

Securities settlement in the EU and central securities depositories (CSDs): shorter settlement cycle in the Union

2025/0022(COD) - 14/10/2025 - Final act

PURPOSE: to introduce a targeted amendment to Regulation (EU) No 909/2014 on improving securities settlement in the European Union and on central securities depositories in order to shorten the current mandatory settlement cycle to no later than one business day after the trading takes place.

LEGISLATIVE ACT: Regulation (EU) 2025/2075 of the European Parliament and of the Council amending Regulation (EU) No 909/2014 as regards a shorter settlement cycle in the Union.

CONTENT: this Regulation stipulates that for securities transactions that are executed on trading venues, the intended settlement date shall be no later than on the **first business day after the trading takes place**. This requirement does not apply to any of the following:

- transactions which are negotiated privately but executed on a trading venue;
- transactions which are executed bilaterally but reported to a trading venue;
- the first transaction where the transferable securities concerned are subject to initial recording in book-entry form pursuant to the Regulation;
- the following securities financing transactions, provided that they are documented as single transactions composed of two linked operations: (i) securities lending or securities borrowing; (ii) buy-sell back transactions or sell-buy back transactions; (iii) repurchase transactions as defined in Regulation (EU) 2015/2365.

The Commission must **monitor market developments**, settlement fails and the industry's readiness to adapt to the shift from the T+2 to T+1 settlement cycle. If this change leads to an increased risk of defaults, it may take temporary and proportionate measures to limit the negative effects.

The European Securities and Markets Authority (ESMA), for its part, will have to closely monitor the effectiveness of the regulation and report more frequently during the transition period to T+1.

ENTRY INTO FORCE: 3.11.2025.

APPLICATION: from 11.10.2027.