

Accelerated Settlement Working Group (APAC)

16 June 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
▪ Nidhi	Khazanchi	Citi
▪ Heidi	Lee	Deutsche Bank AG
▪ Hui Ying	Mew	Deutsche Bank AG
▪ 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
▪ Nigel	Rangel	HSBC
▪ Tina	Rathjen	J.P. Morgan
▪ Ryo	Terazawa	MUFG Bank, Ltd
▪ Gemma	Campbell	New Zealand Clearing and Depository Corporation Limited
▪ Prashant	Vagal	NSDL Group
▪ Rakesh	Mehta	NSDL Group
▪ Daniel	Harris	Société Générale S.A.
▪ AN	Tran Quoc	Standard Chartered Bank
▪ Tushar	Surwase	Standard Chartered Bank
▪ Dinar	Hasibuan	Standard Chartered Bank
▪ Jean-Remi	Lopez	The Value Exchange

Agenda

1. Welcome / Introductions
2. Global WG meeting recap (2 June 2026)
3. HKEX update (Aric Yeung)
4. The Value Exchange – EU T+1 pulse survey (Remi Lopez)
5. APAC WG in focus / AOB

Welcome / Introductions

Nigel Rangel (HSBC, Hong Kong) and Ryo Terazawa (MUFG, Tokyo) were welcomed to the WG.

Global WG meeting recap

T+1 Pulse Survey Findings: Julie noted the recent Value Exchange T+1 pulse survey, noting that 80% of firms are actively engaged globally in the transition, a significant increase compared to the US at a similar stage. The survey, discussed by Martin Lawrence and others, focused on EU, UK, and Switzerland, with APAC firms having also participated (Remi to cover in more detail, further below). The link to the Survey is here:

https://info.issanet.org/e/872991/paign-t1--key-findings-2026-q1/t7rplb/1963004805/h/ZJLPrv7s0n40zhRe3-QAq69P42ofK_xipe65CIXjVLc

Nigerian T+1 Transition: Julie reported that Nigeria had recently moved to T+1 settlement with a short (six-month) lead-in, following a phased approach from T+3 to T+2 to T+1. By all accounts, the transition went quite smoothly, however the group is seeking to learn from Nigeria's experience and the (global) WG may look to invite a Nigerian representative to any share lessons learned.

T+0 Business Case Development: Julie updated that 7-8 teams are still working on what is essentially the table of contents for a business case for a move to T+0 settlement. The draft is being condensed and reviewed again by team leads before circulating to the wider WG, with plans to engage an external consultant for further development.

Symposium

Julie noted strong interest in the recent symposium, with a draft write-up currently under review. ISSA expects to release documents and findings in early July, including snapshot calls in the APAC time zone to discuss outcomes.

APAC Symposium Planning: Julie announced plans for an APAC symposium in Singapore next year (May 2027) and highlighted the need for input on topics and workshop ideas. The event aims to address region-specific challenges and will include group workshops and presentations to drive future working group initiatives.

Call for Topic Suggestions: Julie encouraged all participants to submit suggestions for Symposium topics and breakout sessions, stressing the importance of early engagement to ensure the Agenda reflects the WG's interests and needs.

HKEX T+1 Consultation Update

Aric from HKEX provided an update on the recently closed T+1 consultation.

Consultation Process and Feedback: Aric explained that the consultation, following a 2025 discussion paper, closed on May 18th. The exchange is currently analyzing industry feedback to identify relevant issues and next steps.

Ongoing Engagement and Next Steps: Aric emphasized the importance of continuous engagement with industry participants and invited further feedback, noting that there is no set timeline yet for a formal response or next phase. Any further feedback can be directed to Aric, or online to HKEX.

Future Progress Updates: Julie confirmed that the group will check in with Aric in future meetings to monitor progress and share any new developments from the Hong Kong Exchange.

The Value Exchange – EU T+1 pulse survey

Remi provided extensive context on why the European transition to T+1 settlement is significantly more complex than other jurisdictions. He explained that the European Economic Area (EEA) involves 29 separate national regulators plus a coordinating body, creating a fragmented regulatory environment compared to single-regulator systems like the UK or Switzerland. He highlighted the scale of market infrastructure involved—hundreds of exchanges, trading venues, clearing houses, and central securities depositories across multiple currencies—making coordination inherently difficult. He emphasised that this is a market-led initiative rather than regulator-driven, increasing reliance on industry

alignment. These factors collectively illustrate why Europe requires long preparation timelines (up to 48+ months) and why APAC participants must pay close attention. As earlier, the link to the Survey is here:

https://info.issanet.org/e/872991/paign-t1--key-findings-2026-q1/t7rplb/1963004805/h/ZJLPv7s0n40zhRe3-QAq69P42ofK_xjpe65CIXjVLc

Preparation Status and Industry Engagement: Remi shared survey findings showing high awareness (e.g. ~85% in the UK) but highlighted gaps such as ~40% of UK firms not yet started and concerns over buy-side readiness; the outcome is a need for increased preparation and engagement, particularly in APAC. He noted that even in the most advanced markets, a significant proportion of firms have not fully started or progressed their implementation work. He cautioned against overconfidence, particularly among firms claiming to be “fully prepared” despite ongoing regulatory uncertainty and incomplete operating standards. He also stressed that buy-side firms, especially in Asia, are lagging in preparation and appear to be underestimating their required involvement, which could create systemic issues as the transition approaches.

Key Risk Areas for APAC Participants: Remi identified four critical areas likely to impact Asia: foreign exchange (FX), settlement exception handling, securities financing (including repo and lending), and operational timing. He explained that these activities will occur outside APAC business hours under T+1 making real-time intervention difficult. He highlighted FX risk in particular, noting challenges in sourcing less liquid currencies (e.g. Polish zloty) within compressed timeframes. He emphasised that automation is the primary mitigation strategy, as manual processes will not scale effectively across time zones.

Operational and Time Zone Challenges: Unlike the US T+1 transition—where APAC teams could resolve issues by starting earlier—European post-trade processing occurs entirely during APAC night hours. This could create a need for potential “third shift” operations, which then raises practical challenges around staffing, escalation processes, decision-making authority, and cost in relation to exception handling during off-hours. Automation thus remains a critical factor in the drive to minimise exceptions.

Buy-Side Assumptions and Custodian Dependency: It was noted that some buy-side firms may be assuming that their custodians will absorb operational burdens, such as providing FX liquidity, credit lines, or settlement support. This could be risky, as custodians may not have capacity or balance sheet flexibility to support all clients. More broadly, custodian reliance would entail the need for clear authority to act on clients' behalf or implement partial settlements should that be required. While there may be some “shortcuts”, such as synthetic exposure via swaps or custodians holding assets to simulate longer settlement cycles, these approaches may be costly, constrained, or infeasible in Europe due to regulatory and tax implications.

Fund Dealing Cycles and Liquidity Constraints: It was also noted that mismatches between investment timing and settlement cycles could lead to cash holding breaches (e.g. exceeding the 10% limit in UCITS funds) or borrowing constraints (limited to ~5%). Remi outlined scenarios where funds may need bridging loans or pre-funding, both of which introduce complexity and regulatory risk, as was discussed by the WG. The need for pre-allocating assets was highlighted as a possibility.

Automation, Cost Uncertainty, and Industry Readiness Risks: Remi highlighted the importance of automation but noted that many firms have not yet quantified costs, which undermines planning. He also highlighted widespread uncertainty about counterparty readiness, with firms struggling to assess each other's preparedness due to a multitude of both complex and inconsistent questionnaires, which is creating a “confidence gap” across the market, where even capable participants appear unprepared due to lack of clear communication.

Milestones, Testing, and Readiness Indicators: The phased approach to transition was outlined: planning, implementation, and testing. There are regulatory expectations such as achieving TO allocations and confirmations by year-end, although it was noted that a significant proportion of firms may miss these milestones. Remi flagged firms not planning to test as a major red flag, given the complexity of new processes like partial settlements. Despite concerns, he concluded that overall readiness is trending positively, provided firms continue progress.

Industry Awareness and Call to Action: Remi was thanked for his excellent presentation. Awareness in APAC is increasing, but it is becoming increasingly clear that firms cannot rely solely on European teams to manage the transition. This highlights the need for regional engagement, proactive preparation, and alignment across stakeholders, - as such, continued participation and information sharing within the group is encouraged.

APAC WG in focus / AOB

No new updates or actions were noted.

Summary of Follow Up Actions

No.	Action Description	Responsibility	Deadline
	Nil		