



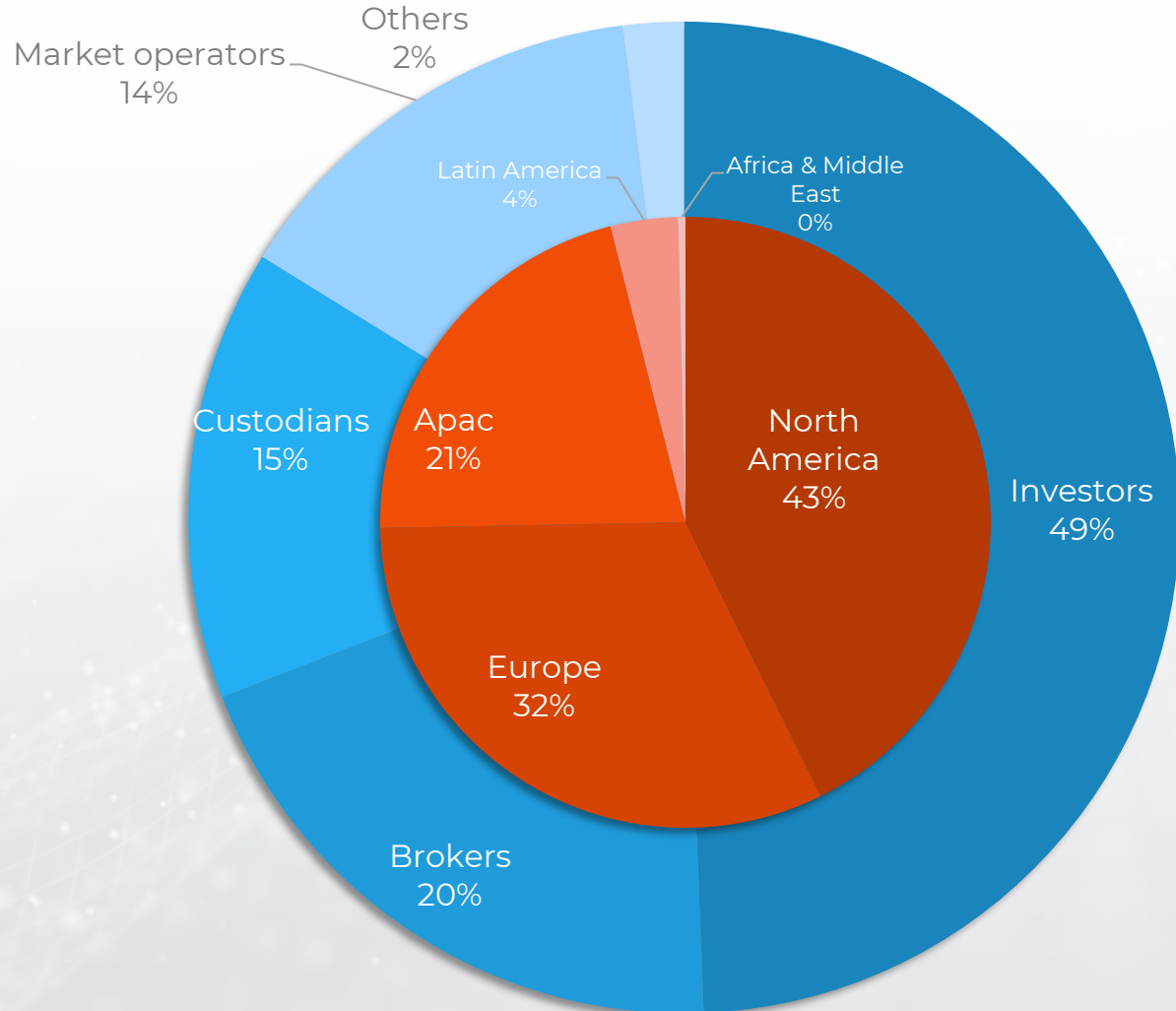
# T+1 Pulse survey (Sep 2024)

## Key survey findings

# T+1 Pulse survey: September 2024



## Who participated?



**How did T+1 go in the end – and what are the lasting impacts that this year’s transitions are having on costs and risks across the industry?**

**With the support of DTCC, TMX and an extensive range of industry associations around the world, we have been tracking the global journey towards T+1 since its announcement in 2022.**

**These key findings are based on the results of our latest pulse check on global sentiment, run in August 2024 and drawing on insights from over 350 financial services professionals around the world.**

This is a discussion document and we look forward to discussing the results of this research with you – to help you make the case for transformation in your organisation.



# T+1 Pulse (September 2024)



## Key findings

### What just happened?

T+1 went better than expected for 30% of respondents – especially in trade fail rates

Trade fail rates have remained low – although unaffirmed trades are seeing noticeably higher fail rates (by 21%)

Investments in automation by larger firms have helped to keep fail rates and costs stable

T+1's smooth transition was enabled by T+0 allocations and affirmations

### What has changed?

Only affirmations and settlements models have been reshaped by T+1 – not much else has changed

Lack of industry automation has driven costs – especially for smaller firms

More than half of trade processing is happening overnight now – making an urgent case for automation in Europe

T+1 has seen a reduction in trade fails – but investors are still carrying the costs of market dislocation

### Finishing T+1: what lies ahead

35% of our T+1 project agenda is still ahead of us – mostly for investors

2027 looks set to be the definitive year for T+1

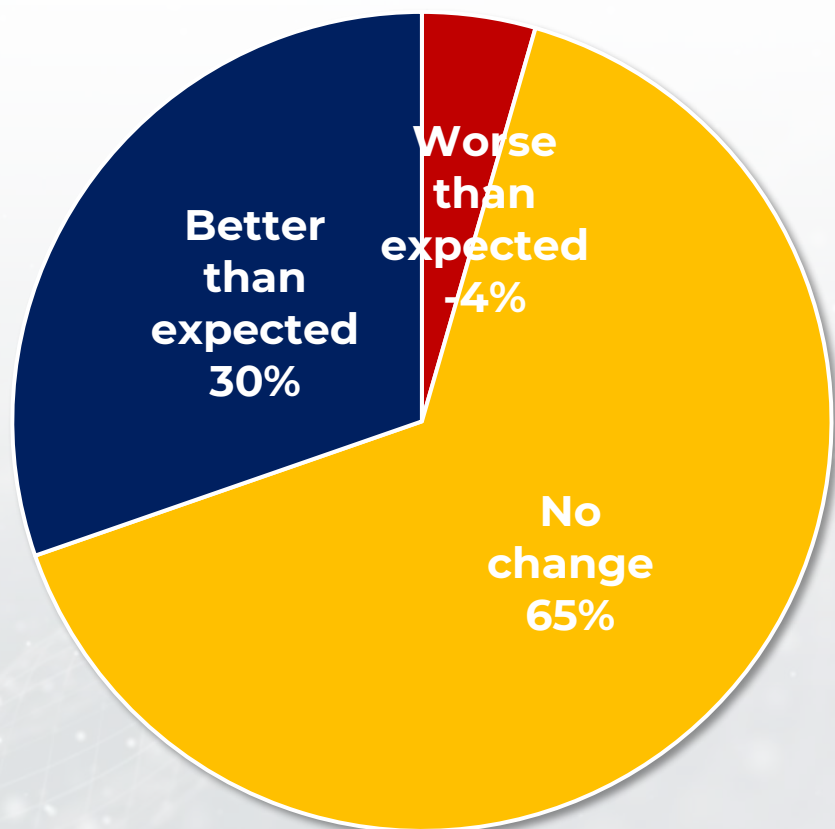
...although investors would like to see T+1 implemented faster across Europe

Only one in two respondents is ready for the next wave of transitions

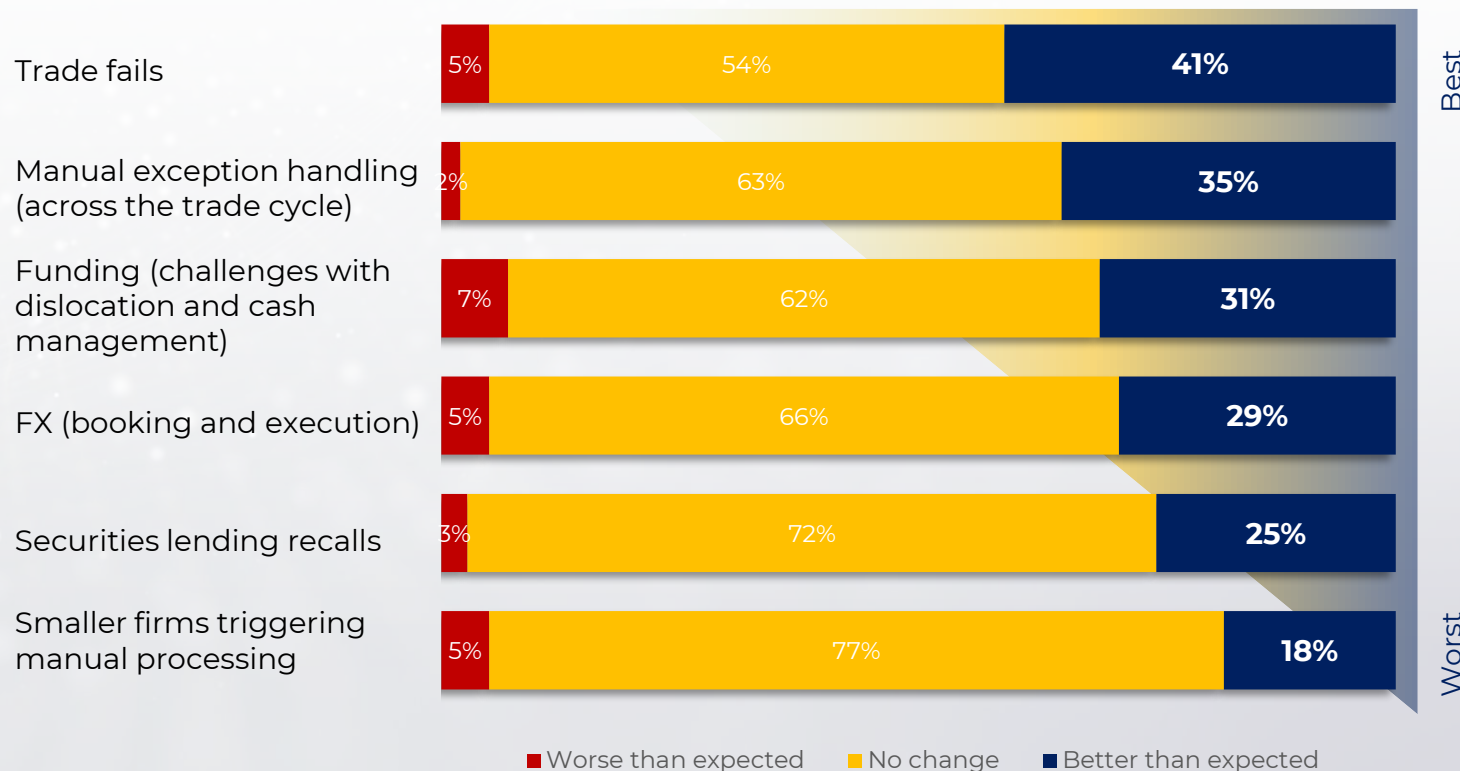


# T+1 went better than 30% expected

Trade fails surprised in a good way. But funding and smaller firms did cause some stress



How did T+1 risks materialize following the May transitions? (% of respondents)

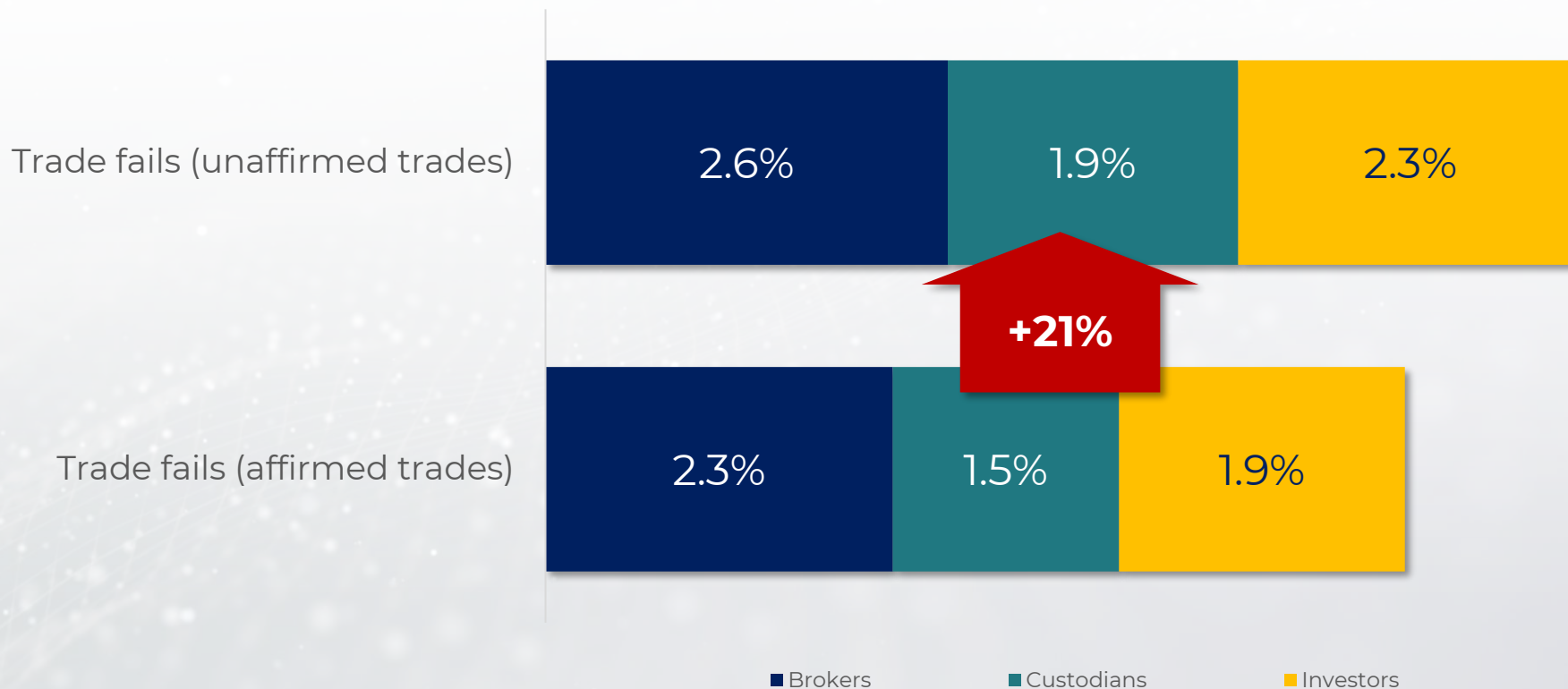


# Trade fail rates have remained low across the trade cycle

But unaffirmed trades are failing up to 21% more



Average trade fail rates by type of trade processing



# Lack of automation has driven costs – especially amongst small firms



## Investment in T+1

## T+1 Costs



% Net change in **automation** as a result of T+1 (average)

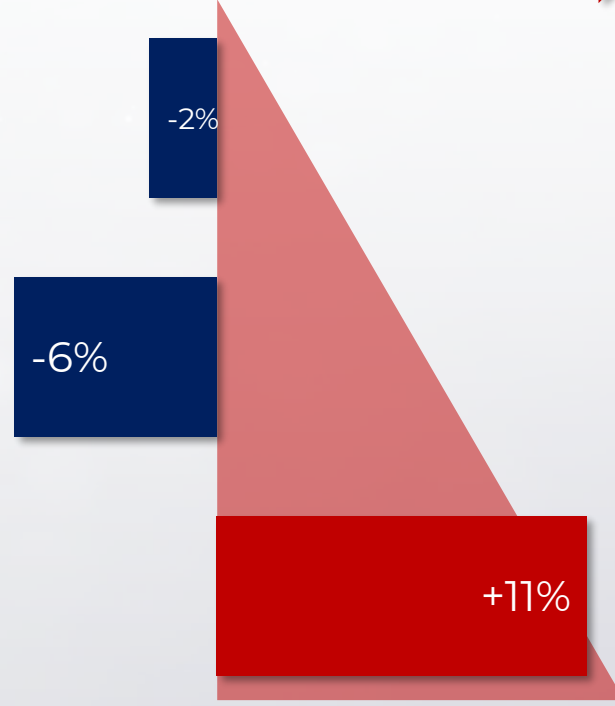
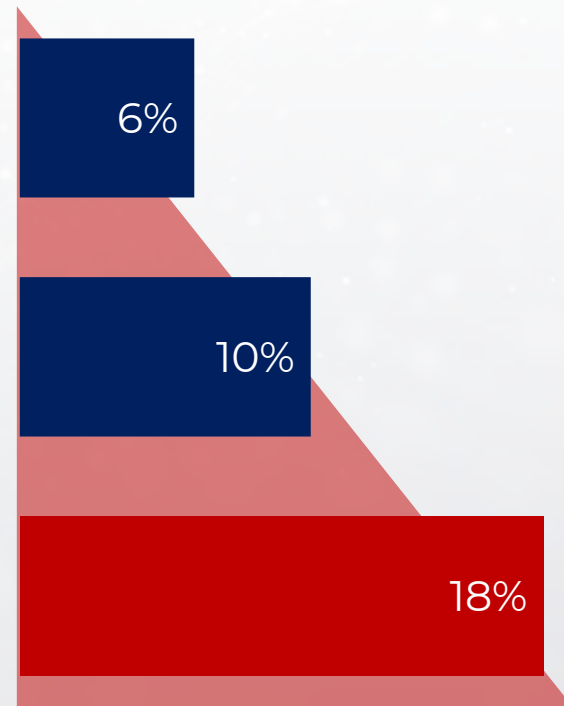


T+1 impact on out-of-hours **staffing costs** (net change)



T+1 impact on **trade fails** (net change)

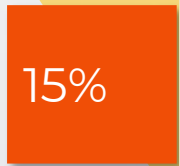
Top tier firms  
(over 100,000 staff)



Mid-tier firms  
(500-10,000 staff)



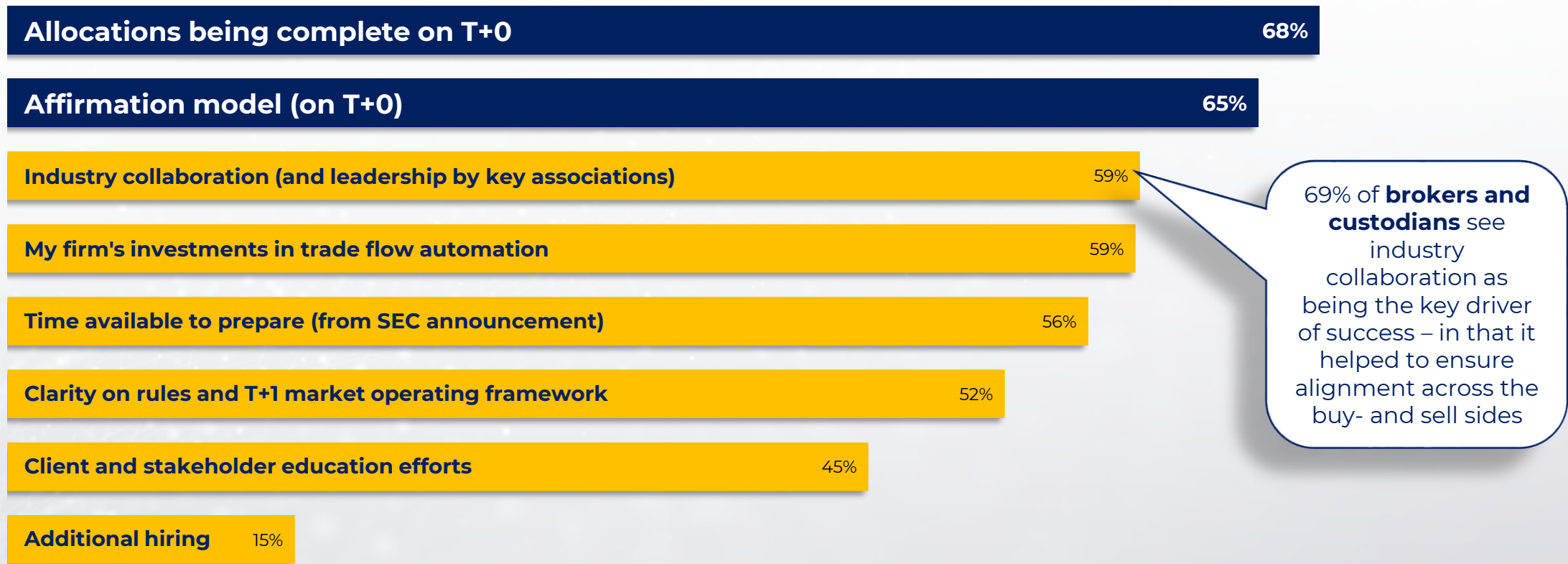
**Boutique firms  
(less than 500 staff)**



# Trade-date allocations and affirmations were the key process enabler to T+1



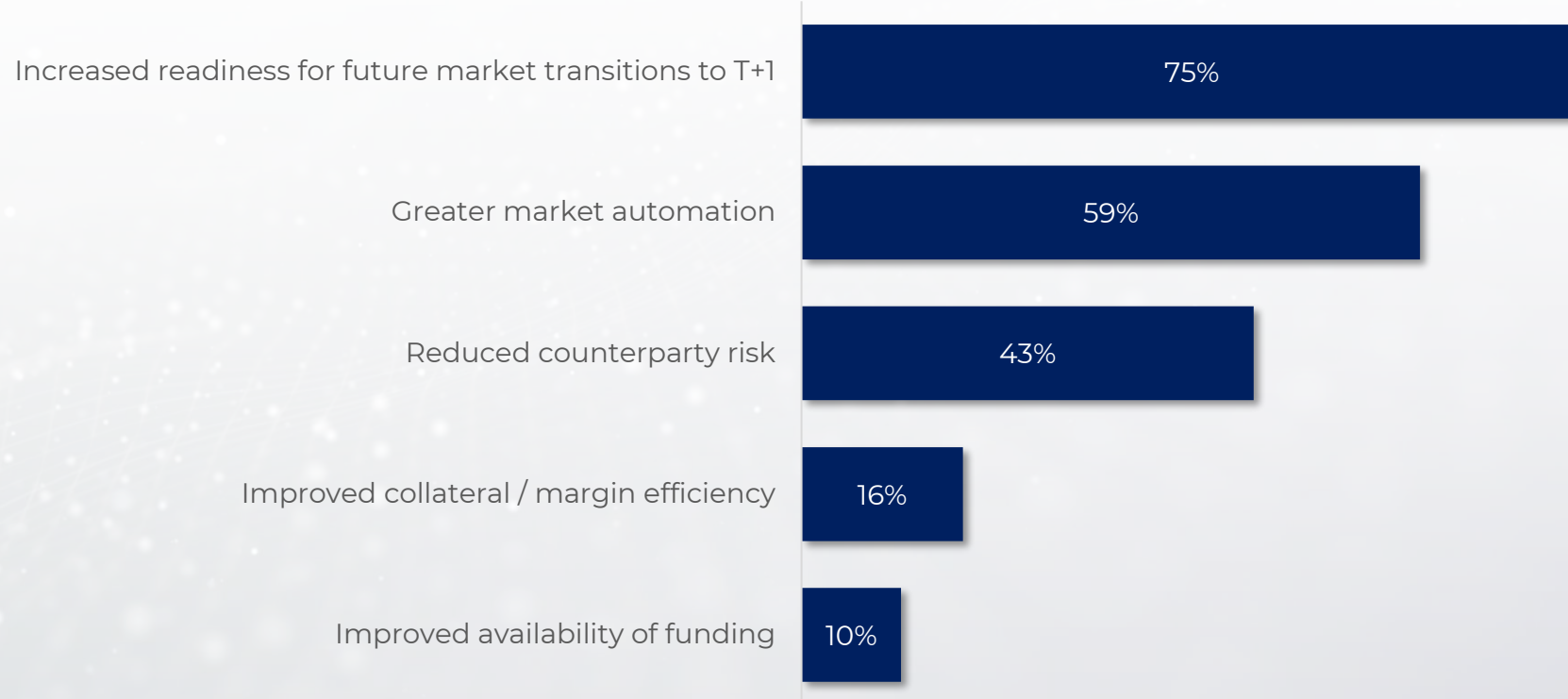
% of respondents citing each factor as top importance in ensuring a smooth transition



# T+1 has helped us to realise cost and risk efficiencies



Net views on whether T+1 has helped us to achieve.... (% of respondents who agree that T+1 has led to the following outcomes)

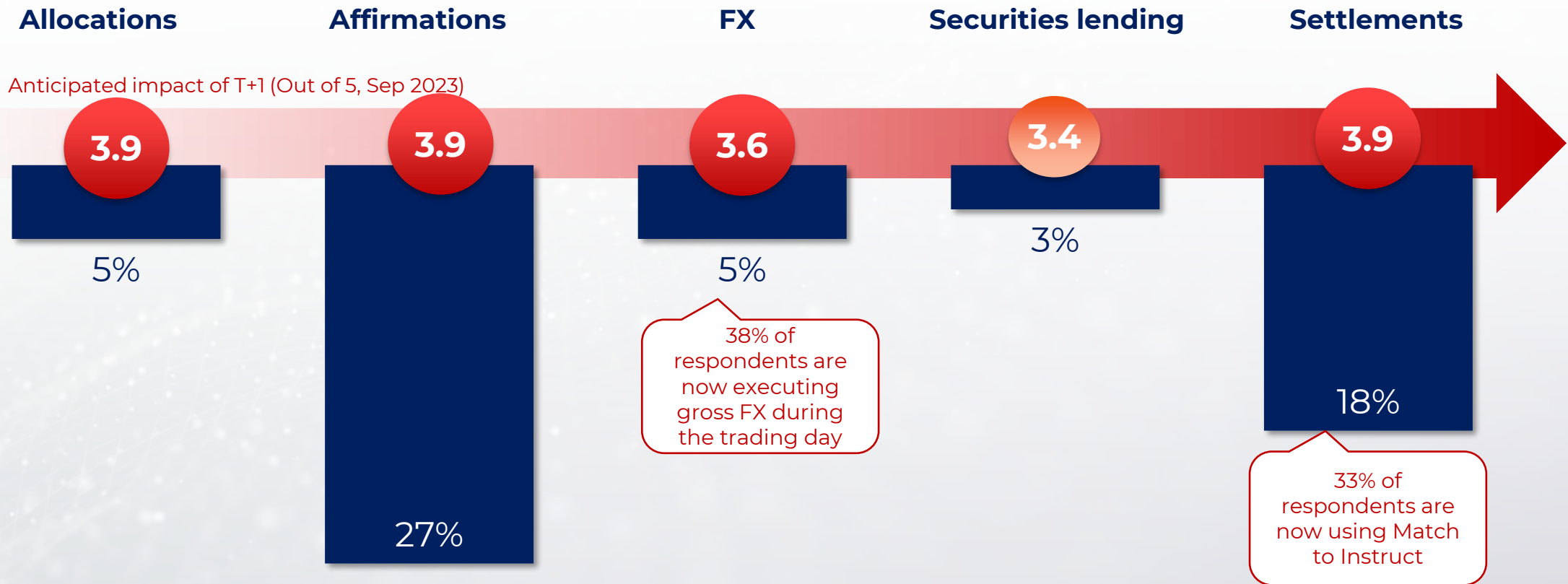




# Our industry operating models remain largely unchanged: only affirmations have been transformed



% of respondents who have changed their operating models due to T+1 (by activity)

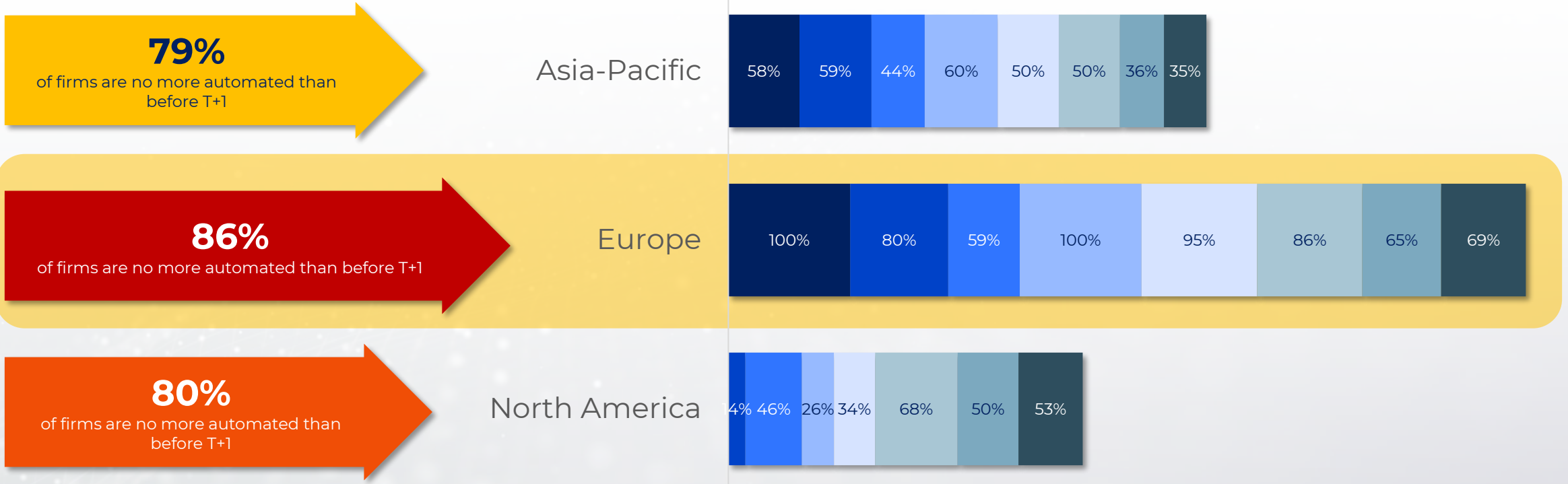


# More than half of trade processing is now happening overnight: making an urgent case for more automation in Europe



## Size of automation problem

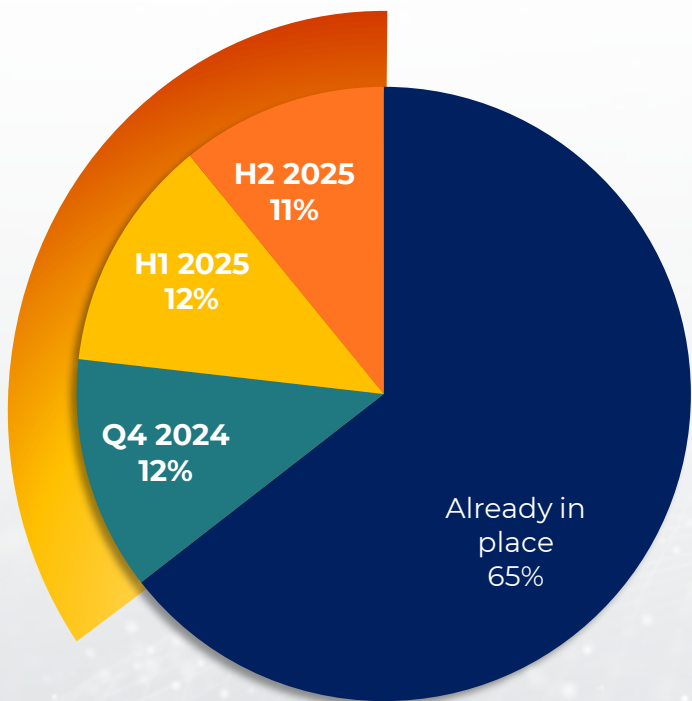
## % of trade-cycle tasks being undertaken outside of local working hours



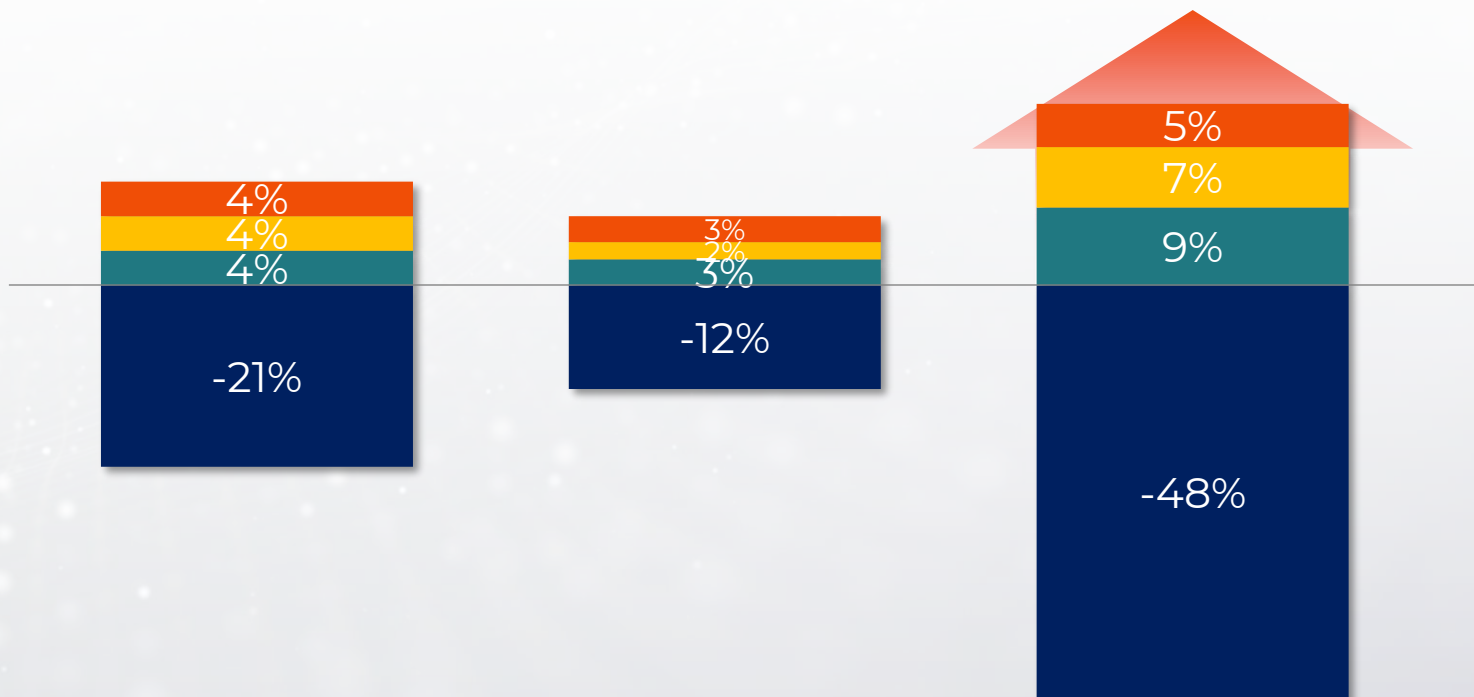
- Allocations
- FX instruction / execution
- Inventory updates and management
- Confirmations
- Affirmations
- Securities lending recalls
- Exception handling
- Settlements



# 35% of our T+1 project work is still ahead of us – most of all for investors



T+1 project activity past and future (% of respondents with project activity planned)



Brokers

Custodians

Investors

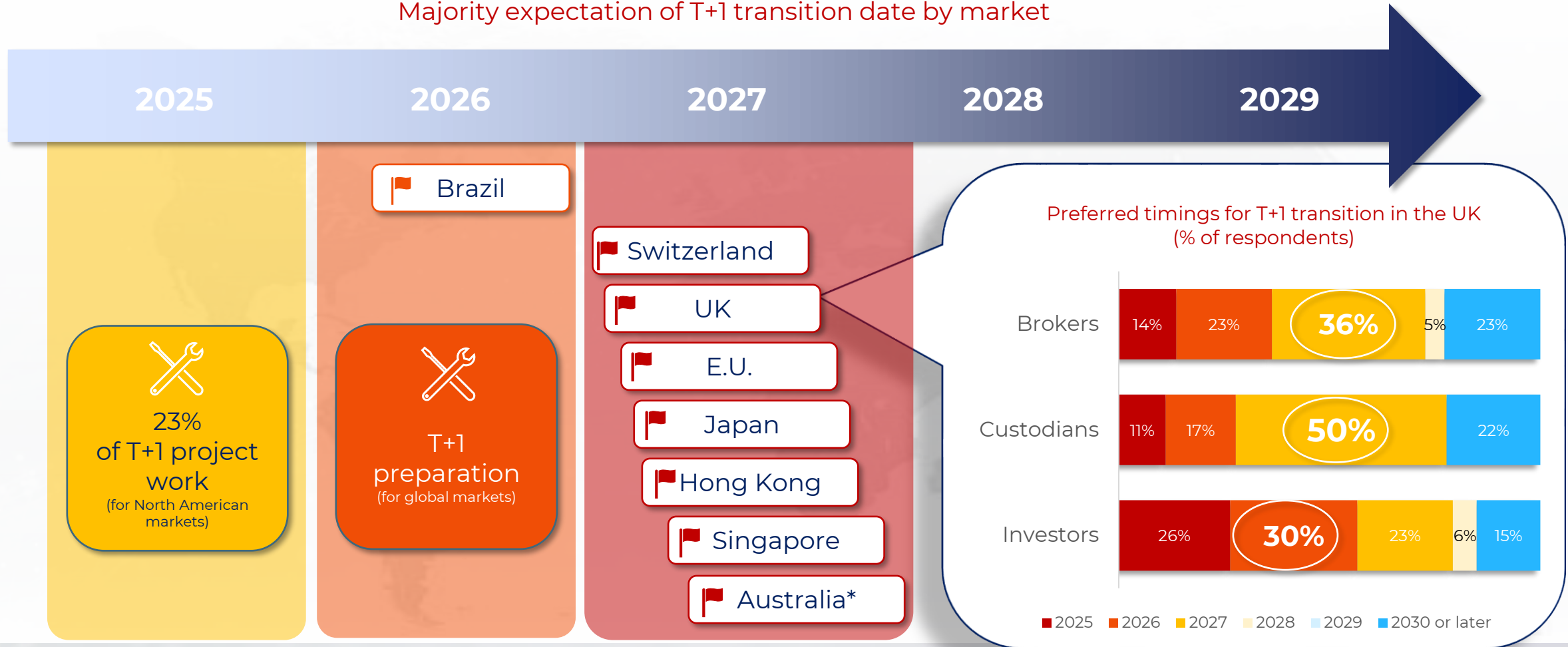
■ Already in place ■ Q4 2024 ■ H1 2025 ■ H2 2025



# The T+1 roadmap: Three years to prepare for a transformational 2027



Majority expectation of T+1 transition date by market



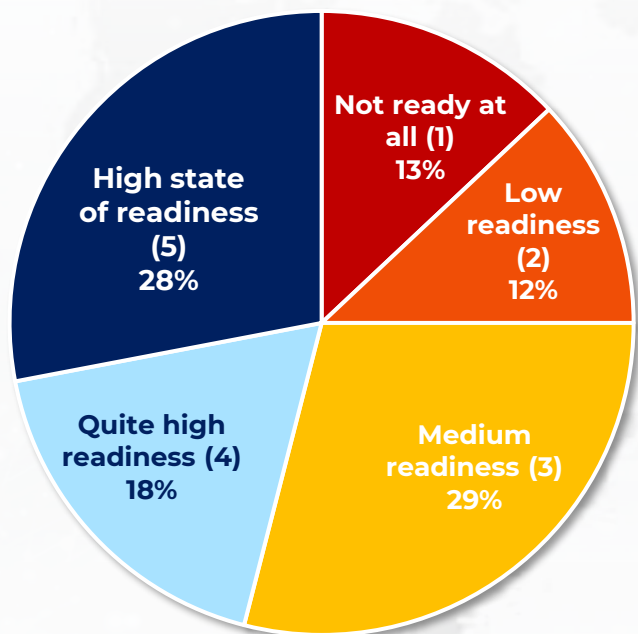
\* Survey was completed before ASX announcements on potential target dates for T+1



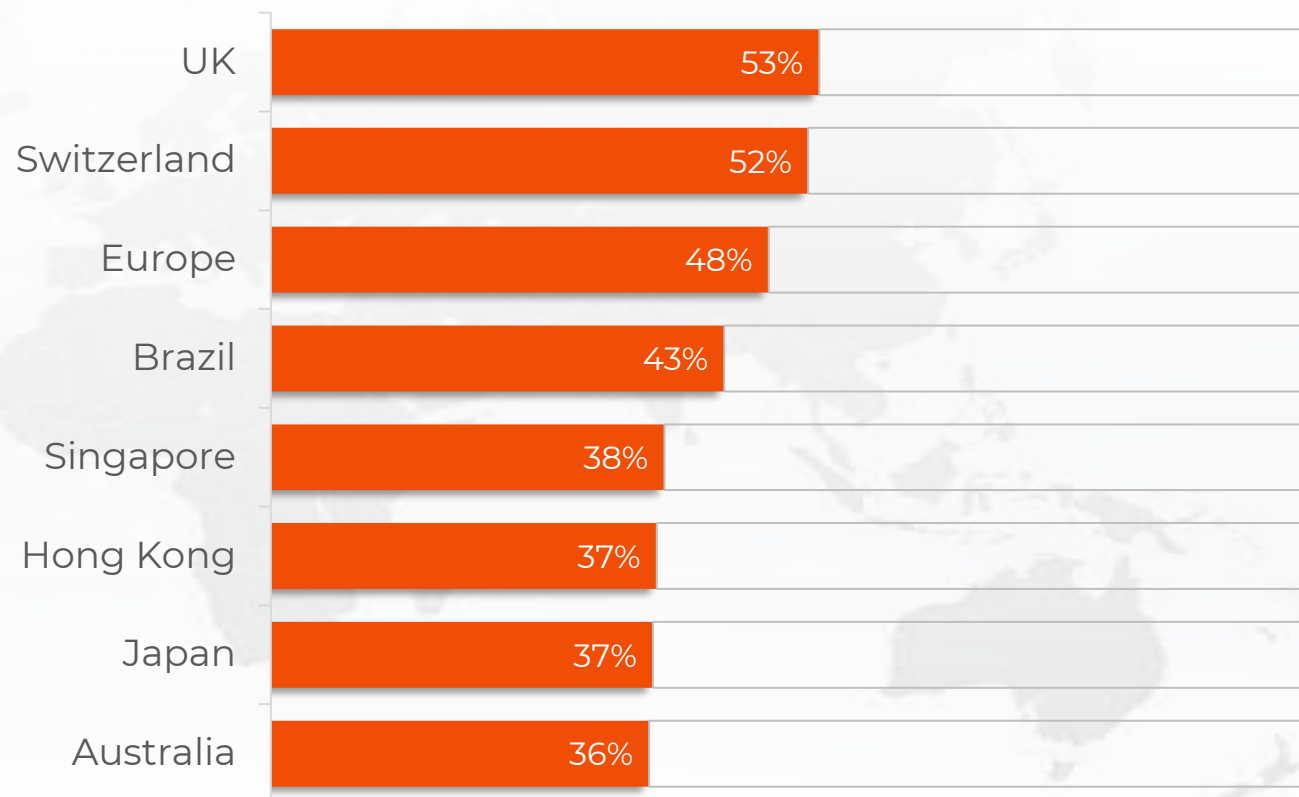
# The T+1 roadmap: only one in two respondents is ready for the next wave



Global readiness for future T+1 transitions (out of 5)



% of respondents ready for future T+1 transitions (4,5 out of 5)



# The ValueExchange



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An active and engaged community of industry leaders and changemakers across the globe

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Over five years of in-depth data on how and where the world is transforming its investment operations



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# Thank you!

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