



Counting Down to T+1 in the EU and UK



The shift to a T+1 settlement cycle is one of the most significant structural changes to the European and UK post-trade landscapes and with 18 months until go-live, the industry's focus on operational readiness continues to accelerate. Following a year of active industry engagement and regulatory advocacy, we move from the theory to the practice with the need for implementing and testing new work-flows, technologies and processes becoming more pressing.

This document outlines some of the key milestones across the UK and EU, as well as important issues which the industry must consider as they develop their own transition plans. For more information on any of the topics covered, read the [ISLA Best Practice Handbook](#) or reach out Tony Hooland, Director -Market Practice.

Accelerated Settlement T+1: UK Recap

The UK is transitioning to T+1 as part of the broader efforts to enhance the efficiency and security of financial markets.

In 2025, the UK Government accepted all recommendations of the Accelerated Settlement Taskforce (AST) and the transition to T+1 is set to take place on 11 October 2027, aligning the UK with other global markets, such as EU.

ISLA has been an active member of the AST Stock Lending Technical Workstream, and has supported the development of four key recommendations, outlined below. All relevant updates have been reflected in the [ISLA Best Practice Handbook](#).

Key Issues & Activities

Focus on Increasing Automation (SFT 01)

- ✓ Lending intermediaries and borrowers should [automate recalls and return instruction flow](#) processing either through in-house development or vendor services to provide electronic messaging using defined and standardised data. To be completed no later than: 31/12/2026

Securities Lending Recalls & Returns (SFT 02)

- ✓ Market Participants will adhere to the prevailing industry [best practices](#) regarding recall cut-off times and return deadlines. To be completed no later than: 11/10/2027
- ✓ In the context of the UK where the market (stock exchange) closes at 16:30 GMT, means that the recall notification issuance cut off time would be 16:00 GMT on trade date or T+0.

Post-Execution Order Instructions (SFT 03)

- ✓ As per the AST recommendation, buy-side participants will provide notification to lending intermediaries of any sales as soon as possible after execution to expedite any potential recalls within the cut-off time specified within SFT 02. To be completed no later than: 11/10/2027
- ✓ The [BoE](#) and [FCA](#) have published a number of letters and reports clear expectations of market participants incl. Asset Managers.

SLO/SLRs in CREST

- ✓ Following active engagement led by ISLA in conjunction with Euroclear and the UK AST T+1 working group, from 15 June 2026, Stock Loan Returns (SLRs) for lending and collateral will be eligible for same-day settlement within CREST – reflecting current market developments and supporting the UK's transition to T+1 settlement in 2027.
- ✓ SLRs can be settled on the same business day as the original Stock Loan (SLO), removing the prior requirement to defer settlement until the following business day. This change will not only benefit the settlement of underlying trades but also collateral movements.
- ✓ All changes have been reflected in the [ISLA Best Practice Handbook](#).

Readiness Register

- ✓ The UK AST have launched a [Readiness Register](#) for firms to self-certify that they are compliant with all relevant T+1 recommendations ahead of 11/10/2027.

Key Milestones T+1 EU Roadmap

2025

02/25: UK AST Technical Group Implementation Plan and recommendations published

02/25: All recommendations accepted and transition date confirmed.

11/25: HMT publish the UK T+1 Draft SI which includes the UK T+1 SFT Exemption.

11/25: [UK AST FAQs](#) published including specific Sec Lending FAQs.

2026

06/26: CREST Go-live for SLO/SLR

2027

11/10/27: T+1 Transition Date

Accelerated Settlement T+1: EU Recap

The transition of European securities markets to a T+1 settlement cycle represents one of the most significant structural changes to the EU post-trade landscape. It is a reform driven by a clear objective: to enhance settlement efficiency, reduce systemic risk, and strengthen the resilience and global competitiveness of Europe's capital markets.

Following an initial phase of consultations, an EU High-level Roadmap was published in June 2025. SFTs were a key focus with almost 30 recommendations put forward by the SFT workstream. 2026 will see firms focus on implementation to allow for testing in 2027. The EU T+1 Securities Settlement Handbook, published on 3 February 2026, acts as a live document, providing institutions practical implementation guidance. ISLA is an active member of the EU Taskforce and all relevant updates have been reflected in the [ISLA Best Practice Handbook](#).

Key Issues & Activities

Focus on Increasing Automation & STP

- While being exempt from T+1 as a product, SFTs will be particularly impacted by the move to T+1. Focus on driving automation and STP across the whole lifecycle therefore even more critical – for SBL, this includes recalls and return instruction flows.

Securities Lending Recalls & Returns

- Following extensive market consultation, EU CET Recall, Return Notification and Return Settlement Deadline recommendations were published.
- Return settlement deadline was achieved based on DvP cut off, allowing lenders time to return DvP market sales
- Buy-side participants recommended to provide notification to lending intermediaries of any sales as soon as possible after execution to expedite any potential recalls within the cutoff time.
- A key repo concern regarding the scale and impact of a potential market shift to T+0 which could significantly reduce netting, significantly affect firms' intraday liquidity with possible knock-on impact on settlement efficiency
- Following the creation of the Taskforce, a new 'gating event' process was created, introduced by all relevant CSDs and based on existing CSD functionalities, minimising disruption to current process. [The final taskforce report](#) outlines key specifications.

Potential Extension of DvP Cut-Off

- ESMA's EU T+1 Coordination Committee (Summary of Conclusions of 5 February 2026) notes an AMI-SeCo/AMI-Pay consultation (until 18 February 2026) on a potential postponement of the DvP cut-off time in T2S from 16:00 CET to 17:00 CET; this postponement is not a pre-requisite for T+1.
- ISLA is active in an ongoing AMI-SeCo consultation in relation to T2S. [The ISLA DvP position paper](#) outlines our key positions.

Cross-Industry Testing

- A joint EU/UK testing workstream has been established to help coordinate cross-industry testing for T+1
- For SLB, ISLA produced detailed T+1 testing considerations in a menu style to support the market testing.
- Information on testing across the EU & UK can be [found here](#).

Market Readiness

- On 3 February 2026, the EU T+1 Industry Committee published the [Outcome of its Industry Readiness Survey](#) (ValueExchange key findings). The results found that while engagement is high, only 30% of the industry recommendations have been implemented

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Key Milestones T+1 EU Roadmap

2025

01/25: EU T+1 Governance Announced incl. Technical Workstreams

06/25: EU High-Level Roadmap to T+1 Published

14/10/25: Regulation (EU) 2025/2075 published in the Official Journal (amending CSDR for T+1; application from 11/10/27)

2026

03/02/26: EU T+1 Securities Settlement Handbook published

2027

11/10/27: T+1 Transition Date