

T+1 Global Aspects Working Group

17 December 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 |
| ▪ Hector Lau, | HKEX |
| ▪ 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 |
| ▪ Sascha Schönsiegel, | NEXGEN |
| ▪ Sladjan Seferovic, | NEXGEN, Business Consultants GmbH |
| ▪ Kristi Sisa, | Nasdaq |
| ▪ Jan Stelzer, | NEXGEN |
| ▪ 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 |
| ▪ Matt Johnson | DTCC |

Agenda

1. EU T+1 Initiative Governance
2. 2025 Agenda Item for ISSA Accelerated Settlement WG: Initial Analysis of T0 Settlement Models

1. UK EU T+1 Initiative Governance

Key Points Addressed

- Following the issuance of ESMA's Final Report setting the implementation date as October 11, 2027, ESMA proposed a Governance Model in collaboration with the industry.
- The Governance Model features a T+1 Coordination Committee and a T+1 Industry Committee along with specialized workstreams. Bill showed slides depicting these elements of the Governance model.
- The Industry Committee is based on the prior EU T+1 Industry Task Force made up of 15 industry associations, including ISSA and the ISSA Board approved ISSA participating in the formal Industry Committee.
- The Industry Committee features an independent Chair and the committee appointed Giovanni Sabbatini as the Chair
- The Industry Committee has begun meeting to get organized and an official launch will take place in January.
- ISSA Accelerated Settlement WG Members are welcome to serve on Workstreams and nominate themselves for consideration as a co-chair of a workstream.
- Slide decks from ESMA and the Industry Committee depicting the governance have been posted on the Accelerated Settlement Working Group members' site.

2. 2025 Agenda Item for ISSA Accelerated Settlement WG: Initial Analysis of T0 Settlement Models

Key points Addressed

- Bill Showed the recently published Future of Securities Services (FOSS) white paper, focusing on the last section of the discussion of the "Accelerated Settlement trend. ISSA made a prediction about the future exploration of the business case for T0 in that section. The language of that predictions is as follows:
 - "ISSA now believes that following the successful T+1 implementation in many major capital markets centres, together with the continued progress and growth of digital assets, and if there is substantive progress made towards one of the larger economies moving to a central bank digital currency, that the remaining T+2 jurisdictions will continue to discuss a potential move to T+1 and – more broadly – ISSA expects that attention will progressively move towards T0. Business cases will be commissioned, focusing on the comparison of the marginal benefits of going from T+1 settlement to various forms of flexible settlement, including T0 settlement (real-time settlement at the point of trade or end-of-day settlement following multi-lateral netting of marketplace trades, as well as potentially other models).

This will be weighed against the investments required in new market practices, including those related to trading and funding of settlement for cross-border trades and perhaps the new technology platforms needed to facilitate such a move. ISSA makes no prediction as to the outcome of these investigations, except that by 2030, ISSA expects a consensus on whether there will be a compelling case for moving forward in the future to flexible settlement, including T0. Of course, even if the answer is to hold steady at T+1, this will be revisited at a later date as further technological breakthroughs transpire.”

- Bill reported that the ISSA Board has requested the WG to perform an early analysis of the various potential T0 settlement models and showed an initial draft outline of what could be included in the outline.
- The outline included what ISSA means by the term T0 settlement, why it is worthy of consideration, what the key benefits might be beyond those of T+, what the leading models of T0 might be and an initial analysis of each potential model and identification of each model’s potential impacts in many areas. Settlement of legacy asset classes and emerging digital asset classes will be included.
- The WG members were asked to review the outline internally in their firms and send any comments or suggested edits to Bill prior to the next WG meeting on 28 January.
- We will look to finalize the outline at the 28 January WG meeting.
- The draft outline has been posted on the Accelerated Settlement Working Group members’ site.

AOB and Close

No other business raised. The meeting was then closed.

Summary of Follow Up Actions

No.	Action Description	Responsibility	Deadline
1.	Review outline of Early T0 Analysis with colleagues in ISSA members firms and send any comments or suggested edits to Bill	WG Members	27 January