

**Navigating the  
Transition to a T+1  
Settlement Cycle  
at Eurex Clearing AG**

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## Introduction

The global financial industry is undergoing a significant transformation with the move to a shortened settlement cycle. The transition from T+2 to a T+1 settlement cycle aims to reduce counterparty exposure, lower margin requirements, and increase overall efficiency by aligning EU markets with the global standards. Following growing international adoption of T+1 and the operational challenges caused by misalignment, the European Parliament and Council adopted **Regulation (EU) 2025/2075** on 8 **October 2025**, which formally amends the Central Securities Depositories Regulation (CSDR) to introduce a shorter settlement cycle across the Union. Regulation (EU) 2025/2075 entered into force on **3 November 2025**, following its publication in the Official Journal on 14 October 2025, and will **apply from 11 October 2027**, setting the mandatory go-live date for the EU transition to T+1.

As this new regulatory framework reshapes the post-trade landscape, Eurex Clearing is committed to ensuring a secure and seamless transition for our members. This FAQ section is designed to provide clear and timely information on the expected impacts of T+1 on our clearing services and risk management framework.

***The information contained in this FAQ is provided for general guidance only and does not constitute a definitive or legally binding interpretation. The content remains subject to further amendment, evolving requirements and may be updated to reflect ongoing discussions and changes to final implementation. Eurex Clearing reserves the right to amend or supplement this material as additional details become available.***

## Key Documents for the EU T+1 Settlement Transition

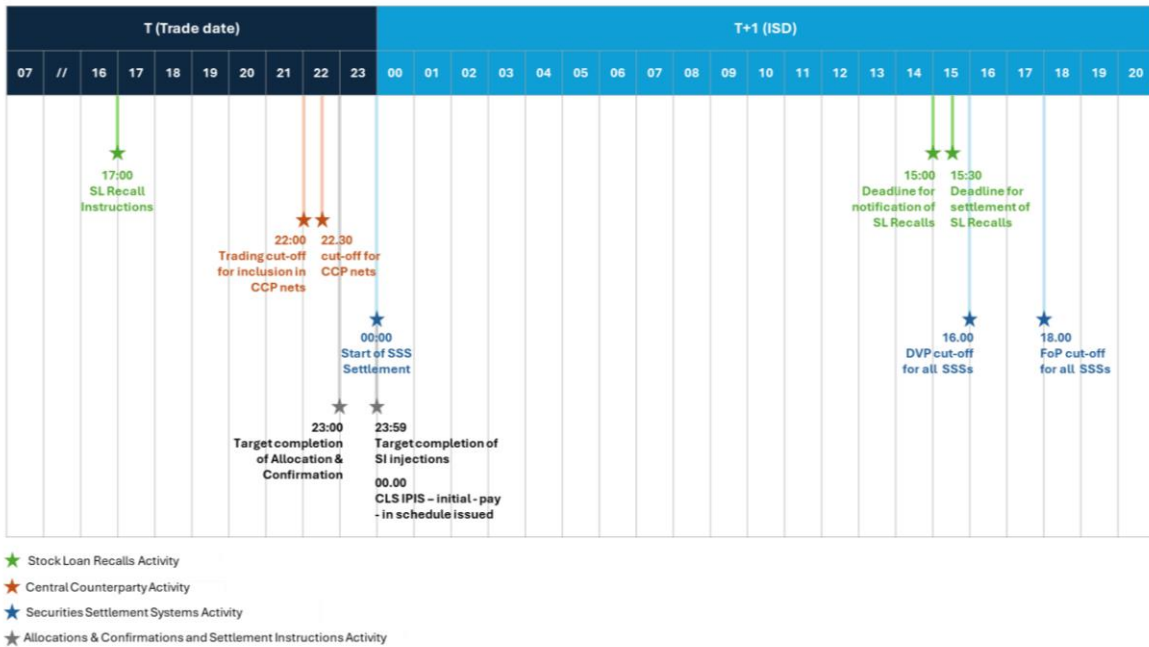
The below documents provide insights on the impacts of the migration to T+1 in Europe.

- [ESMA Report on the Appropriateness of Shortening the Settlement Cycle \(18 November 2024\)](#)
- [EU T+1 Industry Committee – High-Level Roadmap \(June 2025\)](#)
- [EU-T1-Handbook.pdf](#) (Feb 2026)

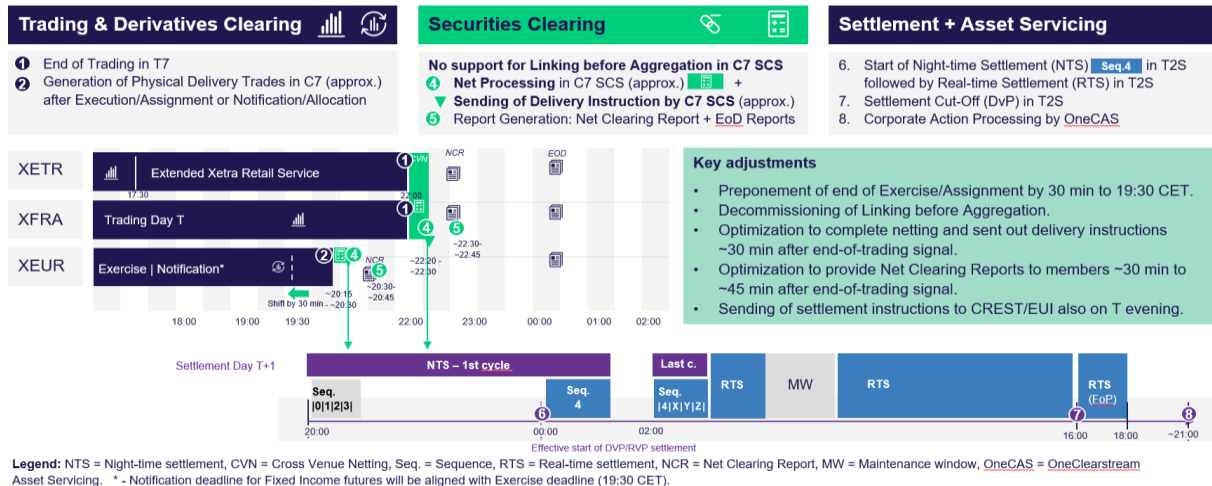
# Eurex Clearing's Implementation Approach to the EU T+1 Industry Recommendation

## Operational Day Changes

The EU T+1 High Level Roadmap identifies the need for coordinated adjustments of the operational day across trading, clearing and settlement to ensure market readiness in a T+1 environment.



To accommodate the significantly compressed processing window under T+1, Eurex Clearing plans to shift several critical post-trade processes earlier on trade date (T) and optimize internal batch sequences. These changes are designed to ensure that delivery instructions, netting outputs, and member reporting are available well ahead of the start of T2S Night-Time Settlement (NTS) Cycle 1 Sequence 4 at 00:00 CET - a foundational requirement highlighted in the industry roadmap.



## Clearing Phase Recommendation CL-01 – CCP Process Timings

High settlement priority for CCP cleared transactions is a fundamental prerequisite for preserving systemic stability and supporting the orderly functioning of financial markets. Accordingly, it is essential that CCP related settlement instructions are transmitted prior to the commencement of the T2S Night-Time Settlement cycle, which is regarded as the most liquid and operationally efficient phase of the settlement day.

Eurex Clearing will introduce following operational enhancements to support the accelerated timelines required under T+1, ensuring that netting output, reporting, and settlement instructions are delivered in line with the harmonized EU operational timetable and with industry's best practices:

### 1. Earlier Exercise and Notification deadlines

To facilitate the timely generation of settlement instructions for the physical delivery of equity derivative trades and to ensure adequate processing time for Clearing Members, Eurex Clearing proposes to **move the exercise deadline by 30 minutes earlier to 19:30 CET**.

The same deadline will apply to the notification of fixed income futures to ensure harmonized processing across products.

### 2. Decommissioning of Linking Before Aggregation service

To avoid processing delays incompatible with T+1, Eurex Clearing will **decommission the linking before aggregation** service in the C7 Securities Clearing System. This structural simplification supports faster net processing and ensures closer alignment with the emphasis on streamlined workflows.

### 3. Accelerated Netting and Delivery Instruction Generation

Eurex Clearing will continue to **execute a single comprehensive netting run** following the close of the final trading venue to preserve maximum netting efficiency. Settlement instructions will be generated immediately thereafter to ensure the earliest possible transmission of settlement instructions to (I)CSDs and the timely delivery of netting reports to Clearing Members.

This approach supports the seamless incorporation of Eurex Clearing's settlement flows into the T2S environment.

### 4. Adaptation of UK CREST Flows

Due to the extended opening hours of CREST, Eurex Clearing will also adjust its outbound timing for settlements at Euroclear UK & International (EUI). For CREST-eligible flows, **settlement instructions will be sent on T** in alignment with the UK's Accelerated Settlement Taskforce recommendations.

Through these measures, Eurex Clearing is taking a structured and roadmap aligned approach to operational day changes required for T+1. By compressing key clearing processes on T, aligning cutoffs, increasing automation, and synchronizing with CSD settlement cycles, Eurex Clearing aims to support a stable and industry coordinated transition to T+1 settlement on **11 October 2027**.

# Frequently Asked Questions

This section aims to address common questions and to support market participants in understanding the changes planned by Eurex Clearing as part of the T+1 initiative.

Please note that the information provided in this FAQ reflects the current state of planning and may evolve as regulatory discussions progress, industry coordination continues, and implementation details are refined. **All responses are subject to change**, and any updates or adjustments will be communicated in a timely manner through the appropriate channels.

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Questions	Answers
<p>1. Which securities are in scope for the T+1 settlement cycle, and how will Eurex Clearing support this transition?</p>	<p>According to <a href="#">High-level Roadmap to T+1 Securities Settlement in the EU.pdf</a>, the primary scope of T+1 settlement under CSDR covers transactions in transferable securities that are traded on an EU trading venue and settle in an EU-registered CSD. Based on this framework, all trades executed on Deutsche Börse's cash markets (Deutsche Börse Xetra and Deutsche Börse Frankfurt) will migrate to a T+1 standard settlement cycle.</p> <p>Although settlement instructions arising from derivative transactions (e.g. the physical delivery of the underlying security following the exercise or expiry of an option) are formally out of scope for T+1, market conventions will still lead to important changes:</p> <ol style="list-style-type: none"><li><b>Physical delivery of underlying equities from equity derivatives</b> will transition to T+1, aligning with the broader move of equity markets to next-day settlement.</li><li><b>Physical delivery of bonds related to fixed income futures</b> such as deliveries triggered by the notification/allocation process will remain on T+2, due to the distinctive operational complexity and processing workflows required for these instruments.</li></ol>
<p>2. Are there any changes to the trading times of the trading venues cleared by Eurex Clearing?</p>	<p>Eurex Clearing provides CCP services for multiple trading venues within Deutsche Börse Group, covering cash, derivatives and repo markets. There are no changes to the trading times in the context of T+1.</p>

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Refer to [Trading Calendar Xetra and Frankfurt – Deutsche Börse](#) for trading hours of Trading venues Deutsche Börse Xetra and Deutsche Börse Frankfurt.

Refer to [Trading hours](#) for Eurex (Derivatives Market) and the contract specifications of the respective product.

Refer to [Eurex Repo – Collateral & Liquidity Solutions](#) for trading times on Eurex Repo.

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**3.** What changes have Eurex Clearing identified as necessary to support the transition to a T+1 settlement environment?

1. Eurex Clearing will decommission the ‘Linking before Aggregation’ service with the start of T+1. Eurex Clearing will continue with a single netting run for stock market trades after the end of trading i.e. after 22:00 CET. The netting results will be provided in the Net Clearing Report, as is the case today. Eurex Clearing will further optimize its batch processes to deliver reports to the Clearing Members as early as possible ahead of the planned start of Sequence 4 of the Night-Time Settlement Cycle 1 in T2S.
2. For physical deliveries from ETD flows, Eurex Clearing intends to shift the Exercise deadline and Notification deadline from 20:00 CET to 19:30 CET. This adjustment will enable Eurex Clearing to perform netting and generate Net Clearing Reports earlier, ahead of the planned start of Sequence 4 of Night-time Settlement Cycle 1 in T2S. Additionally, settlement instructions created for ETD flows will be included in the same T2S Night-time Settlement cycle as the settlement instructions for cash market transactions.

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**4.** What is the Gating Event for settlement optimization of SFTs?

Market participants have indicated that the transition to a T+1 settlement cycle may increase intraday liquidity pressures and settlement efficiency risks. To mitigate these impacts, a Gating Event at 11:00 CET on (I)CSD level is proposed to support the synchronization of settlement activity and maintain existing levels of netting efficiency for SFTs. Settlement instructions intended for inclusion in this gating event must be flagged with the appropriate indicator in the settlement instructions. For more details, please refer to [EU T+1 Industry Committee SFT Settlement optimisation TF Report](#).

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**5.** How is Eurex Clearing treating SFTs within the Gating Event?

For the Repo market, flexible term trades will continue to be offered following the move to T+1 cycle. With the EU transition to T+1, the market expectation is that the volume of

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T+0/sameday Repos will increase significantly which may create potential liquidity management and settlement risks for market participants. To mitigate those risks, the SFT Settlement Optimization working group has decided to introduce a gating event. Eurex Clearing is currently consulting with its Repo Clearing Members on how cleared Repo transactions should be treated within this newly created gating event.

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**6.** Does Eurex Clearing clear trading venues that offer late trading sessions? If yes, please describe the end of the end process.

Eurex Clearing clears trades from Deutsche Börse Cash Market, which offers late trading sessions for retail clients (see response to Q2). Eurex Clearing will perform one netting run for all transactions from cash market after the end of trading as is currently the case. Settlement instructions will be sent to (I)CSDs after the netting and the netting results will be displayed in the Net Clearing Report.

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**7.** Does Eurex Clearing intend to change the methodology for calculating net positions and adjust the timing of the netting runs?

Eurex Clearing does not intend to change the algorithm of calculating net positions. The net positions will continue to be calculated during the netting process, which will be performed once after the end of trading. No intraday netting runs will be offered. For details on the current netting process, refer Delivery management.

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**8.** Does Eurex Clearing plan to change the timing of Exercise, Assignment and Expiry notifications for any physically deliverable equity futures and options contracts?

As part of transition to T+1, Eurex Clearing plans to adjust the timeline as below:

Exercise deadline: 19:30 CET  
Netting and settlement instructions to CSD: ~20:00 CET - ~20:15 CET  
Net Clearing Report (CE890/CE891/CE892): ~20:30 CET - ~20:45 CET

Please note that the timings are indicative. Actual timelines may vary depending on volumes.

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**9.** Does Eurex Clearing provide notification results via FIXML?

Eurex Clearing provides Exercise, Assignment, Notification and Allocation messages (Position Maintenance Reports) via FIXML. These messages are sent shortly after each event is processed once the respective Exercise, Assignment, Notification or Allocation is completed, i.e. currently at approx. 20:00 CET and with T+1 around 19:30 CET. Please note these are derivative-related position bookings and do not contain information about the expected deliverable (ISIN).

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10. When will the Netting Reports be available for Clearing Member consumption in a T+1 environment?

Eurex Clearing netting reports (CE89X) are available for Clearing Member consumption end-of-day via Common Report Engine (CRE).

It is foreseen that Net Clearing Report for

- Deutsche Börse Xetra and Deutsche Börse Frankfurt (CE895/CE896/CE897) will be available between ~22:30 CET to ~22:45 CET.
- Physical delivery transactions from Eurex derivative (CE890/CE891/CE892) will be available between ~20:30 CET to ~20:45 CET.

Additionally, report timing for other reports will remain the same.

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11. Does Eurex Clearing plan to change the notification timeline considering the shortened window between notification and physical booking/settlement?

Eurex Clearing intends to shift the Exercise deadline and Notification deadline from 20:00 CET to 19:30 CET. This change will enable Eurex Clearing to generate and send the settlement instructions earlier.

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12. How will the transition to a T+1 settlement cycle alter the operational timetable?

Under a T+1 settlement cycle, the post trade timeline is significantly compressed, requiring market participants/CCPs to complete key processes earlier and in a more synchronized manner. According to the EU T+1 roadmap, settlement instructions must be submitted to T2S by 23:59 CET to be included in the first nighttime settlement cycle, Daytime settlement then continues until a harmonized DvP cut off at 16:00 CET.

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13. Will the shortening of settlement cycle have an impact on disclosure of subscription rights?

With the shortening of settlement cycle to T+1, the key dates for a corporate action event will change (i.e. Ex -Date = Record date).

The expected new sequence of dates (in reverse chronological order) is as follows:

Last Day of Subscription Period (LSD),  
Last Intended Settlement Date = LSD – 1 and  
Last Trading Day (LTD) = LSD – 2

Considering the new sequence, the disclosure and the cancellation of pending instructions and cash settlement will continue to be performed one business day before the Last Day of the Subscription Period (LSD), provided that the Last Trading Day (LTD) occurs at least **two** days before the LSD. If, however, the LTD falls only **one** day before LSD, then disclosure must take place on the LSD itself.

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<p><b>14.</b> What adjustments are being made to Eurex Clearing's margining, collateral, and default fund processes to reflect the reduced timeframes for settlement?</p>	<p>Eurex Clearing's risk management of settlement transactions are based on their explicit settlement date already today i.e. the settlement period has no direct impact on the calculations. The reduction in settlement period will be reflected as part of position keeping. The sizing of forward-looking margins and default fund are determined by how long it takes the CCP to liquidate a defaulted clearing member's exposure (in line with the dedicated regulation).</p> <p>No adjustments are being made with regards to the collateral scope nor the determination of haircuts, which are all independent of the settlement cycle.</p>
<p><b>15.</b> What changes does Eurex Clearing intend to make to default management procedures and stress testing scenarios to account for potential systemic effects under accelerated settlement T+1?</p>	<p>Eurex Clearing does not foresee any impact to the Margin Period of Risk (MPOR) due to shortening of settlement cycle.</p> <p><b>Default Management Procedure:</b> Eurex Clearing currently does not foresee any changes to Default Management Procedures due to a general settlement cycle shortening from T+2 to T+1.</p> <p><b>Stress testing:</b> Stress testing scenarios are calibrated depending on the "Stress period of risk" which Eurex Clearing has defined to be equivalent to the Margin Period of Risk (MPOR). With the shortening of the settlement cycle, Eurex Clearing currently does not expect any impact on MPOR nor on the design of the associated stress testing scenarios.</p>
<p><b>16.</b> How is Eurex Clearing adapting its risk management frameworks to account for the potential operational and liquidity risks introduced by T+1 settlement?</p>	<p>With shorter settlement period under T+1, it is expected that the number of settlement failures may increase during the initial days of introduction until Clearing Members have fully adjusted their operational processes. This could have a negative impact on liquidity metrics although the potential magnitude is hard to estimate at this stage. Despite these potential short-term effects, Eurex Clearing does currently not foresee the need for any major changes to its risk management frameworks in response to the transition to T+1.</p>
<p><b>17.</b> Does Eurex Clearing intend to change the frequency or methodology of its margin calculations?</p>	<p>Eurex Clearing will continue to issue margin calls in the same manner as today whenever a shortfall is identified. The frequency of intraday margin calls depends on the trading and clearing activity of the clients as well as their level of available collateral. Intraday margin calls are issued between 07:30 CET and 18:00 CET. Overnight margin shortfalls are automatically debited the following morning.</p>

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<p><b>18.</b> Does Eurex Clearing intend to amend the layout of its reports?</p>	<p>Eurex Clearing does not intend to amend the layout of its reports in the context of T+1.</p>
<p><b>19.</b> Does Eurex Clearing intend to provide all your participants with a Power of Attorney (POA) service?</p>	<p>Eurex Clearing already provides POA service to all Clearing Members for settlements in all supported (I)CSDs except CREST/EUI. For CREST/EUI, Clearing Members can use the auto-matching feature to match against Eurex Clearing instructions.</p>
<p><b>20.</b> Does Eurex Clearing intend to offer the Hold &amp; Release functionality?</p>	<p>Eurex Clearing already offers Hold &amp; Release functionality for sell trades. Clearing Members can indicate their preference for sending sell instructions in Hold or Release via C7 CAS (Client Administration Service). Account owners can subsequently release the instructions that have been set on Hold at the (I)CSDs.</p>
<p><b>21.</b> Does Eurex Clearing offers Home Market Settlement for listed derivatives?</p>	<p>Eurex Clearing offers Home Market Settlement for listed derivatives related to French, Belgian, Dutch and Italian equities. This is an optional service for Clearing Members. Through this service, Clearing Members can settle French, Belgian, Dutch and Italian equities via the respective Home CSD (Euroclear France, Euroclear Belgium, Euroclear Netherland and Euronext Securities – Milan).</p>
<p><b>22.</b> What is Eurex Clearing’s overall timeline for implementing the identified changes identified?</p>	<p>Eurex Clearing targets to implement the identified changes during 2026 with a testing phase planned for 2027. However, detailed implementation planning is still in progress.</p>
<p><b>23.</b> Does Eurex Clearing intend to offer testing for these changes, and what is the expected timeline?</p>	<p>The detailed planning of the implementation timeline is currently in progress, and the schedule of testing dates has not yet started. It is foreseen that a member simulation period will be provided to enable testing of the planned changes. Once the details are available, we will communicate the information through our standard communication channels.</p>