

## Accelerated Settlement Working Group

26 November 2024 Teams Call

### Meeting Minutes

#### Participants (in attendance in bold):

##### Bill Hodash, Colin Parry (PMO)

- John Abel, DTCC
- Ekaterina Andropova, Cognizant
- Fabian Brederweld, ABN AMRO
- Haroun Boucheta, BNP Paribas (Co-Chair)
- David Büchler, Liechtensteinische Landesbank
- Christopher Butler, BNY Mellon
- Akhila Chaganti, Deutsche Bank AG
- Alex Chow, The Investment Association
- **Jennifer Cryan,** **Citigroup**
- Simon Daniel, SWIFT
- Caroline Diggines, Northern Trust
- **Andrew Dobbs** **TCS**
- Barbara Domenici, ECSDA
- Alex Duggan, Cognizant
- Hannah Elson, JP Morgan
- **Danny Green,** **Broadridge**
- Jonathan Hartwell, Northern Trust
- Katherine Hoese, Cofinpro AG
- **Kamala Kannan,** **S&P Global Market (Co-Chair)**
- Prasanna Kumar Jha, Citibank
- Emma Johnson, JP Morgan
- **Gareth Jones,** **Euroclear SA/NV**
- **Thomas Koehler,** **HKEX**
- Loana Juka, Erste Group Bank AG
- Chris Lam, BNY Mello
- Heidi Lee, Deutsche Bank AG
- Louis Lesnika, CIBC Mellon
- Nadra Mueller, Deutsche Bank AG
- Nicolas Mallia, ECSDA
- Katica Mandic, Privredna Banka Zagreb d.d.
- Douglas McNaughton, U.S. Bank
- Koen Mertens, KBC Bank
- **Hui Ying Mew,** **Deutsche Bank AG**
- Marco Palazzi, Bank Julius Bär & Co. Ltd
- Jack Parker, JP Morgan
- **David Petiteville,** **Royal Bank of Canada**
- Michelle Pitts, Citigroup
- Jonas Prokop, Cofinpro AG

- Lars Scheuerling, Deutsche WertpapierService Bank
- Kristi Sisa, Nasdaq
- **AN Tran Quoc,** **Standard Chartered Bank**
- Gabor Varga, Swiss Re
- **Damien Veillard,** **BNP Paribas**
- Deepa Viswanathan, Deutsche Bank AG
- Frank Wang, Deutsche Bank AG
- Ron Van den Broek, ABN AMRO

## Agenda

1. UK Task Force/Technical Group Recommendations and Consultation
2. ESMA Final Report

### 1. UK Task Force/Technical Group Recommendations and Consultation

#### Key Points Addressed

- ISSA delivered its comment letter on the Consultation on 31 October. It was forwarded to all WG members on that day and posted on the ISSA website.
- The UK Task Force received 30 comment letters in total and will publish them on their website.
- The UK Task Force expects to submit a draft of its final report to the UK authorities in mid-December and then to the market in January.

### 2. ESMA Final “Report on the Assessment of the Shortening of the Settlement Cycle in the European Union”

#### Key points Addressed

- ESMA published its report on 18 November.
- ESMA calls for the EU to move to T+1 for all instruments and all transaction types and all countries on 11 October 2027 which is the same implementation targeted by the UK, so a full alignment with the UK.
- For that to be official, CSDR Regulation must be updated through the usual legislative process including the European Parliament and Council of Member States.
- While things could change and that process could take quite a while, ESMA is encouraging the industry to begin moving towards planning and implementing all necessary market practice changes now. Thus, the standards and market practice work and the legislative process should proceed in parallel. Clarity on what exactly will be covered in revised legislation versus what will be left to revised market practice will be defined as the two processes move forward.
- ESMA will set up a Governance Structure and Process over the next few weeks and expects to announce it on 10 December.
- Some early indications on ESMA’s thinking about the Governance Process has been communicated on calls. There will be technical workstreams under a PMO; a Steering Committee that will include market participants with the EU as an Observer; and a public sector body governing the full process. Industry Associations will be included, likely in the Steering Committee.
- The ISSA Board will discuss whether ISSA should play an official role in the Governance at its next meeting on 4 December. WG members stated their support for ISSA involvement especially in relations to the impacts on international investors and securities servicers.
- One WG asked if anyone had heard about Switzerland’s plans for Accelerated Settlement. Nobody had and another member suggested that ISSA get in touch with the Swiss market authorities to get an update. Bill responded that ISSA would first reach out to the SIX representatives on the ISSA Board and Operating Committee to ask what they know about these plans.
- While not yet decided, fail penalties may be suspended during the transition period.
- One WG member asked what would happen if the industry were to conduct all its planning and determined that the required changes could not be successfully implemented by the chosen 11 October 2027 implementation date. We surmised that the industry would need to express that view to ESMA and the EU Parliament at that time.

- ESMA stated in the Report that it had asked the industry for data on costs and benefits, but little data was submitted. They thus indicate that the main benefits are alignment with other marketplaces including the US, the elimination of the costs of misalignment and the capital benefits to the market.

### AOB and Close

No other business raised. The meeting was then closed.

### Summary of Follow Up Actions

No.	Action Description	Responsibility	Deadline
1.	Reach out to SIX representatives on the ISSA Board and OC to get an update on Switzerland's Plans for Accelerated Settlement	Bill	30 November