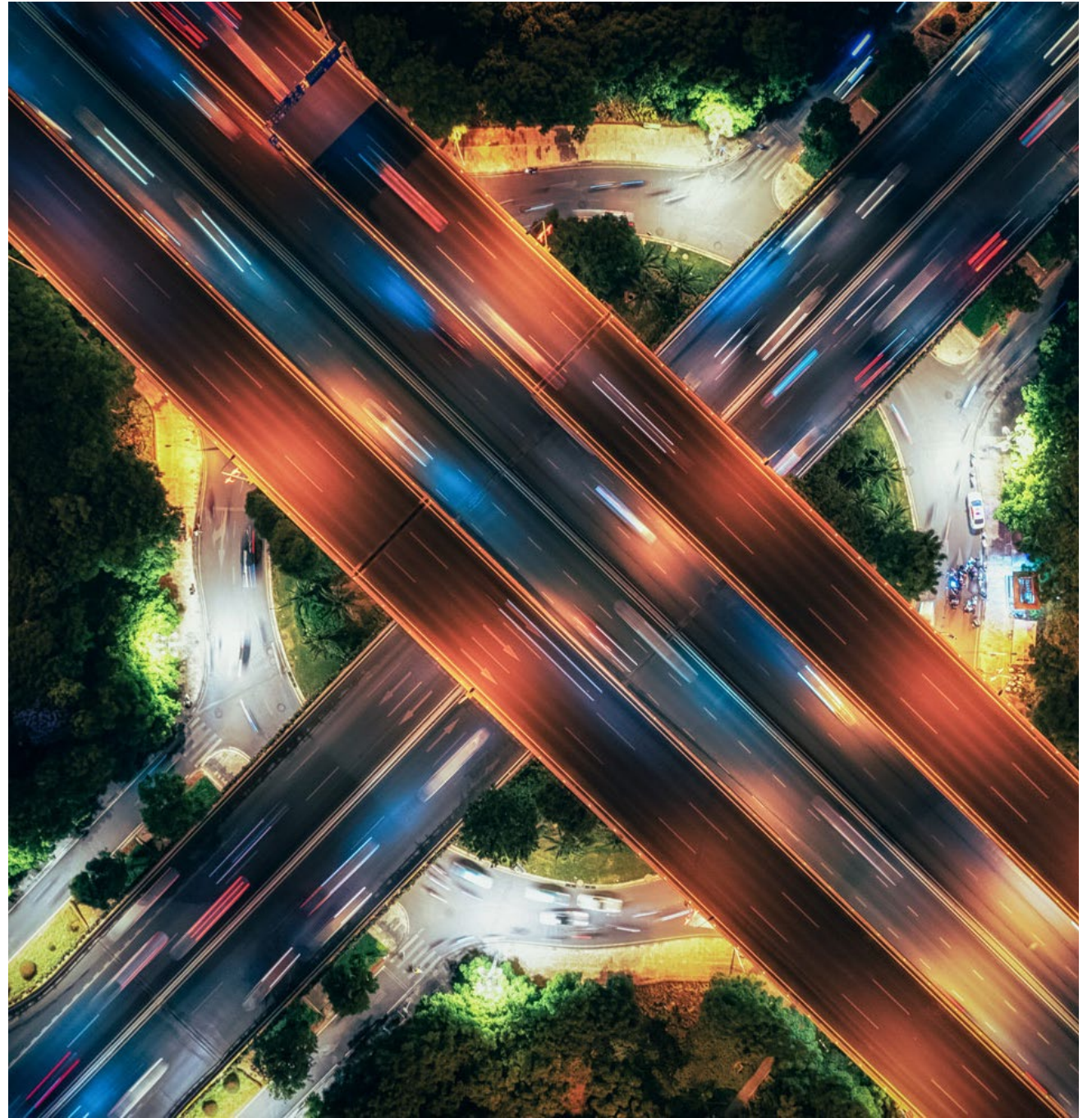


T+1 Survey Results

Results from a survey of how capital markets firms are preparing for T+1 settlement and beyond



Initial Survey Hypothesis

Our research began with two fundamental questions on the transition to a T+1 settlement cycle:

01

Where are capital markets firms in the transition to T+1?

02

Are firms prioritizing artificial intelligence (AI) and automation to enable T+1?

Executive Summary



Survey participants

To answer these questions, we surveyed 100 executives in capital market firms across the buy- and sell-side on their progress to T+1. The survey respondents were headquartered in the US, UK and Canada, and represented multiple lines of business.



High-level results

Overall, our results paint a clear picture: Firms are bullish on their ability to meet the industry go-live deadline in 2024.

Our survey results however also suggest that many firms might still be underestimating the time, cost and effort involved in moving to T+1.



Our perspective

As firms continue to progress through their T+1 transition, we believe they should prioritize enhancing existing technology solutions to further increase straight-through processing rates and maximize efficiency.



The T+1 transition is happening and firms are taking action now

75%

of the executives in our survey have completed an assessment to evaluate the degree of T+1 impact

61%

have established a formal T+1 transition program

94%

are confident that they will have the proper infrastructure and processes in place by Q2 2024

Many believe artificial intelligence and automation are the key to move to T+1...

About **9** out of **10**

of respondents agree that **AI** and **automation** will be important in helping their firm move to T+1

73%

believe **artificial intelligence** is already embedded and optimized in their end-to-end trade lifecycle

83%

say **automation** is already embedded and optimized in their end-to-end trade lifecycle

...yet there is still a high degree of manual intervention

Firms should view the transition to T+1 as an opportunity to **enhance their existing AI and automation capabilities**. This will further **reduce manual support** across the trade lifecycle and **maximize operational efficiency**.



34%

of respondents say that at least 50% of their trades are manually touched

Firms might be underestimating the investment required to enable T+1

We expect the cost of this transition to be in the vicinity of other large transitions such as LIBOR, for which in 2021, most global banks spent a reported average of US\$100 million each.*

Optimizing AI and automation tools could be a significant upfront cost for firms, but they will ultimately help **enhance the client experience and reduce risk.**

42%

of firms expect to allocate between \$6 and \$10 million over the next three years to technology and people for the T+1 transition

44%

of firms expect to allocate between 25 than 49 employees (either full- or part-time) to their T+1 transition initiative

* [Libor Exit to Cost Global Banks \\$100 Million Each This Year - Bloomberg](#)



Strong change management is required to drive cross-functional accountability & results

41%

of all respondents believe technology will lead the transition

40%

Of all respondents believe operations will lead the transition

75%

Heads of Equity Technology believe technology will lead the transition

71%

Heads of Equity Operations believe operations will lead the transition

93%

of all respondents agree or strongly agree that significant change and program management efforts will be required to meet the 2024 deadline

But many firms are already looking further: blockchain and T+0

T+0 might still be years away. But we believe there are steps, firms could take already today as part of the T+1 transition to lay the basis for real-time settlement in the future with looking at data being the most important one.

95%

agree or strongly agree that the blockchain or distributed ledger technology will play an important role in settlements

86%

of firms are also considering settlement on T+0 (intraday, same day) in their current T+1 efforts

About the research

RESEARCH SAMPLE

Job Titles	n=100
Head of Equity Technology	32
Head of Equity Operations	49
Managing Director / Director or Senior VP in Operations or Technology	16
Managing Director / Director or Senior VP in Sales or Trading	3

Organizations (multiple responses possible)	
Asset Manager	66
Investment Bank	43
Wealth Management	17
Custodian Bank	9
Exchange	8
Clearing House	4

Headquarters	n=100
Canada	11
United Kingdom	18
United States	71

Global Group Revenues	n=100
Less than \$1 billion	68
\$1 to \$4.9 billion	19
\$5 to \$9.9 billion	3
\$10 to \$19.9 billion	3
\$20 to \$49.9 billion	7
\$50 billion or more	0

The research was conducted in July 2022



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