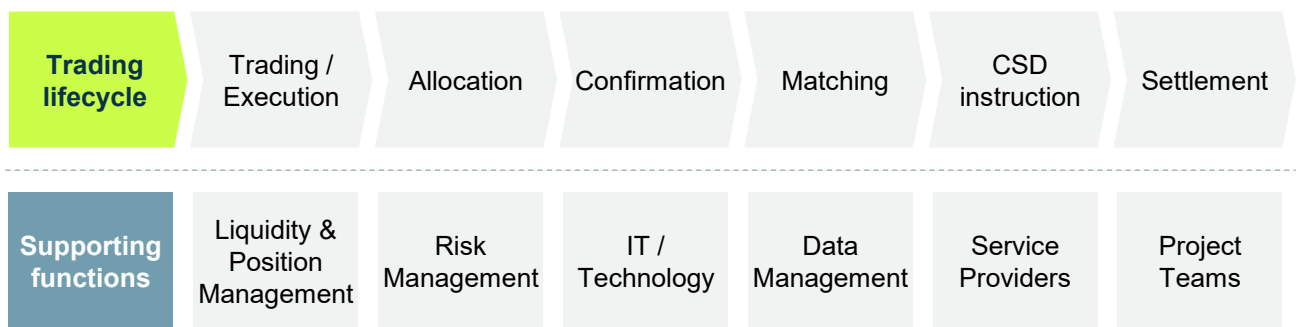


T+1 in the EU, UK and Switzerland

What is changing?

T+1 shortens securities settlement to one business day and fundamentally changes securities processing in the EU, UK and Switzerland. By halving the settlement cycle, the operating model effectively shifts to a “same-day” model, with only the formal settlement taking place on T+1. This has a deep impact on existing processes, systems and organizational structures.

Which areas are affected?¹



Even small weaknesses in processes, systems or data can lead to very costly settlement failures.

Nourdine Abderrahmane
Partner, Magpie Projects

What happens if your organization is not T+1-ready?



Loss of business

- **Client business:** If settlement efficiency suffers and errors increase, clients will move to competitors
- **Proprietary business:** Counterparties may avoid your firm, as settlement often fails



Rising Costs

- **CSDR penalties**
- **Higher personnel costs:** Lack of automation must be compensated manually
- **Higher liquidity costs:** To avoid settlement failures, buffers, credit lines, etc. must be used



Increasing risks

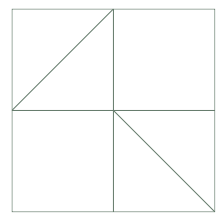
- **Operational risks:** High levels of manual processing increase the risk of errors
- **Reputational risks:** Lack of automation and frequent settlement failures damage market perception



Regulatory sanctions

- **Findings:** The T+1 transition is legally binding. Non-compliance can result in adverse findings
- **Supervisory action:** Regulatory measures are possible if findings are not remedied

1) Depending on organization, product and process complexity, degree of automation, etc.



T+1 in the EU, UK and Switzerland

Magpie Expertise in the T+1 Transformation



| | |
|----------------------------------|---|
| Capital Markets Expertise | <ul style="list-style-type: none"> - T+1 compresses the entire trading lifecycle and impacts all supporting functions and interfaces (CSD, CCP) - Our deep process and product expertise, combined with the ability to translate business requirements into technical solutions, provides the required end-to-end perspective for T+1 |
| Technology | <ul style="list-style-type: none"> - T+1 requires a high degree of automation as well as real-time capabilities to monitor data quality and process flows - Many years of experience in technology transformation projects enable targeted infrastructure modernization and seamless system integration |
| AI / Automation | <ul style="list-style-type: none"> - AI and ML expertise is key to identifying unknown T+1 challenges at an early stage, optimizing liquidity planning and automating SSI generation - Our specialized AI and data team provides the necessary skills and capabilities |
| Risk and Compliance | <ul style="list-style-type: none"> - T+1 affects the modelling and management of FX, liquidity and counterparty risks as well as compliance with regulatory requirements - Our long-standing risk and compliance expertise ensures a holistic T+1 delivery |
| Execution | <ul style="list-style-type: none"> - T+1 is not an isolated back-office or settlement project, but an enterprise-wide transformation - Our project experience enables end-to-end governance of the T+1 transition |

Magpie-Tools and T+1 Service Modules

| | | | |
|-------------------------|--|-------------------|--|
| Health-Check | As-is assessment and definition of prioritized immediate actions | Design | Support with business and technical design along the critical path |
| Project Planning | Set-up of a robust programme framework covering resources, budget and timeline | Delivery | Support of the implementation including establishment of end-to-end processes, go-live and regulatory compliance |
| Validation | Validation of programme governance (roles, responsibilities, dependencies, etc.) | Automation | STP and automation potential including the introduction of agentic AI solutions |

Have we sparked your interest?

Please contact us for further insights and possible next steps!



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