LUXEMBOURG
STOCK EXCHANGE

T+1 SETTLEMENT NOTICE
INFORMATION ON T+1 CHANGES FOR MEMBERS OF THE LUXEMBOURG STOCK EXCHANGE ("LUXSE")

July 2026

1 Introduction

Following the successful implementation of T+1 settlement in the United States, Canada, and Mexico in 2024, European market participants are now preparing for a similar migration aimed at enhancing market efficiency, reducing counterparty risk, and aligning settlement practices with evolving international standards.

On 30 June 2025 the EU T+1 Industry Committee, chaired by Mr. Giovanni Sabatini, published the High-Level Road Map (HLRM) to T+1 Securities Settlement in the EU. The report is intended to support market participants in their readiness efforts for the transition to a shortened settlement cycle in the EU/EEA (**high-level_roadmap_eu_t1-1.pdf**).

The High-Level Roadmap to T+1 Securities Settlement sets out 58 recommendations as a framework for the industry's transition to T+1, with 5 specific recommendations targeted to the trading phase (TR).

Moreover, in February 2026, the EU T+1 Industry Committee published the EU T+1 Securities Settlement Handbook (**EU-T1-Handbook.pdf**), further updated in June 2026 (**Handbook2-v14.pdf**), providing market participants with additional, practical guidance to support implementation.

The current European settlement model operates on a T+2 basis, meaning that transactions are settled two business days after the trade date. With the transition to T+1, securities transactions will settle on the business day immediately following the trade date.

The go-live date for the T+1 settlement cycle is **11 October 2027**.

LuxSE is committed to ensuring a smooth and coordinated transition for its members and members' clearing and settlement agents. The objective of this Notice is to provide preliminary information to guide members and their clearing and settlement agents in preparing for the migration to T+1 settlement.

2 LuxSE Rules' changes for EU T+1 migration

The HLRM recommendation TR-02 recommends that trading venues (TVs) update and reconcile their rulebooks in accordance with their T+1 obligations. Therefore, In June 2026, LuxSE Rules and Regulations ("R&R") and Trading Manual ("TM") were updated, to address the upcoming move to a shorter settlement cycle. The changes were published on LuxSE website at the following link: **Dive into our hub of market regulation information | LuxSE**

In particular, LuxSE has updated rules 5301and 5302, and deleted Rule 5303 of the R&R and modified rule 5.1B and 5.3.2.5 of the TM.

From 11 October 2027, following the execution of a trade in any instrument admitted to trading on LuxSE markets, members will be required to settle the trade no later than one business day after the trade date. Settlement instructions for trades executed on LuxSE will be transmitted to the relevant Settlement System, as applicable, via a central counterparty, by LuxSE through an intermediary, or directly by an intermediary, as soon as possible and where feasible by 23:59 CET on the business day on which the transaction has taken place (T).

3 Settlement of trades eligible for processing by a central counterparty (Guaranteed Channel)

Regarding the LuxSE Guaranteed Channel, there will be no changes related to the EU T+1 settlement move for members and their clearing agents.

The agreements between LuxSE and the current CCP (Euronext Clearing) already comply with the HLRM **TR 01 recommendation** on the End of Day signal from TVs to CCP.

Euronext Clearing's assessment of the T+1 impact on the LuxSE equity markets confirms that:

- Settlement instructions sent by Euronext Clearing are currently transmitted between 21:30 and 21:40 CET, and no changes to this schedule are foreseen. This is already compliant with the 22:30 cut-off time.
- No changes are foreseen to the transmission timing of the clearing reports or to the related service-level arrangements. This is already compliant with the 22:30 cut-off time.

4 Settlement of trades ineligible for processing by a central counterparty and dispatched by LuxSE via an intermediary to a Settlement System (Pass-Through Channel)

With the EU T+1 settlement migration, LuxSE will modify the current schedule of the Pass-Through channel transmission of the settlement instructions, foreseen today by no later than T+1 at 13:00.

After the migration to EU T+1, LuxSE will send settlement instructions for trades executed on the trading day (T) during the trading day, starting from 12:00 and no later than 23:59 on T.

The End of Day reconciliation files for members and settlement agents will be available starting from 18:05 on T, while the real-time reconciliation files will continue to be produced in the same manner as today.

5 Settlement of trades ineligible for processing by a central counterparty and confirmed by Members in a Settlement System (Bilateral Channel)

In the case of the Bilateral channel, members and their settlement agents will need to abide by the R&R rules applicable after 11 October 2027 and insert the settlement instructions into the agreed Settlement System as soon as possible and where feasible by 23:59 CET on the business day on which the transaction has taken place (T) and settle in accordance with the settlement cycle set out in Rule 5.301 of the R&R (one business day after the execution of the Trade).

6 Automatic shaping of settlement instructions

The HLRM recommendation TR-05 foresees that shaping of settlement instructions should be introduced in line with existing market practice (50 million nominal value in EUR, GBP and USD) and should cover both repo and cash bond trades, whether on-venue or OTC.

The Securities Financing Transactions (SFT) workstream has issued an FAQ on HLRM Recommendation TR-05 that helps to guide the implementation of settlement instruction by TVs.

For TVs operating a bilateral, non-CCP-cleared model in fixed income instruments, where there is no or only a very small proportion of trades above the EUR, GBP or USD 50 million nominal-value threshold, it is recognized that implementation of an automated shaping facility may not be appropriate.

LuxSE markets for fixed income instruments are bilateral and operated on a central limit order book(CLOB) with or without the presence of a Liquidity Provider. Based on LuxSE's historical trading data, the transaction values of executed trades on the fixed income CLOB have remained well below the relevant TR-05 threshold over recent years. On this basis, LuxSE does not currently propose implementing specific tools to facilitate the automatic shaping of trades concluded on LuxSE markets for fixed income instruments.

Members who consider that a shaping facility would be necessary or beneficial for trades concluded on LuxSE markets for fixed income instruments are invited to provide their input, together with the relevant rationale and any supporting information specific to LuxSE markets, by email to the email address: membership@luxse.com.

LuxSE will review all feedback received by 15 September 2026.

For any further information on **T+1 migration** on LuxSE markets, please contact LuxSE Membership Team at: membership@luxse.com.

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