

Client Implementation Guide

Supporting your transition to T+1 settlement in Europe

October 2026
CBL | CEU | CFCL | LuxCSD

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Version History

Version	Update
May 2026	Initial publication of the Client Implementation Guide
October 2026	General – Addition of chapter numbers – Introduction of markers for CSDR- and CSDR Refit-mandated requirements Background – Addition of the exhibit "Schedule for the transition to T+1 settlement" (replacing the exhibit "Industry testing plan" in chapter 3 "The Industry Testing Plan") Chapter 2.2: Settlement – Partial Settlement: Announces domestic partial release for delivery instructions in August 2027 – Allegements: Adds new strategic advice on inputting "Party 2" for better exception handling – Credit Facility: Introduces the Intraday Repo functionality on CmaX – FX: Details Auto FX mechanics and adds new reporting codes Chapter 2.3: Securities financing transactions – SFT Gating Event Functional Specifications Defines core settlement logic (instructions held until 11:00 CET) – Outlines the official market practice scope for repos, cash bonds, and ETFs – Details interim reporting (MT548 PEND/NARR) and future SWIFT reason codes – Confirms CBL implementation is set for the August 2027 release Chapter 3: The T+1 Industry Testing Plan – Introduces a structured testing timeline across five community windows (Feb–Sep 2027), culminating in go-live on October 11, 2027 – Details testable functionalities: partial settlement, allegements, end-to-end trade flows, gating event (:22F::STCO//GATE), T2S NTS 00:00 CET start, corporate actions scenarios, and automated market claims – Confirms test environments for CBL, CEU, and LuxCSD open across all community windows – Invites clients to register interest via their Relationship Manager and complete the survey by November 7, 2026 Updated References – Incorporates information from the EU T+1 Handbook (Feb 2026) and the industry testing plan (July 2026)

Abbreviations

Abbreviation	Full name
AA	AutoAssign
AMI-SeCo	Advisory Group on Market Infrastructures for Securities and Collateral
ASL	Automated Securities Lending
CBL	Clearstream Banking S.A. (ICSD)
CCP	Central Counterparty
CEU	Clearstream Europe AG (CSD)
CFS	Clearstream Fund Services
CLS	Continuous Linked Settlement
CmaX	Collateral Management eXchange
CSDR	Central Securities Depositories Regulation
CSD	Central Securities Depository
CET	Central European Time
DvP	Delivery versus Payment
EOD	End-of-Day
ESMA	European Securities and Markets Authority
ETF	Exchange-Traded Fund
FMI	Financial Market Infrastructure
FoP	Free of Payment
FX	Foreign Exchange
GMA	Group Matching Account
HLRM	High-level Roadmap
(I)CSD	(International) Central Securities Depository
ISD/RSD	Intended Settlement Date/Requested Settlement Date
LEI	Legal Entity Identifier
NCA	National Competent Authority
NCB	National Central Bank
NTS	Night-Time Settlement
OTC	Over-the-Counter
POA	Power of Attorney
PSAF	Place of Safekeeping
PSET	Place of Settlement
PvP	Payment versus Payment
RQV	Required Value
RTS	Regulatory Technical Standards/ Real Time Settlement
SFT	Securities Financing Transaction
SMPG	Securities Market Practice Group
SSI	Standing Settlement Instructions
STP	Straight-through Processing
T+0	Same-day Trading and Settlement
T+1	Trade Date plus one business day
T+2	Trade Date plus two business days
T2S	TARGET2-Securities

1. Background

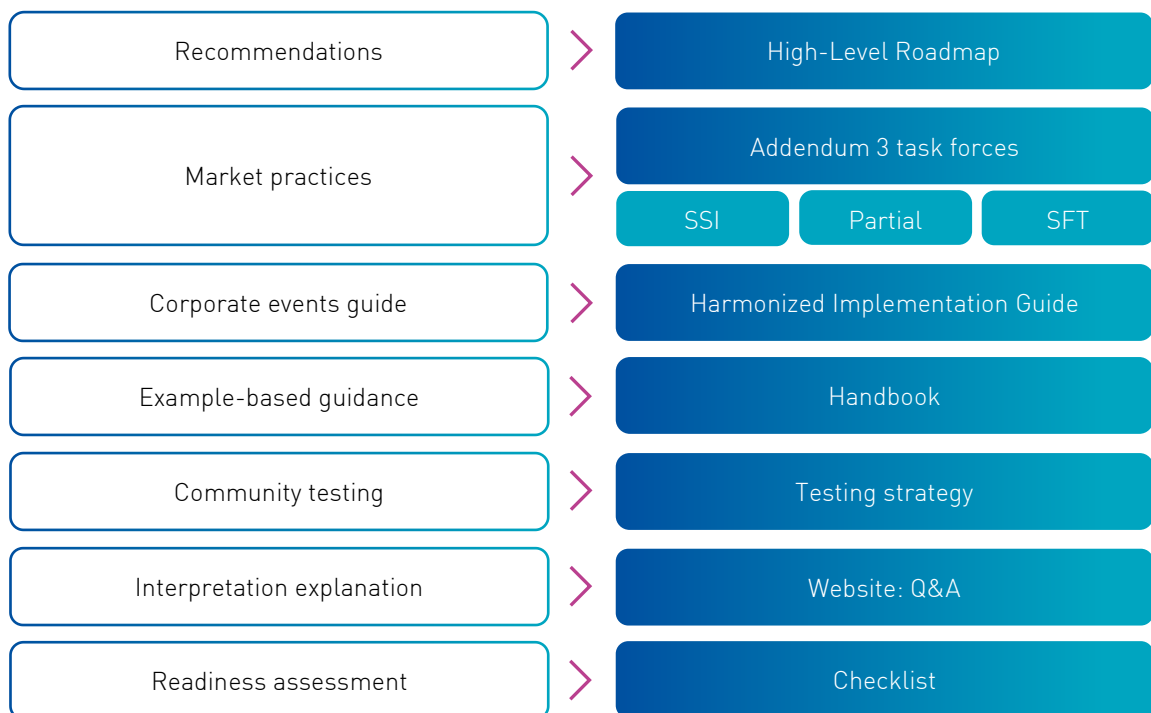
The European Union, along with the UK and Switzerland, is set to shorten the securities settlement cycle for stock exchange transactions from two business days (T+2) to one (T+1) on **October 11, 2027**. This strategic decision aims to reduce counterparty and market risks, align with global markets like the U.S., and enhance the overall efficiency and competitiveness of Europe's capital markets.

The scope of this T+1 mandate covers the settlement of all transferable securities. While transferable securities will move to a T+1 settlement cycle, many traditional investment funds will continue to follow their existing fund-specific dealing and settlement cycles (e.g. T+2, T+3 or longer). Additionally, it is important to note that while derivative contracts are out of scope, any resulting physical settlement of an underlying transferable security falls within the T+1 requirement, based on market convention. Furthermore, securitized derivatives such as warrants are fully in scope as they are classified as transferable securities.

The EU T+1 Industry Committee, bringing together a diverse group of stakeholders, published the [High-level Roadmap \(HLRM\)](#) in June 2025. This document provides key recommendations and a framework to guide market participants in their planning and preparation for T+1. In addition to the HLRM, several critical topics have been addressed by additional expert workstreams in the form of Market Practices. This was followed by the [EU T+1 Securities Settlement Handbook](#) in June 2026, which translates the high-level recommendations into actionable, example-based guidance for implementation. Together, the HLRM, its addenda, and the Handbook serve as your core guiding principles to follow for a successful transition to T+1. Building on these documents, the EU, UK and Swiss industry committees published a joint testing plan on March 25, 2026. The specifics of this plan, including the procedure for using Clearstream's testing environment, are detailed in chapter 3 [The T+1 Industry Testing Plan: Our Approach and Your Role](#).

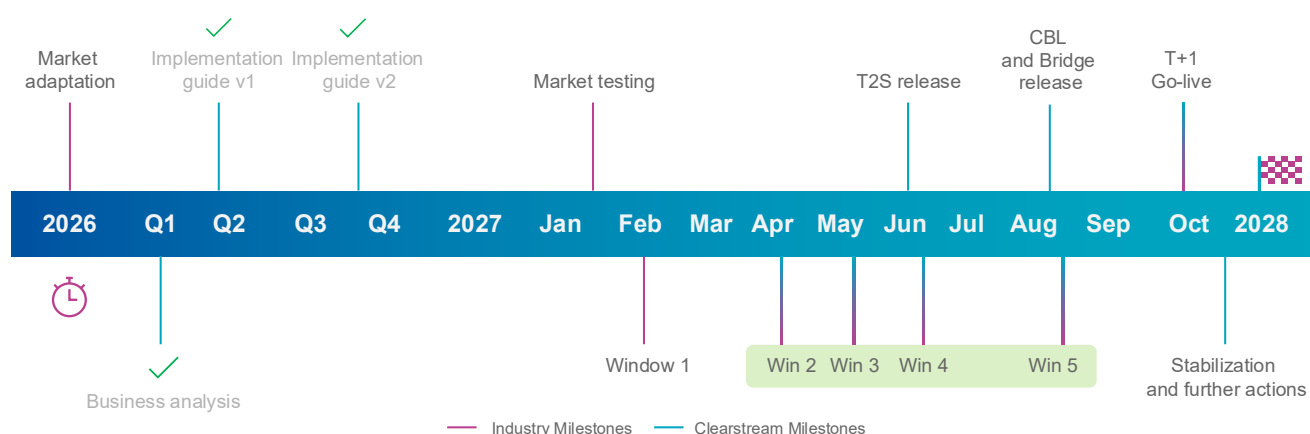
This guide is designed to support you, our (I)CSD clients, on your journey to T+1. It details the impact of this change, outlines our specific implementations, and clarifies what you can incorporate into your T+1 readiness activities. Please note that this is a living document and will be updated when changes are confirmed.

Exhibit 1: Resources for your journey to T+1



Furthermore, this guide shows how Clearstream's suite of solutions can help you meet these new requirements and bring you closer to seamless T+1 operations. This Client Implementation Guide also applies to settlement instructions originating from investment fund activities, including ETFs and transactions processed through Clearstream Fund Services and Vestima®, whenever these activities generate securities settlement instructions at CSD or ICSD level. While many investment funds may continue to operate under their own fund-specific dealing and settlement cycles, any resulting securities settlement instruction remains subject to the applicable market settlement cycle. The recommendations and timelines described in this guide should therefore be considered by both custody and fund market participants, including asset managers, distributors and service providers.

Exhibit 2: Schedule for the transition to T+1 settlement



What this means for you

To prepare for T+1 go-live, the number of new technical changes you need to accommodate is deliberately limited. The EU T+1 Industry Committee built its recommendations around existing infrastructure, meaning most guidance reflects best practice use of functionalities that already exist today.

The new developments below are the key changes Clearstream is delivering specifically for T+1. You should familiarize yourself with these, assess their operational impact on your workflows, and use the community testing windows (2–5) to validate your readiness:

CEU and LuxCSD (T2S June 2027 release):

- CR858 – 00:00 Start of NTS Sequence – Functional Specifications, [URD](#)
- CR865 – Gating event functionality – Functional Specifications, [URD](#)

CBL and Bridge (23 August 2027 release):

- SFT gating event - [2.3.1](#) Functional Specifications
- Bridge optimizations – [Joint Newsletter](#)

2. Readiness for the Recommendations, Market Practices and Regulation

All market participants are expected to follow the "adhere or explain" principle implementing the HLRM recommendations and market practices or explaining to regulators and counterparties why they have not. Where recommendations have been codified into the CSDR Refit RTS, implementation is a mandatory regulatory requirement rather than a matter of choice. This document clearly distinguishes between the two throughout each section by highlighting the CSDR- and CSDR Refit-mandated regulation requirements by the following markers:



To summarize all the changes mandated under CSDR Refit we have published a status update on our webpage ([CSDR Refit Settlement Discipline Regime: Latest developments](#)).

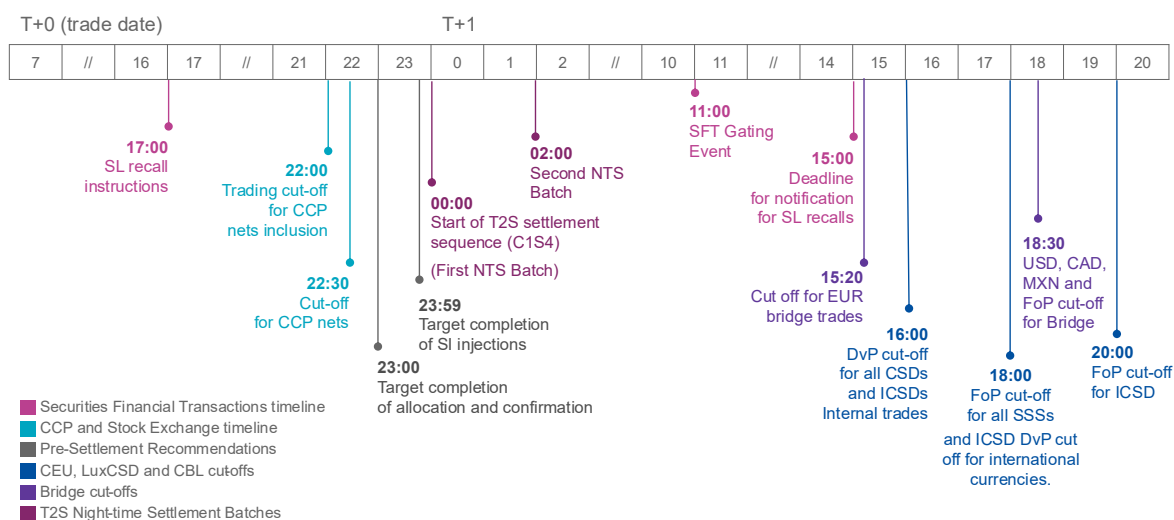
2.1 The new operational timetable

To ensure a smooth and efficient transition to T+1, the EU T+1 Industry Committee has established a harmonized operational timetable that outlines key deadlines across the entire transaction lifecycle, from trading to settlement. This end-to-end schedule creates a new, unified rhythm for the European market, and adherence to it is key for all participants to maintain and improve settlement efficiency.

Clients*	Impact of Operational Timetable
CEU	■ High
CBL	● Medium
LuxCSD	■ High
CFS	● Medium

* The impact rating (High, Medium, Low) indicates the level of operational change and preparation that could be required if you are a client of the respective entity.

Exhibit 3: The new operational timetable



* Timelines for ICSD and Bridge are indicative and vary by currency. Please refer to the settlement timing matrix for specific cut-offs.

The exhibit above defines the EU timetable with the T2S, CBL and Bridge cut-offs. The different time zones are indicative of the impact of various shortened settlement cycles on an operational day.

What this means for you

To prepare for T+1, we strongly encourage you to perform the following two-step assessment:

1. Analyze current trade flows to quantify the volume of transactions that are not instructed on trade date and evaluate the reasons for this delay in instructing (manual processes, missing confirmations/allocations, unclear settlement routes, etc.).
2. Based on that analysis, evaluate how greater **automation**, AI-driven tools and enhanced workflows can be leveraged to accelerate matching rates and manage this new operational demand.

The table below outlines key pre-settlement recommendations and associated lifecycle deadlines to ensure timely settlement. For example, if you are an asset manager, the shortened settlement cycle requires you to complete your upstream workflows—such as trade allocation, confirmation and FX booking—earlier to guarantee cash and securities availability for fund and ETF settlements.

Lifecycle Stage	Key Recommendation	Deadline / Timing	HLRM Reference
Trading & clearing	CCPs to include trades executed before this time in their end-of-day (EOD) netting process	22:00 on Trade Date	TR-01, CL-01
	CCPs to release EOD netting reports and input settlement instructions	By 22:30 on Trade Date	CL-01
Matching & affirmation	Promote standardized electronic exchange of trade allocations and confirmations to enhance straight-through processing (STP)	As soon as practicable on Trade Date	MC-01

Lifecycle Stage	Key Recommendation	Deadline / Timing	HLRM Reference
	Provide Place of Settlement (PSET) data at the point of allocation to enable early identification of discrepancies	As soon as practicable	MC-03
	Timely processing of transactions in non-EU currencies (e.g., APAC, ZAR) to meet funding deadlines	Promptly after execution	ST-03.11
	Complete trade allocations and confirmations between buy-side firms and executing brokers	By 23:00 on Trade Date	MC-02
Securities financing	Standardized deadline for stock loan recall notifications	17:00 on Trade Date	TR-04.1
	Require automated pre-matching of all Securities Lending instructions , including SSI comparison, on Trade Date	By 23:00 on Trade Date	MC-05.1
	Deadline for stock loan return notifications	15:00 on Settlement Date	TR-04.2
	Best-practice deadline for the settlement of recalled securities to allow for reuse	15:30 on Settlement Date	TR-04.3
Instruction management	Recommended deadline for settlement instructions to be submitted to (I)CSDs to leverage night-time settlement	By 23:59 on Trade Date	ST-01.1
FX & funding	FX transactions to be dealt, processed, and submitted to CLS for PvP settlement	By 00:00 on Settlement Date	FX-04
Settlement Phase Considerations			
Cut-off times	Adherence to the CSD and ICSD cut-off times would ensure T+1 settlement.	CEU and LuxCSD – T2S cut-off times apply CBL – Settlement Timings Matrix	

The operational timetable applies equally to all settlement instructions subject to the T+1 settlement cycle, including those originating from investment fund and ETF activities where a securities settlement instruction is generated at CSD or ICSD level.

Clearstream's approach: aligning CSD and supporting ICSD operations

Clearstream operates two central securities depositories (CSD) and an international CSD (ICSD) as well as a fund services platform, tailoring our approach to the T+1 deadlines to your needs as participants.

- **T2S CSDs (Clearstream Europe AG – CEU and LuxCSD):** Our CSDs, which operate on the Eurosystem's TARGET2-Securities (T2S) platform, will fully align their operational timetables with the new harmonized EU schedule outlined in the table above.
- **ICSD (Clearstream Banking S.A. – CBL):** Our ICSD operates on a distinct settlement model to support your international activities: CBL performs continuous "mini-netting" events throughout the day, providing you with the benefits of technical netting on an ongoing basis. For this reason, our ICSD will not change its existing settlement start times and cut-offs, ensuring that you retain the operational flexibility needed to manage your global settlement activities. Please refer to the [Settlement Timings Matrix](#) for details.
- **CFS (Clearstream Fund Services):** Where fund activity results in securities settlement instructions at CSD or ICSD level, the same T+1 requirements apply. In addition, you should ensure that all of your key settlement-related activities, including allocations, confirmations, FX execution and funding arrangements, are completed on trade date to support timely settlement.

Note: The Bridge settlement procedure—the mechanism facilitating cross-border securities transactions between the two ICSDs Euroclear and Clearstream—is currently undergoing updates. For the changes, including information on cut-offs, kindly refer to the respective announcement (A26029) published on the [Clearstream website](#).

T+1 readiness tip

The SettlementNext dashboard on Xact is available for you to access your specific input and matching statistics, with settlement prediction and upcoming real-time fixing queues to improve matching rates. Ask your Relationship Manager for a demo of this service.

2.2 Settlement

This chapter focuses on optimizing the settlement phase itself. Achieving high settlement efficiency is a cumulative process; therefore, the recommendations below are designed to build upon upstream improvements and help you refine your operations further.

Clearstream is ready to support your transition to T+1; our systems are cycle-agnostic and already equipped to handle the upcoming changes, ensuring a seamless experience. Late submissions, funding shortfalls, and manual repairs are the primary drivers of settlement fails in a compressed settlement cycle.

This section details the key recommendations for you to successfully manage the settlement phase. The recommendations are split into four core sections: [Instruction management](#), [Settlement system timings](#), [Tools and functionalities](#) and [Fails prevention and liquidity optimization](#).

2.2.1 Instruction management

Clients*	Impact of Recommendation**					
	ST-01.1	ST-01.2	ST-01.3	ST-01.4	ST-01.5	ST-01.6
CEU	○ Low	○ Low	● Medium	○ Low	● Medium	● Medium
CBL	○ Low	○ Low	● Medium	○ Low	● Medium	● Medium
LuxCSD	○ Low	○ Low	● Medium	○ Low	● Medium	● Medium
CFS	○ Low	○ Low	● Medium	○ Low	● Medium	● Medium

* The impact rating (High, Medium, Low) indicates the level of operational change and preparation that could be required if you are a client of the respective entity.

** The recommendations refer to the guidelines defined in the [High-level Roadmap](#).

2.2.1.1 ST-01.1 Real-time processing of settlement instructions and ST-01.2 Automated / STP instruction processing

Clearstream supports straight-through processing (STP) across its CSD, ICSD and Fund Services environments. Settlement instructions can be submitted via multiple channels including Xact via Swift, Xact File Transfer, and Xact Web Portal for CBL; and CASCADE-Host, Xact File Transfer, MQ, Swift, and T2S DCP for CEU. Of these, Xact via Swift, Xact File Transfer, CASCADE via MQ and T2S DCP are fully STP-capable and support real-time automated processing.

If you are using Clearstream Fund Services, you may also interact through the CFS Portal. Regardless of the access channel, timely processing of instructions will become increasingly important under the T+1 settlement cycle.

2.2.1.2 ST-01.3, ST-01.4, ST-01.6 “Gold Standard” of SSI and instruction management

To address key matching inefficiencies, the EU T+1 Industry Committee's SSI Task Force published key [market practices](#) in December 2025. These practices are effectively creating a “gold standard” for the industry.

The goal is to eliminate settlement instruction errors and the need for manual repairs in the compressed T+1 timeline. The key factor is not the specific messaging standard used (ISO 15022 or ISO 20022), but the clear, consistent, and unambiguous use of data fields within the chosen standard.

Correct usage of PSET, PSAF and Place of Trade (ST 01.3)

Place of Settlement (PSET)

Accurate population of settlement routing fields is one of the most impactful steps you can take to improve matching rates and avoid settlement fails in a T+1 environment. Errors in these fields are a cause of mismatches and should be eliminated by clients through automation.

Always populate PSET with the **BIC11 of the CSD** where your **counterparty** wants to settle.

— Field/qualifier: :95P::PSET or ←PlcOfSttlm→

- Key routing codes:

Where does your counterparty have its account?	Required BIC
Internal (CBL to CBL)	CEDELULLXXX
Bridge (CBL to Euroclear)	MGTCBEBEECL
Internal Clearstream Europe (CEU)	DAKVDEFFXXX
Internal LuxCSD	LUXCLULLXXX
Domestic Markets	Specific Local CSD BIC

Note: For fund-related activities that generate securities settlement instructions, the appropriate PSET must be populated in accordance with the settlement location of the securities transaction. Traditional mutual fund orders processed directly with the transfer agent are generally outside the scope of these settlement routing requirements.

Place of Safekeeping (PSAF)

Use this field to identify the specific depository or CSD where the securities are held. The common usage codes are as follows:

- **ICSD:** followed by **CEDELULL** (international CSD)
- **NCSD:** followed by the local CSD BIC (national CSD)
- **CUST:** followed by the BIC of the specific specialized depository

According to ST-01.4, Clearstream provides the PSAF information in the Statement of Holdings (MT535) in field **:94A::SAFE**. Taking into account the PSAF information will help you to avoid position mismatches. You can refer to details of the links for our counterparty CSD BIC's on our website under "[Market Coverage](#)".

Note: Only use the SAFE field (the standard term for :94F::SAFE or ←SfkpgPlc→) if the same ISIN is held in multiple locations. It is important to not confuse field **:94F::SAFE** (the location of the securities) with field **:97a::SAFE** (your specific Safekeeping Account number).

Place of Trade (MIC)

Under the CSDR Refit, your settlement instructions **must** now include the Place of Trade to enhance market transparency by identifying where the underlying transaction was executed. Therefore, you have to populate the TRAD field with the appropriate trading venue identifier (MIC).

TRAD is not a matching field. Its inclusion will not impact the settlement process or introduce new matching failures. The field is already available across all Clearstream instruction channels.

Providing this information is a regulatory requirement for reporting purposes. We strongly recommend populating it for all instructions to ensure consistency and compliance.

What you need to do

You have two primary options for populating the Place of Trade:

- **:94B::TRAD//:** Used to specify the place type followed by the 4-character **Market Identifier Code (MIC)** in the format :4!c/[8c]/4!c[30x].
 - **Place types include:** EXCH (Exchange), OTCO (Over-the-Counter), PRIM (Primary Market), SECM (Secondary Market), VARI (Various).
 - **Example:** For a trade on the Frankfurt Stock Exchange (MIC: XETR), the format would be :94B::TRAD//EXCH/XETR.
- **:94L::TRAD//:** Used to specify the **Legal Entity Identifier (LEI)** of the trading venue in the format 4!c//18!c2!n.
 - **Example:** :94L::TRAD//529900J3LE1P1L0I1S24



Note: Precise and consistent use of these codes is vital for accurate identification of trading venues for clearing and processing. A blank Place of Trade field is generally interpreted as an Over-the-Counter (OTC) transaction.

For further specifications, please refer to the details in our Client Handbooks. A list of the MICs is available at [Market identifier codes | ISO20022](#).



Usage of specific transaction type identifiers (ST-1.06)

The correct population of the transaction type field was mandated by the CSDR Refit (Article 7) and is critical for two key reasons:

1. **Regulatory transparency:** Distinguishing SFTs from other transaction types will achieve the transparency required for the exemption of SFTs (documented as single transactions) from the regulatory scope of T+1 under Article 5(2) of CSDR.
2. **Accurate reporting:** This ensures compliance with the CSDR Regulatory Technical Standards (RTS) for instruction matching, in effect from February 2022. This allows (I)CSDs like Clearstream to report settlement fails with greater accuracy.

The key action for you is to ensure every settlement instruction includes the specific ISO transaction type that accurately reflects the underlying transaction. This must be populated in the correct field:

- ISO 15022: field :22F::SETR//
- ISO 20022: the “Securities Transaction Type” field

Please note that the transaction type identifier is **not a mandatory matching field**. Its incorrect usage will not impact settlement matching or efficiency. Its primary role is in post-trade processes, specifically for accurate reporting and the application of the CSDR cash penalties framework.

An analysis of current settlement data shows that the **TRAD** indicator is often used as a “catch-all” for all transaction types, including securities financing transactions. This is also reflected in cash penalty figures, where **TRAD** transactions account for the vast majority of penalties.

Minimum required transaction codes

All market participants must be able to send the following minimum set of transaction codes. These are broken into two main categories based on the regulatory driver.

a. Codes required by the CSDR Settlement Discipline Regime

These codes are the absolute minimum required to comply with the current CSDR requirements and to ensure SFTs are correctly identified. Other codes are available on the [ISO website](#) to address different functional elements for which securities instructions are required.

Transaction Category	ISO Codes to Use
Standard trade	TRAD
Securities financing (SFTs)	SECB (Borrow), SECL (Lend), REPU (Repo), RVPO (Reverse Repo), TRPO (Triparty Repo), TRVO (Triparty Reverse Repo), BSBK (Buy-Sell Back), SBBK (Sell-Buy Back)
Collateral management	CNCB (Central Bank Collateral), COLI (Collateral In), COLO (Collateral Out)

b. Codes for proposed CSDR Refit cash penalty exemptions

To benefit from potential exemptions from cash penalties, you have to use the following specific codes.

Exempted Operation	ISO Codes to Use
Collateral mobilization for central bank credit operations	CNCB
Market claims and corporate actions on stock	CORP, CLAI
Primary market issuance and technical creation of securities	ISSU, PLAC, NSYN, SYND, MKUP, MKDW
Primary market creation and redemption of fund units/shares	MKUP, MKDW
Primary market investment fund creation/redemption	ETFT: REDM, SUBS*

* For investment funds, further Industry Committee guidance is expected on the precise use of REDM and SUBS to clearly distinguish primary market activity from secondary market trades.

The transaction type provided by you or the upstream fund processor should be preserved throughout the settlement lifecycle.

2.2.1.3 ST-01.5 and ST-03.10: Dynamic forecasting and liquidity management tools

In the compressed T+1 timeframe, optimizing the management of securities and cash is paramount. A reactive approach to settlement, liquidity and collateral is no longer sufficient. Proactive management of resources, driven by timely data insights, is essential to create preconditions for the highest possible settlement efficiency in a T+1 environment.

Clearstream's **Data Solutions** suite supports this transition by providing you with predictive analytics and clear visibility into potential risks and operational needs. These tools empower you to assess your settlement performance, manage collateral and liquidity efficiently, and optimize your lending activities. A detailed description of the data solutions and how it can support you can be found in the section [Mastering T+1 with Clearstream](#).

2.2.2 Settlement system timings

This section provides a detailed operational breakdown of the settlement-specific deadlines that were introduced in [The new operational timetable](#), and explains the underlying system changes and Clearstream's specific approach.

Clients*	Impact of Recommendation**				
	ST-02.1	ST-02.2	ST-02.3	ST-02.4	ST-02.5
CEU	■ High	○ Low	○ Low	○ Low	○ Low
CBL	● Medium	○ Low	○ Low	○ Low	○ Low
LuxCSD	■ High	○ Low	○ Low	○ Low	○ Low
CFS	● Medium	○ Low	○ Low	○ Low	○ Low

* The impact rating (High, Medium, Low) indicates the level of operational change and preparation that could be required if you are a client of the respective entity.

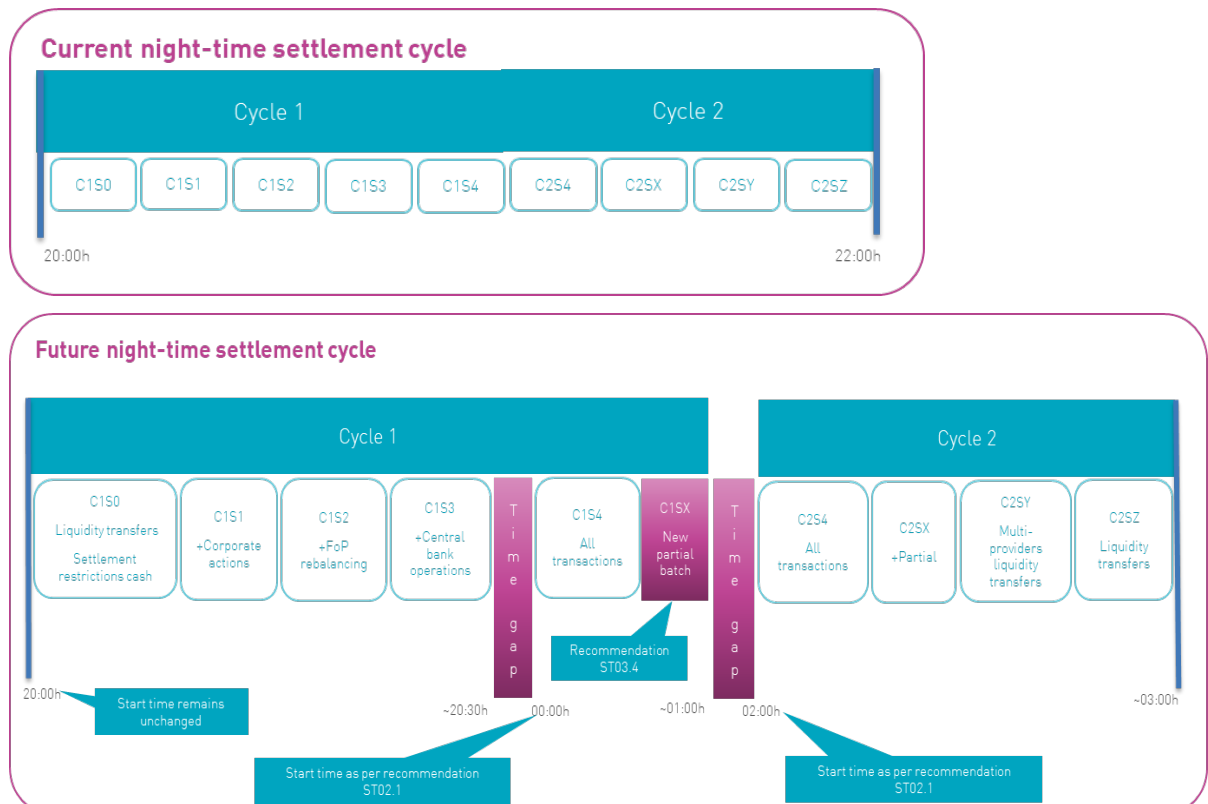
** The recommendations refer to the guidelines defined in the [High-level Roadmap](#).

Note: While primary fund settlement cycles are generally not impacted by the move to T+1, investment funds may experience indirect effects arising from the settlement cycle mismatch between fund transactions (typically T+2 or longer) and underlying securities markets settling on T+1. This may result in increased pre-funding, liquidity and operational management requirements.

2.2.2.1 ST-02.1: The Enhanced T2S Night-Time Settlement (NTS) Schedule

To support the T+1 transition, the TARGET2-Securities (T2S) platform is implementing [Change Request 858 \(CR858\)](#) in its June 2027 release, which modifies the Night-Time Settlement (NTS) schedule. This change is based on industry recommendations (HLRM ST-02.1 and ST-03.4).

Exhibit 4: NTS Redesign



Key changes to the T2S NTS schedule

- **Delayed start for main sequence:** After the third sequence (C1S3) completes, T2S will pause settlement. The fourth sequence (C1S4) will only be triggered at 00:00 CET. While the overall NTS start time remains 20:00 CET, this intentional pause creates a larger window for market participants to submit settlement instructions, accommodating instructions from later-closing trading venues and central counterparties (CCPs).
- **New partial settlement sequence:** A new partial settlement sequence, C1SX, will be triggered immediately after C1S4 completes. This sequence will follow the same logic as the existing partial settlement sequence in the second NTS cycle (C2SX).
- **Pause before second cycle:** Following the completion of C1SX, T2S will again pause settlement until the second NTS cycle begins at 02:00 CET. This gap allows you to process reporting from the first cycle and enables T2S to process any newly eligible transactions.



What this means for you

To maximize settlement efficiency and benefit from the technical netting opportunities of the main NTS cycle, it is mandated that you submit all settlement instructions by **23:59 CET**.

Instructions submitted after this time can still achieve settlement on the intended settlement day, provided they are sent before the final market DvP and FoP cut-offs. These instructions will be processed during the real-time settlement windows. Furthermore, T2S will continue to accept settlement instructions during the scheduled pauses ahead of the C1S4 and C2S4 settlement cycles.

The adjustment of the T2S Night-Time Settlement (NTS) sequence to a 00:00 CET start time will directly affect when settlement reporting is generated and made available to you.

Due to the anticipated shift in settlement processing volumes, key intraday reports, particularly the **MT536 Statement of Holdings** and **MT537 Statement of Transactions**, will be impacted. Based on our initial analysis, we have a preliminary estimate that the current 2:00 CET report could become available around **02:30 CET**. Please note that this is a provisional timing for guidance purposes only and remains subject to further analysis and final confirmation from T2S. We are currently reviewing the schedule for all settlement reporting, including the existing MT536 reports at 23:00 and 02:00 CET, and will provide definitive timings in a future communication. We advise you to begin assessing your own internal processes and any downstream dependencies that rely on the current reporting schedule.

2.2.2.2 ST-02.2 to ST-02.4: Harmonizing settlement cut-offs

The Industry Committee recommendations establish a DvP cut-off of 16:00 CET for standard settlement in EUR and other currencies, and a FoP cut-off of 18:00 CET. CEU, LuxCSD and CBL internal cut-offs are already in full compliance with these recommendations.

ST-02.4: Potential extension to a 17:00 CET DvP cut-off

The proposal to investigate a later DvP cut-off of 17:00 CET is currently under assessment by the Eurosystem following an industry consultation. Should this change be adopted, Clearstream's T2S CSDs (CEU and LuxCSD) would automatically align with the new standard. In addition, we would review our existing cut-offs for our ICSD (CBL) to ensure seamless support for your global operations.

Note: The HLRM recommendation does not anticipate a potential change in deadline by October 11, 2027. While initial discussions between Ami-SeCo and AmiPay have been fruitful, a detailed analysis is needed on its impact on T2.

2.2.3 Tools and functionalities

In a T+1 environment, leveraging the right tools to automate processes, manage exceptions and prevent settlement fails is no longer optional, it is essential. Clearstream provides you with a robust suite of functionalities designed to help you optimize your operations for the compressed settlement cycle. These tools are fully available and operational today. This section details the key tools, organized by their primary function:

- Instruction and exception management
- Fails prevention and liquidity optimization

The matrix below provides an overview of the anticipated operational impact of the recommendations across our different entities.

Clients*	Impact of Recommendation**								
	ST-03.1	ST-03.3	ST-03.4	ST-03.5	ST-03.8	ST-03.9	ST-03.10	ST-03.12	ST-03.14
CEU	○ Low	● Medium	○ Low	○ Low	○ Low	○ Low	○ Low	○ Low	○ Low
CBL	○ Low	● Medium	○ Low	○ Low	○ Low	○ Low	○ Low	○ Low	○ Low
LuxCSD	○ Low	● Medium	○ Low	○ Low	○ Low	○ Low	○ Low	○ Low	○ Low
CFS	○ Low	● Medium	○ Low	○ Low	○ Low	○ Low	○ Low	○ Low	○ Low

* The impact rating (High, Medium, Low) indicates the level of operational change and preparation that could be required if you are a client of the respective entity.

** The recommendations refer to the guidelines defined in the [High-level Roadmap](#).

2.2.3.1 Instruction and exception management

ST-03.1 and ST-03.3: Partial settlement—the new default for maximizing efficiency

Clearstream, across all its entities (CBL, CEU, LuxCSD), provides partial settlement and release. We strongly recommend that you align with the official EU T+1 market practice and CSDR Refit goals (Article 6), which establish partial settlement as the default standard to enhance settlement efficiency.

The new market practice: partial by default

- **Default eligibility:** According to the EU T+1 market practice and ESMA RTS, all settlement instructions are to be considered eligible for partial settlement by default. The only way to prevent this is by explicitly using the NPAR (No Partial Settlement) indicator.
- **Bilateral opt-outs:** To prevent partial settlement on a standard transaction, both counterparties must agree bilaterally, and **both** must include the NPAR indicator in their respective settlement instructions.
- **Limited unilateral exemptions:** The market practice defines a small, explicit list of business flows where a single party may unilaterally instruct NPAR due to contractual or operational constraints. These are:
 - Securities Lending/Borrowing (transaction types: SECL/SECB)
 - Corporate Actions (transaction type: CORP)
 - Portfolio Transfers (transaction type: PORT)

Clearstream's implementation

- **No technical change:** Clearstream's procedure for partial settlement and release has not changed and is available in our Client Handbooks. Our processing logic adheres strictly to the CSDR Refit framework. As such, NPAR on either counterparty's instruction is sufficient to prevent the use of partial functionality on that transaction.

- **Default onboarding:** To align with the “partial by default” principle, all new accounts opened with Clearstream will be automatically enabled for partial settlement. As an existing client, you are invited to review your current choice. Should you wish to change your existing account-level setting, please request this with your Relationship Manager.
- **Domestic Partial Release:** Clearstream is implementing domestic partial release for delivery instructions on August 23, 2027.

What you need to do

The industry committee strongly encourages adopting the following practices as soon as possible to maximize settlement efficiency and ensure a smoother transition.

1. **Treat partial as standard:** Set partial as the default outcome for all eligible instructions.
2. **Spot partial differences:** Leverage the PATD reporting provided via sese.024 and in MT548 and MT537 messages to identify partial settlement discrepancies and determine whether instructions should be updated to permit partial settlement. PATD is available in T2S (CEU and LuxCSD) and CBL.
3. **Reserve unilateral NPAR for permitted exemptions:** Although the settlement system will technically process a unilateral NPAR instruction on any transaction, you should adhere to the agreed market practice. This means reserving the use of the NPAR indicator strictly for the small set of predefined business flows (i.e., Securities Lending/Borrowing, Corporate Actions and Portfolio Transfers).

Note: Partial settlement does not apply to primary market fund transactions, such as mutual fund subscriptions, redemptions and switches, which are processed in accordance with the settlement rules and dealing cycles defined by the relevant fund and transfer agent.

We encourage you to adopt the partial settlement functionality as recommended by the HLRM and CSDR Refit. As shown in the graph below, even smaller settlements can help boost overall settlement efficiency. The compression of timeframes to T+1 can be expected to amplify the positive effect of partial functionality.

ST-03.5: Hold and Release—gaining control over settlement timing

The Hold and Release mechanism acts as a “settlement block,” allowing you to submit instructions to Clearstream while preventing them from entering the settlement process until a “Release” instruction is received. This will help reduce late-matching fails penalties.

What this means for you

This mechanism is ideal for all instructions (both FOP and DvP) that require final confirmation of holding the underlying securities. You can set the “Hold” status at the time of initial entry or apply it to a pending instruction later, provided it has not been locked in for settlement.

Note: Once settlement instructions are released to an external market, the “Hold and Release” functionality no longer applies and external market rules and timelines prevail.

Execution via Swift

Use MT54x (Settlement Instructions) as follows:

Action	Field	Code/Narrative
Place on Hold	:23G:	Use code PREA
Place on Hold	:70E::SPRO	Use narrative /HOLD/ (with :23G:NEWM or PREA)
Release Instruction	:70E::SPRO	Use narrative /RELEASE/ (with :23G:NEWM)

Note: When releasing or modifying a pending instruction, you have to include the original instruction's reference in field **:20C::PREV//** within the A1 Linkages subsequence.

For steps to instruct trades on hold as a DCP in T2S, please refer to the T2S Handbook [T2S User Handbook R2026.JUN \(UHB\)](#).

T+1 readiness tip

Automate the release! Configure your systems to send **/RELEASE/** or **PREA** instructions as soon as possible to avoid settlement fails.

2.2.3.2 ST-03.8a: Allegement management

An allegement is the primary alert notifying you that a counterparty has instructed against your account, but Clearstream has not yet found a matching instruction from you.

Allegements often signal a delay or error originating from an upstream party or system responsible for generating the instruction. This is a common challenge in complex workflows; for instance, in investment fund settlements, delayed or incorrect confirmations from transfer agents or fund administrators can lead to unmatched instructions.

Regardless of the source, the timely monitoring and resolution of allegements is a key operational discipline for **all participants** to master in a T+1 settlement cycle.

Clearstream provides two key Swift messages to help you monitor and resolve these exceptions:

Monitoring tools (Swift)

- **MT578 (Settlement Allegement):** A real-time notification for individual allegements.
- **MT586 (Statement of Settlement Allegements):** A consolidated report of all pending allegements.

Generation timing

You will find detailed descriptions of the generation timing for each Clearstream entity in the respective Client Handbooks.

Automatic resolution

The process is designed for low maintenance. Clearstream automatically issues an allegement removal when:

- You submit matching instructions.
- The counterparty cancels their instruction.
- A definitive status is received from the local market.

Strategic configurations

- **Party 2:** Usually considered an optional field. However, the EU T+1 Implementation Handbook recommends you populate this field at the time of instructing to make allegements more effective. It also helps avoid incorrect matches, especially for Omnibus accounts.
- **Custom filtering:** You can configure reports to show allegements only from specific sources (e.g., Domestic or Bridge) to help prioritize high-risk markets.
- **Group matching (GMA):** If you are using a Group Matching Account, monitoring should be centralized, as allegements are reported directly against the GMA.
- **External settlement:** For external settlement trades, allegements are provided on the condition that the local CSD or depository supports this functionality, and that your counterparty's instruction correctly identifies your account details.

T+1 readiness tip

Remediate faster with Swift MT537 and MT548 to secure on-time T+1 settlement.

MT537 Statement of Pending Transactions: Use this message to get a list of all your pending and unmatched instructions, at fixed intervals throughout the day (including 15-minute delta updates), or as a complete intraday, weekly, or monthly report. It enables a structured, periodic review of your settlement queue.

MT548 Settlement Status and Processing Advice: This event-driven message informs you in real-time when an instruction's status changes (e.g., matched, unmatched, settled, canceled). It is your "immediate action" trigger for instruction-level remediation.

2.2.3.3 ST-03.9: Power of Attorney (POA)

The Power of Attorney (POA) functionality is a key tool that allows you to authorize third parties, agents, or Clearstream to act on your behalf, automating complex workflows.

Core use cases for POA

Service Area	Application
T2S Settlement (CEU and LuxCSD)	Allows for “Already Matched” instructions and enables CCPs to issue matching settlement instructions
Syndicated Distributions	Authorizes Issuing Agents to manage Commissionaire Accounts for new issuances
Smart Realignment	Grants Clearstream authority to automate intra- or cross-CSD delivery instructions to prevent settlement fails
Investment Funds	Appoints Clearstream as a “mandataire” and authorizes us to act on your behalf for the processing and routing of fund orders via Vestima®. It can include subscriptions, redemptions, transfers and other fund transaction instructions processed through Vestima and related fund services platforms.
Corporate Actions	Enables the delegation and execution of voting rights at General Meetings through authorized third parties

T+1 strategic tip

Optimize your inventory management using the **Smart Realignment Service**.

With this solution, you can authorize Clearstream the PoA to automatically move securities between your accounts (same entity) to cover “lack-of-securities” failing instructions, removing the manual bottleneck of intra-CSD or cross-border realignment that can cause settlement delays.

2.2.4 Fails prevention and liquidity optimization

2.2.4.1 ST-03.10: Leveraging liquidity tools and functionalities

The industry committee recommends that you explore and utilize the existing functionalities and tools offered by (I)CSDs, NCBs, and Settlement Intermediaries to support efficient liquidity management. The rationale is that the optimization of liquidity can be significantly enhanced through automated facilities that reduce latency in the settlement process.

Clearstream fully supports this recommendation and provides a comprehensive suite of solutions designed to help you manage your liquidity proactively and efficiently. Many of the tools detailed in this guide are direct answers to this industry committee call to action.

2.2.4.2 ST-03.12: Automated borrowing—the fails prevention safety net

Clearstream's Automated Securities Lending and Borrowing (ASL, ASL Principal) functionalities are essential for navigating the T+1 cycle: they act as a safety net to prevent settlement fails by automatically sourcing securities when needed, while offering lenders a way to generate incremental revenue.

What is more, by providing access to a deep pool of securities, the services free up your own inventory and cash that can be used for other operational activities throughout the day. Thereby, the solutions act as intraday liquidity tools enabling you to manage your intraday liquidity positions, a functionality explicitly highlighted in the CSDR Refit (Article 6).

Note: To address settlement challenges in specific asset classes, our ASL and ASL Principal programs have been enhanced to include ETFs, helping to improve settlement rates for this growing market. However, ASL and Borrowing services are primarily relevant for securities settlement activities. They do not apply to primary investment fund order processing through Vestima and related fund services platforms.

The two tiers of ASL programs

Program	Focus	Clearstream's Role	Counterparty Risk Mitigation
ASL	Short-term fails prevention	Agent	Clearstream acts as agent and guarantor, facilitating automated loans between undisclosed lenders and borrowers, significantly reducing counterparty exposure.
ASL Principal	Integrated fails coverage across CBL and CEU (T2S and ICSD)	Contractual Counterparty	Clearstream Banking S.A. acts as sole counterparty, borrowing from and lending to participants directly, providing enhanced risk mitigation and cross-location liquidity (CBL, CEU).

T+1 strategic tip

View **ASL as a liquidity tool**, not just a backstop.

In a T+1 environment, integrating ASL into your daily workflow can optimize your inventory and free up your most liquid assets. Rather than waiting for a fail to occur, consider ASL as a primary source of intraday securities liquidity.

2.2.4.3 ST-03.14: Auto-Collateralization—the first line of defense against cash fails



CSDR-Refit-mandated
Regulatory Requirement

T2S Auto-Collateralization (in CEU and LuxCSD) automatically generates the cash needed to complete transactions when your cash account balance is insufficient to settle. The functionality provides intraday credit from central banks, secured by your securities. Two mechanisms are available:

- **On flow:** Uses securities from the settlement instruction itself to generate cash.
- **On stock:** Uses eligible securities already held in a designated collateral account. → Key setup through “Earmarking”: Label (“earmark”) relevant positions using codes like **EXXX** (all currencies) or **EEUR** (Euro only) to participate in auto-collateral on stock.

T+1 readiness tip

Review your auto-collateralization setup:

- **Prioritize “on flow”:** Configure your accounts to favor on-flow auto-collateralization.
- **Automate reimbursement:** Ensure your systems release intraday credit reimbursement instructions before the cut-off to avoid penalties.
- **Review haircuts:** Monitor the eligibility and haircut levels of your holdings to ensure sufficient collateral value.

2.2.4.4 Intraday credit facility

In preparation for the increased liquidity pressures of T+1, discover the Intraday Repo functionality on our tri-party collateral management platform CmaX, offered through CBL. This service is designed to provide you with a predictable, short-term source of funding precisely when you need it most:

- **Predictable, on-demand liquidity:** the tool allows you to execute a tri-party repo for a pre-defined period, ranging from two to ten hours, by specifying the desired size and rate.
- **Ease liquidity pressure:** the functionality was specifically developed to help you manage the intense, short-term funding needs expected during peak settlement hours in a T+1 cycle, easing pressure on your overall liquidity position.

For details on all functionalities, please refer to the Clearstream Client Handbooks ([CEU](#), [LuxCSD](#), [CBL](#)).

T+1 strategic tip

Use **Intraday Repo** for targeted liquidity.

Instead of holding large cash buffers all day, use the Intraday Repo tool to inject liquidity at specific, high-pressure moments. This allows for more efficient use of capital and provides a structured way to manage funding needs without disrupting your broader treasury strategy.

2.2.4.5 FX services

Key industry recommendations for FX

The EU T+1 Industry Committee has outlined several core recommendations for managing FX in a T+1 world. The table below summarizes the key challenges and the actions you are required to take.

HLRM Recommendation	Core T+1 Challenge	Key Action for You
FX-01: FX Lifecycle	Managing the end-to-end FX process within a compressed timeframe, especially for less liquid currencies.	Plan and automate the engagement with custodian and third-party FX providers to ensure timely execution
FX-02: Partial Settlement	An expected increase in partial settlements will lead to more frequent, smaller FX funding requirements.	Review processes with FX providers to handle a higher frequency of FX transactions efficiently
FX-03: Settlement Risk	Increased time pressure raises the settlement risk for any FX trades that occur outside of a PvP mechanism.	Review all non-PvP FX practices to ensure they align with the risk mitigation principles of the FX Global Code
FX-04: PvP Mechanism	The hard deadline for submitting FX transactions to CLS for PvP settlement.	Ensure internal processes are aligned to deal, process, and submit FX transactions to CLS no later than 00:00 on Settlement Date

Clearstream's (CBL) FX services provide automated currency conversion for custody proceeds, fees, and most importantly securities settlement. These services are designed to ensure cash is available exactly when a trade needs to be settled.

FX service options

CBL offers two primary ways for you to manage your currency needs: Auto FX and Case-by-Case FX.

Auto FX

This service provides highly automated conversions for securities settlement, custody proceeds (such as dividends and redemptions), monthly fees, and interest charges. You can set specific thresholds or currency filters to control these automated triggers. Auto FX is a simple, subscription-based service designed to completely de-risk your cross-currency settlement. By linking directly to your core settlement activity, it allows you to outsource your FX cash management to Clearstream.

Case-by-Case FX

The case-by-case FX (foreign exchange) service allows clients to arrange, for a specific event, the conversion of cash Balances or income proceeds into a currency of their choice. These are instructed via MT380 or free-format messages (MT299/399/599) and are considered irrevocable once sent.

FX Services in settlement instructions (MT54x)

To maximize efficiency and reduce operational steps, you can embed an FX request directly into your settlement instructions. This eliminates the need for a separate cash instruction and ensures the currency conversion is perfectly synchronized with the settlement.

Instruction Type	Field :11A: Qualifier	Description
Deliver Versus Payment (MT543)	:11A::FXIB//[CCY]	FX Buy: sells the settlement currency to buy the specified currency
Receive Versus Payment (MT541)	:11A::FXIS//[CCY]	FX Sell: buys the settlement currency by selling the specified currency

Reporting and reconciliation

Clearstream uses specific code words in cash reports (MT94x/MT950) to provide clear identification for the source of each FX movement, simplifying reconciliation:

- **SETT**: FX linked to a securities settlement instruction.
- **INTC / MFEE**: Automatic FX for interest charges or monthly fees.
- **FX9E**: Case-by-case FX instructions.

If you are involved in cross-currency trades, you are strongly encouraged to enable Auto FX for securities settlement. By automatically synchronizing the FX value date with the security settlement date, this service removes the risk of “lack-of-cash” fails. Such fails often occur when operational teams must manually coordinate FX and securities desks, a process that becomes increasingly challenging in a shortened settlement cycle.

Read more about all the solutions in detail in the Client Handbook ([CBL](#)).

T+1 strategic tip

Enable Auto FX for securities settlement!

2.2.4.6 Smart Realignment service

The [Smart Realignment](#) service is a fails-prevention tool that automatically generates free-of-payment delivery instructions ("realignments") to move securities between your eligible "own assets" accounts to cover a pending "lack-of-securities" delivery fail.

Note: You should consider this service a last resort to reduce or avoid settlement fails, as you remain responsible for managing your inventory. However, in the fast-paced T+1 environment, it is a powerful tool for increasing settlement efficiency and reducing the risk of penalties.

How it works

The service is triggered when a matched delivery instruction is failing due to a lack of securities (LACK). Our system will check if a position is available in another of your accounts. If successful, it automatically generates instructions to transfer an available long position from your designated "source" account to the "target" account where the securities are needed. This can happen within the same CSD (intra-CSD) or between CEU and CBL (cross-CSD).

Service scope and eligibility

- **Account eligibility:** Only your securities accounts categorized as "own assets" and linked to the same valid Legal Entity Identifier (LEI) are eligible.
- **Service scopes:** You can choose between two service levels:
 - Full scope: considers any delivery fail in eligible securities as a trigger
 - Special scope: limited to fails related to Eurex "special repo" trading activity against specific Eurex Clearing AG accounts
- **Markets in scope:** The service covers fails in securities eligible for settlement in CEU across major European markets, including Austria, Belgium, France, Germany, Greece, Italy, Netherlands, Spain, Portugal and selected XS/EU ISINs.
- **Tax restrictions:** For certain markets (Belgium, Italy, Portugal), realignments are only generated if the accounts involved meet specific tax certification requirements maintained in Clearstream's systems.

The realignment process in detail

- **Realignment windows:** The detection process for failing deliveries is triggered at fixed points during the business day, ensuring realignments are processed in time to meet settlement cut-offs.

Realignment Window #	Start Time (CET)
1	07:30
2	09:30
3	10:30
4	12:30
5	14:40
6	15:15
7	15:40
8	16:40
9	17:40
10	18:10
11	19:40

- **Cross-CSD logic:** For the service to operate between CEU and CBL, you must subscribe with accounts in both CSDs. This requires a Power of Attorney (inherently granted when you sign the service subscription form) authorizing Clearstream to generate instructions on your behalf.
- **Prioritization logic:** If multiple instructions are failing, the service prioritizes them to ensure highest settlement efficiency outcome

How to set up and use the service

1. **Subscription:** To request the service, you must submit the completed and signed **CEU service form “Smart Realignment”**, available on the [Clearstream website](#).
2. **Configuration:** Within the form, you define each account as a “source,” a “target,” or both, and select either the “full” or “special” scope.
3. **Exclusion:** You can exclude a specific failing instruction from being realigned on a case-by-case basis by using the “Hold and Release” functionality.

Note: Smart Realignment is designed for securities settlement inventory management within CBL and CEU. Investment fund order processing through CFCL/Vestima follows different operational workflows and is not the primary scope of the Smart Realignment service.

Read more about all the solutions in detail in the Client Handbooks ([CEU](#), [CBL](#)).

2.3 Securities financing transactions

2.3.1 SFT Gating Event (SF-01)

The transition to T+1 presents unique and significant challenges for the Securities Financing Transactions (SFTs) market, which is integral to the functioning of the wider financial ecosystem. To address these challenges, the EU T+1 Industry Committee formed a dedicated task force to develop a targeted solution.

The challenge: the liquidity strain on SFTs in a T+1 world

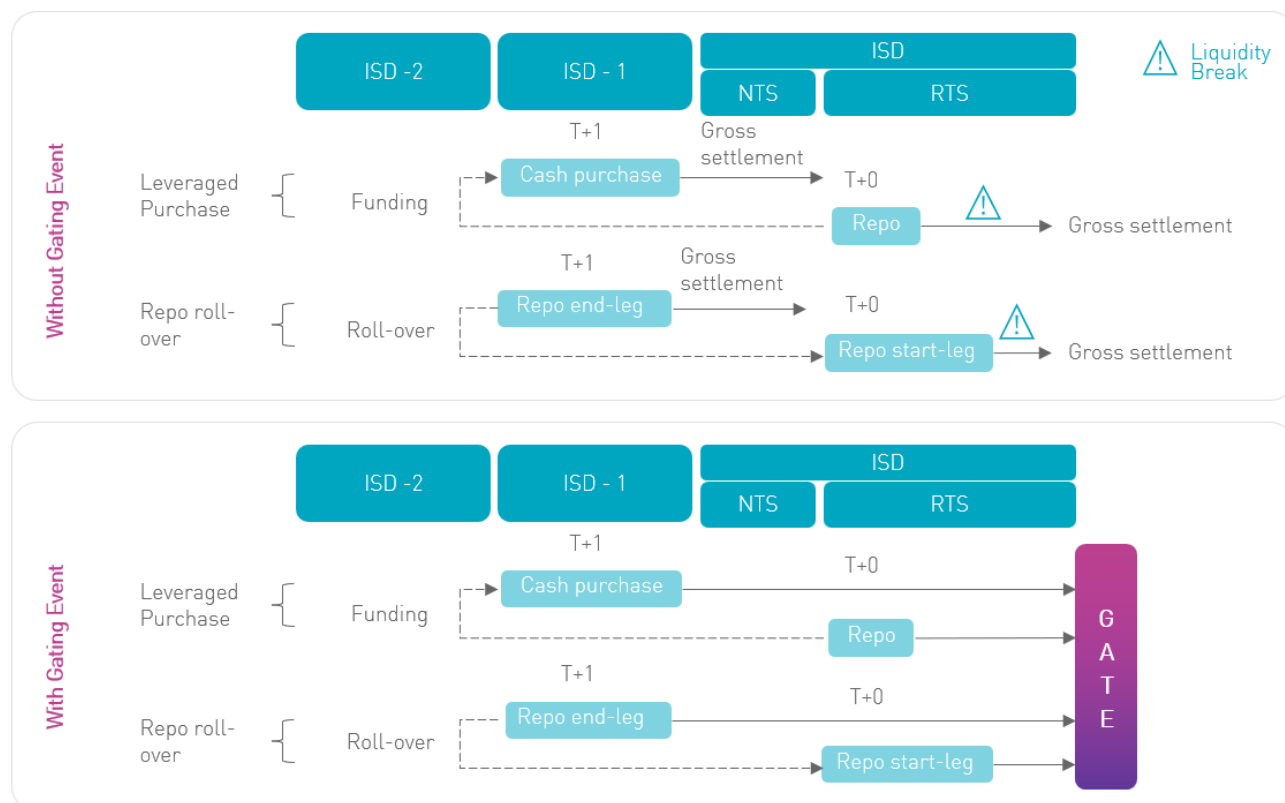
The primary driver for this new solution is the anticipated strain on intraday liquidity and settlement efficiency in the SFT market, particularly for repos, under a T+1 cycle.

- **Shift in settlement cycle:** With the compression of the trade lifecycle, the industry expects a large amount of securities financing trades to shift to same-day (T+0) settlement to support cash market activities.
- **Reduction of netting opportunities:** The compressed T+1 timeline drastically reduces the time available for market participants to perform bilateral netting (pair-offs). Today, this netting process significantly reduces the number and value of transactions that require actual settlement, conserving liquidity.
- **Increased gross settlement and liquidity pressure:** With fewer netting opportunities, a much larger volume of SFTs will need to settle on a gross basis. This increases the demand for intraday liquidity, which is both costly and has regulatory implications for firms.

The solution: the SFT Gating Event

To mitigate these risks, the industry has developed the SFT Gating Event. This is an automated, industry-wide solution designed to prevent a liquidity drain and ensure the orderly functioning of the market with minimal disruption to existing systems.

Exhibit 5: Intraday liquidity management with GATE



How it works (Functional Specs)

The SFT Gating Event is a coordinated settlement window scheduled for **11:00 CET** on the settlement date. It functions as a form of “automatic hold and release” for specific, flagged transactions.

An optional, unilateral choice: Participation in the gating event is **entirely optional** and is decided on a trade-by-trade basis. It is not a mandatory matching field. You can unilaterally choose to flag an instruction for inclusion in the gate without needing bilateral agreement. It is however recommended to inform the counterparty.

The flag: STCO//GATE is to be introduced by Swift release on June 12, 2027. Any instructions used with this flag before our implementation dates mentioned below will not be eligible for gating event. The flag will simply be ignored and not rejected.

Core Settlement Logic: Only instructions with an Intended Settlement Date on or after the current processing date and received before 11:00 CET on their ISD. All eligible instructions are held from settlement processing until **11:00 CET** on their Intended Settlement Date.

Settlement Process: At 11:00 CET, instructions are released into the standard settlement flow, benefiting from our real-time netting engine (for internal/Bridge) or entering the provisioning process (for domestic trades, when offered by the local market). It is not a separate, protected netting batch.

Technical scope: The solution is not technically limited to just repo transactions. It is applicable across the full spectrum of SFTs, including buy-/sell-backs and securities lending, and can be used for both over-the-counter (OTC) and CCP-cleared trades (usage to be defined by CCPs). The EU T+1 industry committee published a [market practice](#) document defining the appropriate usage of the SFT Gating Event.

In scope

- Repo roll-over with start-leg on ISD (T+0)
- Cash purchase of fixed income funded by T+0 repo on ISD

Out of scope

- All non-same day (reverse) repo
- T+1 cash bond not connected to T+0 repo
- Equity and ETF instruments.

- Short sale of fixed income instruments covered by a T+0 reverse repo on ISD

Reporting

Interim Status Reporting: Before a fully structured Swift solution is available (expected as of November 2027), Clearstream will report matched instructions awaiting the Gating Event with the following status in the **MT548**:

- Status: :25D::SETT//PEND
- Reason: :24B::PEND//NARR
- Narrative: :70D::REAS// GATE (Instructing party), GATC (Counterparty), GATB (Both)

Xact Web Portal visibility: In addition to MT548 reporting, instructions pending for the Gating Event will be identifiable directly in the Xact Web Portal. This provides your operational teams with real-time visibility of which instructions are held for the gate, allowing you to monitor and manage your settlement queue without waiting for the end-of-day Swift reporting cycle.

Future Reporting: The industry plans to introduce structured reason codes (**GATE, GATC, GATB**) in the November 2027 Swift release to provide more granular status information.

- Status: :25D::SETT//PEND
- Reason: :24B::PEND// GATE (Instructing party), GATC (Counterparty), GATB (Both)

Notes

- **No Modification of the GATE Flag:** The Gating Event indicator cannot be modified on a pending instruction. To change it, you must cancel and replace the instruction.
- **No Impact on Matching:** The process does not delay instruction matching, only the start of settlement eligibility.
- **Failed Trades Lifecycle:** A gated instruction that fails to settle on its ISD will not be held for the next day's Gating Event. It will recycle into the next standard settlement cycle.

Clearstream implementation timeline

CEU (T2S): [CR865](#) will be delivered in the June 2027 release.

CBL (ICSD): Implementation is underway, and to be delivered on August 23, 2027.

T+1 readiness tip

Unlocking the SFT Gating Event—your three-step action plan

1. Familiarize with GATE.
2. Check your own processing to identify GATE usage possibilities.
3. Review and adhere to GATE market practice.

2.4 Corporate events

The EU T+1 Industry Committee has identified four recommendations which are considered focus points in the shift to T+1. Clearstream's robust asset servicing functionalities are designed to manage these accelerated timelines, ensuring that even when trades settle late, the correct party receives the economic benefit of the transaction. These solutions are aligned with the industry framework detailed in the [T+1 – Corporate Events Harmonized Implementation Guide](#) published by the Advisory Group on Market Infrastructures for Securities and Collateral (AMI-SeCo) in March 2026 and updated in July 2026.

Below, you can find an outline of the key changes and the automated solutions available.

2.4.1 The new alignment of key dates (CE-01)

The most significant change for corporate events under T+1 is the revised timeline of the key dates. Issuers/issuer agents and local CSDs are expected to comply with those new key dates when announcing corporate action events. Clearstream will start reporting the buyer protection dates for Luxembourg and the international market from October 2027. For the German market, these dates are already reported.

What this means for you

- **Mandatory distribution event:** The ex-date will be the same as the record date, with the payment date being one date after the record date.
- **Mandatory reorganizations:** In addition to the changes to the ex-date, the last trading date will also be announced. The last trading date will be one day before the record date.
- **Elective event:** The last trading date (LTRD), the guaranteed participation date (GUPA) and the buyer protection deadline date (ECPD) will all be announced. The LTRD will equal the GUPA and the ECPD should coincide with the final settlement date.

2.4.2 Automated market claims in T+1 (CE-03)

With compressed timelines, the risk of trades settling after the record date increases. The T+1 recommendation requires the implementation of automatic market claims according to harmonized rules.

Today, Clearstream automatically detects market claims for internal, Bridge, external, and cross-border transactions, across all eligible distribution event types and across all Clearstream entities. Clearstream automatically compensates for internal and cross-border transactions, when supported by the market. For external transactions, Clearstream relies on the payment from the market to execute the market claims.

The T+1 initiative has also introduced the notion of harmonized rules for the market claims management, laid out in the [T+1 – Corporate Events Harmonized Implementation Guide](#). Clearstream is already compliant with most of those rules, nevertheless some adaptations will be required, e.g., the ex and cum indicator which will no longer be considered, the detection period will be reduced from 20 to 10 business days, and the market claim delivering cash proceeds will be created with settlement status "CSD Hold" until the underlying corporate action event is paid.

Clearstream is analyzing the new rules and will communicate further details on amendments (where applicable) in due course.

To further enhance this service and to complete the suite of corporate action messages in ISO 20022, Clearstream will focus on the development of market claim messages in the ISO 20022 format (seev.050–seev.053). This new offering in ISO 20022 format is targeted for implementation by November 2027. The current automatic market claim in ISO 15022 format (MT564/566 messages) will continue to be used with T+1 launch.

Transformations

The T+1 recommendation requires the implementation of harmonized rules for transformations.

Today, Clearstream automatically detects transformations and applies cancellations for internal, Bridge, external, and cross-border transactions, across all eligible mandatory reorganization event types and across all Clearstream entities. Clearstream automatically re-instructs internal and cross-border transactions, when supported by the market. For external transactions, Clearstream relies on the feedback from the market to execute the transformation.

Clearstream is already compliant with most of the harmonized rules on transformation, nevertheless some adaptations will be required such as e.g. the detection period will be reduced from 20 to 10 business days, the reporting will be enhanced with inclusion of the underlying MITI, etc.

Clearstream is analyzing the new rules and will communicate further details on amendments (where applicable) in due course.

2.4.3 Buyer protection: an evolving standard (CE-02)

The long-term industry goal is to fully automate buyer protection workflows. However, while automation is being pursued, Clearstream, in line with ECSDA and its members, will **not** implement an automated buyer protection solution by October 2027. It has been determined that this is not a pre-requisite for the go-live of T+1 settlement.

What this means for you

You should plan to continue using existing processes for managing buyer protection. Clearstream will continue to review the topic and will communicate updates in due course.

If you operate investment fund transactions on settlement cycles longer than T+1, the shortened corporate action lifecycle may create timing misalignments in entitlement determination, market claims, transformation processing, and buyer protection that you should assess and address operationally.

3. The T+1 Industry Testing Plan: Our Approach and Your Role

To ensure a coordinated and successful migration, the EU, UK, and Swiss industry bodies have published a joint T+1 Testing Plan. This plan provides a clear framework for you and all other market participants to validate your readiness, test your processes, and de-risk the transition ahead of the October 2027 go-live.

The plan is structured around three core pillars of readiness, each with a distinct timeline and focus.

While participation in the community testing windows is not mandatory, it is recommended to ensure your own operational readiness for T+1.

Below is our preliminary plan for testing and we will provide a detailed guide by December 2026:

3.1 Our T+1 Testing Timeline

Our testing program is structured across several phases, culminating in the industry-wide community testing windows in 2027.

Phase	Dates	Focus	Comments
Preparation & Non-T+1 Testing	Oct/Nov 2026	Support for non-T+1 related changes in the User Test environment	Allows you to test existing connectivity and processes
Testing Window 1	Feb 1–12, 2027	Business as usual (BAU) testing in a T+2 environment	
Testing Window 2	Apr 19–30, 2027	First window for End-to-End (E2E) T+1 testing	This will involve changes to the T2S Settlement Day and a gating event on T2S.
Testing Window 3	May 17–28, 2027	Continued E2E T+1 testing	T2S will make changes available in UTEST on April 2, 2027; compressed timetable currently under discussion (expected to be available in due course)
Testing Window 4	Jun 28, 2027 – Jul 9, 2027	E2E T+1 testing with the new T2S Operational Day live in production (from June 14, 2027)	
Testing Window 5	Aug 23, 2027 – Sep 10, 2027	Final E2E testing window ahead of the go-live	Testing window for CBL implementation of the gating event

Note: As per ECSDA T+1 Task Force alignment in August 2026, Corporate Actions (CA) testing is guaranteed during Windows 4 and 5 as a minimum. CA testing should be scheduled to avoid overlap with peak CA season.

3.2 What you can test with Clearstream

Our test environments for **CBL, CEU, and LuxCSD** will be open during all community testing windows, allowing you to validate a comprehensive range of T+1 changes.

3.2.1 Core settlement functionalities and flows

- **Instruction formats and connectivity:** Test the creation of settlement instructions to ensure they correctly include new T+1 specific indicators like Gating alongside existing, now-critical fields for Transaction Type and Place of Trade.
- **Partial Settlement:** Validate your processes to treat all instructions as eligible for partial settlement by default, a key requirement for improving settlement efficiency.
- **Allegements and Reporting:** Test your full exception management workflow, including your ability to react to real-time allegements (MT578) and status messages (MT548), and to reconcile pending items using consolidated reports (MT586).
- **End-to-End Trade Flows:** Test your specific trade flows across major asset classes.

3.2.2 T+1-introduced functionalities and flows

- **Gating Event:** Test the new industry-wide mechanism by flagging instructions with the :22F::STCO//GATE indicator to synchronize settlement at 11:00 CET and assess the impact on your liquidity management.
- **Start of T2S NTS cycle at 00:00 CET:** Prepare for the change in the T2S operational day, where instructions can be input until 23:59 on trade date to participate in the NTS cycles and the new generated report timings.
- **Dedicated Corporate Actions scenarios:** Use the specific ISINs and test scenarios we will provide you with to ensure your readiness even for complex changes. Find a list of the scenarios currently in scope below. Further details will be disclosed in due course.
 - Mandatory distributions: Events where the Ex-Date and Record Date are the same day
 - Mandatory reorganizations: Events where the Last Trading Date is one business day before the Record Date
 - Elective events: Scenarios with compressed timelines for buyer protection and election deadlines
 - Automated market claims and transformations: Test the automated creation, cancellation, and replacement of instructions for pending trades affected by corporate events.
 - Migration transition events: Corporate actions with key dates falling directly on or spanning the go-live date to ensure seamless transition from T+2 to T+1 cycles.

3.3 How to participate and what to expect

- **Your responsibility:** Please be aware that you will need to arrange matching with your own counterparties. Clearstream will not provide a dummy counterparty for testing.
- **Clearstream's support:** We will provide the following information in future publications:
 - A list of ISIN's for testing.
 - Coordination with Bundesbank for cash funding on DCAs.
- **Out of scope for community testing:** Please note that testing of the **Bridge** functionality between Clearstream and Euroclear is out of scope for this community testing plan and will be handled via dedicated bilateral tests.

Registration

- **Testing Current Functionalities:** To validate your existing processes and connectivity with Clearstream systems ahead of the formal T+1 windows, you can arrange for testing at any time. To get started, please contact your Relationship Manager, your Client Services Representative, or our dedicated testing support team at connect-test@clearstream.com.

T+1 Community Testing Windows: For the formal T+1 community testing windows scheduled in 2027, a more structured approach will be used. A comprehensive testing guide will be published ahead of the program, detailing test scenarios, technical requirements, and support contacts. Registration for each specific window will open approximately three weeks before its start date. We will provide a formal registration form at that time to confirm your participation.

Additionally, to help us access your needs and inform future industry developments, please share your perspective by completing our T+1 Community Testing & Buyer Protection [survey](#) by November 7, 2026.

3.4 Clearstream's status compared to industry benchmark

Fixed Income

Process	EU Industry Average			Clearstream		
	T	T+1	T+2	T	T+1	T+2
Settlement Instructions Submission	81.48%	94.59%	96.43%	88.82%	95.53%	96.34%
CSD Matching Rates	76.73%	92.89%	95.41%	86.18%	94.15%	95.24%

Equities

Process	EU Industry Average			Clearstream		
	T	T+1	T+2	T	T+1	T+2
Settlement Instructions Submission	75.00%	94.06%	97.17%	81.24%	94.11%	96.04%
CSD Matching Rates	68.81%	92.59%	96.55%	76.88%	92.44%	94.82%

4. Mastering T+1 with Clearstream

4.1 Clearstream's Data Solutions Suite

4.1.1 SettlementNext

SettlementNext is Clearstream's data solution for settlement performance monitoring and analysis, designed to enhance efficiency and support proactive exception management.

- **T+1 Scorecard:** Provides a dedicated dashboard to monitor T+1 readiness, including statistics, visualizations, and summaries of settlement activity and trends
- **Settlement cycle summary:** Provides visual summaries of settlement activity and trends across settlement cycles
- **Settlement performance insights (KPIs):** Provides comprehensive metrics and visualizations across markets, asset classes, and counterparties
- **Finality curve analysis:** Enables analysis of timing across input, matching, and settlement stages to identify volumes at risk
- **Partial settlement metrics:** Enables monitoring of partial settlement activity and identification of efficiency opportunities
- **Penalty insights:** Provides visibility into penalty exposure related to failed and late matching instructions
- **Counterparty insights:** Enables analysis of settlement performance across counterparties to identify recurring patterns
- **Settlement prediction:** Uses AI-driven forecasting to predict settlement outcomes up to four days in advance. It helps clients anticipate failures, estimate potential cash penalties, and take proactive steps to minimize risk.
- **Multi-method efficiency metrics:** Incorporates multiple calculation methodologies, including ESMA efficiency, Market Settlement Efficiency Indicator (MSEI), and Clearstream efficiency, to support benchmarking and comparative performance analysis
- **Upcoming updates:** In late October 2026, the SettlementNext Dashboard will undergo a few enhancements, introducing AI-powered capabilities that allow clients to interact directly with their data and perform deeper, more insightful analyses.

How it helps for T+1

SettlementNext enables you to monitor readiness, analyze settlement activity, and identify trends or recurring issues within shorter deadlines. By combining performance monitoring with insights, it supports the reduction of settlement fails, minimization of penalties, and continuous improvement in operational efficiency. This dashboard is constantly being improved to make more relevant information available to you like the upcoming T+1 Health Card.

SettlementNext

More details on our dedicated product web page



4.1.2 LendingNext

LendingNext is an advanced analytics dashboard designed to bring transparency, efficiency, and strategic oversight to a lender's securities lending activity.

- **Global Lending Overview:** Consolidates **Strategic and Fails** lending data into a single interface, providing a complete and unified view of lending programs
- **Trend Analysis:** Provides access to historical KPIs like total revenue and loan balances, enabling clients to identify patterns and evaluate performance
- **Portfolio Visualization:** Segments lending activity by account, product, security, and asset type, providing a granular understanding of portfolio behavior

How it helps for T+1

With shorter settlement cycles, timely visibility of lending positions is essential to ensure asset availability. LendingNext enables clients to analyze lending activity and assess how positions may impact settlement obligations. By providing a consolidated view of lending activity, it supports the management of securities lending programs and helps identify positions that may affect settlement in a T+1 environment.

LendingNext

More details on our dedicated product web page



4.1.3 CollateralNext

CollateralNext is a comprehensive suite that transforms complex collateral data into actionable insights, supporting strategic allocation, risk management, and market positioning.

- **Collateral Insights:** Delivers a consolidated, holistic view of collateral and lending activities, helping to track exposures and counterparty behavior
- **Collateral Mapper:** Visualizes the entire collateral position and eligibility across contracts, allowing clients to identify available assets and optimize allocation for maximum efficiency
- **Collateral Benchmarking:** Enables clients to compare their performance including repo rates and haircuts, against anonymized peer groups to align with market standards

How it helps for T+1

In a T+1 environment where efficient inventory management is critical, CollateralNext provides the visibility needed to optimize collateral usage, reduce over-collateralization, and make faster, data-driven allocation decisions.

CollateralNext

More details on our dedicated product web page



4.1.4 LiquidityNext

LiquidityNext is an analytics dashboard designed to provide visibility over credit line usage and intraday liquidity, supporting effective funding and risk management.

- **Usage insights:** Helps spot peak credit usage and provides visual indicators for days with blocked settlement transactions, allowing for the early identification of bottlenecks
- **Intraday breakdowns:** Offers daily, hourly, or even 10-minute views of credit consumption, which is essential for understanding and managing liquidity needs in a compressed settlement cycle
- **Data exports:** Allows for the download of detailed reports on credit and collateral trends for deeper, offline analysis

How it helps for T+1

LiquidityNext enables you to analyze credit usage patterns and understand how settlement activity impacts liquidity consumption. This supports more informed funding decisions, helps identify potential constraints in advance, and reduces the risk of settlement delays due to insufficient liquidity.

LiquidityNext

More details on our dedicated product web page



4.2 Further support and resources

To access these solutions, you can contact the **PRGConnect team** via an MT599 Swift message or through the Xact Web Portal Message Exchange. For support with onboarding or for technical details, please contact your regional Relationship Manager, Connectivity Support, or Client Services team at connect@clearstream.com.

We recommend the following resources to stay informed:

EU T+1 Industry Committee website

For official announcements and publications



Clearstream's T+1 web page

Your central hub for updates and resources



Clearstream's monthly T+1 LinkedIn newsletter

For regular news and insights



Clearstream's T+1 webinars

For recordings of our expert sessions on different aspects of the transition to T+1



Clearstream's T+1 project team mailbox

Your direct access to our T+1 experts



Your personal Clearstream Relationship Manager

Your trusted single point of contact at Clearstream



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