

United Kingdom (UK)/European Union (EU)/ Switzerland - T+1 Settlement Reforms

Frequently Asked Questions
Second Edition (Updated June 2026)



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Appendix - Glossary

Regulatory change overview and latest developments



1. Why are the United Kingdom, the European Union and Switzerland (collectively “Europe”) moving to a Trade Date plus 1 (T+1) securities transaction settlement cycle?

The transition to a shorter settlement cycle is driven by the understanding that reducing the time between trade execution and settlement can significantly mitigate market and counterparty risk. By moving to a T+1 settlement cycle, the period during which credit, operational, market, and counterparty risks are present is minimized. This reduction in risk concurrently leads to decreased margin requirements, enhanced market liquidity, and more efficient capital utilization. Additionally, the continuous advancement in technology presents opportunities for automation, which can further enhance operational efficiencies within the settlement process.

2. What is the current regulatory status in Europe? UPDATED

The following outlines the governance frameworks and regulatory status regarding the transition to T+1 in the UK, EU, and Switzerland. While the governance bodies are collaborating closely on the shift to T+1, there are some distinctions between the **jurisdictions**.

United Kingdom (UK)

UK Accelerated Settlement Taskforce (AST): The move to T+1 in the UK is driven by a His Majesty’s Treasury (HMT) endorsed and industry-led Accelerated Settlement Taskforce (AST). In January 2025, the AST recommended that the UK transition to a T+1 settlement cycle on October 11, 2027.

Report & Recommendations: Alongside the transition date, the AST published a report and consultation which outlined 43 principal recommendations plus 14 additional recommendations, including clarification on which instruments will be in scope for T+1 settlement. On September 11, 2025, the AST published¹ an [updated implementation plan](#) for the transition.

Legislation: In November 2025, HMT published a [draft Statutory Instrument](#) which outlines how UK Central Securities Depositories Regulation (CSDR) will be amended to reflect the move to T+1 on October 11, 2027, alongside a policy note which explains the approach taken. The document has an exclusion for Securities Financing Transactions (SFTs).

The Statutory Instrument is awaiting finalization and the necessary legislative approvals, including parliamentary scrutiny.

¹ The ASTTG published an updated version of the implementation plan on September 11, 2025, which added an additional highly recommended action (FX 04.00 Trading/Settlement)

European Union (EU)

EU T+1 transition Industry Committee: CSDR Refit² mandated the European Securities and Markets Authority (ESMA) to assess the feasibility of shortening the EU securities settlement cycle. In October 2024, ESMA, the European Commission (EC), and the European Central Bank (ECB) issued a joint statement announcing the establishment of a dedicated governance structure for the transition to a T+1 settlement cycle, which includes the T+1 Coordination Committee and the T+1 Industry Committee, supported by specialized workstreams. The Industry Committee (IC) led the development of the High-Level Road Map and continues to monitor progress.

Report & Recommendations: To support market participants, the EU T+1 Industry Committee published a [High-Level Road Map](#) on June 30, 2025, offering non-binding recommendations to address key operational considerations and assist with preparations and budgeting for the transition.

Additional materials: In addition to the High-Level Road Map, the EU Industry Committee have published a range of additional materials on their website, including an implementation handbook, corporate events harmonised implementation guide, the T+1 testing plan as well as guidance around partial settlement, SSIs and SFT Optimization³.

Legislation

Level 1: The EU have passed a change to CSDR (909/2014) article 5(2)⁴ mandating that trades on a trading venue settle “... no later than on the first business day after the trading takes place...”.

Level 2: Amendments to Regulatory Technical Standards (RTS) on Settlement Discipline (2018/1229)⁵ - ESMA have amended this CSDR RTS to adopt some of the EU T+1 roadmap recommendations. ESMA have since indicated that they will further clarify where there is flexibility on the adherence to some of these recommendations.

Level 3 (non-binding, interpretive materials): ESMA published a consultation⁶ at the end of May 2026 which proposes targeted amendments to its 2019 Guidelines on standardised procedures and messaging protocols⁷ used between investment firms and professional clients for allocations and confirmations under Article 6(2) CSDR. ESMA has proposed that the revised Guidelines apply from December 7, 2026.

Switzerland

Swiss Securities Post-Trade Council (Swiss SPTC): The Swiss move to T+1 is being coordinated by the SPTC, who have set up a dedicated T+1 Task Force with various workstreams.

Report & Recommendations: The SPTC published [final recommendations](#) on a move to T+1 in November 2025, with a number of recommendations⁸ shared with the UK and EU T+1 transition recommendations.

Legislation: The Swiss market is a self-regulated market and does not require a legislative or regulatory change to adopt T+1. The Liechtenstein stocks settling on the Swiss CSD must still adhere to the EU recommendations.

3. Europe has shortened the settlement cycle before - what's different this time?

Europe previously transitioned from T+3 to T+2 settlement in 2014, successfully adapting to a shorter settlement cycle.

The upcoming move to T+1 settlement is a more significant change, with the reduction of the one day buffer providing less time to address settlement mismatches or to complete ancillary processes necessary to settle the transaction.

Industry groups and the UK, EU and Swiss Steering Committees have engaged to discuss the necessary steps to transition to T+1 settlement, though the exact build for each firm will be specific to them. The industry is endorsing the adoption of settlement efficiency tools such as Hold & Release, Auto-partial settlement, and extended settlement windows to support the T+1 cycle.

² CSDR Refit, or [Regulation \(EU\) 2023/2845](#), is a legislative amendment to the EU's Central Securities Depositories Regulation (CSDR) that aims to enhance the efficiency of EU settlement markets and reduce regulatory burden for Central Securities Depositories (CSDs). It clarifies rules on settlement discipline, streamlines cross-border services, and improves supervisory cooperation, having entered into force in January 2024.

³ <https://eu-t1.eu/resources-2/>

⁴ https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202502075

⁵ https://www.esma.europa.eu/sites/default/files/2025-10/ESMA74-2119945926-3430_Final_Report_-_CSDR_RTS_on_Settlement_Discipline_and_tools_to_improve_settlement_efficiency.pdf

⁶ https://www.esma.europa.eu/sites/default/files/2026-05/ESMA74-2119945926-3513_Consultation_paper_GLs_standardised_procedures_and_messaging_protocols.pdf

⁷ <https://www.esma.europa.eu/document/guidelines-standardised-procedures-and-messaging-protocols-under-article-62-regulation-eu>

⁸ <https://www.six-group.com/dam/download/sites/swiss-sptc/t1/swiss-sptc-t1-recommendations-paper.pdf?secureweb=WINWORD&secureweb=WINWORD>

J.P. Morgan is actively involved in market advocacy and closely monitoring infrastructure changes.

The shift to T+1 settlement requires firms to update their processes for timely and accurate settlement instructions. Any updates to our settlement processes will be communicated to clients well in advance, allowing time to adjust operating models. J.P. Morgan is committed to supporting clients through this transition.

4. Why did the industry advocate for the EU, Switzerland and the UK to transition at the same time?

The EU and the UK are still heavily interconnected post-Brexit, with many multi-listed securities and therefore cross-border transactions between the jurisdictions.

Without a coordinated transition, mis-aligned settlement cycles between these multi-listed financial products would have caused additional funding and settlement risks, potentially also impacting instrument liquidity and costs. The UK and EU taskforces considered the impact of a misaligned transition on these items, particularly focused on ETPs (Exchange-Traded Products) and Eurobonds, with the impact on these securities being one of the factors in determining an aligned transition date.

5. Which jurisdictions are in scope of T+1 in Europe? NEW

Whilst CSDR, the regulatory vehicle driving T+1, applies to EU Member States, wider European Economic Area (EEA) countries must also adapt to the scheduled changes to the regulation and amend national legislation accordingly. The EU High-Level Roadmap also outlines that the report pertains to the securities markets of the European Union and the wider EEA.

The EEA consists of:

- **The European Union (EU) which consists of 27 member states:** Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden; and
- **Non-EU countries:** Norway, Iceland, and Liechtenstein

The **UK** is in scope through an amendment to UK CSDR

The **Swiss** market is in scope through industry practice, however it is a self-regulated market and does not

require a legislative or regulatory change to adopt T+1. Notably, for applicable transactions on Liechtenstein stocks settling on the Swiss CSD, they must still adhere to CSDR, which is outlined within the Swiss T+1 report.

6. How should market participants prepare for the T+1 transition? UPDATED

Each market participant's preparations for T+1 settlement across Europe will be specific to that firm, however there are a number of assessments that firms may wish to consider for their readiness for T+1.

- An impact assessment against the recommendations outlined in the UK, EU and Swiss reports, with associated actions taken against any gaps
- A review of further industry materials⁹ as found on the UK, EU and Swiss T+1 websites. These materials include guidance on:
 - Standing Settlement Instructions (SSIs) through the Financial Markets Standards Board (FMSB) report
 - Partial settlement
 - SFT Optimisation
 - Industry testing
 - EU Handbook outlining further detail on some of the recommendations
- For the participant to consider their own metrics in their ability to execute for T+1 settlement and as outlined in the testing report. Are they adequately allocating, confirming, instructing the market and matching on trade-date to settle on T+1?
- Market participants may wish to assess the readiness of key stakeholders or dependencies within the settlement chain to ensure that they are ready for T+1, which may include clients, custodians, counterparties or infrastructures.

7. Which instruments and transactions are in scope, and must they all settle on T+1? UPDATED

Effective October 11, 2027, all relevant instruments traded on-venue within the UK, EU and Switzerland and currently settling on a T+2 basis will transition to T+1 settlement, per the scope outlined within the industry documents (e.g. EU High-Level Road Map). This change will apply universally to all market participants, irrespective of their domicile.

The regulatory scope under EU and UK CSDR Article 5.2, which defines the settlement cycle, is limited to 'on-venue' activities, settling within that same jurisdiction.

⁹ <https://eu-t1.eu/resources-2/>

Over-The-Counter (OTC) transactions, whilst not directly regulated are expected to follow the on-venue settlement cycle as a market convention. Currently, OTC transactions default to the on-venue cycle but may be bilaterally agreed to settle on a non-standard basis (e.g., T+3). This flexibility will remain under T+1, however as is the case today, opting for non-standard settlement cycles may adversely affect straight-through processing (STP) rates and counterparties may price in the additional days funding for a longer settlement date.

Both the EU and the UK amendments to CSDR Article 5.2 exempt Securities Financing Transactions (SFTs) to support the effective operation of the SFT market. In the EU, this was scoped as: “the exemption should only apply if SFTs are documented as single transactions composed of two linked operations”, whereas in the UK they more explicitly de-scope these transactions.

The updated version of the EU Industry Committee handbook¹⁰, published in June 2026, has provided clarity on the scope of Exchange Traded Derivatives and physical delivery of the underlying securities. Both the derivative and the delivery of the underlying securities are out of scope, however expected industry market convention has formed around the settlement cycle that should apply to physical deliveries as output from derivatives, with equities expected to be T+1 and fixed income at T+2.

8. How are regulators tracking adherence to the UK, EU, and Swiss T+1 recommendations and to whom do they directly apply? UPDATED

The UK Accelerated Settlement Taskforce and EU Industry Committee have created recommendations under a “Code of Conduct” and “Adhere or Explain” principles respectively. These principles were created as the groups reflected that best practice was insufficient to encourage adherence to the recommendations, as these recommendations are not regulation. Whilst not regulation, regulators such as the FCA (Financial Conduct Authority) have engaged with the industry on both a bilateral and collective basis to understand adherence to the industry recommendations.

As a further development, ESMA, the European regulator, have proposed amendments to the regulatory technical standards (RTS) on settlement discipline 2018/1229, bringing a number of the EU IC’s recommendations into regulation, such as the requirement to submit settlement instructions by 23:59. These amendments are awaiting approval and entry into force.

Given the challenge in adhering to some of the changes, ESMA have since noted¹¹ that their inclusion was to encourage adherence to the recommendations, and should not restrict instructions past this time.

¹⁰ <https://eu-t1.eu/wp-content/uploads/2026/06/Handbook2-v16.pdf>

¹¹ https://www.esma.europa.eu/sites/default/files/2025-12/T_1_Coordination_Committee_20251205_SOC.pdf?secureweb=WINWORD



9. What is the status of other jurisdictions and markets with regard to their plans for a T+1 transition? UPDATED

Settlement acceleration has become a growing global priority. J.P. Morgan Securities Services continues to advocate for an orderly and efficient post-trade environment, and while regulations and initiatives aimed at accelerating settlement and improving settlement efficiency are a natural progression, they need to be evaluated on an individual basis due to jurisdiction nuances, market structures and legal and regulatory obligations. As such, our advocacy has and will continue to take a market-by-market approach¹².

The global landscape of settlement cycle compression initiatives (as of June 2026) is depicted below:

Settlement Cycle Compression – The Global Landscape

An ever-evolving landscape, driven by the desire to manage risk & improve liquidity

Moved from T+2 to T+1



United States (May 28, 2024)



Canada (May 27, 2024)



Mexico (May 27, 2024)



Costa Rica (January 19, 2024)



Argentina (May 27, 2024)



Brazil

B3 announced transition to T+1 to take place in February 2028. Setup an Industry Committee to set priorities/ drive dialogues



Chile, Colombia & Peru

Expressed intention to migrate to T+1 settlement cycle in 2H 2027



United Kingdom

Transition to T+1 effective October 11, 2027. Published implementation plan in February 2025.



European Economic Area (EEA)

Transition to T+1 effective October 11, 2027. Published a high-level roadmap end of June 2025.



Switzerland

Transition to T+1 effective October 11, 2027. Published final roadmap in November 2025.



Türkiye

T+1 test environment opened in January 2026 and will close on December 31, 2026



Nigeria

Moved to T+1 for equities effective June 1, 2026



Mauritius

Intend to move to T+2 before February 2027



South Africa

JSE released whitepaper to obtain feedback on move to T+2 in 2029 and T+1 in 2030



Pakistan

Transitioned to T+1 on February 9, 2026



India

Transitioned to T+1 in January 2023

Rolled out optional T+0 settlement cycle for FPIs, effective May 1, 2025



Saudi Arabia

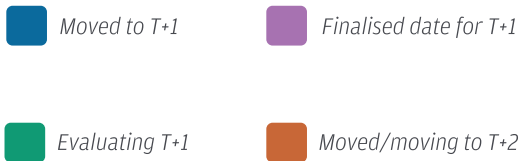
Assessing the transition to T+1 or T+0 settlement cycle, no timeline available



Oman

Plan to move to T+2 effective September 1, 2026

¹² Please refer to the latest Custody Industry and Regulatory Developments Report which summarizes the key regulatory, market and industry developments shaping the custody industry - <https://www.jpmorgan.com/content/dam/jpm/cib/complex/content/securities-services/regulatory-solutions/custody-industry-regulatory-developments.pdf>



Japan

FSA released interim report and formed study group to discuss the move to T+1



South Korea

Setting up a study group to discuss the move to T+1



Hong Kong

HKEX issued a Consultation Paper on T+1. Target go live Q4 2027



Taiwan

Sought feedback from market participants in November 2024 on the move to T+1



Thailand

An industry working group will be set up. SEC's initial view on timelines is 3-4 years to develop a proposal and go live.



Malaysia

Formed industry working group to put together whitepaper on T+1



Australia

Active industry dialogue and formal consultations around the move to T+1. Move before 2030 unlikely (post the CHES replacement project)

Moved from T+3 to T+2



Sri Lanka (June 10, 2024)



Qatar (March 25, 2024)



Zimbabwe (April 14, 2025)



Tanzania (Jan 5, 2026)

As of June 2026

10. How is the industry approaching the Europe T+1 transition testing?

NEW

On March 25, 2026, the EU, UK and Switzerland published a joint [T+1 Testing Plan](#). The report includes:

Clarity on testing periods: highlighting cases where testing is available now, whilst also noting dedicated testing windows in 2027 and anticipated T2S changes

High-level scenarios: noting a breakdown of potential testing touchpoints during the lifecycle of a trade whilst pointing to more dedicated scenarios for products such as securities lending and corporate actions

De-risking the transition: a section encouraging firms to improve readiness outside of testing by viewing their readiness through the lens of metrics. The report notes UK statistics (EU statistics will be added to the report through a later revision) and encourages firms of all sizes to perform a gap analysis against these.

While the report focuses on industry testing, it notes the optimization of internal processes and internal testing is key for a firms' T+1 transition plan.

Impacts



Pre-settlement

11. What are trade allocations, confirmations, and pre-matching? UPDATED

Trade allocations are used by firms to apportion trades ordered on behalf of one or multiple investment vehicles, funds, or non-fund clients. Allocations are important in the settlement cycle as they define the quantity splits and location(s) of where a trade should settle.

A **trade confirmation** is a receipt from the Broker Dealer (BD) confirming the trade details, including, but not limited to, price, value, quantity, execution time, and settlement date. Confirmations are often produced by the client's executing BD as it is the executing BD that will face the counterparty to the transaction.

In European markets, trade **matching** is managed at the CSD, supporting accurate trade confirmation and timely settlement. In markets where the hold and release mechanism is available (refer to Appendix 1 of the Global Custody Service Directory), trade matching is integrated into the settlement process. In Switzerland, J.P. Morgan supports a **pre-matching** process based on allegation which is used to identify and resolve discrepancies before settlement.

In the UK, all allocation and confirmation processing should be completed as soon as reasonably practicable, prior to any deadline set by any relevant intermediary, and no later than 23:59 Greenwich Mean Time (GMT) on T+0. In the EU, allocations and confirmations should be communicated intraday and as close to real-time as operationally feasible and should be exchanged no later than 23:00 Central European Time (CET) on Trade Date.

ESMA [clarified](#)¹³ in December 2025 that these deadlines should not be considered a strict deadline and that the RTS includes these recommendations to incentivize early sending of settlement instructions.

The jurisdictions have placed an emphasis on earlier and intra-day settlement instruction as this provides more time on trade date to assess for any matching issues and therefore whether there are exceptions to resolve ahead of settlement date.

Standard Settlement Instructions (SSIs)

12. What are the proposed changes around SSIs? UPDATED

In the UK, the UK T+1 Code of Conduct (UK-TCC) outlines specific actions and recommendations regarding SSIs. All

¹³ https://www.esma.europa.eu/sites/default/files/2025-12/T_1_Coordination_Committee_20251205_SOC.pdf?secureweb=WINWORD

market participants are required to implement the core principles and templates contained in the FMSB Standard for sharing of SSIs.

Participants are encouraged to automate the onboarding flow, exchange and continued management of their SSIs and to consider using an industry repository where possible. Otherwise, firms are invited to use standard SSI templates produced by the FMSB and to maintain appropriate governance around how they are managed and communicated.

The EU plan includes a recommendation to establish a “gold standard” format for settlement instructions to enhance settlement efficiency during the transition to a T+1 environment. The EU has formed a taskforce to review SSI best practices, which is likely to operate as additional to the work done by the FMSB. J.P. Morgan are engaged in this taskforce. In December 2025, the EU T+1 IC published their SSI Market Practice document¹⁴, which outlines SSI information flows and message types, and is interoperable with the FMSB SSI guide championed by the UK.

Switzerland and Liechtenstein are currently not planning to introduce changes on the formatting or established exchange procedures for SSI's. With the detailed market practices still being developed amongst market participants, more detailed recommendations might follow at a later point in time.

Settlement

13. Are the markets' securities settlement instruction deadlines changing?

The following relates to market deadlines. For J.P. Morgan's deadlines, please refer to *question 14*.

There are no announced changes to market deadlines at this time. However, all markets impacted by T+1 recommend sending settlement instructions as early as possible. It is recommended that Market Participants send their instructions as early as possible on trade date (T), to allow for potential exception resolution and ongoing ancillary processes such as lending recalls. Instructions submitted after this deadline (for example, on T+1 for same-day settlement) may still be processed, however, they are likely to incur CSD penalties or impact settlement efficiency. Market specific recommendations are found in the table below.

UK



Submit by 05:59 GMT on T+1



Settlement starts 06:00 GMT

In the UK, settlement starts at 06 :00 GMT. The UK AST recommends that all settlement instruction submissions to the CSD should be completed by market participants as soon as is reasonably practicable and prior to any deadline set by relevant intermediaries, and no later than 05:59 GMT on T+1.

EU



Submit by 23:59 CET (Trade Date)



SSS opens by 00:00 CET



T2S NTS runs at 00:00 CET

The EU T+1 recommendations state that settlement Instructions should be submitted to Securities Settlement Systems (SSS) by 23:59 CET on Trade Date, and all SSS should open for settlement at the latest by 00:00 and T2S NTS (Night-Time Settlement) should run at 00:00 CET, with the same priority order as today. ESMA's proposed amendments to the RTS include that settlement instructions should be sent as soon as possible, ideally by 23:59 CET on trade date.

Switzerland



Submit by 23:15 CET (Trade Date) for NTS



NTS: 01:30–03:30 CET



Real-Time: 03:30–23:15 CET (Free-of-Payment)



Versus-Payment: Currency cut-offs (e.g., CHF 17:00 CET)

In Switzerland, it is recommended to instruct settlements by 23:15 CET on Trade Date for them to be considered in the NTS cycle from 01:30 to 03:30 CET. Real-Time Settlement begins directly after NTS from 03:30 CET and runs continuously until 23:15 CET for settlements Free-of-Payment. For Versus-Payment transactions, currency cut-offs remain the same as today. For example, the CHF settlement deadline in SIX SIS is 17:00 CET

14 https://eu-t1.eu/wp-content/uploads/2025/12/B_SSI-Market-Practice.pdf?secureweb=WINWORD

14. Are J.P. Morgan's settlement instruction deadlines changing?

J.P. Morgan regularly reviews client instruction deadlines to deliver improved benefits, with enhancements dependent on market CSD, sub-custodian, and funding cut-offs. Updated deadlines are published via our custody Newsflashes, and the latest cut-off times are available on the Market Intelligence module of the Morgan Markets portal.

J.P. Morgan is actively reviewing regulators' recommendations and participating in the industry advocacy efforts such as extended settlement windows, which are still under consideration. We will assess any impact on our operating model and keep clients informed of any changes to deadlines through timely Newsflash updates.

15. Does the industry expect to see an increase in trade fails as a result of the change to T+1?

Market participants are encouraged to engage in sufficient preparation ahead of the T+1 settlement transition to mitigate any adverse impacts on the settlement efficiency.

In preparation for the October 2027 transition, market participants may experience a temporary increase in settlement fails and may wish to consider back-office resourcing implications over the transition period.

While the European Commission have noted that they will explore a temporary suspension of CSDR cash penalties over the go-live period of the T+1 transition, they may only enact this as a reactionary measure in the event of a large increase in settlement fails.

16. What changes are being introduced for Partial Settlements? UPDATED

In the UK, Switzerland and EU markets, there is ongoing advocacy to implement auto-partial settlement across market participants in the settlement chain, which helps optimize liquidity and achieve enhanced settlement efficiency. In applicable markets there are two flavors of auto-partial settlement offered by J.P. Morgan. In both instances both parties to the settlement are required to use the "PART" keyword in their instructions. J.P. Morgan takes care of this keyword on behalf of clients in both scenarios.

1. Partial Release: Clients are automatically enrolled into this service in the markets in which it is offered unless they have opted out. In this service Global Custody will release settlement instructions to the

market once available client inventory is available.

If a position is not fully available at the time a client settlement instruction is received, a pre-advice of the full position is provided to the market for matching with settlement instructions released as inventory becomes available. This service is available to clients in offered markets (see Appendix 1 of the Global Custody Service Directory) irrespective of whether assets are held in an omnibus or segregated structure.

2. Partial Settlement: This functionality is managed by the CSD and enables trades to be partially settled based on available long positions. Where a client wishes to use this market-level partial settlement functionality for an insufficient sale (i.e., not enough securities available at settlement), the client must first open a segregated account at the CSD and instruct J.P. Morgan to enable Auto Release (in supported markets). In this setup, J.P. Morgan releases the settlement instruction in full with the PART codeword, and the CSD manages the partial settlements based on positions available over time. This allows for the matching of sales before the stock becomes available and any technical netting services offered by CSDs, and as such may be of particular benefit to clients intending to trade repos. Settlement of the transaction will occur only when the stock becomes available or CSD netting is completed on the transaction. The list of markets where Auto Release is offered is provided in Appendix 1 of the Global Custody Service Directory¹⁵.

To prepare for the T+1 implementation, J.P. Morgan is taking a three-pronged approach around the implementation of Auto-partial Settlement:

1. Advocate for additional markets to support full Auto-partial functionality - Markets such as Switzerland, Slovakia, and Croatia have announced plans to introduce Partial Settlement functionality in preparation of T+1 implementation
2. Roll out partial release in additional markets - J.P. Morgan is currently testing the functionality with a number of markets and will provide announcements to clients via Newsflash at the point of implementation
3. Continue to enhance partial release logic - Since the onboarding of Euroclear to partial release in 2024, J.P. Morgan has enhanced its partial release logic by introducing new batches by currency and optimizing the timing of batches to maximize settlement rates. J.P. Morgan will by default opt clients into the use of Partial Release above a materiality threshold where sub-custodian and market offers this functionality. In

¹⁵ A copy of the Global Custody Service Directory can be found on Market Intelligence on J.P. Morgan Markets

December 2025, the EU IC working group published a [Partial Settlement Best Practice](#) which encourages firms to consider auto-partial settlement a “default”, with opt-out to be agreed bilaterally.

Post Settlement

17. In light of the transition to T+1, will cash penalties on failed trades be re-assessed by the regulators?

In the EU, the CSDR Settlement Discipline Regime imposes cash penalties for trades that fail to settle by the Intended Settlement Date (ISD).

Whilst the EU authorities had explored a temporary suspension, this is likely to be reactive to major impact to settlement efficiency on go-live and is unlikely to occur.

Separate to T+1 settlement, the EC and ESMA are exploring an increase to CSDR cash penalty rates on certain instrument types, with ESMA having made such proposals in their [November 2024 report](#) following industry consultation. While equities penalties are expected to remain at 1 basis point per day, sovereign debt rates would increase 50% from 0.2 to 0.3 basis points and other fixed income transactions by 100% from 0.1 to 0.2 basis points per day. If implemented, it remains to be seen if these increases will take effect before or after the October 11, 2027 T+1 transition date.

In the UK, settlement discipline is applied by the CSD, Euroclear UK & International (EUI). The [regime](#) includes a matching penalty where a penalty is imposed on the second party to match a transaction if completed after 05:59 GMT on T+1 of the trade. CREST have reviewed their settlement discipline rules, proposing an increase to the penalty rate for unmatched trades past DvP settlement from £2 per day to £4 per day following a short industry consultation and as part of their wider response to the AST recommendations¹⁶.

There are currently no plans to introduce a regulatory cash penalty regime for failed trades in Switzerland.

18. Why is the Place of settlement (PSET) and Place of Safekeeping (PSAF) relevant for the transition to T+1 settlement? UPDATED

In Europe, there are many cross-listed assets that can settle across a range of CSDs and ICSDs. This can

impact trade settlement, as the buyer and seller may be instructing their trade to settle across different CSDs, creating an exception. To address this, the UK and EU T+1 taskforces created recommendations aimed at improving transparency of where securities are held (PSAF), and where instructions should be settled (PSET).

These recommendations outline that custodians should include PSAF information in statements of holdings issued to clients.

The taskforces also outline that PSET should be instructed at the point of allocation, which means that market participants will need to have greater awareness of where their inventory is held. J.P. Morgan clients already provide this data on security settlement instructions. In ESMA’s RTS proposals from October 2025, PSET becomes a mandatory allocation field and as a result, clients should provide this to their custodian/broker in order to support cross-border efficiency.

J.P. Morgan will enhance the positions report (SWIFT and other reporting tools) to include the PSAF (Place of Safekeeping) as the BIC of the first CSD in the custody chain. This enhancement is intended to provide clients with greater transparency regarding the PSAF of their holdings.

19. Are there impacts to asset servicing with the move to T+1?

With the transition to T+1 settlement, clients should anticipate compressed timelines that will affect key dates and the scheduling of elective corporate actions.

For **mandatory distribution events**, the Ex Date will now coincide with the Record Date. J.P. Morgan is actively collaborating with dedicated industry working groups to support CSDs in accurately detecting and raising market claims, while also working to facilitate the development of a harmonized process across the industry.

For **elective corporate actions**, the last trading date is now expected to fall one business day prior to the market deadline. This change directly impacts deadlines for both clients and the broader market. J.P. Morgan is advocating for market deadlines to be set as close to the end of the business day as possible, thereby eliminating intraday deadlines and allowing for the settlement of transactions before client instructions are executed in the market. Additionally, J.P. Morgan is encouraging

¹⁶ <https://my.euroclear.com/content/dam/euroclear/Campaigns/T1/euroclear-eui-response-to-recommendations-of-the-ast.pdf?cid=ON-202507011605-Newsflash-UK-T1-Euroclear-UK-International-response-to-Accelerated-Settlement-Taskforce-Final-Report-recommendations>

CSDs to implement automated buyer protection functionality, which would remove the need for clients to manually send protection instructions to their trading counterparties. Given the increased risk associated with late trading in a compressed settlement cycle, timely and accurate instructions are essential to help mitigate these risks.

In preparation for T+1, new SWIFT messages are being developed for corporate actions. J.P. Morgan encourages clients to review these changes, assess their income entitlement processes, and consider automating instruction capture in readiness of the new settlement cycle.

20. Why is it important to consider asset servicing within the broader context of settlement instruction timeliness and efficiency?

NEW

Elective events need to be assessed in relation to overall settlement efficiency under T+1. With the shortened settlement cycle, post-trade timelines are compressed, which heightens the risk of fails, errors, and liquidity challenges if not managed holistically. This places increased importance on the initial stages of the trade lifecycle, requiring trades to be booked promptly so they are considered early enough for the client corporate actions team to provide timely instructions on the event and protect positions if required.

Funding

21. How is funding impacted by a T+1 settlement cycle? UPDATED

Clients are encouraged to perform an end-to-end review of cash funding including foreign exchange (FX) and time zone requirements to mitigate failed trades due to insufficient funding, excessive pre-funding or overdrafts¹⁷. Clients will have to make sure their funding model is adjusted to allow for timely delivery.

Other matters that clients may wish to consider include:

- A review of liquidity forecast procedures
- A review of internal liquidity management processes to fund in a timely fashion

- Fund settlement mismatch¹⁸ – For investment funds, there may also be funding mismatches caused by differences between the settlement cycles of shareholder fund flow transactions, and those of the underlying portfolio holdings. A strategic solution might be to align settlement cycles or at a minimum to change fund dealing cycle to T+2 to reduce liquidity mismatch (as recommended by ESMA and the UK Investment Association), however, this is likely to take time given a need to amend processing and documentation and may not be preferable for all products given a fund investment strategy may straddle markets with differing securities settlement cycles. Clients may wish to refer to our client briefing titled '[Accelerating European Mutual Fund Settlement](#)' for additional insight.
- Negotiation of different settlement cycles with individual counterparties
- Liquidity management to cover potential overdrafts and/or long balances

J.P. Morgan regional client instruction deadlines can be accessed on Market Intelligence (accessible through J.P. Morgan Markets).

Product Documents	Market Intelligence Location
FX Execution Guide	Product – Securities Services Foreign Exchange
Global Custody FX Deadlines	Product – Securities Services Foreign Exchange
FX CLS Cut-Off Times	Product – Securities Services Foreign Exchange
Global Custody Trade Deadlines (Used for FX SI or Tag 11A)	Product – Trade Deadlines
Securities Services Global Custody Cash Deadlines (Used for Free Cash and 3 rd Party FX)	Product – Cash Deadlines

¹⁷ Clients should note that the ability to draw on J.P. Morgan's balance sheet for overdrafts or the use of Continuous Linked Settlement are subject to J.P. Morgan's credit and legal review and are provided solely at the discretion of J.P. Morgan.

¹⁸ Please refer to questions 32-33 for further information

22. What are the FX considerations in a T+1 settlement cycle? UPDATED

J.P. Morgan supports our custody clients' FX needs through a broad range of solutions - including AutoFX or Direct FX executed with J.P. Morgan's Markets business, through to the settlement of FXs executed with third party counterparties via our cash capabilities or Continuous Linked Settlement (CLS). Depending on their FX and funding models, clients may need to adjust the way they execute and settle FX for T+1 securities transactions. Clients will need to consider the impact of performing FX execution, matching, and settlement before local currency cut offs on T+1.

J.P. Morgan recommends that clients review their FX model to determine whether it will be able to support their needs in a T+1 environment. Considerations include:

1. Clients may face additional challenges working with their FX providers to manage the end-to-end FX booking before local currency cut offs.
2. In a T+2 environment, clients would typically have the entire local working day on T+1 to perform these tasks and would not be subject to the same cut off concerns if booking a TOM (T+1 value) FX to settle on T+2.
3. Counterparties may have different FX and cash cut-off times to consider if booking same-day value FX on T+1.
4. Consider eventualities for where settlement may not be possible in base currencies such as around bank holidays. This may be particularly pronounced around extended bank holiday periods such as Chinese New Year or Japanese Golden Week.
5. Settlement through CLS is not available for FX trades executed on the same day as the intended settlement date, and all trades must be matched by SD-1 ahead of CLS unilateral rescind deadline of 23:00 London Time.

Potential Client Challenge	Potential Impact
FX Execution Requirement to execute FX for value T+1	Need for new execution capabilities in new time zones Local currency FX cut-offs across various counterparties
FX Settlement Challenge to utilize CLS due to SD-1 cut off	Management of multiple settlement processes and risks, including cash cut-offs with counterparties and custodians

J.P. Morgan's AutoFX offering is suitable for a T+1 environment and can assist clients with cut-off or counterparty concerns by executing FX based on the underlying trade instruction. For clients with concerns about meeting cut offs, AutoFX can support same-day value FX transactions for WMR-eligible freely convertible currency pairs until the end of the New York trading day. Clients executing through AutoFX do not need to separately instruct the cash settlements to J.P. Morgan.

23. Will J.P. Morgan continue to support FX standing instructions on CSDR cash penalties due to the shortened settlement cycle?

Yes. AutoFX for CSDR cash penalties will continue to function as today, regardless of the shortened settlement cycle.

24. Can clients still settle FX through CLS?

CLS is available for FX transactions with a settlement cycle of T+1 or greater. Clients must instruct the settlement by the Securities Services' published deadline on SD-1. As of April 2024, J.P. Morgan extended its FX CLS settlement instruction cut offs to assist clients as markets transition to T+1 securities settlement cycles.

In a T+1 environment, this means that the FX intended to be settled through CLS will need to be executed, matched, and instructed to J.P. Morgan on the same day as the security trade which may be operationally challenging for clients. Clients with concerns about meeting the CLS cut-offs may need to consider alternative FX solutions, such as AutoFX, to meet their T+1 FX needs.

25. Will there be any impact on J.P. Morgan's cash cut-offs?

J.P. Morgan regularly reviews cash cut-off times, looking for improvements which can give clients more time to instruct. Specifically for the UK, EU, and Switzerland, J.P. Morgan cash cutoffs are already same day as value day, and therefore no additional changes are needed to accommodate a T+1 settlement transition.

J.P. Morgan T+1 implementation and service/operating model changes



26. How is J.P. Morgan as a custodian impacted by T+1 settlement and what readiness activities are being undertaken by J.P. Morgan? UPDATED

J.P. Morgan has established a comprehensive cross-product formal implementation program to execute required changes, monitor implementation progress and deliver on the industry milestones essential for a successful transition to T+1 settlement. The firm has developed a robust governance framework and a milestone plan that aligns closely with the industry playbooks and recommendations sets across the UK, EU and Switzerland, aiming for coordinated and effective execution.

The primary objectives of this program are threefold:



Deliver Technology and Operating Model Enhancements

Implement the necessary changes to J.P. Morgan's technology and operational processes to support T+1 settlement.



Client Communication and Engagement

Proactively share updates with clients regarding regulatory, industry, and firm-specific developments, as well as engage with clients as needed to enhance settlement practices and processes.



Industry Collaboration

Collaborate with market participants to drive improvements and alignment with evolving industry standards. J.P. Morgan Securities Services maintains active representation in the relevant technical working groups across the UK, Switzerland and EU. The firm will continue to participate in these forums throughout the finalization of market and regulatory changes, to support readiness and alignment up to the transition date.



J.P. Morgan is actively adopting industry recommendations to support settlement efficiency. For example, the firm is enhancing the provision of PSAF information into its Statement of Holdings reporting. Using this information, clients will have greater transparency into where securities are held and be in a better position to accurately instruct the Place of Settlement (PSET) on allocation or, where necessary, realign securities ahead of settlement date. We are also actively involved in industry discussions around best practice and market standards for other tooling to improve settlement efficiency, such as around the adoption of partial settlement.

Additionally, J.P. Morgan is undertaking a comprehensive communication programme focused on client education and awareness, outlining the impacts and readiness steps clients may want to consider. This communication programme includes a range of initiatives such as client roundtables, bilateral client engagements, webinars and more. Enhanced settlement metrics will be published to clients, highlighting instruction timeliness, matching rates, and other key statistics. These insights will support clients' preparation for the transition to the T+1 settlement cycle. Clients should contact their J.P. Morgan representative for more information, if required.

J.P. Morgan has taken a leading role in developing and shaping the framework for the transition to

T+1 settlement in Europe through our contribution to industry discussions and best practices via the Association for Financial Markets in Europe (AFME). J.P. Morgan is also participating in or co-leading various European sub-workstreams on T+1 in respect to corporate actions, data flows and analysis of lessons learnt from settlement compression in North America.

27. How is J.P. Morgan as an agent lender impacted by T+1 Settlement? UPDATED

J.P. Morgan expects to maintain a consistent securities lending operating model and client service throughout the transition to T+1. We will adapt existing processes where needed to manage liquidity effectively and support timely settlement, aligning stock loan recall timeframes to the accelerated cycle—building on capabilities already established in T+1 markets. We are actively engaging with borrowers to reinforce the importance of timely returns and to drive the necessary process enhancements across the ecosystem.

To support client readiness for T+1 settlement, J.P. Morgan will commence an outreach during Q2 2026 engaging with clients to discuss current sales practices along with the processes around submitting sale notifications. We are recommending:

- Lending sale notifications are submitted as early as possible on trade date to enable prompt issuance of recall notices.

- Clients recalling securities for proxy voting initiate such recalls well in advance, particularly where holdings on loan are significant or voting outcomes are critical for a timely return of securities.

Under current recommendations, stock lending recalls should follow industry best practices, with the International Securities Lending Association (ISLA) supporting the development of aligned standards across markets. Recalls are expected to be issued as soon as a sale is notified on trade date and no later than the established cut-off times. These are aligned with the close of the London Stock Exchange in the UK and 17:00 CET (one hour before most venues close) in the EU—allowing borrowers time to act while markets remain open. Across both regions, the market expectation is that borrowers will make every effort to meet T+1 recalls, including those issued after the relevant cut-off times on T+0, and avoid deferring returns to T+2.

28. How is J.P. Morgan, as a provider of fund administration services to Exchange Traded Funds (ETFs), impacted by T+1 settlement?

UPDATED

With European markets moving to a T+1 settlement cycle, settling primary market orders for US domiciled ETFs will become more time sensitive. To find the most effective solutions, J.P. Morgan is working with the Securities Industry and Financial Markets Association (SIFMA) to encourage broad industry discussion, involving issuers, custodians, Authorized Participants, and other key stakeholders. We will keep clients informed as industry perspectives and best practices develop.

In Europe, J.P. Morgan is actively participating in discussions through Irish Funds and the Investment Association (IA) in the UK to analyze the impact of T+1 and promote best practices. While T+1 will help address some challenges created by the US move for global ETFs, it will also introduce new settlement and FX challenges. These issues are being addressed globally through relevant industry working groups. There is also a potential dislocation between primary and secondary market trading and settlement for global ETFs due to the requirement for T+1 settlement which is being reviewed across the relevant working groups.

ETFs tracking Asia-Pacific (APAC) indices face unique settlement challenges as global markets transition

to faster T+1 settlement cycles. Because APAC markets operate on different timelines, this can create mismatches between when ETF shares are delivered and when trades settle, potentially leading to operational risks and regulatory penalties. The industry is considering two main solutions:

1. Using estimated values to accelerate settlement and subsequently issuing a true-up
2. Adjusting cash processes to bridge timing gaps, each with its own trade-offs around risk and compliance.

As the markets move toward a unified approach, clients should assess how these changes may impact their operations, liquidity, and capital management.

29. How is J.P. Morgan, as a provider of FX services, impacted by T+1 Settlement?

J.P. Morgan's AutoFX product is capable of executing same-day value FX for WMR-eligible freely convertible currency pairs until the end of the New York trading day. For clients' T+1 trades instructed to J.P. Morgan by the published custody deadlines, AutoFX can execute the FX at any time of the client's choosing until 16:00 New York Eastern Time (ET), which can be either 20:00 or 21:00 GMT, on T+1. In addition, Standalone FX instructed electronically is available for same day FX until 18:45 GMT on T+1.

Clients executing through AutoFX do not need to separately instruct the cash settlements to Securities Services.

Product Documents	Location of Published info on Market Intelligence
FX Execution Guide	Product - Securities Services Foreign Exchange
Global Custody Trade Deadlines <i>(Used for FX SI)</i>	Product - Trade Deadlines
Global Custody FX Deadlines	Product - Securities Services Foreign Exchange
FX CLS Cut-Off Times	Product - Securities Services Foreign Exchange
Securities Services Global Custody Cash Deadlines <i>(Used for Free Cash and 3rd Party FX)</i>	Product - Cash Deadlines

30. What is the impact on collateral for Tri-party and bilateral markets?

J.P. Morgan, acting as a Tri-party Agent, facilitates the mobilization of client assets across the market for collateral purposes, typically on a T+0 basis. Consequently, no direct impact is anticipated from the transition to a T+1 settlement cycle. Once assets are within the Tri-party system, any settlement activities occur outside the market (i.e., away from the CSD), with the allocation, reallocation, and rehypothecation of assets managed internally on the books and records of the Tri-party agent. Therefore, the accelerated T+1 settlement cycle does not affect this process.

J.P. Morgan also provides buy-side clients with collateral management and margin services, through its Trading Services unit. Assets are transferred bilaterally on behalf of buy-side clients to and from their counterparties. The collateral exchanged typically consists of cash and fixed income securities, and the operating model for these free-of-payment collateral movements operates on a T+0/T+1 basis. As such, no direct impact is foreseen from the transition to a T+1 settlement cycle.

However, should client requirements and market best practices necessitate the support of Partial Settlement and Hold & Release functionality within collateral management operations, this would impact the current operating model. Nonetheless, there is clear advocacy, supported by many market participants, to have this aspect carved out.

31. How is J.P. Morgan as an investment middle office service provider (IMOS) impacted by T+1 settlement? UPDATED

J.P. Morgan does not envisage significant changes to the IMOS operating model during the transition to T+1 settlement. Existing infrastructure and operating models are well positioned to support our clients for T+1 settlement across the UK, EEA, and Switzerland. IMOS already instructs in-scope securities trades for confirmation/allocation to DTCC's Central Trade Matching (CTM) via automated processes on an intraday basis, as soon as they are received from our clients, and transmits automated settlement instructions to custodians as soon as confirmation is completed. IMOS will also utilise existing processes and functionality to

monitor settlement status updates from custodians and engage clients as needed to complete settlement in advance of the T+1 cut-off times. Clients' ability to send all trades to J.P. Morgan on Trade Date, well in advance of the prescribed confirmation cutoffs (UK: 23:59 GMT, EEA: 23:00 CET on trade date), will be a critical success factor for achieving timely matching and settlement completion within the shortened T+1 window.

In preparation for the transition to a T+1 settlement cycle, J.P. Morgan will be publishing quarterly metrics to clients from the end Q2 2026 to illustrate their readiness for T+1. Key IMOS metrics include - trades submitted to IMOS on trade date, trade date matching rate, settlement rates, and STP rates. J.P. Morgan will work with clients to develop joint action plans for points requiring remediation, such as broker or custodian outreach.

J.P. Morgan also recommends the following readiness steps for our middle office clients:

- **Place of Settlement (PSET):** J.P. Morgan's IMOS Services expects streamlined agreement of PSET to be important in preventing settlement failures in T+1. IMOS requires all clients to submit PSET as either a field on each trade instruction or as a pre-defined Stock Location Policy. IMOS already submits PSET to CTM for matching. IMOS recommends clients define and adhere to a stock location policy that aligns with brokers' settlement preferences and agency lending policy to minimise mismatches.
- **Securities Lending:** J.P. Morgan's IMOS Services recommend that clients have appropriate inventory management processes in place alongside Service Level Agreements (SLA) with their securities lending agents. IMOS will continue to follow existing protocols and SLAs to settle trades delayed or failing due to stock lending activities.
- **FX Funding:** J.P. Morgan's IMOS Services recommend that clients put in place appropriate FX conversion processes for trades settling outside of their portfolio base currency.

IMOS will continue to monitor and respond to updated recommendations and best practices produced by the industry working groups and taskforces tasked in support of T+1 in Europe.

Investment Fund Dealing Cycles

32. How is the topic of fund cycle misalignment following Europe's move to a T+1 settlement cycle addressed in the EU and UK recommendations? UPDATED

Currently, investment fund units in the EU and UK generally settle within a range of T+2 to T+4, with the majority on a T+3 cycle, though practices and settlement cycles vary across the European fund management industry. To enhance efficiency, the EU and UK T+1 taskforces have suggested that investment managers reassess their funds' settlement cycles and consider transitioning to T+2 where feasible. This shift is aimed at optimizing settlement processes and reducing associated risks, however the EU and UK authorities do recognize the operational challenges of the transition and that some funds may need to remain on longer fund settlement cycles.

In the "Environmental Recommendations" section of the UK AST T+1 Code of Conduct, specifically under ENV #11, it is recommended that the optimal fund settlement cycle should be T+2. However, the decision is ultimately left to the discretion of the fund industry. The UK AST mandates that trade associations representing the fund industry, including the UK Investment Association (the IA), Alternative Investment Management Association (AIMA), and the Personal Investment Management & Financial Advice Association (PIMFA), develop best practices to support their members during this transition.

In May of 2025, these trade bodies released statements regarding the T+1 settlement cycle to accompany the publication of their recommendations for the fund industry's transition¹⁹. The associations advise UK funds to adopt a T+2 settlement cycle by October 2027 to align with global market changes, but leave flexibility for firms to decide based on their specific circumstances.

In the EU, the Industry Committee's recommendations, published on June 18, 2025, emphasize the role of asset managers in the transition to a T+1 settlement cycle. These recommendations are part of a broader effort to enhance settlement efficiency within the EU. The report suggests investment funds in the EU transition to a T+2 settlement cycle, however, it also emphasizes the need to maintain sufficient flexibility and avoid

penalizing investment funds where transitioning to T+2 is not feasible due to distribution or operational considerations.

Clients may wish to refer to our client briefing titled '[Accelerating European Mutual Fund Settlement](#)' for additional insight.

33. What are the key considerations for asset managers looking to shorten fund cycles to align with the capital markets transition to T+1? UPDATED

The shortening of the settlement cycle for subscriptions and redemptions of relevant funds from T+3 to T+2, would typically be managed with the **Transfer Agent**



¹⁹ The statements can be accessed through the following links:

<https://www.fca.org.uk/markets/about-t1-settlement>

<https://www.theia.org/news/press-releases/ia-pimfa-and-aima-issue-recommendation-t2-fund-settlement>

for the Fund. It is recommended that asset managers discuss any changes to fund settlement cycles with distribution partners and platforms ahead of making changes. Also, having different settlement cycles between sub-funds and share classes may impact the investors' ability to switch between share classes. Where investors will be left with less time to pay their subscriptions, consideration should be given to the impact of fund instruction cut-off times, order pricing and contract note availability as well as the location of investors and the local banking and currency cut-offs of fund collection accounts. As settlement timeframes become more compact, consideration should be placed for transitioning from post and fax to electronic delivery for contract notes, as a quicker and more

secure option, providing investors with additional time to organize their subscription payments.

An asset manager would need to have the necessary processes in place to fund **custody** accounts sufficiently for smooth settlement of transactions. Settlement of custody transactions will always happen in line with market-specific settlement cycles.

Any changes to the Fund prospectus will require review by the **Depositary Services** provider ahead of implementation.

Asset managers who intend to shorten fund cycles should engage with their **Fund Administration** provider, in advance, to discuss and agree timelines and processes for fund valuation and fund trading cut off timings.

Clients may wish to refer to our client briefing titled '[Accelerating European Mutual Fund Settlement](#)' for additional insight.

34. Will a long cash balance in investment funds caused on account of mismatches between a fund and securities settlement cycle be considered a breach of UCITS regulation and are the EU regulators likely to grant any forbearance? NEW

During the transition to T+1 in the US, some fund managers called on ESMA to consider the merits of potential legislative or regulatory actions to mitigate the impact of the move to T+1. However, in its [feedback statement](#) to the Call for Evidence on shortening the settlement cycle, published in March 2024, ESMA indicated that it did not identify any obstacles within EU legislation that would prevent UCITS from managing the expected change to T+1 settlement cycles in the US.

In light of the upcoming transition to T+1 settlement in the EU, the High-Level Roadmap through recommendation AM-02²⁰ notes an action for the EU T+1 Industry Committee, with guidance from ESMA and NCAs, to provide clarification on the categorisation of cash breaches caused by settlement misalignment (e.g. temporary borrowing limits set out in Article 83(2) of the UCITS Directive) by the end of 2026.



20 [https://www.esma.europa.eu/sites/default/files/2025-06/High-level Roadmap to T 1 Securities Settlement in the EU.pdf](https://www.esma.europa.eu/sites/default/files/2025-06/High-level%20Roadmap%20to%20T%201%20Securities%20Settlement%20in%20the%20EU.pdf)

Appendix - Glossary

AIMA	Alternative Investment Management Association
AFME	Association for Financial Markets in Europe
APAC	Asia-Pacific
BD	Broker Dealer
BIC	Bank Identifier Code
CCP	Central Counterparty
CET	Central European Time
CIB	Corporate and Investment Bank
CLS	Continuous Linked Settlement
CREST	Certificateless Registry for Electronic Share Transfer
CSD	Central Securities Depository
CSDR	Central Securities Depositories Regulation
CTM	Central Trade Matching
DTCC	The Depository Trust & Clearing Corporation
DvP	Delivery versus Payment
EC	European Commission
EEA	European Economic Area
ECB	European Central Bank
ESMA	European Securities and Markets Authority
ET	Eastern Time (New York time)
ETF	Exchange-Traded Fund
ETD	Exchange-Traded Derivatives
ETP	Exchange-Traded Products
EU	European Union

EUI	Euroclear UK and International
EUR	Euro
FCA	Financial Conduct Authority
FMI	Financial Market Infrastructures
FMSB	Financial Markets Standards Board
FX	Foreign Exchange
GDR	Global Depositary Receipt
GMT	Greenwich Mean Time
HMT	His Majesty's Treasury
IA	Investment Association
ICMA	International Capital Market Association
ICSD	International Central Securities Depository
ISD	Intended Settlement Date
ISIN	International Securities Identification
ISLA	International Securities Lending Association
LOB	Line of Business
LSE	London Stock Exchange
NAV	Net Asset Value
NTS	Night-Time Settlement
OJEU	Official Journal of the EU
ORDs	Ordinary Shares
OTC	Over-the-Counter
PIFMA	Personal Investment Management & Financial Advice Association
PRA	Prudential Regulation Authority
PSAF	Place of Safekeeping
PvP	Payment versus Payment
PSET	Place of Settlement
SD	Settlement Date
SF	Securities Financing
SFT	Securities Financing Transaction
SIFMA	Securities Industry and Financial Markets
SIX SIS	SIX SIS Ltd (Swiss CSD)
SLA	Service Level Agreement
SMPG	Securities Market Practice Group
SSI	Standard Settlement Instruction
SSS	Securities Settlement Systems
STP	Straight-Through Processing
SWIFT	Society for Worldwide Interbank Financial Telecommunication
TCC	UK T+1 Code of Conduct
T2S	TARGET2-Securities
UK	United Kingdom
WMR	WM/Reuters



This material entitled “United Kingdom (UK)/European Union (EU)/Switzerland - T+1 Settlement Reforms- Frequently Asked Questions - Second Edition (Updated June 2026)” and any supplementary information (“Material”) is provided for your information only and does not constitute (i) research or a product of the J.P. Morgan (as defined below) research department, (ii) an offer to sell, a solicitation of an offer to buy, or a recommendation for any investment product or strategy, or (iii) any investment, legal or tax advice. This Material is directed at sophisticated institutional investors only and you should disregard this Material in its entirety if you are not such an investor. You are solely responsible for deciding whether any investment product or strategy is appropriate for you based upon your investment goals, financial situation and tolerance for risk. JPMorgan Chase & Co. and its subsidiaries and affiliates (“J.P. Morgan”) disclaims all representations and warranties in the information contained in this Material, whether express or implied, including, without limitation, any warranty of satisfactory quality, completeness, accuracy, fitness for a particular purpose or non-infringement. The information contained herein is as of the date and time referenced in the Material and J.P. Morgan does not undertake any obligation to update such information. All content, data, statements and other information are not warranted as to completeness or accuracy and are subject to change without notice. Without limiting the generality of the foregoing, the information herein provides only select details of the general subject matter. In particular, you should be aware that the Material does not purport to and should not be deemed to reflect all or any particular regulatory change in any particular jurisdiction. The regulatory developments discussed herein have been selected and summarized by J.P. Morgan and you should not place any reliance on the accuracy or completeness of such summary. You must not place any reliance on this Material and you should seek independent legal and/or financial advice in respect of any of the matters in the Material. J.P. Morgan disclaims any responsibility or liability, whether in contract, tort, (including, without limitation, negligence), equity or otherwise, for the quality, accuracy or completeness of the information contained in this Material, and for any reliance on or uses to which, this Material, is put, and you are solely responsible for any use to which you put such information. Without limiting any or the foregoing, to the fullest extent permitted by applicable law, in no event shall J.P. Morgan have any liability for any special, punitive, indirect, or consequential damages (including lost profits or lost opportunity), in connection with the information contained in this Material, even if notified of the possibility of such damages. This Material is proprietary and confidential to J.P. Morgan. Any comments or statements made herein do not necessarily reflect those of J.P. Morgan, its subsidiaries or its affiliates. Any unauthorized use, dissemination, distribution or copying of this Material, in whole or in part, is strictly prohibited.

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