

# The future transition of T+1 in the UK

An interview with Andrew Douglas, chair of the UK  
Accelerated Settlement Taskforce Technical Group.



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In November of 2024, the European Securities and Markets Authority (ESMA) recommended that the European Union (EU) adopt a deadline of 11 October 2027 for a change to a T+1 trade settlement lifecycle for securities, the same deadline proposed by the UK Accelerated Settlement Taskforce in its February 2025 report - <https://acceleratedsettlement.co.uk/publishes-final-implementation-plan/>

corfinancial recently sat down with **Andrew Douglas**, chair of the **UK Accelerated Settlement Taskforce Technical Group (AST)**, charged with overseeing the delivery of a T+1 settlement cycle in the UK. In this interview we discuss the future transition of T+1 in the UK and the practical steps asset management firms can take to smooth the process.

**corfinancial: What are the highlights of T+1 from the UK and European perspectives?**

**Andrew Douglas:** "The main highlight is that the UK and the EU are both recommending the same transition date which I think is a significant win for the industry. It was what we were aiming for from the start because a single transition is a much easier operational lift than having two separate transitions. Add to this that the Swiss have also announced their intention to migrate at the same time and I think we have the perfect line up from an operational change perspective.

I think a second highlight is that we have created a neutral vehicle, the AST, which uniquely brings regulators and market participants together in the discussion and agreement of a solution to a problem that is supported by a broad cross section of the industry. I know, for example, that the regulators were very keen on this because they felt it would give them early sight of solutions around which the industry has coalesced, effectively providing a solution ready for implementation.



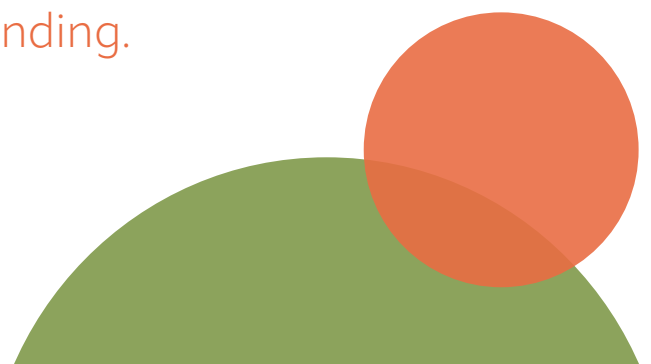
The third highlight is that we as an industry have a chance now to really consider the future of banking operations and provide our back and middle offices with the opportunity to make a case for significant process re-engineering to ready back offices for the inevitable move to even shorter settlement timeframes in the future. It is also clear that the T+1 transition and the necessary preparation as recommended in our Transition Plan has the full support of Government and the regulatory authorities, FCA and BoE, which should help in securing the necessary investment funding."

***corfinancial: What are the key focus points of the Code of Conduct for T+1?***

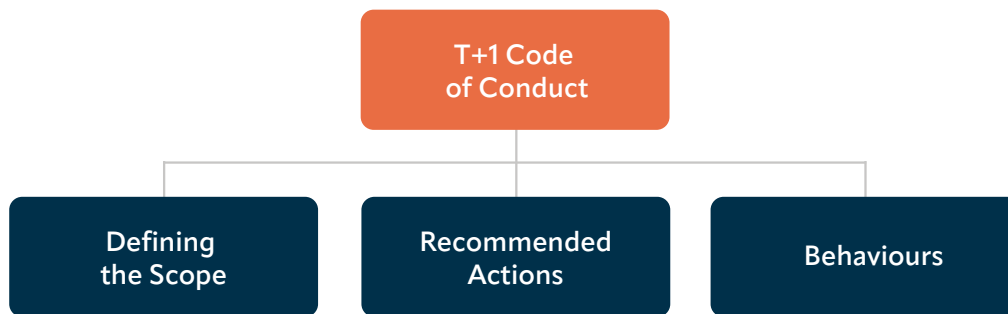
**Andrew Douglas:** "There are three key components to the Code of Conduct. The first is the **scope** - defining how the different asset classes will be treated in T+1. One of our major learning experiences from the North American implementation was that the industry both appreciates and needs early sight of the agreed scope. In the US, this was only agreed and published some three months before Go Live. In the UK we have published the scope almost three years ahead of Go Live date.

The second important part of the Code of Conduct is the **recommended actions**. These are divided into two categories: *Critical*, of which there are 12, and a series of 26 *Highly Recommended* actions. We believe that firms should implement all of these actions in order to deliver an effective and efficient implementation of T+1. Firms implementing both the Critical and the Highly Recommended actions will be in the best position to maximise the benefit of the transition.

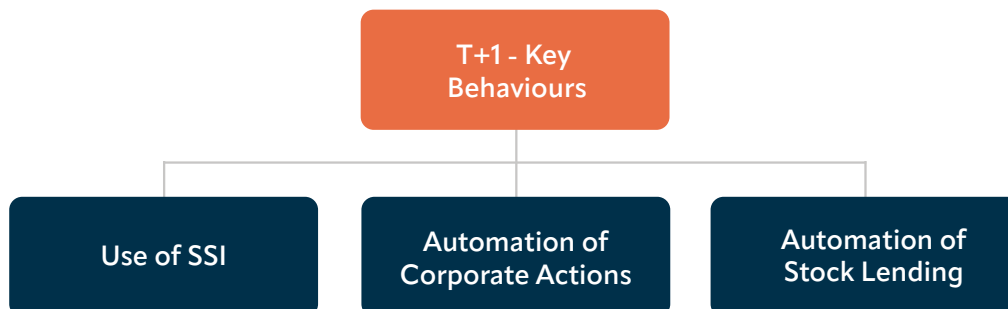
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The third component is the **behaviours** that the market participants within the AST expect all other participants to adopt. I am keen to ensure that folks understand that these recommendations are designed by market participants for the benefit of market participants.




Of those behaviours, for me there are two super critical ones: Firstly, we have **automation** – and there are three areas in which we expect this to be focused. The first is the **automation of Standard Settlement Instructions**, the second is the **automation of corporate actions processing** and the third is the **automation of the stock lending recall process**. These are all critical to making sure that key post-trade functions in the UK settlement space operate as efficiently as possible."



We as an industry have a chance now to really consider the future of banking operations and provide our back and middle offices with the opportunity to make a case for significant process re-engineering.



**corfinancial: How should the buy-side in the UK be responding?**



**Andrew Douglas:** "That leads me to the second critical behaviour. Winston Churchill famously, if the contents of a report had to be actioned immediately, would add a note to the report that read: **'Action This Day'**. What people may not know is that that today five percent of UK cash equity trades are already settling on T+1. It is clearly possible to operate a T+1 system within a T+2 environment and I encourage all participants to 'action this day', and make the change to T+1 sooner rather than later.

Reflecting on what happened in the US, with only three months to go **30% of firms had done little to prepare** according to research prepared by the **Value Exchange**, who undertook periodic readiness or 'pulse survey' studies across a wide cross section of participants. We are planning to ask VX to do the same in the UK, starting in 2025 with a pulse survey every 6 months so we can track our own readiness.

**'Don't wait until 11 October 2027'** is the key message. I advise firms to stay informed and use information published on our new website at [www.acceleratedsettlement.co.uk](http://www.acceleratedsettlement.co.uk), and extract from it what you need to do to be compliant. Create a development plan and use the 2025 budget cycle to secure funding for your preparatory projects in 2026 - carrying out the necessary updates to your own back- and middle-office processing. This will ensure that at the start of 2027, your firm will be ready for testing."

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**corfinancial:** *If you think about those behaviours that you referred to earlier, what are you currently seeing in terms of the state of preparation for T+1 in the UK asset management industry?*

**Andrew Douglas:** "I believe that we will benefit from the fact that many of the larger firms will already have done a significant amount of work to enable them to comply with the US move to T+1. The US transition was basically a success - they moved to a T+1 environment and fail rates didn't increase although many firms appear to have relied on extensive additional human resources to ensure this. I am hopeful that a lot of the DNA of the North American move, where automation proved the best strategic approach, can be reused for the UK and the European transition.

Many firms still have a way to go to be prepared. They need to invest in their back- and middle-office systems, engaging the necessary automation that allows them to meet the T+1 requirements."

**corfinancial:** *Where there is a need for investment, how do back/middle office staff influence decision makers and budget holders within their company? What do you think are the key aspects of providing a 'watertight case'?*

**Andrew Douglas:** "I have not spoken to anyone who doesn't want to implement T+1. Many asset managers have told me 'We just need to be able to convince our Investment Committee that they need to spend money on this'.

'What I am expecting, as we saw with the [Geffen Report](#) that was published in March of last year, is the Government backing all of the recommendations we make and consequently, will change the terms of CSDR to make T+1 settlement mandatory under the regulation.

There are companies today that I know have already requested budget last year and they're starting the implementation of their process upgrade this year.

I recommend that Operational Division Heads approach their Investment Committees from the perspective that the regulation change will require that firms comply with T+1 and this should put it top of the regulatory compliance worksheet.'

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***corfinancial: What support do you think you will have from the FCA and the Bank of England?***

**Andrew Douglas:** I expect focus from the supervisory authorities, especially the FCA, which will, in the course of its supervisory duties, ask firms if they are compliant with the Code of Conduct and if not, what are their plans to comply. The answers to those questions will form part of the FCA's overall assessment of a business and I believe this scrutiny and support together with the legal requirement to settle on T+1 should be a sufficiently compelling incentive for the allocation of budget for T+1 development in 2026.

'As the move to T+1 will improve the efficiency of UK settlement via automation, it will directly contribute to the orderly conduct of business and support market stability and so will be front and centre for the UK regulatory community. I am anticipating very visible and positive support from the FCA and the Bank of England as they go about their supervisory duties."

T+1 is all about the orderly and immediate implementation of automated post trade business processes, preparing not just for T+1 but laying the groundwork for future compliance with even shorter settlement cycles.



***corfinancial: What is the key message you want to get across?***

**Andrew Douglas:** "That T+1 is all about the orderly and immediate implementation of automated post trade business processes, preparing not just for T+1 but laying the groundwork for future compliance with even shorter settlement cycles. This will incrementally make the UK a safer and more efficient place to conduct investment business which will have knock on benefits for the UK investment market and UK plc. It's the rising tide that will lift all boats. "

We have three years to get our houses in order, don't wait until the last minute - we are masters of our own destiny."

***corfinancial: How can people find out more and stay informed?***

**Andrew Douglas:** [www.acceleratedsettlement.co.uk](http://www.acceleratedsettlement.co.uk) and via the LinkedIn T+1 page.

Please contact us at  
[resources@corfinancialgroup.com](mailto:resources@corfinancialgroup.com) or see more information  
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