International Securities Services Association

## ISSA Symposium 2023

# T+1 Impacts Working Group

**Working Group Chairs:**
- Haroun Boucheta, BNP Paribas
- TBD

**25 Working Group Members**
**19 ISSA Member Firms involved**

## PURPOSE

The Working Group aims to provide in-depth analysis of the impacts and possible mitigating actions that can be taken by investors and their Securities Servicers especially in the context of non-domestic investors.
More particularly, the Working Group will assess assumptions, through the lens of cross-border impacts, on:

- Benefits of T+1 especially on risks, margins requirements and funding costs
- Challenges of post-trade processes
- Impacts on efficiency: settlement fails, cash penalties, securities financing transactions

T+1 is a trend which is being investigated across the globe and, in some countries, has either already been implemented or is planned. The transition to T+1 (or zero) is non-trivial as it would require years of planning, testing and coordination across the industry to ensure that global investment flows can be efficiently managed. Nevertheless, the political and regulatory will is high and changes to reduce the settlement cycle are occurring.

The stated benefits of T+1 are mainly around counterparty risk, margin requirements, funding costs and innovation. On the other hand, such move would imply significant challenges especially on post-trade processes as the settlement cycle would be reduced with increased pressure notably on matching, liquidity and cash management.

## SCOPE

- To identify the challenges of moving to T+1 for non-domestic investors
- To analyze the impacts of these challenges
- To suggest mitigation and best practices to reduce or negate these impacts
- To decide whether discussions with public stakeholders would be appropriate

## KEY DELIVERABLES

- Create a comprehensive document of the challenges, impacts and solutions or mitigants
- Educate the industry through webinars and conferences on the merits of the desired approaches
- Organize information exchanges with public stakeholders if needed

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