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## Press release

### **AFME announces establishment of T+1 industry taskforce**

#### **Group to discuss whether Europe should follow US in shortening settlement cycles to 1 day**

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The Association for Financial Markets in Europe (AFME), as a leading voice on the debate surrounding a move to a one-day settlement cycle (T+1) in Europe, has today announced it is setting up a new industry taskforce. The Association is issuing a call for interest for participation from a broad and diverse group of industry associations representing stakeholders who will be impacted by a shortening of the securities settlement cycle in Europe.

The task force will assess two key questions. Firstly, whether Europe should follow the US and other jurisdictions in moving to shorter settlement cycles, based on a robust cost-benefit analysis. Secondly, if so, how and when the potential move should happen. Further consideration will be required to identify the changes to the current post trade operating environment that would be necessary to facilitate T+1, and to agree on actions required to deliver those changes, including an appropriate timeframe.

**Adam Farkas, CEO of AFME**, said: *“With the US having announced its intention to move to T+1 settlement by May 2024, the discussion on whether Europe should follow suit has become more pressing. Addressing this important topic will require a collaborative approach, and therefore all impacted stakeholders are encouraged to join the industry taskforce.”*

**Pete Tomlinson, Director of Post Trade at AFME**, said: *“AFME is convening this industry task force to ensure all aspects of T+1 adoption in Europe are considered, including direct economic costs and savings to the industry, as well as less tangible factors such as global alignment and market attractiveness. It is important that such a move is carefully considered. A rushed approach is likely to result in increased risks, costs and inefficiencies, particularly given the unique nature of European markets which have multiple different market infrastructures and legal frameworks.”*

**Tanguy van de Werve, Secretary General of EFAMA** said: *“An Industry Task Force on T+1 settlement is a logical and necessary step for Europe, both in terms of managing the impacts of the US move to T+1, and in considering a European timetable for a possible similar move. Given the high degree of exposure to one another’s markets, the shortened settlement cycle will invariably require changes to existing processes for European firms and US investors exposed to European securities. It is important that we leverage on these shorter-term priorities to build an industry view on the need for, and potential roadmap to, a shortened settlement cycle in Europe.”*

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#### **Notes to Editor:**

- AFME report on **T+1 Settlement in Europe: Potential Benefits and Challenges** published in September 2022: <https://www.afme.eu/Publications/Reports/Details/detail/T1-Settlement-in-Europe--Potential-Benefits-and--Challenges>

- AFME blog: **Should Europe join the race to shorten settlement cycles?** Published in September 2022: <https://www.afme.eu/news/views-from-afme/details/Should-Europe-join-the-race-to-shorten-settlement-cycles>

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#### **About AFME:**

AFME (Association for Financial Markets in Europe) advocates for deep and integrated European capital markets which serve the needs of companies and investors, supporting economic growth and benefiting society. AFME is the voice of all Europe's wholesale financial markets, providing expertise across a broad range of regulatory and capital markets issues. AFME aims to act as a bridge between market participants and policy makers across Europe, drawing on its strong and long-standing relationships, its technical knowledge and fact-based work. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. AFME participates in a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association (ASIFMA) through the GFMA (Global Financial Markets Association). For more information please visit the AFME website: [www.afme.eu](http://www.afme.eu). Follow us on Twitter @AFME\_EU