

English version

Client communication – Transition to T+1

Key Informations

The transition to T+1 on 11 October 2027 will shorten the time available to complete key post-trade processes and resolve potential exceptions before settlement.

Early preparation will therefore be important to help maintain smooth and efficient transaction processing under the new settlement timeline. We encourage you to review the timing of your allocations, confirmations and settlement information, and to ensure that your SSIs are up to date.

Depending on your operating model, time-zone constraints, funding and FX arrangements may also require specific attention.

Kepler Cheuvreux remains available to work with you on your allocation model, STP level and post-trade setup, and to identify opportunities to further streamline and automate your flows.

Dear Client,

As of 11 October 2027, the EU/EEA, UK and Swiss securities markets will move in a coordinated manner to a T+1 settlement cycle. Within the European Union, this transition forms part of the evolution of the CSDR regulatory framework, while the United Kingdom, Switzerland and Liechtenstein will implement T+1 under their respective frameworks.

The shortening of the settlement cycle will significantly reduce the time available to complete the various post-trade processes, including allocations, confirmations, instruction matching and the handling of potential exceptions.

Why this preparation matters

This transition requires coordinated preparation to preserve the smooth processing of your transactions and ensure that sufficient time remains to identify and resolve potential exceptions ahead of settlement.

Within the European Union, new regulatory requirements relating to allocation and confirmation processes will progressively come into effect ahead of the transition to T+1, with a first regulatory deadline set for 7 December 2026. These requirements will notably apply to interactions between investment firms and certain professional clients as part of the allocation and confirmation processes.

Market testing in 2027

Preparations for the transition to T+1 also include several coordinated market testing windows in 2027, intended to allow relevant market participants to test their T+1 readiness as well as their interactions with other participants across the settlement chain.

Windows	Dates
1	1–12 February
2	19–30 April
3	17–28 May
4	28 June–9 July
5	23 August–10 September

Where relevant, Kepler Cheuvreux may contact you to coordinate bilateral testing of allocation, confirmation and post-trade flows during these testing periods.

What we invite you to prepare

1. T+0 allocations and confirmations

For transactions and clients falling within the scope of the applicable regulatory requirements, allocations and confirmations will need to be provided within the required timeframes. Where the allocation process requires client intervention or the provision of information by the client, we encourage you to provide your allocations and the information required for settlement as early as possible on Trade Date. This will facilitate the instruction and matching of transactions on T+0 and allow sufficient time to address any potential exceptions before the settlement cycle begins. Any changes to allocations or settlement data should also be communicated as early as possible on Trade Date.

2. Standard Settlement Instructions (SSI)

We would be grateful if you could provide us, by return email, with your current SSI, together with, where possible, the rules applied by your custodians to determine the relevant place of settlement. If you use the Omgeo ALERT platform, we would also appreciate confirmation of your ALERT acronym so that we can ensure that your SSI are fully up to date. Accurate and up-to-date settlement data will help limit exceptions and facilitate the timely processing of transactions within the shortened T+1 settlement cycle.

Points to review depending on your operating model

- **Clients operating outside European time zones:** we encourage you to assess whether your operating hours and support model allow allocations, confirmations and settlement information to be provided within the required timelines on Trade Date in Europe.
- **Funding and FX arrangements:** if your settlement flows involve multiple currencies, we encourage you to review your funding and FX arrangements to ensure that liquidity and currency requirements can be met within the shortened T+1 settlement timeline.

How Kepler Cheuvreux can support you ?

Support tailored to your operating model

Our teams remain fully available to review your current post-trade processes and setup with you and identify opportunities to further streamline and automate your flows.

- **Allocation model review:** assessment of the current process and identification of potential friction points in the future T+1 environment.
- **STP improvement:** identification of remaining manual processes and opportunities for standardisation or automation.
- **Flow enhancement:** support in moving to FIX, CTM or any other solution suited to your operating model.
- **Post-trade setup:** joint review of our parameters and data exchanges to support the most automated and efficient processing possible.

Your cooperation on these matters will help ensure as smooth a transition as possible, limit manual intervention and maintain the quality and efficiency of transaction processing in the future T+1 environment.

Our teams continue to work with market infrastructures, custodians and other stakeholders. We will continue to keep you informed of the key milestones of the transition and of any additional actions that may need to be implemented.

Please also find attached our Q&A document, which provides further details on the key considerations associated with the transition to T+1.

For any questions regarding this transition, please contact our dedicated team at: t1eu@keplercheuvreux.com

Thank you in advance for your cooperation and support throughout this transition.

Kind regards,
Kepler Cheuvreux