

UK T+1 Current State

UK background:

- In December 2022 HMT encouraged the creation of an industry led Taskforce with a two-year mandate to examine the case for accelerated settlement in the U.K.
- The Taskforce is required to produce an interim report by end of 2023 and a final report by the end of December 2024.
- Due to a change of Economic Secretary to the Treasury and other circumstances the Chair's interim report was delayed to Q1 2024

Current status:

- The Chair's interim report outlined that the UK should move to T+1 proposing the deadline to be 'by the end of 2027'.
- The report references the potential for coordination with the EU and the need to learn lessons from the US move
- To ease the transition a mandate for certain 'pre settlement' operational processes to be performed on trade date (allocations, confirmations and trade level matching)
- A Technical Group has been established which will:
 - Ensure the challenges of T+1 are understood, and solutions are identified
 - Plan the implementation and establish the necessary standards, deadlines and processes to achieve the shortened cycle
 - Define the instrument and transaction scope
 - Publish an interim report of recommendations at the end of September 2024 for which we believe there will be a public consultation to seek feedback
 - Publish a final report by the end of 2024 outlining findings and recommendations including the date the UK should move
 - The report will also include a review of the Lessons Learned by the US move
- UK T+1 event on 20th June

UK Accelerated Settlement Technical Group

UK T+1 Technical Group - Workstreams and Governance structure

Note, the governance structure may evolve as the project develops.

Chair: Andrew Douglas

Oversight Committee:
 Participants include: AFME, ICMA, The IA, UK Finance, ISLA, ISITC, LSEG, Euroclear UK&I, PIMFA plus Workstream Leads.
 Observers: HMT, BofE, FCA

Workstreams

<p>Operations</p> <p>Co-Leads: Ben Johnson (Forvis), Mimi Yan (FMSB)</p>	<p>Alignment</p> <p>Co-Leads: Gareth Jones (Euroclear), Sachin Mohindra (GS)</p>	<p>Trading and Liquidity</p> <p>Co-Leads: Adam Conn (Baillie Gifford), Jessica Morrison (LSEG), Thomas Hansen (Santander)</p>	<p>Lessons from the US move</p> <p>Co-Leads: Matt Johnson (DTCC), Emma Johnson (JPM)</p>	<p>Legal & Regulatory</p> <p>John Siena (BBH), Ash Rowlands (Linklaters)</p>
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Sub-streams

Static Data	Scope	Stock Lending	Lessons from US Move	Legal & Reg
Deadlines & Processes	EU & US Alignment	Repo		
Corporate Actions		Trading		
Infrastructure Resilience		FX		
		Funding		

Technical Group Workplan note that this is a draft and is not public domain at this stage

UK T+1 Accelerated Settlement Taskforce

DRAFT

Lead Working-Group

◆ Key Activities
 Tasks
 ◆ Key Deadlines

	Q2 '24			Q3 '24			Q4 '24		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Core		◆ [28 May] Completion of individual workstream recommendations ◆ [28 May] US Go Live	◆ [28 Jun] Draft of Overall Plan for Bank Consultation	◆ [20 Jun] UK Finance mid term event	◆ [23 Aug] Drafted Plan and Bank Consultation Submitted to HMT ◆ [23 Aug] HMT put draft through internal publication process	◆ [27 Sep] Publish Reviewed Draft 2025 Plan ◆ [27 Sep] Open Consult on 2025 plan	◆ [1 Nov] Draft Final Report ◆ [1 Nov] Consultation closure & result analysis ◆ [1 Nov] 2027 date agreement	◆ [2 Dec] Final Report Submitted to HMT ◆ [2 Dec] Confirmation of T+1 live date ◆ [2 Dec] Recommendations on who will lead implementation in 2025/2027	
WS1 Operational		Show & Tells from W/S leads starting 13 th May till 7 th Jun (Sequence TBD)		◆ [28 Jun] Draft 2025 Plan and questions for Bank Consultation					
WS2 Alignment				◆ [28 Jun] Draft 2025 Plan and questions for Bank Consultation					
WS3 Trading and Liquidity				◆ [28 Jun] Draft 2025 Plan and questions for Bank Consultation					
WS4 Lessons from the US move				◆ [28 Jun] Draft 2025 Plan and questions for Bank Consultation					
WS5 Legal & Regulatory				◆ [28 Jun] Draft 2025 Plan and questions for Bank Consultation					
Secretariat									

Please note, the contents of this document are confidential to the UK Accelerated Settlement Taskforce. Please do not forward