SPEECH

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A call for collective action today

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Ladies and gentlemen,

Before I start my closing remarks, I would like to extend my gratitude to the organizers, more specifically the DACSI, the Dutch Banking Association (NVB abbreviated in Dutch), Euroclear and Euronext, for putting together this excellent event. Thank you for the invitation and for the opportunity to speak with you today.

October 11, 2027.

It is not exactly a date that many people outside the trading ecosystem have circled in their calendars. Perhaps on that day T+1 is mentioned as a short item on the evening news. Maybe a brief article on a financial website. If we're lucky, perhaps a few minutes of attention on a business radio station.

But that will probably be about it. Most investors will start October 11th, 2027 as they do any other day. In fact, they might not even realize that anything has changed. At least, that is what we – all of you here today, and all others working in the trading ecosystem - are working for.

Across Europe, thousands of professionals are - or should be - working towards that very date of 11 October 2027. I find that fascinating. Because it raises a simple question...

Why? Why do organizations invest so much time, energy and expertise in something that people are unlikely to notice?

The straightforward answer is a reduction of risks, including counterparty and market risk, as well as alignment with other international capital markets. On a deeper level it is to retain the most valuable asset of the financial and monetary system. Trust. The public rarely stops to think about systems that function well. Only when something goes wrong do we realize how many people, processes and organizations are involved.

In that sense, success has something of a paradox. The better a system functions, the less visible it becomes. Perhaps nowhere is this more true than in financial markets. Every day, transactions in securities and financial instruments are executed on trading venues. Every day, vast amounts of capital move through the financial system. And most of the time, the public hardly thinks about it, at least not when it comes to the "plumbing" of the financial markets. Nor should we.

That is why I find T+1 such an interesting topic. It makes visible what normally remains hidden. It provides an opportunity to modernize and remove legacy systems and procedures. When summarized in a single sentence, it sounds straightforward. The time between trade and settlement becomes shorter. That is easy enough to explain. Implementing it turns out to be somewhat less straightforward. Because at that point you begin to see how extensive the financial market ecosystem really is.

A successful T+1 does not depend on a single institution, or even a single category of institutions, It depends on a broad ecosystem, such as trading venues, investment firms, asset managers, custodians,

central banks, the FX-market, clearing members, central counterparties, settlement agents, central securities depositories, and other market infrastructures and service providers.

It also depends on critical infrastructures such as T2S and global messaging networks such as SWIFT, whose own development timelines form part of the broader transition. That is why T+1 readiness is not simply a matter of individual preparation. It is a matter of collective preparedness.

That is also where we find the real challenge for those on the inside and the real magic for those on the outside. The ability of many organizations to move together in sync. Anyone who has ever watched a relay race knows that competitions are not always won on the straight sections.

Often, the difference is made during the handover and where you see whether a team is truly coordinated. That is where you see how much practice has taken place and where you discover whether everyone has found the same rhythm.

Financial markets are, of course, somewhat more complex than an athletics track, even more so in a fragmented EU marketplace. But I recognize the same principle. Here too, success depends on handovers. On alignment. On timing. And ultimately on trust that the next link in the chain will do what is expected of it.

This is not a new challenge. When the first shares were traded here in Amsterdam more than four centuries ago, it was as important as it is today to ensure the transaction was securely executed. I have been trying to find out how many days were needed at the time of the first exchange in Amsterdam in the early 1600s. It seems we were at T+1 or counting the hours in these times.

However the process was a bit more cumbersome. It involved a walk from where we are here today - the exchange - where the trade was agreed by both seller and buyer to the Wisselbank around the corner. Both parties needed an account at the Wisselbank and walk there together to confirm the transfer in writing from the buyers account to the account of the seller. Then they continued to walk to the office of the issuer - with the proof of payment - to transfer ownership of the share in the general ledger. The transfer should be confirmed to the administrator of the company in the presence of two directors that also needed to sign to confirm the transaction and achieve settlement finality.

Much has changed since then; Technology, the scale on which markets operate and the speed at which information moves. Yet the underlying challenge remains familiar. How do you organize trust between parties that depend on one another?

With new technologies and new ways for people and organizations to interact comes new answers to that question. And in many ways, T+1 represents the next chapter in that story. Financial markets have, ever since the first shares were traded, gradually moved towards greater efficiency, lower risk and shorter settlement cycles. Markets have grown larger. They have become increasingly international. More interconnected and integrated.

Europe is not the first jurisdiction to make this transition. A vast number of major markets, including the United States, have already moved to a T+1 settlement cycle. Their experience has provided valuable lessons, but it has also underlined how closely linked global capital markets have become. Changes in one market do not stay in one market. They affect investors, market infrastructures and participants across borders. That is why the European transition has been coordinated closely with international partners.

Authorities and market participants in the European Union, the United Kingdom and Switzerland have worked together throughout the preparation phase, with all three jurisdictions planning to migrate to T+1 on October 11th 2027. This coordinated approach reflects a simple reality: efficient and resilient capital markets increasingly depend on international alignment. Perhaps nowhere is that reality more visible than in Europe. Europe is aiming to be a single market. However, there is no single infrastructure or institution, despite the presence of T2S and the CSDR framework. It is a diverse ecosystem making coordination even more important.

T+1 requires a willingness to align processes across organizations and across borders. And as we move closer to T+1, that alignment becomes increasingly important. Until now, much of the T+1 roadmap focused on preparation and planning. The time of planning is over. We need to move to implementation. And testing. This will lead to operational preparedness across the market.

Challenges often arise where organizations underestimate the operational impact of shorter settlement cycles, or assume that preparedness elsewhere in the ecosystem can compensate for gaps within their own organization. We do not believe that relying on the preparation of others to be sufficient. Every participant has a responsibility to be ready and compliant.

And readiness requires firms to take a hard look at the extent to which key processes still depend on manual intervention. In that sense, T+1 should not only be seen as a regulatory change, but also as a catalyst for further automation across the settlement process. Part of that assessment is being honest about your current level of readiness.

- Can allocations and confirmations be completed electronically on the trade date?
- Are standing settlement instructions accurate and automatically available?
- Can a matched trade move seamlessly into the settlement process, without someone having to re-key data?
- And when an exception occurs, can the firm immediately see where the transaction is being held up and who needs to act?

Under T+2, a late allocation or an incorrect settlement instruction may still leave time for corrections the following morning. Under T+1, the same issue may result in a failed settlement simply because the available time has been compressed.

The same challenge applies throughout the wider custody chain, particularly where firms depend on other parties to allocate securities on time and where activities span multiple time zones. Automated and standardized trade processing is therefore a necessary condition for meeting T+1 timelines. But in itself, it may not be sufficient to remove every bottleneck.

Automation is not simply about doing the same work faster. It is about reducing the manual hand-offs where data can be delayed, altered or entered incorrectly. It is about giving firms timely visibility of unmatched trades and settlement exceptions, allowing them to intervene before a settlement problem materializes. Processes that function adequately in a T+2 environment can become significantly more vulnerable once timelines are compressed.

In many cases, greater automation will therefore deliver more than efficiency gains. It will become an important contributor to operational resilience and settlement performance.

Of course, readiness will not look the same for every institution. A large cross-border custodian faces a different set of legal, technological and operational challenges than a smaller firm focused primarily on domestic markets. But we learned today that every firm should be able to answer some basic questions.

- Are you compliant with the RTS on allocations and confirmations that applies from December 7th 2026, including the Level 3 Guidelines?
- Where do manual steps still exist in your process, and can they be automated?
- Which of those steps could prevent same-day allocation, confirmation or instruction?
- Have you tested your arrangements with clients, custodians, counterparties and service providers?
- And have you incorporated the available implementation guides and handbooks, including those developed by the EU Industry Committee?

A lot of questions, but very important ones. Firms should not only test their own readiness. They should test readiness across the wider ecosystem. End-to-end testing will be essential. From the AFM's perspective, it is one of the most important elements of a credible preparatory programme.

The AFM will continue to engage closely with market participants to assess whether readiness is developing at the pace required for a successful transition. Compliance with the new T+1 obligations will become part of our ongoing supervision. We will not only assess whether firms have identified the relevant risks, but also whether they have taken effective and timely measures to address them.

That is precisely why the discussions we have had today matter. They help us identify practical dependencies. They help us challenge assumptions that may not hold in a T+1 environment. And they help us build a shared understanding of what readiness truly requires.

Knowledge-sharing is valuable. But ultimately, success will not be measured by what we discuss today. It will be measured by what firms implement, test and deliver together across the trading and settlement chain.

While preparing for today, I found myself thinking about the millennium transition. For years, organisations around the world prepared for Y2K. They reviewed systems, assessed risks, built safeguards and tested relentlessly. An enormous amount of effort went into preventing a problem that many feared could disrupt the global economy.

Then the year 2000 arrived. And almost nothing happened. Some called it an overreaction. They were wrong. Nothing happened precisely because so much had been done. It was a near miss, not a fictitious crisis. Success was invisible.

I believe the same should be true for T+1. When we arrive at 11 and 12 October 2027, the best outcome is that nobody remembers these dates. Settlement works. Systems work. Markets work. Business continues as usual.

If that happens, it will not mean the transition was easy. It will mean the industry prepared well enough that the complexity remained hidden from view. And that, ultimately, is what success looks like. Of course, discussions about what comes next have already begun. Some look towards T+0 settlement and explore technologies, like DLT under the DLT Pilot Regime, that make forms of atomic settlement possible.

Those are important discussions. But before we consider a future destination, we should first ensure that we successfully reach the one that lies before us today. Today and up until October 2027, that destination is T+1.

Ladies and gentlemen,

We began this afternoon with a date. October 11, 2027.

That date needs not to be remembered because settlement moved from T+2 to T+1. It needs to be remembered as a moment when many market participants demonstrated that progress is possible without compromising reliability.

And as supervisors, that is exactly what we strive to support: innovation and efficiency, built on a foundation of resilience, trust, cooperation, and operational readiness. And if everything goes according to plan, most people will barely notice it happened.

For everyone in this room, that may well be the finest compliment.

Thank you