

The UK Moves Closer to a T+1 Settlement Cycle

May 2, 2024



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The UK's Accelerated Settlement Taskforce published its [report](#) on reforms to the settlement cycle on 28 March 2024. Mirroring the move by all North American markets to a T+1 cycle in May 2024 as well as ongoing EU consultations on a move to the same timing, the report points to consensus that the UK will need to adopt T+1 sooner rather than later. As the report points out, China has operated at T+0 for a number of years, and India has already moved to T+1.

Given that activities currently taking place on T+1 will consequently need to be completed by the end of Trade Date, a potential reduction in time (depending on location) of up to 83% compared with T+2 settlement could be a result of this shift. This means that operational considerations and changes will be paramount, and the report consequently recommends that:

- market standards for onboarding new accounts should be established;
- allocations, confirmations and trade level matching processes should be mandated for Trade Date;
- operational changes for electronic processes for sharing standing settlement instructions will be required;
- market standards should be established for settlement instructions on Trade Date;
- market standards should also be established for securities lending recalls; and
- timings, including CREST opening hours and the deemed end of Trade Date will also need to be revised.

The report also recommends close collaboration and alignment of the moves to T+1 between the UK and Europe, but also says that if timelines cannot be aligned, the UK should proceed in any event.