
TO : **Regulated Entities:**

- i. **Cyprus Investment Firms**
- ii. **UCITS and, where relevant, their Management Companies**
- iii. **Alternative Investment Funds ('AIFs') established or managed in Cyprus and where relevant, their Alternative Investment Fund Managers ('AIFMs')**
- iv. **Trading Venues**
- v. **Central Securities Depositories**

FROM : **Cyprus Securities and Exchange Commission**

DATE : **December 12, 2025**

CIRCULAR NO. : **C741**

SUBJECT : **Shortening of the standard securities settlement cycle in the European Union (T+1)**

Following Circular C702 in relation to the shortening of the standard securities settlement cycle in the European Union ('EU'), the Cyprus Securities and Exchange Commission ('the CySEC') herein wishes to draw the attention of Regulated Entities to recent developments. More specifically:

A. Amended Regulatory Framework

1. [Regulation \(EU\) 2025/2075](#) amending Regulation (EU) No 909/2014 as regards a shorter settlement cycle in the European Union.

B. Analysis of Main Changes

2. Purpose and Scope

The Regulation requires that the intended settlement date for transactions in transferable securities executed on trading venues shall be no later than one business day after the trading date (T+1). This brings the EU in line with global markets that already operate on a T+1 cycle and supports greater settlement efficiency, reduced counterparty risk and improved capital market competitiveness.

3. Transactions Excluded from the T+1 Requirement

Certain transactions are not subject to the mandatory T+1 settlement cycle:

- Privately negotiated trades executed on a trading venue.
- Bilateral trades reported to a trading venue.
- The first transaction where the securities are subject to initial recording in book-entry form under Article 3(2) of CSDR.
- Certain securities financing transactions (SFTs) — such as securities lending and borrowing — only if they are documented as single transactions composed of two linked operations.

Additionally:

- Margin lending transactions are outside the scope of the T+1 settlement cycle requirement because they are not transactions in transferable securities.

4. Effective Date

- The Regulation entered into force on 3 November 2025.
- It shall apply from 11 October 2027.

5. Impact of new rules

From 11 October 2027 most transactions in equities, bonds and other transferable securities executed on trading venues must be settled within one business day after trade execution.

C. **EU T+1 Industry Committee Readiness Survey**

6. The EU T+1 Industry Committee has launched a survey to assess the level of preparedness of market participants and identify potential operational, technological, or procedural challenges associated with the migration to a T+1 settlement cycle.

Regulated entities are strongly encouraged to participate in the EU T+1 Industry Committee's first [readiness survey](#), which will be open until 19 December 2025. Further information on this survey is available on the homepage of the [EU T+1 Industry Committee website](#).

D. **Next Steps**

7. Regulated Entities are urged to begin reviewing the potential impact of the transition to T+1 on their internal systems, operational processes, liquidity and treasury management, client onboarding procedures, and cross-border arrangements.
8. Regulated Entities are strongly encouraged to participate in the EU T+1 Industry Committee's first [readiness survey](#).

Yours sincerely,

Panikkos Vakkou
Vice Chairman
Cyprus Securities and Exchange Commission

cc. Central Bank of Cyprus
Cyprus Stock Exchange