TECHNICAL NOTE

T+1: allocations and confirmations

The first European deadline is 7 December 2026

Europe’s move to T+1 settlement has two milestones. The first, in December 2026, concerns allocation and confirmation messages. Operations teams need to address it before the settlement-cycle change planned for October 2027.

Key points

- From 7 December 2026, investment firms and their professional clients must use standardised, machine-readable electronic communications for allocations and confirmations.
- Europe’s T+1 settlement cycle is scheduled for 11 October 2027.
- ESMA explicitly distinguishes the messaging obligation from the settlement-cycle reduction.

What must work

Instructions and confirmations must use international standards and remain capable of automated processing, except during a temporary technical disruption. This affects the post-trade chain between asset managers, intermediaries, custodians and professional clients.

End-to-end testing

The test plan needs to cover formats and mandatory data, message issue and receipt, rejects, exceptions and continuity during technical incidents. It must include flows with counterparties and custodians, not only internal message production.

A useful project sequence

Addressing messaging in 2026 prevents its compliance work from being added to T+1 operational preparation in 2027. Operations and project teams can then use 2027 for the actual shortening of deadlines, cut-offs, funding and related controls.

Reference
Regulatory source: ESMA, “One year to go for T+1 settlement: regulatory framework complete, now let’s make it happen”, press release and final report ESMA74-2119945926-3749, 16 October 2026.
https://www.esma.europa.eu/press-news/esma-news/one-year-go-t1-settlement-regulatory-framework-complete-now-lets-make-it