

FOR IMMEDIATE RELEASE

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European move to T+1 settlement crucial for asset managers

European asset managers welcome the joint statement from the European Commission, ESMA and the ECB putting a firm foot forward, and ‘accelerating the technical work’ needed to prepare the EU’s T1 transition

EFAMA members applaud the statement released today by the European Commission, ESMA and the ECB on shortening the standard securities settlement cycle. EFAMA agrees that the setting up of a governance structure is an urgent and necessary step toward delivering a final roadmap for Europe’s transition.

Furthermore, EFAMA wholeheartedly agrees with the underlying rationale for this move. Misalignment with a key market like the US generates ongoing costs, ultimately borne by the end-investor. Over time, this will also harm the competitiveness of our products, vis-a-vis other alternatives, particularly among global investors.

The statement refers to the interconnectedness of EU markets with other jurisdictions in Europe, and the need to coordinate the timing of the move. It goes on to point out the need to accelerate the technical work to facilitate such a coordination. EFAMA members fully subscribe to this view, and believe that end-2027, as currently indicated for the UK, is a feasible date for a broader European transition, including the UK and Switzerland.¹

EFAMA and its members stand ready to support the work of the new group that will be shortly established.

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¹ One national association, member of EFAMA, and some of its members, believe that 2028 is a more suitable timeline for Europe’s migration.

Notes to Editors

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ABOUT EFAMA

EFAMA is the voice of the European investment management industry, which manages around EUR 30 trillion of assets on behalf of its clients in Europe and around the world. We advocate for a regulatory environment that supports our industry's crucial role in steering capital towards investments for a sustainable future and providing long-term value for investors.

Besides fostering a Capital Markets Union, consumer empowerment and sustainable finance in Europe, we also support open and well-functioning global capital markets and engage with international standard setters and relevant third-country authorities. EFAMA is a primary source of industry statistical data and issues regular publications, including Market Insights and the authoritative EFAMA Fact Book.

More information is available at www.efama.org