

T+1 FAQ

Q. What is the Post-trade 'oversight committee'?

A. This group is the core of the Accelerated Settlement Taskforce Technical Group (* See Terms of Reference below) and was created in January 2024.

It comprises:

- Representatives from 10 firms acting as workstream leads (Baillie Gifford, BBH, DTCC, EUI, Forvis Mazars, Goldman Sachs, JPMorgan, Linklaters, Pierpoint, Santander)
- Representatives from 10 industry associations, some of whom are also workstream leads (AFME, FMSB, GFMA, IA, ICMA, ISITC EU, ISLA, PIMFA, UK Finance)
- Observers from:
 - 3 UK public authorities (HMT, BoE, FCA)
 - 3 EU industry associations (EFAMA, ECSDA, EACH)

* [Technical Group Terms of reference](#)

Q. What is the 'Post-trade Code of Conduct'?

A. The finalised recommendations (excluding ENV) will become the 'Post-trade Code of Conduct', a settlement 'user manual' for UK markets and instruments defined in Recommendation Zero, the scope.

The final recommendations, defined and agreed by the 450+ person task force, will be the basic operational standards with which all UK market participants will be expected to comply for both a successful implementation of T+1 and the most efficient operation of the UK market post-implementation.

Q. How will compliance with the Post-trade Code of Conduct be supported?

A. Although the Post-trade Code of Conduct will not directly impose any legal or regulatory obligations on market participants, you will be expected to comply with the recommendations it contains. This compliance will be supported via a number of mechanisms:

- Activities should be considered against the backdrop of an amendment to UK CSDR Art 5(2) which will require participants to settle their transactions by T+1.
- The FCA could have supervisory discussions with firms about any legislative requirement under UK CSDR in relation to T+1 settlement, firms' preparedness for T+1 settlement, and how the activities of firms may be aligned with the Post-trade Code of Conduct (or not), noting that through, for example, the FCA's Principles (PRIN) (alongside other provisions as described in LEL 01.00), the FCA requires firms to conduct their activities in a way which supports the integrity of the UK financial system.
- The FCA could take other actions available to it, such as writing Dear CEO letters or making speeches encouraging compliance.

- Certain recommendations of the Post-trade Code of Conduct will be incorporated into the rule books of UK FMIs.
- Endorsement and incorporation into market practices defined by the industry associations represented on the T+1 oversight committee.
- Market forces – ultimately, parties will want to transact with counterparties that comply with the Post-trade Code of Conduct as it is anticipated that failure to do so will create an additional cost drag through the need for remediation of transactions and/or transaction failure.

The Technical Group also anticipates Government acceptance and endorsement of the recommendations contained within the Post-trade Code of Conduct as happened for the Geffen report.

Q. What will happen if I don't comply with the Post-trade Code of Conduct?

A. In simple terms, you will likely find it difficult in practice to operate in the T+1 environment for any or all of the following reasons:

- You may be in breach of legislation or regulatory obligations (as referred to above) when in force.
- Your peers will elect to transact with other more efficient participants.
- Your cost base will make your continued participation economically untenable.

Q. Who is going to manage the implementation of T+1?

A. The original Government mandate for the Accelerated Settlement Taskforce expires on publication of the final report at the end of 2024. However, a number of draft recommendations promote the extension of the life of the Taskforce to cover the period of planning and implementation from the end of 2024 up to and including go-live in 2027. Following agreement with HMT and Euroclear UK & International, the Technical Group will continue its role in the UK's T+1 journey moving from recommendation drafting to implementation planning and eventual delivery of T+1 in the UK.

Q. The Geffen report concluded that the transition to T+1 should be a 'phased two-step process'. Is this still the plan?

A. The original principles remain in place:

- Stage 1: Completion of preparatory work necessary to transition to T+1.
- Stage 2: Transition to T+1

Having completed its detailed analysis and arrived at a set of recommendations, the Technical Group is able to be more granular about the two-step process:

- Step 1:
 - Step 1a: Recommendations (operational and behavioural) to be implemented by the end of 2025
 - Step 1b: Recommendations (operational and behavioural) to be implemented by the end of 2026

- Step 1c: Recommendations (operational and behavioural) to be implemented a predetermined time before transition (e.g. 3 months before transition day)
- Step 2: Transition which will occur over a weekend in Q4 2027.

The implementation dates associated with each recommendation, which will take into account any sequencing required, will be finalised together with the Transition Date in the report scheduled for publication at the beginning of 2025.