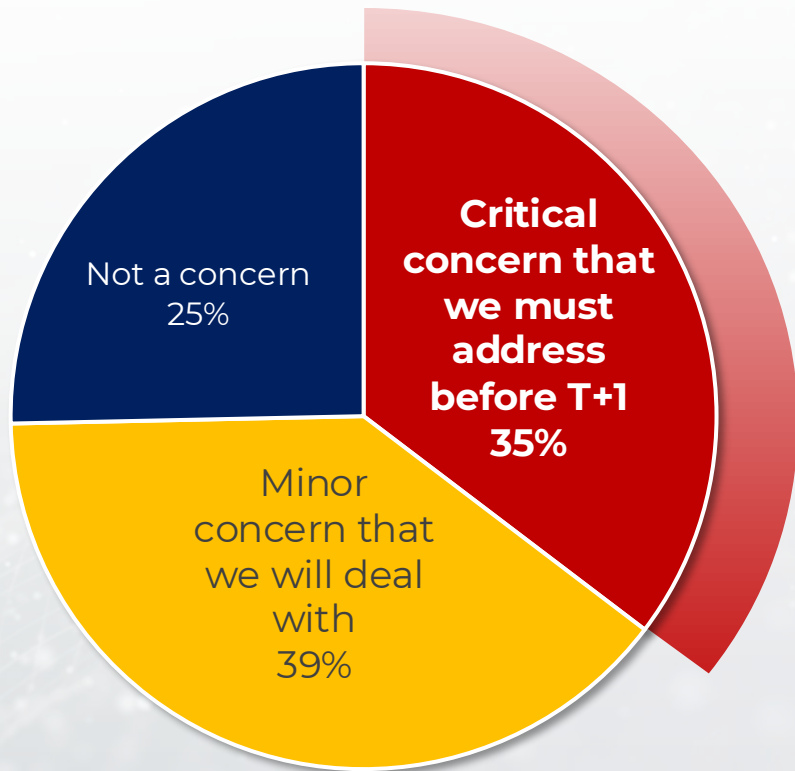
- Already implemented
- By the end of 2026 (per the High Level Roadmap)
- By 11th October 2027
- After 11th October 2027
- Not yet known
- We do not intend to implement this recommendation



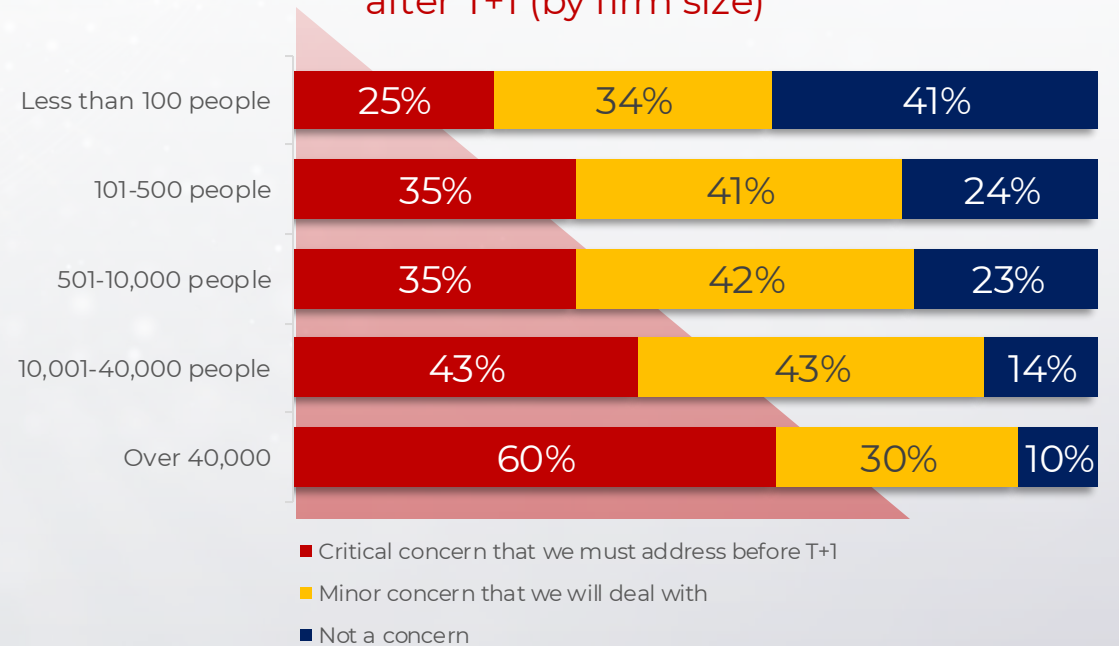
# 35% see potential long-cash breaches as a critical concern – with larger fund managers most worried



% of respondents citing concerns around the impact of long-cash breaches in their funds, after T+1



% of respondents citing concerns around the impact of long-cash breaches in their funds, after T+1 (by firm size)



**03**



# **Asia-Pacific**

A new set of challenges

# T+1 in Asia-Pacific



What will be the same?



SSIs and onboarding pressures



Clearing fund benefits



Affirmations / trade matching



FX pressures



Securities lending pressures



Global clients

What will be different?



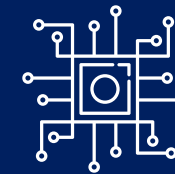
No fails markets



T+0 familiarity



T+0.5  
(and more batches?)



Market technology



Regional entities



Regional coordination



# T+1 in Asia-Pacific



**No fails markets**

99.8% settlement efficiency

Mandatory buy-in regimes



**T+0 familiarity**

T+0 for the Stock connect since 2014: technology and procedures to support 4-hour settlements



**T+0.5**  
(and more batches?)

11:00 to 13:00 settlement cut offs across key markets (triggering settlement and FX pressures)



**Market technology**

Innovative trade matching platforms (e.g. Synapse)  
  
Split settlement model in Japan and tech refresh



**Regional entities**

Prime brokerage in Asia often run from UK / US – triggering end of day challenges and funding gaps



**Regional coordination**

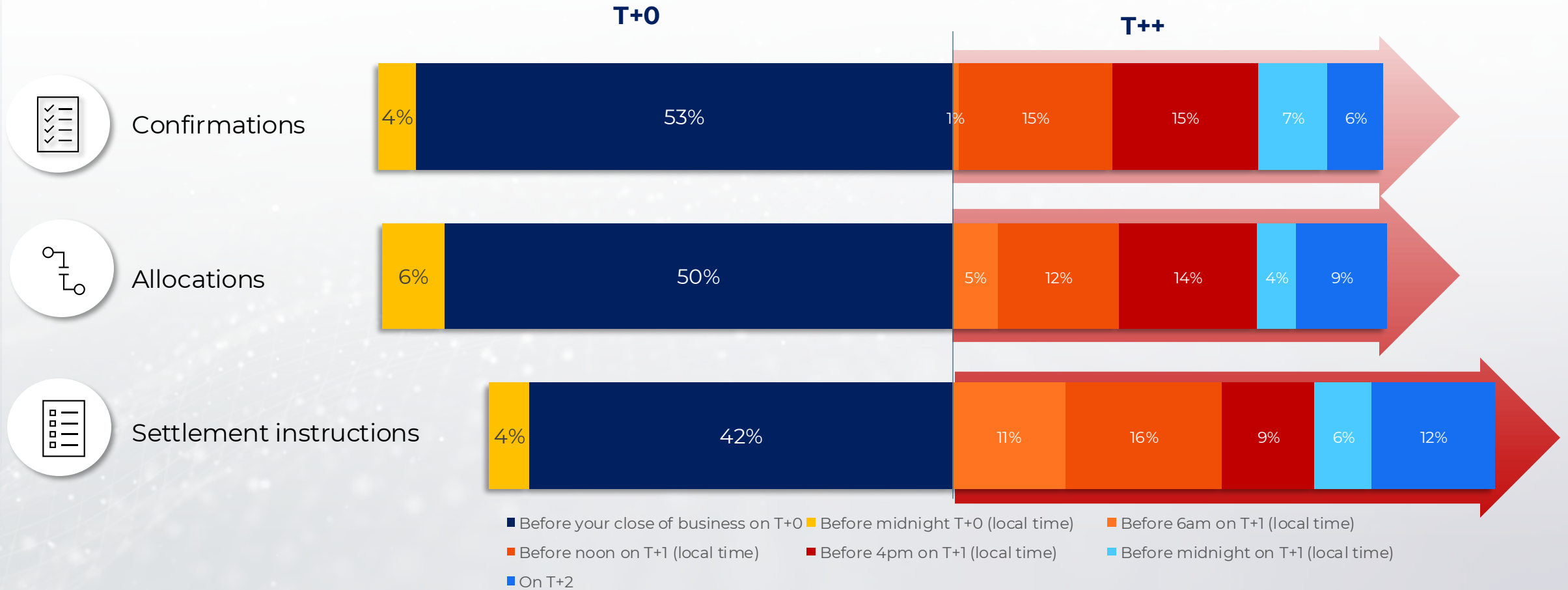
T+2 to T+1 funding gaps as highly undesirable in Asia: how to coordinate?



# Up to 54% of post-trade processing will need to accelerate in order to reach T+1 in Asia



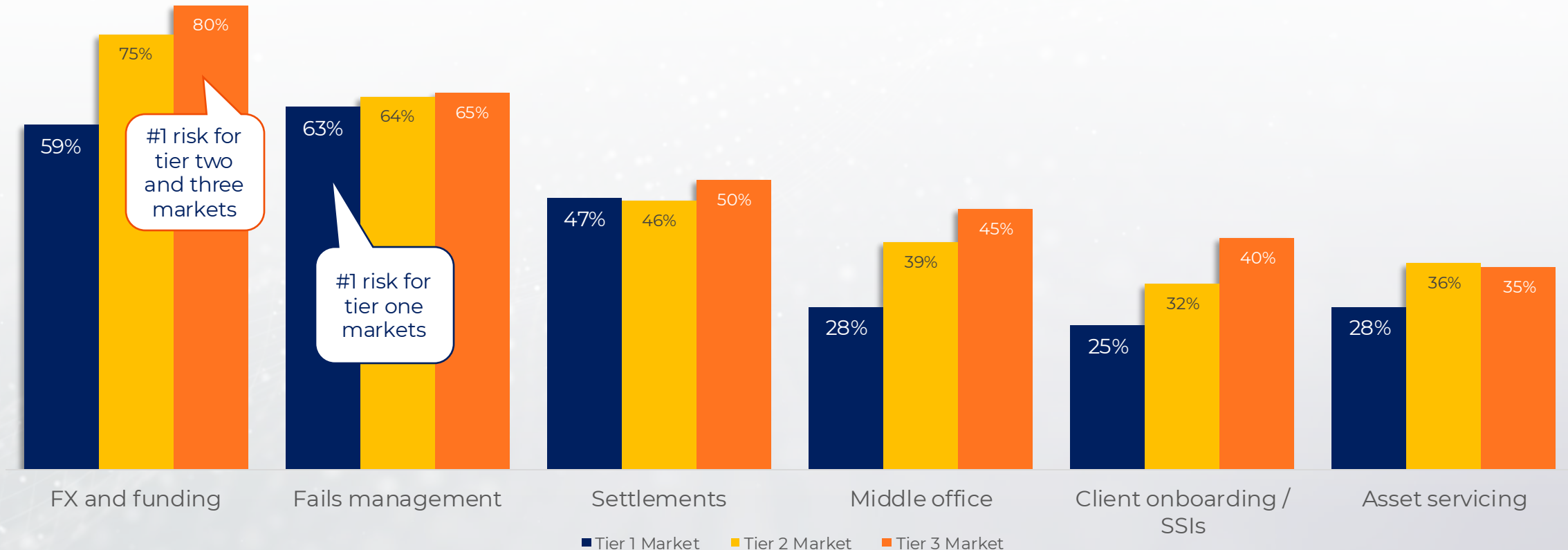
Current Processing Deadlines for Asian markets (Averages)



# Where is the risk for T+1 in Asia? More than 50% of respondents expect to struggle in managing funding and fails discipline



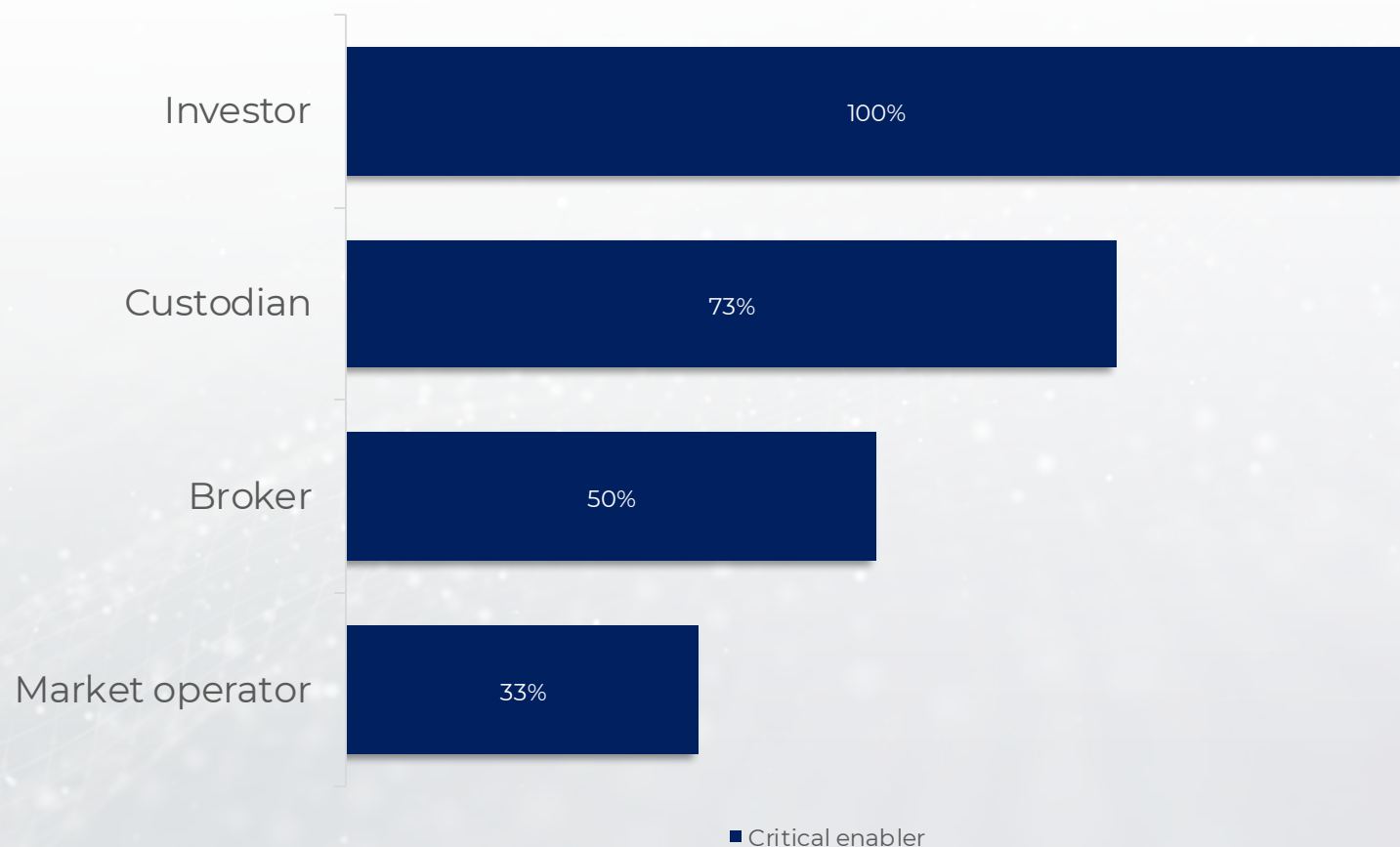
Expected areas of difficulties to be faced in a T+1 environment (% of respondents citing each by market profile)



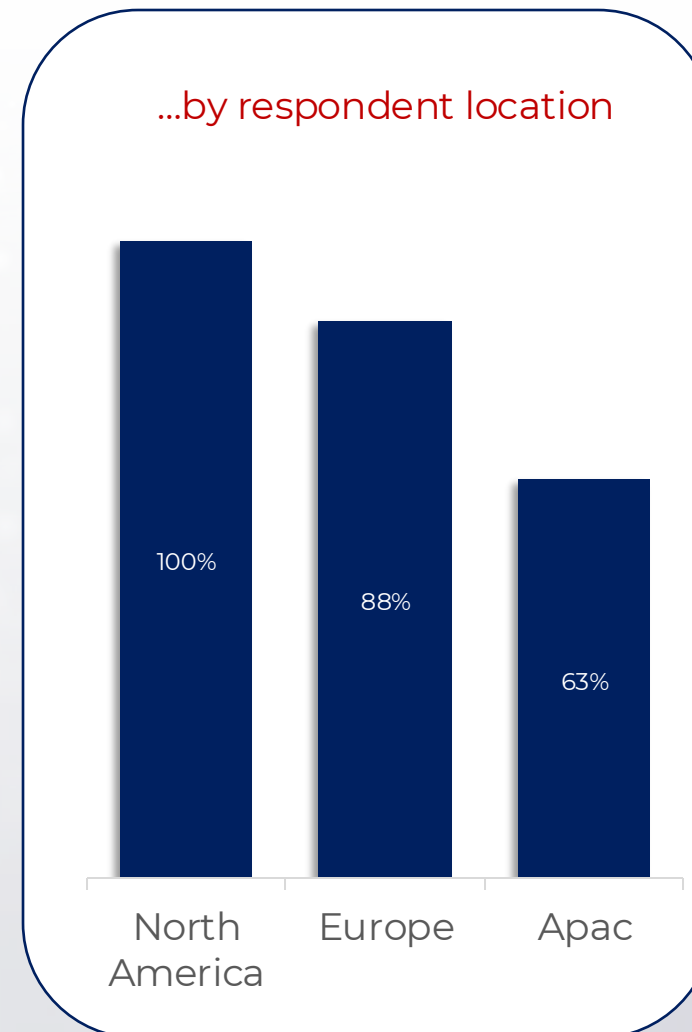
# 100% of (foreign) investors see the alignment of rules and timings across Asia as a critical enabler for T+1



% of respondents citing the alignment of rules and timings among Asia-Pacific markets as a critical enabler to T+1 in APAC



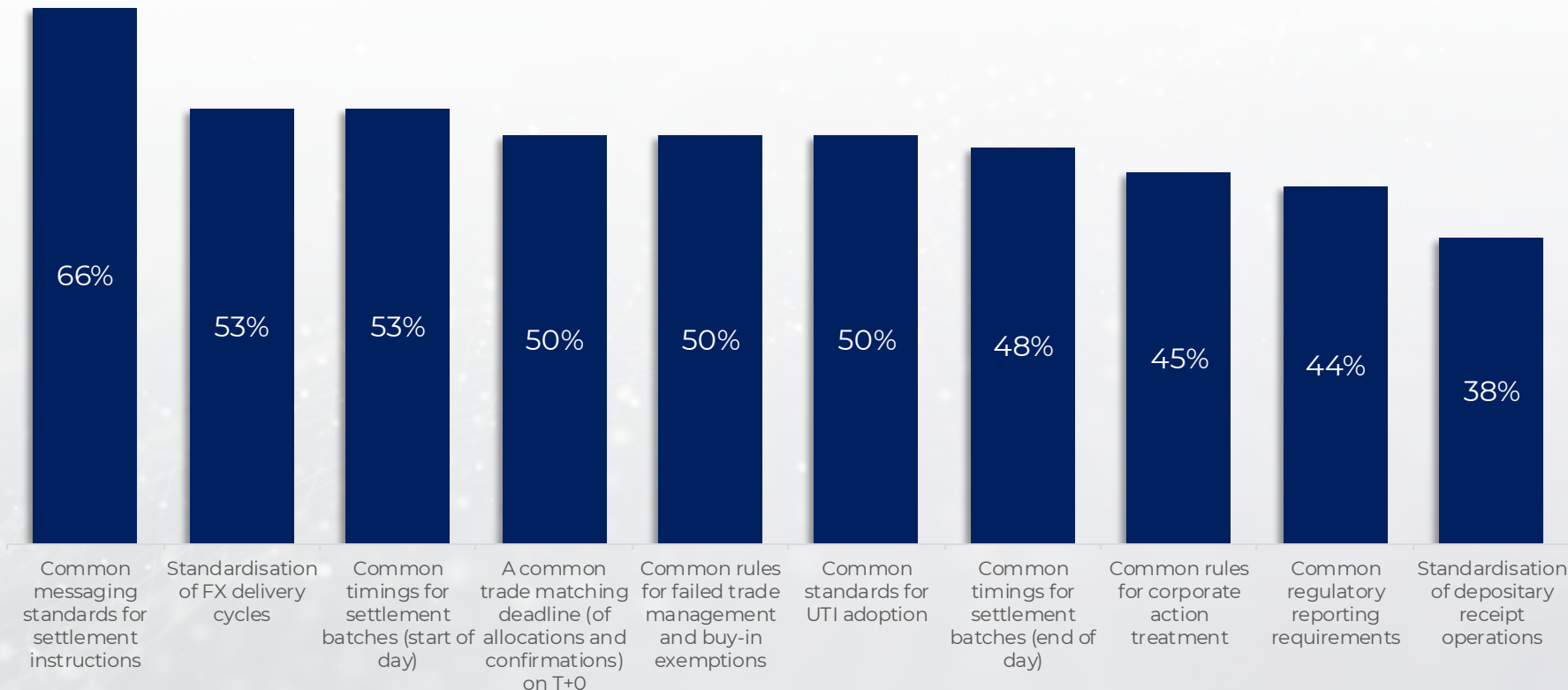
...by respondent location



# What alignment does the industry want to see across Asia-Pacific markets? 66% want to see standardisation in SI messaging



Essential Market Practices for a Successful Transition (% of respondents citing each practice as essential)



## #1 requirements

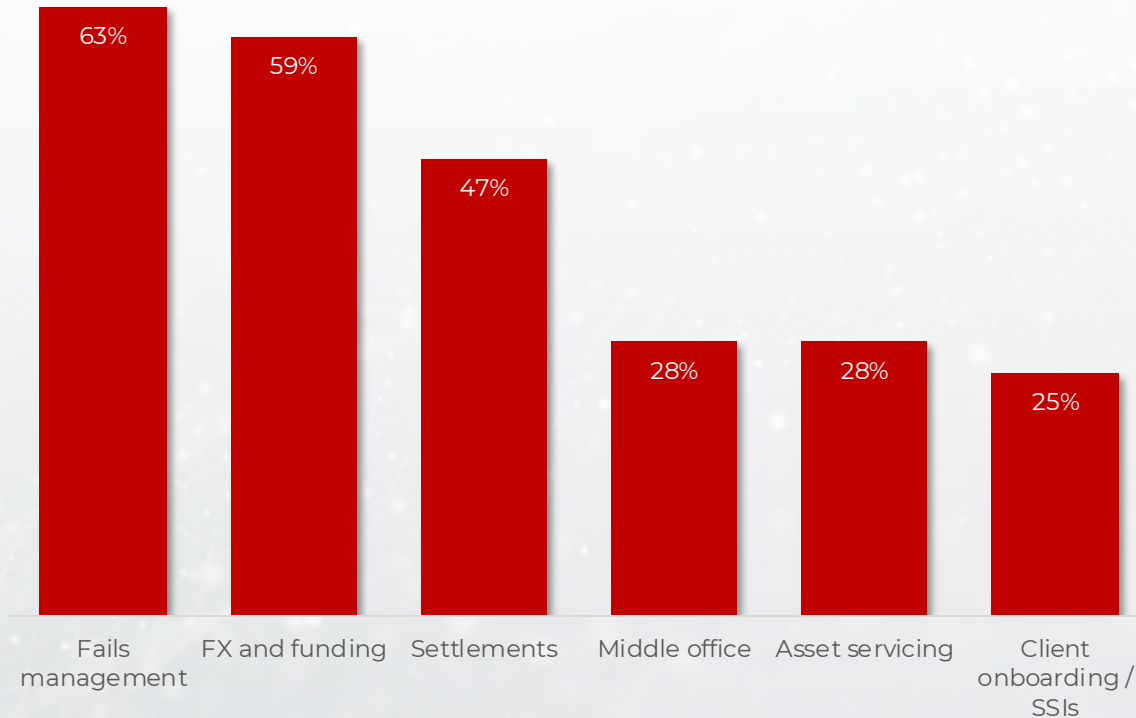
- Investors** Common messaging standards for settlement instructions (82%)
- Custodians** Common rules for failed trade management and buy-in exemptions (64%)
- Brokers** Common timings for settlement batches (50%)
- Market operators** Common messaging standards for settlement instructions (98%)



# Fails and funding: the two central axes of T+1 in Asia Pacific



Key pressure points in T+1 transition (Tier 1 APAC markets inc. Australia)



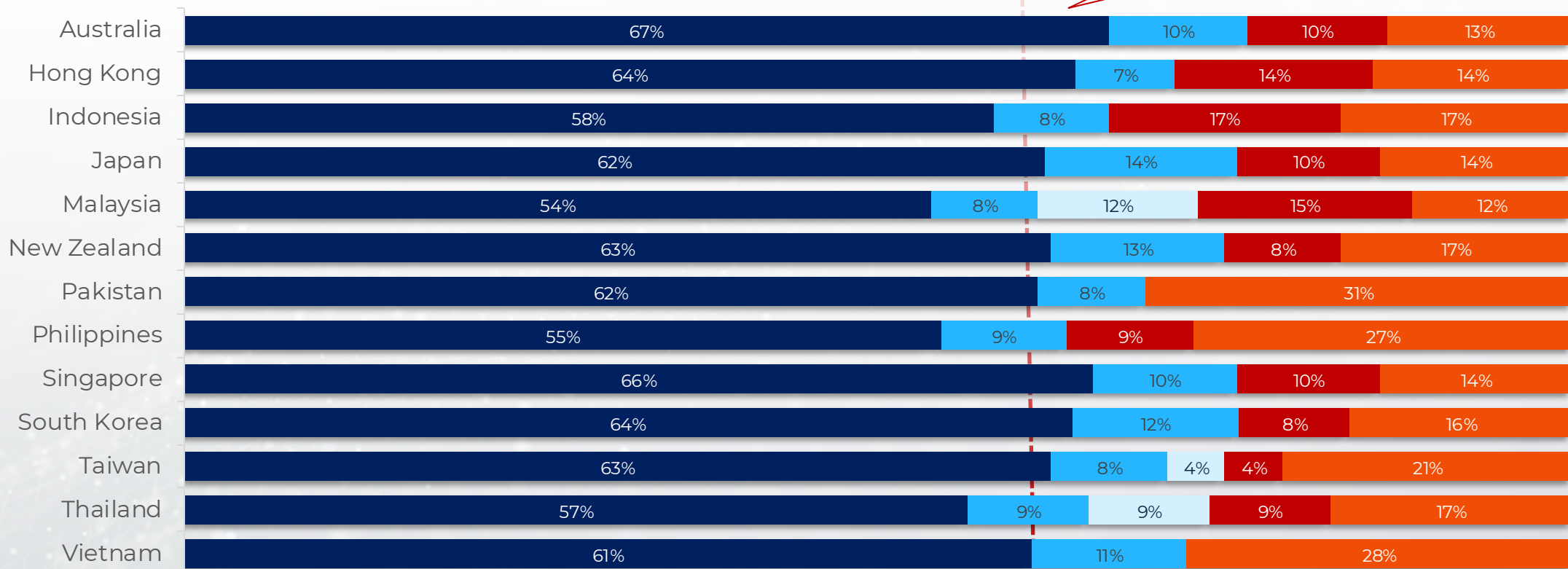
Key risks in T+1 transition (Tier 1 APAC markets inc. Australia)



# Trade matching: how to get middle and back offices working together?



Allocation/confirmation method by market **Global Avg MP: 61%**



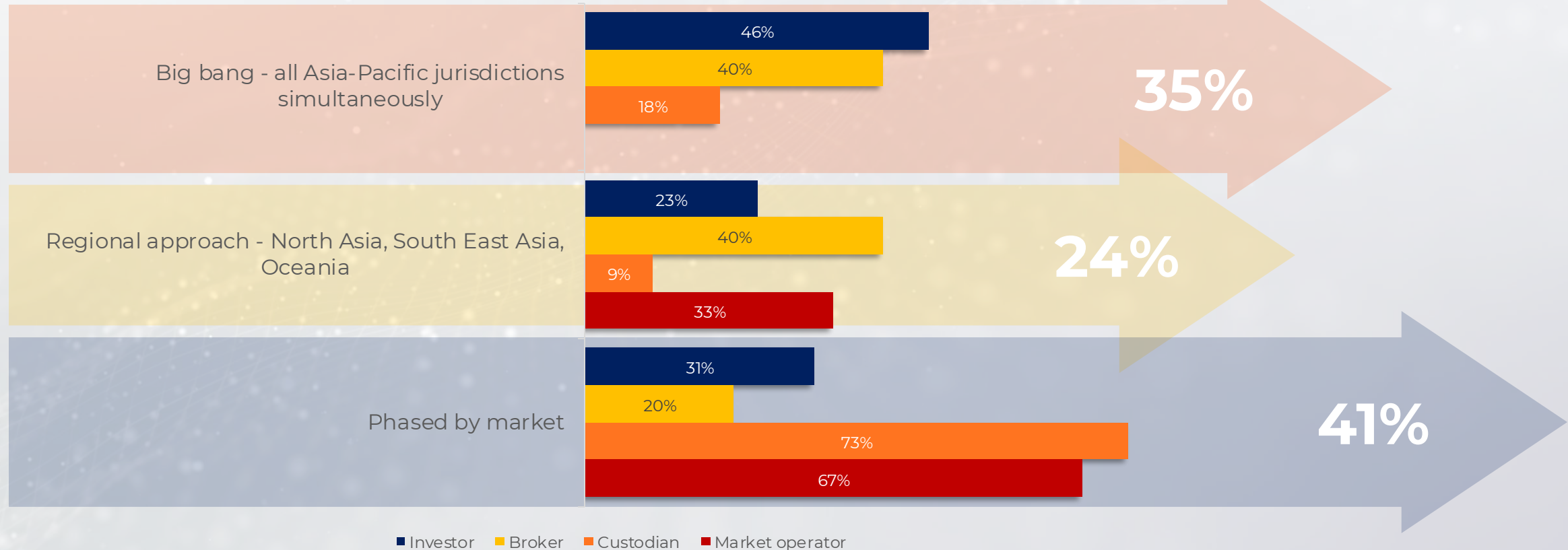
- Matching platform(s) (e.g. DTCC CTM)
- Bilateral messaging (e.g., FIX allocation / MT51x)
- Automated file exchange (e.g. SFTP drop, automated e-mail, etc.)
- Ad-hoc file exchange (e.g. portal upload, manual e-mail attachment)
- Manual process (e.g. free text e-mail instruction, counterparty's web portal)



# Big-bang or phased transitions? While 46% of investors favor a 'big bang' 73% of custodians prefer 'phased migrations'



Preferred approach for T+1 in Asia (% of respondents by segment)





# Thank you!

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