

The European Securities and Markets Authority (ESMA), the EU's financial markets regulator and supervisor, the European Commission (EC) and the European Central bank (ECB) launched today a new governance structure to support the transition to the T+1 settlement cycle in the European Union.

Following [ESMA's report](#) with recommendations on the shortening of the settlement cycle, the new governance structure has been designed to oversee and manage the operational, regulatory and technological aspects of this transition. Given the high level of interconnectedness within the EU capital market, a coordinated approach across the EU, involving authorities, market participants, financial market infrastructures and investors, is desirable. The key elements of the new governance model include:

An **Industry Committee**, composed of senior leaders and representatives from market players. The Committee will be chaired by [Giovanni Sabatini](#). Giovanni has a long-standing experience working in securities markets both in the private and public sector. He has served as a member of the European Economic and Social Committee and held roles within IOSCO, EBF and ECSDA.

Several **technical workstreams**, operating under the Industry Committee, focusing on the technological operational adaptations needed in the areas concerned by the transition to T+1 (i.e. trading, matching, clearing, settlement, securities financing, funding and FX, asset management, corporate events, settlement efficiency). In addition, two more general workstreams will review the scope and the legal and regulatory aspects of these adaptations. A **Coordination Committee**, chaired by ESMA and with representation from the EC, the ECB, ESMA and the chair of the Industry Committee. This committee will ensure coordination between the authorities and the industry, advising on challenges that may arise during the transition.

Shortening the trade settlement cycle from the current T+2 framework to one business day should enable faster execution, clearing, and settlement of securities transactions, as well as international alignment, benefiting the entire EU financial ecosystem.

The Commission is currently considering the merits of a legislative change mandating a potential transition to a shorter settlement cycle.

Next Steps

ESMA has recommended 11 October of 2027 as the optimal date for the transition to T+1 in the EU. In its Report ESMA concluded that the transition to T+1 should be implemented in phases, with key milestones including technology upgrades, stakeholder engagement and regulatory alignment.

Further details regarding the governance set-up and participating organisations will be published in the coming days.

Industry representatives interested in contributing to the upcoming work are advised to contact the T+1 Industry Secretariat [here](#).

The first meeting of the Coordination Committee will take place on 6 February.