T+1: One year on... A new chapter begins

Swift

Who we are

Swift is unique. As a globally inclusive cooperative, we were established to find a better way for the global financial community to move value in a reliable, safe, and secure way. We now have more than **11,500** Swift members across **200+** countries.

Every three days, we move the equivalent of the world's GDP over our network.

Read on to explore how T+1 is reshaping securities settlement, and what it means for the future of capital markets.

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One year in – What’s changed?

North America’s adoption of T+1 a year ago marked a key milestone, prompting thoughtful progress in markets around the world.

While T+1 has opened many strategic opportunities for firms, it has also caused friction in certain areas. As more markets embark on their T+1 journeys, the Capital Markets industry will have to make significant structural changes to keep pace.

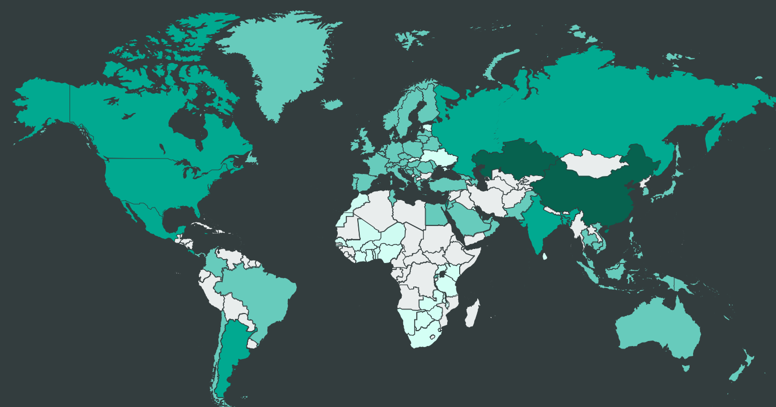
T+1 is fast becoming the global settlement standard

T+1 is gaining undeniable momentum. What was once a distant pipedream is now a reality.

Following the transition in North America, our data shows that T+1 instructions currently account for 35% of cross-border settlement messages on Swift, up from 12% in 2023.

With the EU, UK, Australia, and others engaged in their own T+1 planning, we expect more than 70% of global settlement volumes will be on T+1 – or faster – by 2030. This transformation will impact all aspects of Securities Services, from liquidity and FX management, right through to operational risk and post-trade processing.

One Year into T+1 in US : Global Moves Accelerating



America

- **US and Canada:** moved to T+1 in 2024
- **Mexico and Argentina:** followed the move
- **Chile, Colombia and Peru:** plan to move in 2027

Europe, Middle East & Africa

- **UK, Switzerland and EU:** plan to move to T+1 by 2027
- **Nigeria and Pakistan:** exploring T+1

Asia-Pacific

- **China:** already T+0,
- **India:** already T+1, moving to T+0
- **Australia, Japan, Singapore, Hong Kong:** exploring T+1

T+0 T+1 T+2 T+3 or above N/A

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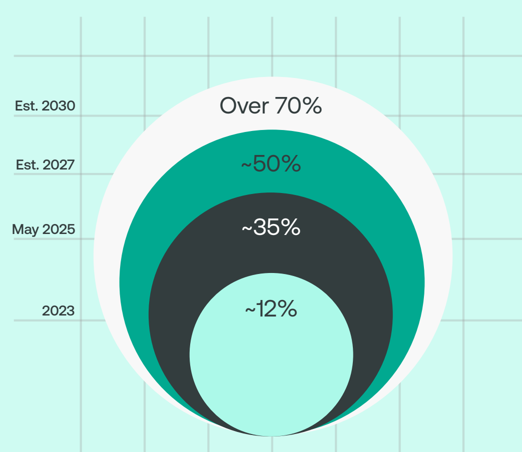
Progressing towards T+1



This estimate is based on public news and Swift settlement instruction message data, projecting that major markets currently operating on a T+2 cycle will transition to T+1 by 2030.

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T+1 isn't just about equities

In North America, settlement behaviour is already starting to change because of T+1.

In 2023, our data found that just 6% of equity instructions settled in North America were processed at T+1. This skyrocketed to 80% in the first half of 2025.

And it's not just in equities where we're seeing this trend.

> Even though not all fixed-income instruments are subject to mandatory T+1 settlement under US rules, many participants are proactively adopting shorter cycles.

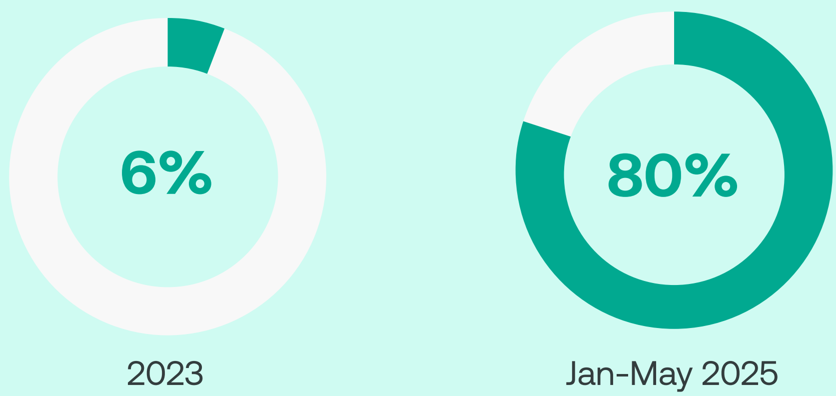
In 2023, our data showed that 19% of fixed-income trades in North America settled on T+1. This includes segments such as corporates and municipals that fall under the Depository Trust and Clearing Corporation's (DTCC's) T+1 mandate.

As of mid-2025, this share has risen to 43%, indicating growing market alignment with equity settlement timelines, even beyond the regulatory scope.

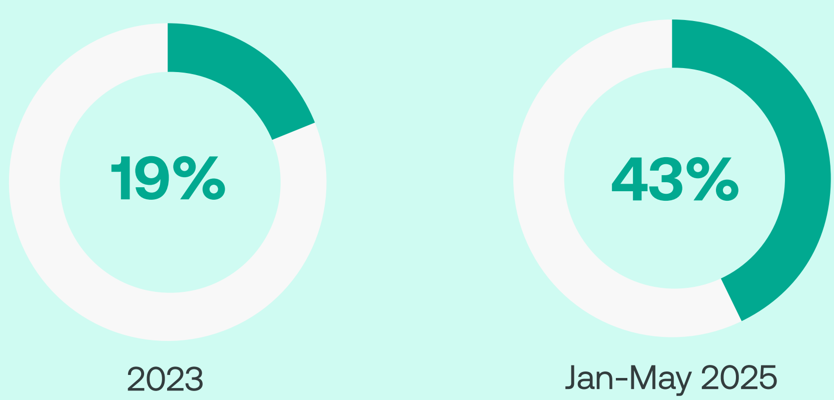
Securities settled in North America | Swift traffic

Settlement Date in MT 54x settlement instruction messages in North America as Settlement Region

Equity



Fixed Income



Settlement in T+1

Overall Swift volumes (excluding T+1 settlement)

Powered by Swift Watch

Why are different asset classes leaning towards T+1?

This multi-asset class shift to T+1 underscores a broader pattern.

Asset class boundaries are becoming less of an issue, as people increasingly move towards holistic post-trade modernisation and prioritise speed, automation, and intra-day liquidity.

In fixed-income specifically, the move to T+1 is powered by greater workflow standardisation, increased automation in the trade instruction and matching process, and a greater emphasis on same-day funding and collateral efficiency.

Accelerated settlements are becoming the norm across non-equity instruments, as well as equities.

What we’re learning along the way

How the industry got T+1 over the finish line in North America

The Capital Markets industry did a lot of heavy lifting to get ready for T+1 in North America, and the hard work has paid off.

Ahead of T+1, industry-wide efforts were made to prepare and educate market participants about the changes and their impact on the securities ecosystem. As a result, firms had plenty of time to invest in headcount, test their systems, and make the necessary technology upgrades ahead of the North American transition.

Reflecting these trends, we also spotted a sharp fall in cancellation messages post-T+1 and increased volumes of MT 578, i.e. allegement messages and pre-advice messages. Our data shows a 16% increase in MT 578 allegement messages and a 20% jump in MT 54x instruction as pre-advice messages.

These trends suggest improved certainty and readiness in instruction workflows across the market.

What's next?

The transition to T+1 in North America has largely been successful. However, challenges remain, particularly for participants operating across distant time zones.

Overall, global late settlement rates increased marginally (+3.7%), while pre-T+1 late settlement rates were at 2.49%. A year later, they are at 2.58%, showing very little change.

However, the picture varies by region.

APAC-based instructing parties saw a 9% increase in late settlement rates when settling into North America, highlighting the persistent impact of time zone constraints and liquidity cut-offs.

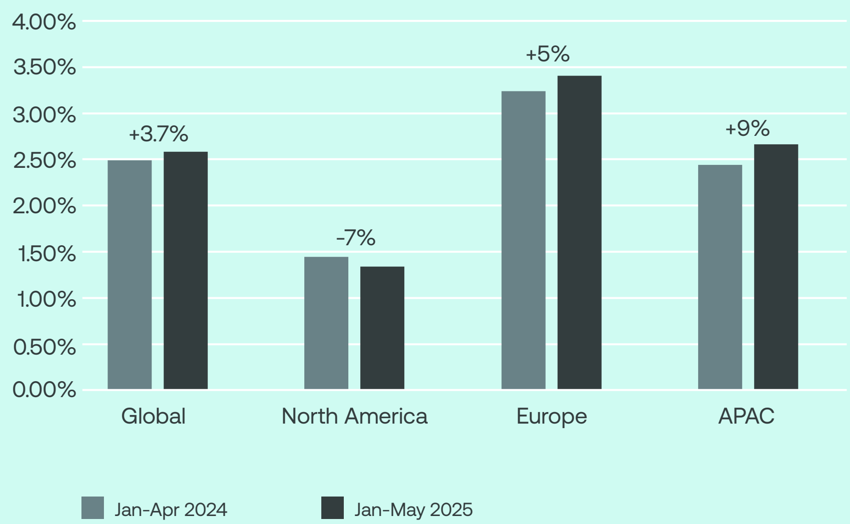
Meanwhile, instructing parties in **Europe** also experienced growing friction **(+5%)**, while **North America-based actors saw a 7% improvement**, likely benefiting from proximity and mature affirmation workflows.

To understand why these frictions persist, we analysed MT 548 messages—particularly those flagged as unmatched (UMAT) or failed (PENF):

- **Unmatched instructions** typically stem from mismatched trade data, incorrect safekeeping account details, or discrepancies in settlement amounts.

- **Settlement fails** are most often due to a lack of securities, instruction delays, or cash/credit shortfalls. While manual processing still contributes to inefficiencies, many of these issues reflect broader operational gaps. These include fragmented trade data, tight funding windows, or a lack of readiness for same-day instruction. Solving these issues will require more than automation; it demands better coordination across systems, earlier affirmation, and shared visibility across the post-trade chain.

Late Settlement Rate for Securities Settlement in North America



Late Settlement Rate is calculated as the number of settlement confirmation messages (MT 545–547) where the actual settlement date is later than the agreed settlement date, divided by the total number of settlement confirmation messages sent.

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Manual processing is still an obstacle

An analysis of Swift MT 548 messages picked up on several lingering pain points, post-T+1.

Typical Settlement Issues for Securities Settlement in North America

Top 3 Reasons for Unmatched Instructions[1]

- Safekeeping account or Agents incorrect
- Trade data does not match
- Settlement amount does not match

Top 3 Reasons for Settlement Fails

- Lack of securities
- Instruction Issues
- Lack of cash/credit

This analysis is based on MT 548 messages flagged with status codes UMAT and PENF and their reason codes, Jan-May 2025

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[1] Refers to instructions that went through matching but remained unmatched, as indicated by MT 548 reason codes.

An ongoing reliance on manual processing appears to be a root cause of many of these problems, especially for firms who are not Swift users. This is also underlined by a recent Value Exchange study[2], which found that 51% of post-T+1 exceptions are still resolved manually through emails or phone calls.

The challenge is particularly acute among smaller and less automated institutions.

[2] https://thevx.io/wp-content/uploads/2024/08/T1-from-start-to-finish_ValueExchange-playbook.pdf

“To flourish in a T+1 ecosystem, our data clearly shows that greater automation, earlier instruction matching, and better cross-time zone coordination will be needed.”

Kelli West, Global Head of Securities & FX Strategy, Swift

Beyond settlement: The wider impact of T+1

Compressed timelines reshape corporate actions

Trade settlements aren't alone in facing a T+1 transformation, as downstream activities like corporate actions have also been affected.

Our data notes that there has been a decisive shift towards same-day processing of North American International Securities Identification Numbers (ISINs).

> In mid-2025, 92% of such events had an entitlement date that matched the record date—a staggering jump from just 4% in 2023.

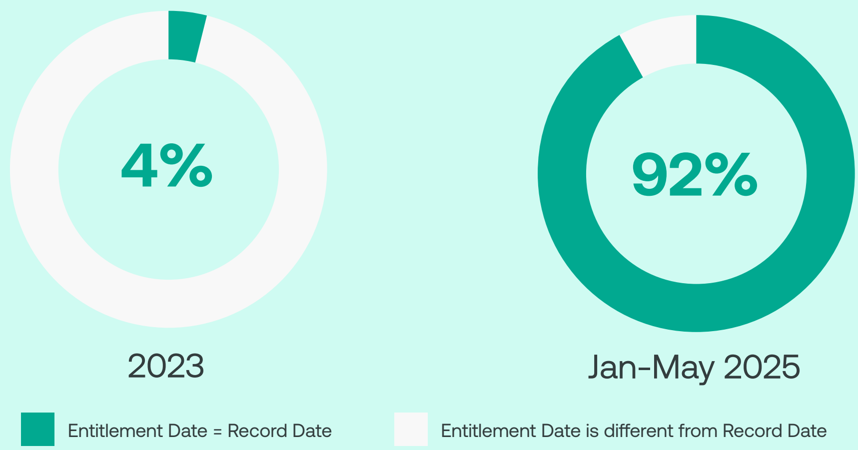
Previously, there was a one-day buffer between the entitlement and record date, but now real-time reconciliations and instruction readiness between issuers, intermediaries, and investors are the norm.

Instruction handling is also moving towards a same-day cycle. For mandatory events with options involving North American ISINs, the proportion of service provider deadlines aligning with market deadlines rose from 39% in 2023 to 51% in 2025.

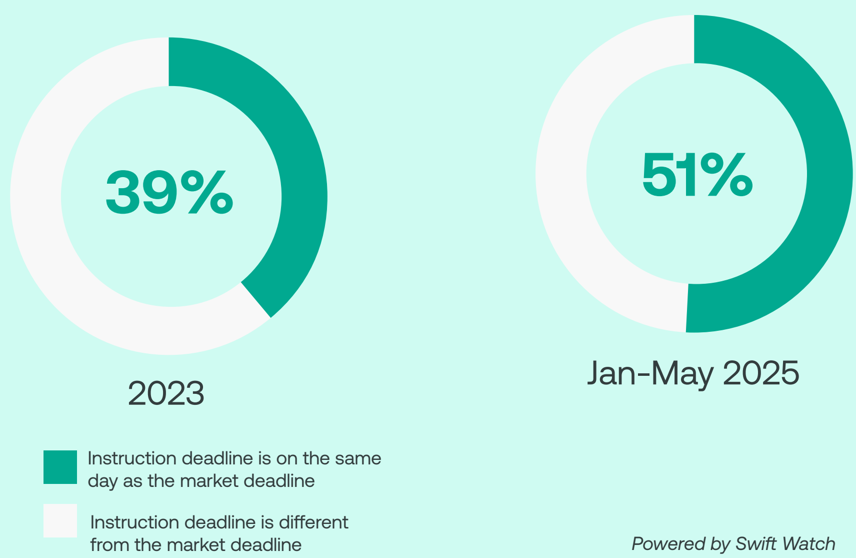
Corporate Action Timeline Compressed for North America ISINs

Swift traffic | Number of MT 564 Notifications

Corporate Events: Same-Day Entitlement and Record Date



Mandatory event with Option: Same-Day Instruction Deadlines and Market Deadline



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A T+1-induced FX transformation

The effects of T+1 are now being observed in FX markets too.

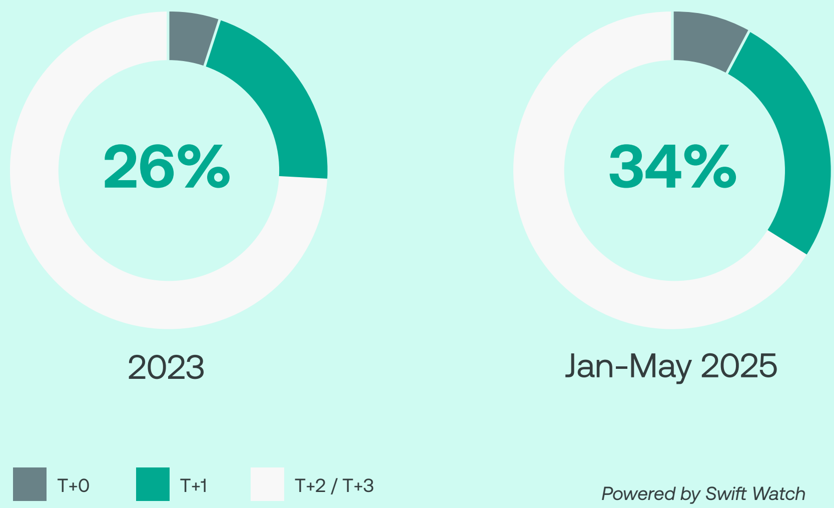
There are some notable differences in FX settlement behaviour post-T+1, according to our MT 300 Spot Transaction data for USD currency pairs.

At buy-side firms – where FX execution is closely tied to securities transactions – the combined volume of T+0 and T+1 FX settlements increased from 26% in 2023 to 34% in mid-2025.

For T+0 transactions, the average deal size – measured by value per MT 300 transaction – fell by roughly 50% after the US adopted T+1. This suggests a move towards smaller, more frequent executions—most likely reflecting the tighter funding cycles and greater need for intraday liquidity flexibility under the new settlement regime.

Buy-side FX Confirmations by Settlement Cycle (USD) | Swift Traffic

Based on MT 300 confirmations for USD spot FX trades



The journey continues

The next batch of T+1 transitions is on the horizon in Europe

Our industry's T+1 transition is only just beginning. T+1 is operational in North America, and now it's Europe's turn.

In Europe, specifically the EU, UK, and Switzerland, regulators and industry taskforces (such as the EU T+1 Industry Committee and the UK T+1 Taskforce) are targeting a coordinated October 2027 transition for T+1.

Across Europe, efforts are underway to achieve better alignment in areas such as corporate action processing timelines, cross-border harmonisation across Central Securities Depositories (CSDs), and collateral/ FX readiness.

While Europe benefits from having a relatively mature infrastructure framework, regional complexity, e.g. fragmented regulations and a complex financial market infrastructure ecosystem, is frustrating some of these efforts.

A recent report by Firebrand Research[3] outlines just how costly and complex Europe's T+1 transition will be. The study estimates that leading custodians may each invest up to **$36 million** to prepare for T+1—more than double the **$13.3 million** average spent for the North American transition. These costs encompass staffing, technology enhancements, internal testing, and client engagement efforts. A central takeaway is that **greater investment in post-trade automation will be critical** to ensuring Europe's successful move to T+1 settlement.

[3] https://fintechfirebrand.com/members/tackling-post-trade-friction/

Asia-Pacific is not far behind on T+1

Progress on accelerated settlement cycles is underway in Asia-Pacific too.

India was the first major market to implement T+1, and now the country is progressing towards T+0, although its longer-term goal is to achieve instant settlements. Other Asia-Pacific markets, such as **Singapore, Hong Kong, Australia, and Japan**, are either consulting, running pilots, or evaluating system-wide readiness on T+1.

Asia-Pacific is facing some difficult headwinds with T+1, however. Currency restrictions, capital controls, and diverse regulatory frameworks could limit same-day liquidity and complicate cross-border funding. This might lead to delays in aligning FX and settlement timelines.

Addressing these issues will be integral if Asia-Pacific firms are to navigate T+1.

Additionally, as cross-border investment volumes accelerate between Asian and Western markets, consensus on settlement timings, funding flexibility, and end-to-end transparency will become more critical.

A call for action

As more markets embrace shorter settlements, a few steps are essential:

- **Global harmonisation of post-trade processes is required.** Without standardisation, the benefits of faster settlement cycles risk being diluted by a lack of consistency across markets.

- **FX and funding workflows must evolve in parallel to ensure same-day liquidity**, especially across different time zones and currencies. T+1 will only work if the cash leg of the transaction moves at the same speed as securities.

- **Automation and Straight-Through-Processing adoption are a must.** A lot of small to mid-sized firms are still reliant on manual processing, which remains the biggest source of exceptions. With a shorter settlement cycle, institutions will have less wriggle room for delays.

- **End-to-end transparency and real-time visibility into the trade lifecycle are critical.** Not only will this enable faster exception handling, but it will help reduce risk and allow firms to make better-informed decisions. Widespread adoption of the Unique Transaction Identifier – an ISO message standard – within the securities industry presents a solution, as it offers comprehensive visibility throughout the transaction lifecycle.

How Swift can help you realise your T+1 potential

Swift is well-positioned to support the industry's T+1 efforts and will continue to assist the community by offering transparent data, collaborative infrastructure, and the global standards needed to move confidently into the future of T+1.

Our community is collaborating on the adoption of a shared Unique Transaction Identifier (UTI) reference among settlement parties and providing access to automated tracking for all participants on either side of a transaction. This will drive consensus to resolve discrepancies faster, reduce operational complexity, and mitigate settlement risk.

As we move toward shortened settlement cycles, cohesive and collaborative action is essential. Collective industry action is key to unlocking greater efficiency, transparency, and automation, paving the way for a smooth and successful transition to T+1 and beyond.

Acknowledgements

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Want to learn more? Get in touch with your Swift representative and visit [Securities | Swift](#) to find out more about our securities solutions.

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