

Accelerated Settlement Working Group

8 April 2026 Teams

Meeting Minutes

Participants (in attendance in bold):

Julie Huxford, ISSA (PMD)

▪ David	Travers	Australian Custodial Services Association
▪ Fraser	Moodie	Australian Securities Exchange ASX
▪ Magdalene	Tay	BNY
▪ Sareeka	Hegde	BNY
▪ Doris	Tio	BNY
▪ Hyejoo	Shin	Citi
▪ Edward	Roncon	Citi
▪ Heidi	Lee	Deutsche Bank AG
▪ Hui Ying	Mew	Deutsche Bank AG
▪ Thomas	Koehler	Hong Kong Exchanges and Clearing Limited
▪ Aric	Yeung	Hong Kong Exchanges and Clearing Limited
▪ Cecilia	Cheung	Hong Kong Exchanges and Clearing Limited
▪ Cyrus	Cheung	Hong Kong Exchanges and Clearing Limited
▪ Edward	Tse	Hong Kong Exchanges and Clearing Limited
▪ Tina	Rathjen	J.P. Morgan
▪ Gemma	Campbell	New Zealand Clearing and Depository Corporation Limited
▪ Prashant	Vagal	NSDL Group
▪ Daniel	Harris	Société Générale S.A.
▪ AN	Tran Quoc	Standard Chartered Bank
▪ Tushar	Surwase	Standard Chartered Bank
▪ Dinar	Hasibuan	Standard Chartered Bank

Agenda

1. ASIFMA guest speaker: Lyndon Chao (https://www.asifma.org/wp-content/uploads/2025/12/asifma_t1-whitepaper_v1.5-final.pdf)
2. Global WG meeting recap (1 April 2026)
EU / UK / Swiss Testing task force update
ISSA TO Analysis
3. APAC WG in focus
4. AOB

ASIFMA guest speaker

Lyndon Chao joined the meeting to present the recently published ASIFMA paper 'Eyes wide open: A balanced view of Asia-Pacific market readiness for the T+1 equity settlement cycle', referencing the paper's findings and implications for Asia-Pacific markets. He detailed the unique operational, regulatory, and market structure challenges facing Asia-Pacific markets in adopting T+1. Key points below:

- Purpose and Scope – the paper was developed in response to the UK and EU's announcements to shift to T+1 settlement by October 2027, following India's and the US's moves, and aimed to provide clarity for regulators and exchanges in Asia-Pacific regarding the implications of such a transition. Lyndon noted that with India, China (albeit prefunded), US and Europe (once moved to T+1) ~88% of the world's flow will be on T+1 or less
- Key Findings and Recommendations: While T+1 reduces counterparty exposure, it increases operational risks, especially in markets without pre-funding requirements, prompting concern about risk transference rather than risk reduction, hence the need for regulators to consider both benefits and risks before implementing T+1. Compared to the US / Europe, APAC markets in general have stricter currency controls, less well intermediated securities lending markets, far greater external flows and greater regulatory fragmentation. Per 6 of the paper, APAC is generally a no/low fails market (contrast with US / Europe – with the latter ~7%), and there can be harsh penalties for fails. The very low rate somewhat masks the fact that there are still reasonable efficiency gains that need to be made – eg fax machines still in use, lack of automated matching and so on
- Prefunding and Funding Cost Implications: Lyndon described how prefunding models such as those in China enable T0/T1 settlement but impose significantly higher costs in today's higher interest rate environment, leading to active regulatory engagement to reconsider prefunding requirements as they become economically prohibitive
- FX and Capital Control Constraints: Lyndon detailed how restricted and semi-restricted currencies across Asia-Pacific create compressed FX funding windows under T+1, citing India and Korea as examples where limited coordination between securities and banking regulators has increased collateral demands and intraday funding pressure following settlement acceleration
- Strategic Considerations: T+1 Versus T0 and Competing Priorities: Some discussion re whether Asia-Pacific markets should invest in T+1 as an interim state or consider leapfrogging directly to T0 (in time), given technological trends (next gen Web 3.0, digital payment rails etc) and resource constraints. Noted also that exchanges must balance the push for shorter settlement cycles with the demand for extended trading hours, as moving to 24/7 trading reduces the window for post-trade processing (? how many 24/7 exchanges are actually needed in the world...)
- Market-Specific Approaches: David raised the point that Australia, while sharing some challenges with other Asia-Pacific markets, is better off in terms of currency controls, lending etc, however given the unique infrastructure issues that will continue to dominate for the next few years, by the time things are in and settled, may face a decision between following the US to T+1 or instead contemplating move directly to T0, with Lyndon agreeing with this as a possible outcome, and noting that the US may well be there by then in any case

Global WG meeting recap

Update from Global Accelerated Settlement WG meeting (1 April): Julie provided a short update on the UK/EU/Switzerland T+1 testing plan, which was published on 25 March – see here:

<https://acceleratedsettlement.co.uk/wp-content/uploads/2026/03/EU-UK-CH-T1-Testing-Plan.pdf>

There is a push to start testing now / soon, given no reason to delay. The plan is not a series of test scripts per se, but rather a guide to what should be tested etc. Note that it is aimed at the FMIs, and it is broadly assumed that the custodians and broker dealers will be across end client / asset manager readiness.

T0 Analysis - 7 of the 8 teams moving ... Work is mostly progressing and we should see content start to come back in later in the month. Depending on how that look / and once we consolidate the content, then it will be passed back to the wider group (including this group) for review (potentially May).

APAC WG in focus

Development of APAC Market Practices Matrix – Julie engaging with DTCC to see if they can assist here. Have now found the right person, so will report back once we get a response.

Information Repository – no new updates however Julie noted the recent publication of a paper by Thomas Murray that has some APAC content – will circulate with the Minutes.

AOB

Nil

Summary of Follow Up Actions

No.	Action Description	Responsibility	Deadline
1.	Julie to approach DTCC to see is they have data that may assist with the population of our APAC Market Practices Matrix	Julie	30/03/2026 30/04/2026
2.	All in WG to furnish any updates to Information Repository to Julie in order to keep up to date / refreshed (Document is located on member website ('APAC COLLATERAL' section))	ALL	Ongoing
3.	Julie to circulate recent Thomas Murray paper with Minutes	Julie	n/a – sending with Minutes