

EU T+1 Industry Committee – SFT Optimisation Taskforce

Gating Event – FAQs and Best Practice

16 June 2026



1. What is the EU T+1 Gating Event and why is it being proposed?

The Gating Event is a new optional settlement functionality to be applied automatically at 11am CET to flagged settlement instructions on their intended settlement day (ISD), allowing for the application of relevant optimisation tools, including technical netting. This functionality will be introduced across all EU (I)CSDs and T2S¹ and will help to synchronise and optimise the settlement of repos and related cash market activity. The introduction of the Gating Event is a response to concerns that have been raised by market participants, specifically in the fixed-income repo and fixed-income cash markets, about the significant impact that the move to T+1 could have on firms' intraday liquidity requirements and settlement efficiency.

More specifically, the move to T+1 in the fixed income cash market is widely expected to lead to a significant shift in repo trading to T+0 settlement.² This acceleration of repo trading and settlement would create significant challenges and risks to intraday liquidity management and settlement efficiency. In the absence of any changes to current settlement arrangements, repos that are moved to same-day settlement (T+0) would no longer be able to settle in the night-time cycle, where they could have been netted³, but would settle in an unsynchronised manner in the daytime RTS cycle on a gross basis. Nor would T+0 repos be subject to CCP netting, as there is no same-day netting run for euro-denominated repos. Moreover, parties would have little time to agree bilateral netting (pair-offs). The resulting pressure on intraday liquidity could in turn have a knock-on impact on settlement efficiency, as it may create incentives for parties to hold back deliveries until they receive the related inventory/cash through other trades, potentially pushing back settlement towards the end of ISD.

The EU's [High-Level Roadmap to T+1](#) (HLRM) acknowledges and describes the problem in more detail, based on input from the SFT Technical Workstream (SFT TWS) (see box 1 on pp.46-48 of the HLRM for a detailed problem statement). While the Workstream had initially

¹ Non-T2S CSDs to confirm whether they plan to implement the Gating Event.

² See EU HLRM, pp.46-48 for a summary of the Workstream's related quantitative analysis on current and expected repo trading patterns.

³ See detailed description of the problem statement, including netting scenarios in the Annex.

suggested the introduction of a new batch settlement cycle during the day to mitigate the impact, the HLRM left the solution open, recommending further analysis to agree on the most appropriate technical arrangements (see recommendation SF-01). On this basis, a dedicated Taskforce on SFT Settlement Optimisation was formed to explore the options and recommend the optimum solution. The Taskforce brought together key stakeholders from major market infrastructure-providers, including (I)CSDs, CCPs, the ECB/4CB (as T2S operator) and various market participants.

After extensive discussions, the group agreed on the Gating Event solution. The proposal seeks to comprehensively address the SFT Workstream problem statement and achieve the same objective as a new batch settlement cycle, while being simpler to implement and avoiding disruption to the current settlement setup, as the Gating Event is largely based on existing (I)CSD and T2S functionalities and optimisation tools. The Taskforce proposal was subsequently shared with relevant workstreams for review, as well as the Industry Committee itself. Following review and discussion, the Industry Committee agreed to the [final Taskforce report](#), which was published on 22 December 2025.

2. Which transactions are expected to use the Gating Event?

In principle, the Gating Event could be used for a broad range of settlement instructions, as it is not technically limited to particular asset classes, transaction or instruction types. However, as explained in the final Taskforce report, the expectation is that the Gating Event will be used primarily for repos, especially where they are traded for same-day settlement (T+0), and related cash bond trades. Industry discussions have been held to further specify those use cases and agree clear best practices for using the Gating Event, including scenarios where the Gating Event could disrupt settlement in certain market segments and therefore needs to be avoided. The outcome of these discussions is reflected in the agreed best practice recommendations covered in the Annex of this document, which try to strike a balance between the identified risks of a liquidity drain for the wider system and potential adverse effects on certain segments of the securities market.

In summary, best practice sets out a number of scenarios in which the Gating Event indicator can be used. These are all related to repos traded on a T+0 basis, as well as corresponding cash bond trades. Use outside of these scenarios is not considered best practice and should be avoided. Any additional use cases that are identified should be bilaterally agreed.

3. When would the Gating Event occur on the ISD and why?

The industry proposal, set out in the final Taskforce report, is for the Gating Event to occur at 11am CET on ISD. This is designed to avoid unduly compressing settlement processes within the shortened T+1 window by allowing sufficient time on the trade date ahead of the Gating Event for execution, trade-matching, confirmations, allocations, funding and

liquidity preparation, but also sufficient time after the Gating Event to deal with exceptions. The proposed time at 11am CET therefore balances the need to capture as many T+0 trades as possible, while minimising the operational risks to settlement efficiency. The proposal is based on analysis undertaken by the SFT TWS of current repo trading patterns, as well as a related market consultation to gather feedback on how trading patterns are expected to change after T+1.

4. How will transactions be identified for settlement in the Gating Event?

For bilaterally-cleared (non-CCP) trades, it will be up to the trading parties/CSD participants to indicate whether a given instruction should be settled in the Gating Event. This will be done using a dedicated Gating Event indicator that will be available in standard settlement messages. Following a proposal from the Taskforce and a formal request by the Securities Market Practices Group (SMPG), SWIFT launched an exceptional fast-track procedure to introduce this new indicator, which will be available to use from November 2026 (see the related change request [SWIFT CR1554](#) for details). Once implemented at CSD level, if an instruction is submitted with the Gating Event indicator, the respective transaction will be held in the system, irrespective of when it was instructed, and will be automatically released at 11am CET on its ISD for synchronised settlement, subject to the applicable optimisation tools, including technical netting. The details of implementation in T2S are further explained in the related change request ([T2S CR-0865](#)) published on 20 March. Similarly, both ICSDs are planning to provide further implementation guidance.

For CCP-cleared transactions, trading parties/CSD participants will not be able to choose whether or not to settle in the Gating Event. Instead, CCPs will apply a clear and transparent policy in relation to settlement in the Gating Event which will be implemented consistently across all relevant CCPs. This policy is the result of a consultation process that CCPs have undertaken with their members, in coordination with the SFT TWS. Further details of the policy are explained in question 9 of this FAQ and reflected in the best practices in the Annex of this document.

5. What happens after the Gating Event indicator has been applied?

As further explained in Q6, if one of the trading parties/CSD participants submits a settlement instruction with the Gating Event indicator applied, the instruction will be held by the CSD and automatically released for settlement into the Gating Event at 11am CET on its ISD, unless held using existing H/R functionality, allowing for the application of relevant settlement optimisation tools, including technical netting. Once the Gating Event indicator has been applied to a settlement instruction, it cannot be amended or removed, at least initially, due to a current restriction, which is explained below. This means that trading parties/CSD participants who wish to reverse their decision to settle in the Gating

Event and release the instruction for earlier settlement will have to agree with their counterparty to cancel and re-instruct without applying the Gating Event indicator.⁴

The current restriction is due to the limitations of the Gating Event indicator. Allowing the field to be modifiable requires the submission of an additional ISO change request. The SFT TWS is advocating for the ISO change request to be submitted at the next opportunity, which means that, if accepted, the functionality could be available with the next ISO change release in November 2027, just one month after T+1 go-live, subject to CSD implementation, including related T2S governance approvals.

If a settlement instruction is flagged but fails to settle as part of the Gating Event on ISD, it will be recycled into the RTS cycle. As the final Taskforce report explains, this applies to flagged instructions that have been submitted too late on ISD to be considered for settlement in the Gating Event, as well as flagged instructions that fail to settle in the Gating Event for any other reason (e.g. due to a matching fail). If a trade flagged for settlement in the Gating Event remains unsettled at the end of ISD, the transaction will be recycled at the earliest opportunity on ISD+1, i.e. it will not be held until the Gating Event on ISD+1.

6. Can parties decide unilaterally to settle in the Gating Event?

Yes. The Gating Event is unilateral in nature, meaning that the indicator can be applied independently by a trading party/CSD participant or by an infrastructure without requiring bilateral agreement from the other party. This choice is based on three important considerations:

- The unilateral nature of the Gating Event follows the logic of existing hold-and-release functionality, which can be used on a unilateral basis by each trading party/CSD participant (and would override the Gating Event indicator), as the Gating Event is essentially an automated form of hold-and-release. This is irrespective of the fact that both H/R and the Gating Event have been designed for specific use cases and are therefore subject to strict best practice.⁵
- Given the volume of instructions and the short time to settle, the Gating Event would be unlikely to work effectively, if both trading parties/CSD participants had to agree on its use for each instruction. Unilateral application therefore ensures that trading parties/CSD participants can use the functionality effectively to synchronise the relevant settlement flows and optimise their intraday liquidity management.

⁴ Note: For CCP-cleared transactions, clearing members will not have this possibility as the CCP policy applies. See Q9.

⁵ More generally, as explained in the Final Report, “it is assumed that the new Gating Event will not interfere with existing H/R functionality, i.e. instructions that are on hold would not be released automatically into the Gating Event, even if flagged accordingly.”

- The unilateral nature of the Gating Event indicator simplifies implementation at CSD level, which is a key consideration, given the short window to agree and implement this change ahead of the transition to T+1 settlement.

However, it is recognised that the unilateral nature of the indicator comes with certain risks, unintended consequences and challenges that need to be addressed and managed. On the one hand, this means that reporting is key to ensure that trading parties/CSD participants are made aware when the Gating Event indicator has been applied by the other party/CSD participant and can act accordingly (see Q7). On the other hand, the unilateral nature of the indicator combined with the fact that its use is not restricted to particular types of asset, transaction or instruction has raised an important concern about potential “misuse”, which may lead to unnecessary settlement delays and in some markets a risk of increased fails. This means that there is a need for additional guidance and clear market best practice. These are set out in the Annex. Among other things, best practice sets out a limited number of use cases for the Gating event and requires bilateral agreement whenever the Gating Event is used outside of these use cases.

7. How do I know whether my counterparty has used the Gating Event indicator?

As the Gating Event indicator can be selected unilaterally by either of the trading parties/CSD participants, there is a need to establish a clear reporting mechanism to ensure that both sides of a settlement are aware that it is to be settled in the Gating Event and can act accordingly. While the technical details are still evolving, there are different stages in the settlement lifecycle at which usage of the Gating Event can be reported to both parties:

Allegation: the current proposal is for reporting through the allegation process. This has created some concern, due to the limitations of this process, as allegation messages are only visible to direct CSD participants and often not consistently communicated down the settlement chain.

Matching: from an industry point of view, there is a clear preference to establish a dedicated mechanism to report the application of the Gating Event indicator as part of the settlement-matching process, as this would ensure full visibility. However, incorporation in settlement-matching requires an additional ISO change request. Such a request is strongly supported by the Industry Committee and is currently being finalised by the SMPG. It will be submitted for the next change cycle, which means that it should be available in November 2027, subject to approval and implementation by (I)CSDs and T2S. The draft change request includes specific qualifiers to identify who is flagging the Gating Event, i.e. whether this is only the instructing party, only the counterparty or both parties.

Settlement eligibility check: a trade flagged to settle through the Gating Event next-day will also be made clear on the first settlement eligibility check, which occurs at 18:45 CET on ISD-1 in T2S, with the settlement reason code to reflect OTHR. The presence of this reason code will indicate that the trade will only settle at 11am CET on ISD as part of the Gating Event.⁶

8. From what date can the Gating Event be used?

As explained in the T2S change request, the Gating Event functionality will be rolled out in T2S from June 2027 and will be immediately available for trading parties/CSD participants to allow testing. It will be important to have clear best practices in place by then and to ensure broad awareness across all industry sectors ahead of the go-live date.

The ICSDs are planning to implement full availability of the Gating Event by September 2027 but have yet to confirm details of the planned implementation timeline. Euroclear will confirm its full implementation plan by end of Q2 2026, subject to further consultation with their participants.

9. What is the CCP approach towards the Gating Event?

CCP-cleared transactions are eligible for settlement in the Gating Event, but trading parties will not in practice be given discretion regarding the use of the Gating Event indicator. The primary reason is that allowing clearing members such discretion could expose CCPs to potential funding gaps and related risks that would be difficult to manage (e.g. some net payments due to the CCP could be gated and delayed until after the CCP has to make net payments).

Instead, CCPs will apply a pre-determined approach to settlement in the Gating Event, which is being agreed across all relevant CCPs to ensure consistency. As CCPs generally hold a power of attorney (PoA) to instruct both sides of a trade, they are able to ensure that the agreed policy is applied consistently.

For centrally-cleared cash equity transactions, a market consensus has emerged that the Gating Event would not be appropriate and shouldn't be used. All relevant CCPs have confirmed that they will follow this approach.

However, for centrally-cleared fixed income transactions, particularly repo transactions, determining the most appropriate approach has been more challenging. To reach a conclusion for those transactions (referred to below as 'relevant transactions'), CCPs conducted an extensive consultation with clearing members in Q1 2026. This was closely coordinated with other key stakeholders, including the SFT TWS, as well as through ICMA's ERCC with the wider repo community. Three broad options were identified and presented

⁶ See [T2S CR-0865](#) (p.3)

to clearing members for feedback. It is important to note that the existing CCP-netting process is not impacted by any of these options and will continue to apply at the end of the day on ISD-1.

- **Option 1:** All relevant CCP-cleared transactions would, by default, be instructed with the Gating Event flag.
- **Option 2:** All relevant CCP-cleared transactions would, by default, be instructed without the Gating Event flag.
- **Option 3:** A split approach, whereby only the start-leg of CCP-cleared repo transactions instructed for T+0 settlement would be instructed with the Gating Event flag. All other cleared transactions would continue to be instructed without the Gating Event indicator.

Feedback from clearing members indicated that there was no clear industry consensus across the options. A majority of respondents across all CCPs favoured Option 3, although a significant minority advocated for Option 2.

Following further assessment, CCPs concluded that the prudent approach is to work towards implementing Option 3 with the go-live date to be confirmed by CCPs. This aligns with the prevailing majority view and gives CCPs more flexibility to change the way that the Gating Event is applied. In particular, should issues emerge during testing or post-T+1 go-live, or if a clear industry consensus develops in favour of a different approach, it would be easier to discontinue use of the Gating Event indicator under this framework. Similarly, this leaves the door open to further adjustments to the policy post-T+1 go-live, as needed.

Once implemented, CCPs will closely monitor the impacts of this approach and will continue to engage with clearing members to assess its effectiveness and adjust the policy as necessary, subject to a reasonable lead time.

10. Are there any impacts from a triparty repo perspective?

Triparty agents have advised that they do not anticipate any material impacts or changes to current triparty models and processes as a result of the introduction of the Gating Event. Triparty collateral movements are typically designed to be completed on a same-day/intraday basis and in full, and in this setup the Gating event functionality is not expected to offer any value. Parties are therefore generally not expected to use the Gating Event indicator for triparty business, where they have discretion to do so.

For CCP-cleared triparty business (GC pooling/financing), CCPs have confirmed that they will not use the Gating Event.

11. Are there any legal or regulatory impacts to consider?

As explained in the final Taskforce report, the Gating Event is not expected to raise any concerns from a legal or regulatory perspective. In particular, given that it does not delay settlement past ISD, we do not expect any conflict with CSDR. That said, considering the concerns expressed around potential “misuse”, this will require close monitoring as described in section 3 of the Annex in order to confirm that there is no material negative impact. No other concerns have been identified by the Legal and Regulatory Workstream under the EU T+1 Industry Committee or others with whom the Gating Event proposal has been shared for review and approval.

Annex: Best practices

1. Communication:

Bilaterally-cleared trades:

- The Gating Event indicator can be applied by either of the trading parties/CSD participants on a unilateral basis. This flexibility is important to ensure the practicability of the Gating Event, but it also means that transparency and communication will be key.
- Trading parties/CSD participants need to have a clear policy in place before T+1 go-live regarding the use of the Gating Event indicator, e.g. as part of their terms of business, specifying the intended scope and any other relevant details. This should be clearly communicated to all clients and counterparties.
- Where trading parties/CSD participants intend to diverge from agreed policy, they should urgently inform other parties or their agents, ideally prior to trading, where possible. This is especially important in the run-up to T+1 and in the immediate aftermath, given the limitations on reporting, which will initially rely on the allegation process.
- Once the related ISO change request has been processed and the functionality is available, all (I)CSDs and T2S, are expected to make enhanced reporting through the settlement-matching process available to their participants as soon as possible.

CCP-cleared trades:

- All relevant CCPs have agreed a common approach in relation to the use of the Gating Event (further specified in Q9 above). CCPs need to consistently apply this policy and communicate it pro-actively and on a timely basis to all clearing members.

2. Recommendations for using the Gating Event indicator:

- The key objective of the new Gating Event is to provide firms with an additional tool to optimise their liquidity management to avoid detrimental impacts from the move to T+1. This requires some flexibility in usage. However, it is important to note that the Gating Event has been designed with very concrete use cases in mind. More specifically, the Gating Event will be most relevant for repos, especially those traded on a T+0 basis, but justified use cases will also include other, mostly fixed-income transactions connected to T+0 repos. These are described and illustrated below.
- Given concerns expressed about potential “misuse” of the new Gating Event in other markets, it is of paramount importance for all parties to use the Gating Event only for the purposes described in this note, i.e. strictly for optimising liquidity management and mitigating negative impacts from the move to T+1. Beyond the specific use cases described in this note, firms should avoid using the Gating Event indicator where it might distort the market and cause unnecessary settlement delays.

a) Non CCP-cleared transactions:

Where the new Gating Event can be used:

- In the case of bilaterally-cleared (non-CCP) transactions, both on-venue and OTC, the **three core use cases** considered by the SFT Technical Workstream (SFT TWS) which the Gating Event is meant to address are:
 - a repo roll-over with the new start-leg executed on ISD, i.e. for T+0 settlement: both the end-leg of the maturing repo (likely instructed on ISD-1) and the start-leg of the new repo would be instructed with the Gating Event indicator
 - a purchase of a fixed-income instrument in the cash market (executed on ISD-1) that is funded by a repo traded on ISD for T+0 settlement: the cash bond settlement and the start-leg of the associated repo would be instructed with the Gating Event indicator, and
 - a short sale of a fixed-income instrument in the cash market on ISD-1, i.e. for T+1 settlement, covered with a reverse repo executed on ISD for T+0 settlement: both the cash bond settlement and the start-leg of the associated reverse repo would be instructed with the Gating Event indicator
- In all these cases, use of the Gating Event indicator is justified as it ensures synchronised settlement and reduced intraday liquidity consumption. These use-cases are illustrated in figures 1-3, which show how the Gating Event is intended to help market participants manage the impacts of the move to T+1.
- Settlement in the Gating Event is also justified for **any other repo and reverse repo traded on ISD**, i.e. for T+0 settlement, that do not fall under the scenarios listed above but that will still benefit from the settlement synchronisation offered by the Gating Event.

Figure 1: Status quo (until October 2027) - T+2 settlement

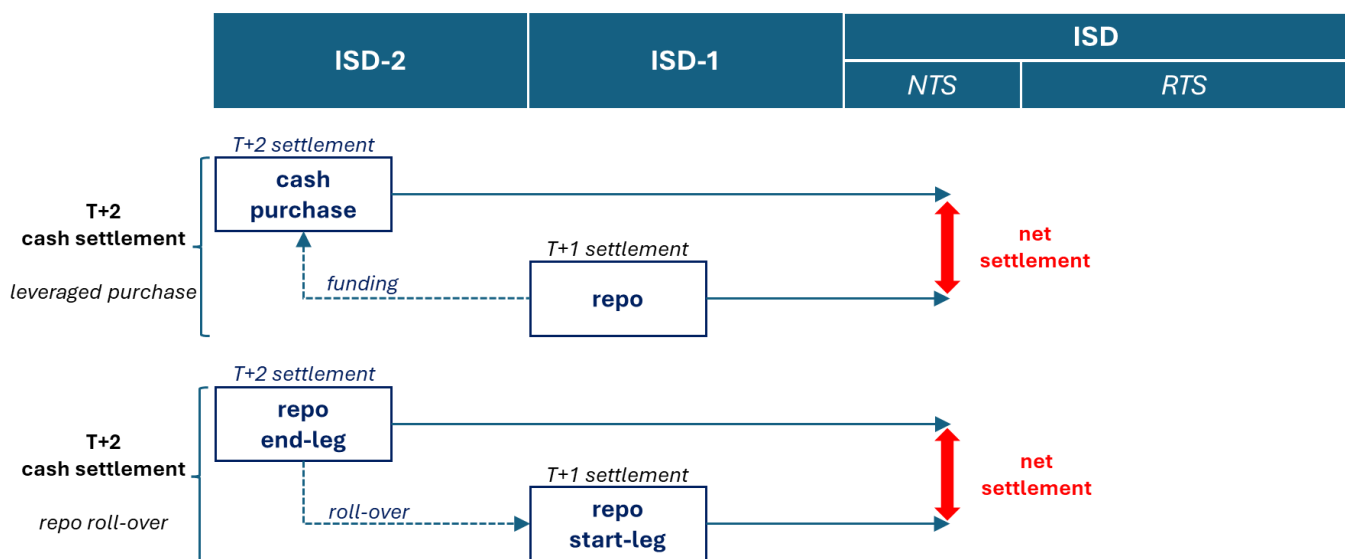


Figure 2: Future state – T+1 settlement without Gating Event

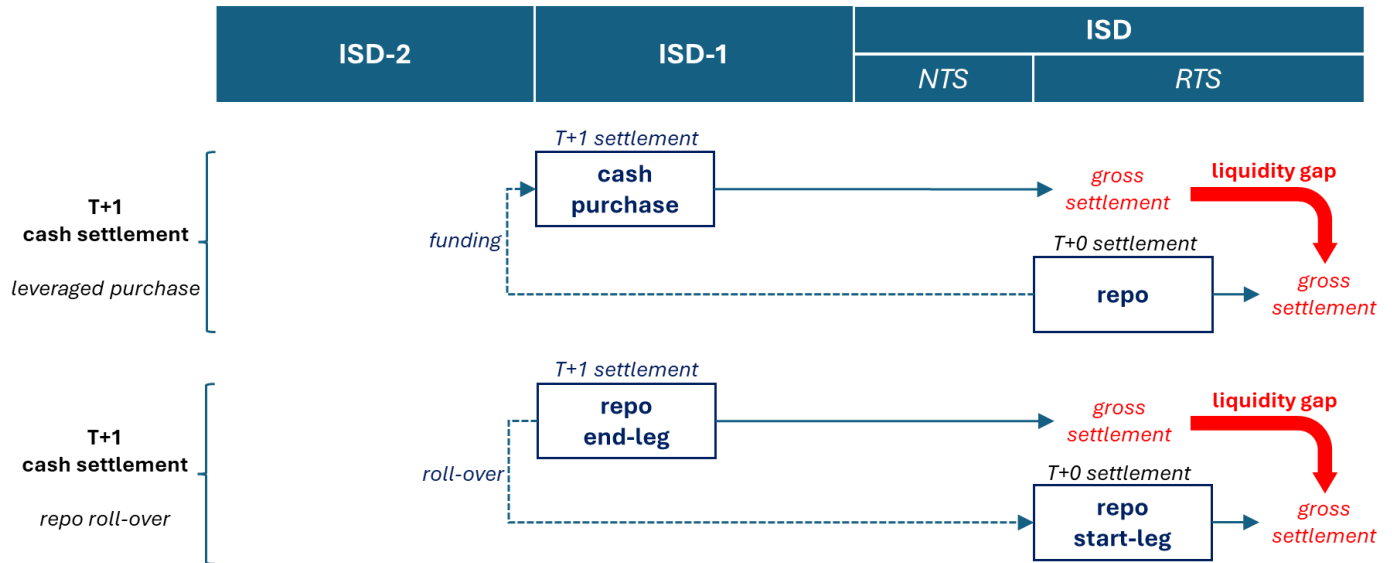
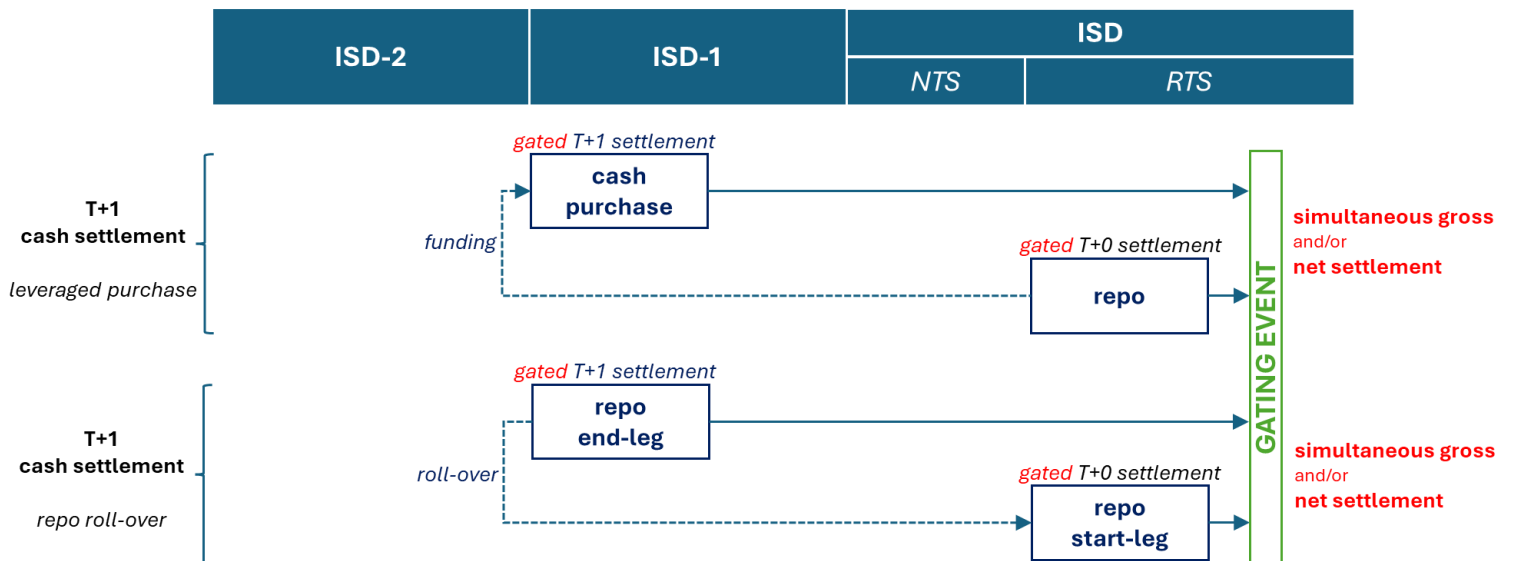


Figure 3: Future state - T+1 settlement with the Gating Event



When the new Gating Event should not be used:

- For repos or reverse repos traded on a T+1, T+2 (or later) basis, use of the Gating Event is generally not foreseen and would have a negative impact on liquidity

management if it were to divert settlement away from the NTS cycle. Trading parties/CSD participants should continue to instruct these trades on ISD-1 without the Gating Event indicator, so that they can settle overnight as part of the NTS cycle.

- **Cash bond transactions trading on a T+1 basis** are expected to continue to settle in the NTS cycle, unless they fall under one of the core use cases described above.
- For **equity and ETF transactions**, whether cash or securities lending, the use of the Gating Event indicator is considered inappropriate and should not be used as a standard practice. Given the typically smaller transaction sizes and the trading dynamics of equity markets, no use cases have been identified and the Gating Event is expected to deliver little to no practical benefit. In contrast, delaying settlement until the Gating Event is expected to create material drawbacks, which are expected to clearly outweigh any perceived benefits. In case market participants identify clear use cases for equity transactions in the future, use of the Gating Event for equity transactions can be revisited by the EU T+1 Industry Committee, guided by the relevant TWSs.
- As set out in the preceding sections, where trading parties identify **additional use cases** for Gating Event settlement beyond the core scenarios described above, they **should bilaterally agree** with their counterparty before the Gating Event indicator is applied, either on a trade-by-trade basis or as part of the terms of business.

b) CCP-cleared transactions:

- As further explained in the FAQ (see question 9), for **CCP-cleared transactions**, clearing members will not be able to choose whether or not to use the Gating Event indicator. Instead, CCPs will follow a common approach for those transactions which has been agreed across all relevant CCPs based on market feedback, although still subject to review at a later stage, as explained in the FAQs:
 - All **start-legs of CCP-cleared repo transactions that are traded on ISD**, i.e. on a T+0 basis, will be instructed with the Gating Event indicator. This excludes CCP-cleared triparty transactions which will be instructed without the Gating Event indicator.
 - **All other CCP-cleared repo transactions**, including any repos traded on a T+1 (or later) basis as well as the end-legs of T+0 repos, will be instructed without the Gating Event indicator.
 - For **CCP-cleared cash market transactions**, whether equity or fixed income (which are generally traded on a T+1 basis) CCPs will not use the Gating Event indicator.

3. Monitoring of impacts and review

- As outlined above, while the Gating Event indicator is explicitly intended for a limited set of defined use cases, it will not be technically constrained by asset class, transaction type, or instruction type. Although this flexibility was considered necessary at the design stage, the ability for parties to use the indicator more widely than intended has also raised concerns.
- The application of the Gating Event outside its core use cases is potentially problematic, as it can result in unnecessary settlement delays and an unintended migration away from NTS settlement, with adverse consequences for liquidity management and overall settlement efficiency. Clear discipline in its application is therefore essential to prevent distortion of normal settlement processes.
- It is recognised that this risk cannot be fully mitigated through best practices alone. **Accordingly, careful and continuous monitoring of both the use of the Gating Event indicator and its impact on settlement outcomes will be critical to determine whether these risks crystallise in practice and to support timely intervention where necessary. Further discussions are needed to define key data points and monitoring responsibilities.**
- Should the above risks materialise and lead to market distortions and settlement inefficiency, the EU T+1 Industry Committee, in close collaboration with the relevant market infrastructure providers, will need to reassess the appropriateness of the current best-practice-based approach. In such circumstances, the Industry Committee may recommend the introduction of additional functional controls to constrain the use of the Gating Event indicator.
- These controls could include the implementation of further validations at CSD level, explicitly limiting the application of the Gating Event indicator based on pre-defined criteria such as asset class, settlement value, or instruction type. In this context, it would be important to also consider the interplay with the existing hold and release functionality.

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