Basic information

2025/0022(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
Securities settlement in the EU and central securities depositories (CSDs): shorter settlement cycle in the Union Amending Regulation 2014/0909 2012/0029(COD) **Subject** 2.50.03 Securities and financial markets, stock exchange, CIUTS, investments 2.50.04 Banks and credit 2.50.08 Financial services, financial reporting and auditing 2.50.10 Financial supervision	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	VAN OVERTVELDT Johan (ECR)	19/02/2025
	Shadow rapporteur MARTUSCIELLO Fulvio (EPP) REPASI René (S&D) ZIJLSTRA Auke (PfE) YON-COURTIN Stéphanie (Renew) PETER-HANSEN Kira Marie (Greens/EFA) SARAMO Jussi (The Left)	

Council of the European Union

European Commission

Commission DG	Commissioner
Financial Stability, Financial Services and Capital Markets Union	ALBUQUERQUE Maria Luís

European Economic and Social Committee

Key events

Date	Event	Reference	Summary

12/02/2025	Legislative proposal published	COM(2025)0038	Summary
10/03/2025	Committee referral announced in Parliament, 1st reading		
20/05/2025	Vote in committee, 1st reading		
20/05/2025	Committee report tabled for plenary, 1st reading	A10-0095/2025	Summary
20/05/2025	Committee decision to open interinstitutional negotiations with report adopted in committee		
21/05/2025	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 71)		
22/05/2025	Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 71)		
15/07/2025	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	GEDA/A/(2025)003233 PE775.572	
10/09/2025	Decision by Parliament, 1st reading	T10-0179/2025	Summary
10/09/2025	Results of vote in Parliament		
29/09/2025	Act adopted by Council after Parliament's 1st reading		
08/10/2025	Final act signed		
14/10/2025	Final act published in Official Journal		

Technical information

Procedure reference	2025/0022(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amending Regulation 2014/0909 2012/0029(COD)
Legal basis	Treaty on the Functioning of the EU TFEU 114
Other legal basis	Rules of Procedure EP 165
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Procedure completed
Committee dossier	ECON/10/02166

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE770.091	10/04/2025	
Amendments tabled in committee		PE773.076	30/04/2025	
Committee report tabled for plenary, 1st reading/single reading		A10-0095/2025	20/05/2025	Summary
Text agreed during interinstitutional negotiations		PE775.572	07/07/2025	

Text adopted by Parliament, 1st reading/single reading		T10-0179/2025	10/09/2025	Summary

Council of the EU

Document type	Reference	Date	Summary
Coreper letter confirming interinstitutional agreement	GEDA/A/(2025)003233	27/06/2025	
Draft final act	00023/2025/LEX	02/10/2025	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2025)0038	12/02/2025	Summary
Document attached to the procedure	SWD(2025)0037	12/02/2025	
Commission response to text adopted in plenary	SP(2025)10-27	27/10/2025	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	ES_PARLIAMENT	COM(2025)0038	13/03/2025	
Contribution	IT_CHAMBER	COM(2025)0038	01/04/2025	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
ECB	European Central Bank: opinion, guideline, report	CON/2025/0007 OJ OJ C 14.04.2025	14/04/2025	
EESC	Economic and Social Committee: opinion, report	CES0853/2025	30/04/2025	

Final act	
Regulation 2025/2075 OJ OJ L 14.10.2025	Summary

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

2025/0022(COD) - 10/09/2025 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 612 votes to 7, with 45 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 909/2014 as regards a shorter settlement cycle in the Union.

The Commission's proposal aims to amend the Central Securities Depositories (CSD) Regulation to reduce the settlement cycle time for EU securities transactions from two days to one, or T+1.

The European Parliament adopted its position at first reading by amending the Commission's proposal as follows.

Introduction of a shorter settlement cycle in the Union

The amended text states that the requirement that the agreed settlement date be no later than **the first business day after trading** should not apply to any of the following transactions:

- 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;

- any of 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.

Monitoring market developments

The Commission is expected to keep track of market developments, the **volume of settlement fails** and the readiness of the industry to comply with the T+1 settlement cycle requirement, and to consider, accordingly, whether there is a significant risk that the move from a T+2 to a T+1 settlement cycle requirement would lead to a material increase in settlement fails.

Where such a risk is identified, the Commission may, where necessary, take any other appropriate measure to **mitigate both financial and non-financial adverse consequences**. Any adjustments should be temporary, proportionate to the objective and designed to avoid imposing excessive costs on the industry.

The European Supervisory Authority (European Securities and Markets Authority) (ESMA) should monitor settlement efficiency during the move to a T+1 settlement cycle and should report with increased frequency thereon during the months immediately preceding and immediately following the move to T+1.

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

2025/0022(COD) - 12/02/2025 - Legislative proposal

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 one day after trading.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: Article 5(2) of Regulation (EU) No 909/2014 regulates the settlement period for most transactions in transferable securities executed on trading venues. With certain exceptions, the intended settlement date for such transactions is to be no later than on the **second business day after the trading takes place**. Such period is referred to as the ‘settlement cycle’. The requirement for the settlement to take place at the latest on the second business day after the trading takes place is referred to as ‘settlement cycle in T+2’, or, simply, ‘T+2’.

Each day, more than EUR 4 trillion of securities are settled in EU central securities depositories (CSDs). The longer settlement takes (i) the longer the risks faced by buyers and sellers last; (ii) the longer investors have to wait to receive the money or the securities they are owed – if the settlement doesn’t fail; and (iii) the more that opportunities to enter in other transactions are reduced.

It has now been ten years since the Central Securities Depositories Regulation (CSDR) entered into force. Since then, financial markets and technology have continued to evolve.

Following this transition by the EU at the end of 2014, many third countries and territories have moved, are moving or are planning to move to a settlement period of **one business day after trading** (“T+1”). This global shift to T+1 is leading to significant misalignments between European and global financial markets and is creating potential competitiveness deficits for EU capital markets. As more countries move to T+1, these misalignments will only become more pronounced.

Shortening the settlement cycle would provide a greater alignment with global markets, significantly streamlining processes for all cross-border market participants and would reduce risks and costs for securities listed or traded simultaneously in T+1 jurisdictions and in the EU.

CONTENT: this initiative proposes to **revise the duration of the settlement cycle in the Union, shortening it from two to one business day after the trade**.

The proposed legislative changes would contribute to the development of a more efficient post-trading landscape in the EU. Moreover, this proposal is in line with the Commission's objective of building a **Savings and Investments Union**, to facilitate capital flow across the EU to the benefit of consumers, investors and companies.

Fast, efficient and reliable settlement is therefore an essential pre-condition for developing the Savings and Investments Union. A shorter settlement cycle would enhance the attractiveness of EU markets and unlock important benefits, notably by achieving risk reduction, margin savings and the reduction of costs linked to misalignment with other major jurisdictions globally.

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

2025/0022(COD) - 20/05/2025 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted the report by Johan VAN OVERTVELDT (BE, ECR) on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 909/2014 as regards a shorter settlement cycle in the Union.

As a reminder, the Commission's proposal aims to amend the Central Securities Depositories (CSD) Regulation to reduce the settlement cycle time for EU securities transactions from two days to one, or T+1. Moving to a T+1 settlement cycle in the EU will enhance the efficiency of EU capital markets, reduce counterparty risk, and improve liquidity.

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure amend the proposal as follows:

Settlement date

Members considered that the requirement that the agreed settlement date be no later than the first business day after the trade should not apply to any of the following transactions when documented as single transaction consisting of two linked operations: **securities lending or borrowing, buy-sell back transactions and repurchase transactions**, as defined in Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse.

Potential shortening of the settlement cycle

The amended text recalled that Regulation (EU) No 909/2014 requires ESMA to periodically report on the potential shortening of the settlement cycle in the Union. This report will explore the feasibility of **shortening the settlement cycle in the future to T+0**, to ensure that regulation and market infrastructures in the Union align with the increasing scope and pace of global financial markets and best practices of other international regulatory regimes. A settlement cycle of T+0 is already technically feasible and might be further facilitated by innovations such as distributed ledger technology while ensuring safety of data and transparency. A further shortening of the settlement cycle would reduce risks of illegal and collusive trading schemes such as dividend stripping ('cum ex trading').

ESMA should monitor settlement efficiency during the move to a T+1 settlement cycle and should report with increased frequency thereon during the months immediately preceding and immediately following the move to T+1.

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.