EU T+1 Industry Committee SSI Task Force

SSI Market Practice
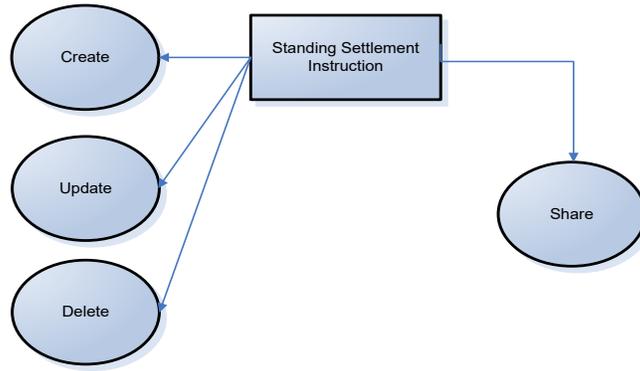
December 2025

SCOPE :

Investment managers or outsourcers and brokers receive SSIs in a variety of formats from their custodians. These SSIs are shared with counterparties. Irrespective of whether a financial institution or his outsourcer is utilizing an industry utility or an in-house database to store standing settlement instruction (SSI) data, inconsistency in the format and method of communication of this data increases the potential for failed trades. Further, the manual nature of this process (often, settlement instruction data is received in fax or PDF format) increases the operational cost and risk associated with maintaining SSI data.

This document reflects the final report of the TF delivered to the Committee. The document has been agreed by the Committee and reflects a consensus of the Committee Associations. The document serves as an addendum to the HLR.
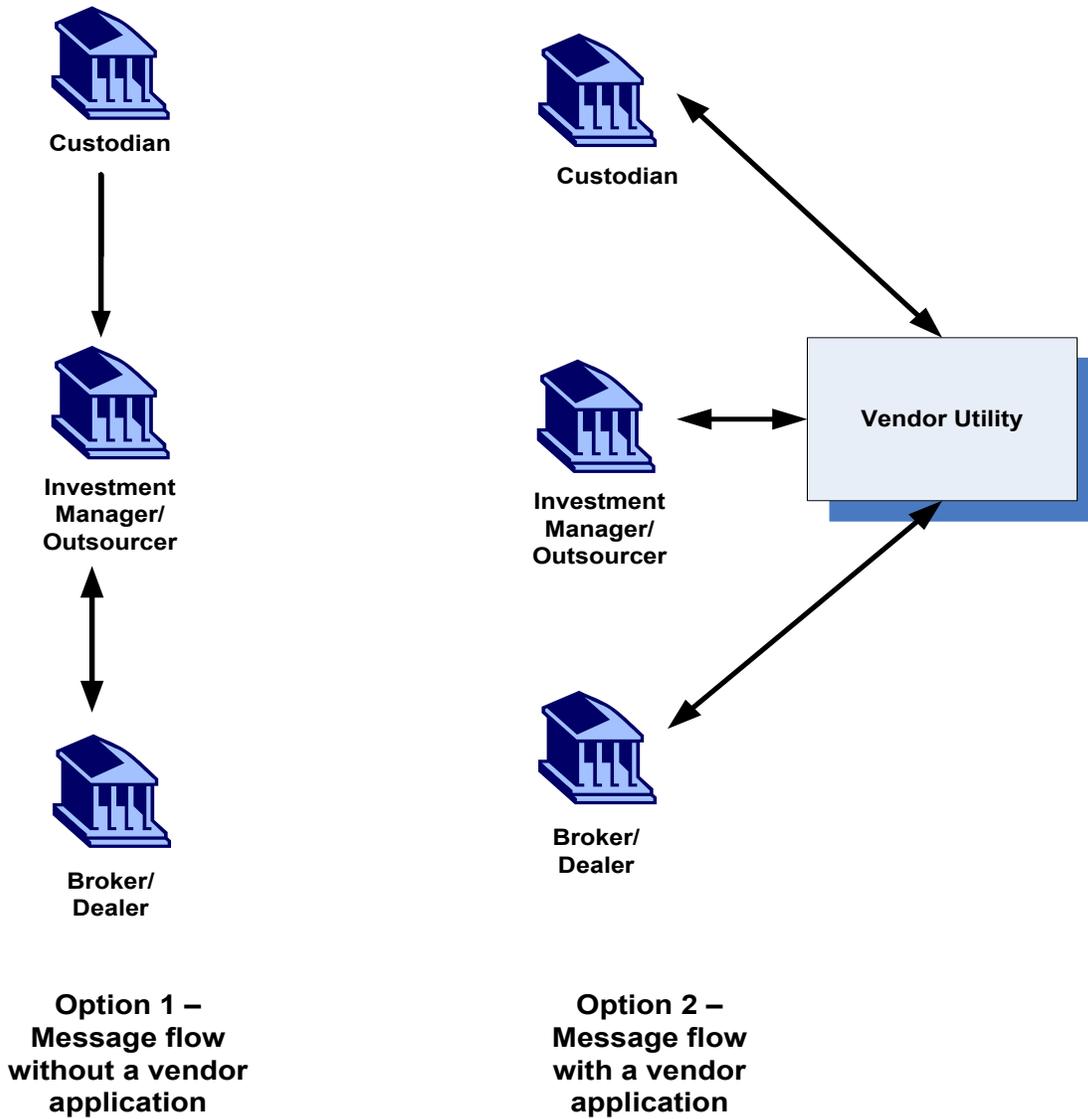
The objective of this market practice is twofold:

1. It seeks to **establish standards** for the required content for the exchange of standing settlement instructions among settlement partners. We believe that this will address a number of inconsistencies that exist among participants in this process as well as provide a more consistent format and interoperability for communicating this information we recognize the various initiatives that exist to automate the maintenance and transmission of SSIs.
2. We expect the community to use these standardized messages to communicate SSIs amongst different parties and will facilitate interoperability granting different opportunity to settlement partners as per IT solution, tools and network accordingly to each organization choice

BUSINESS PROCESS DIAGRAM :

```
                    ┌──────────────────┐
   ╭─────────╮  ◀───│ Standing Settlement│───┐
   │ Create  │      │   Instruction      │   │
   ╰─────────╯      └──────────────────┘     │
                         ╱  │                 ▼
   ╭─────────╮  ◀───────╱   │             ╭─────────╮
   │ Update  │             │             │  Share  │
   ╰─────────╯  ◀──────────┤             ╰─────────╯
   ╭─────────╮             │
   │ Delete  │  ◀──────────┘
   ╰─────────╯
```

BUSINESS FLOWS DIAGRAM:

Custodian

Investment Manager/ Outsourcer

Broker/ Dealer

Vendor Utility

Option 1 – Message flow without a vendor application

Option 2 – Message flow with a vendor application

The goal is for counterparties, including broker/dealers and custodians, to send and receive this standing settlement instruction information on a near or real-time basis and to apply the SSI to one or many transactions depending on the criteria.

The settlement chain and the evolution of SSI's:

Standing settlement instructions have evolved with the increase number of diverse settlement chains evolving from the standard intra-CSD settlement between a client and an executing broker to the existing multi CSD settlement or the synthetic workflows that have developed from Swaps and CFD activities.
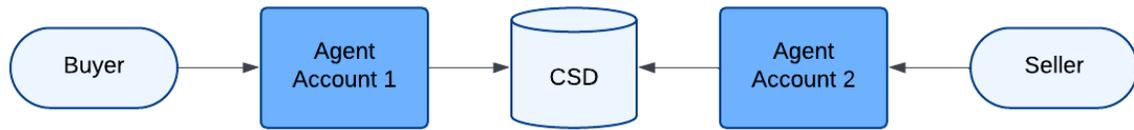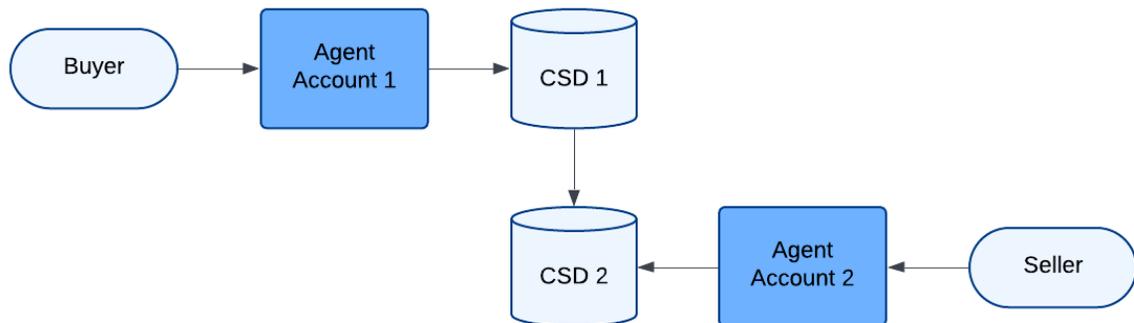
```
Buyer → Agent Account 1 → CSD ← Agent Account 2 ← Seller
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Figure 1 Intra CSD settlement

```
Buyer → Agent Account 1 → CSD 1
                              ↓
                           CSD 2 ← Agent Account 2 ← Seller
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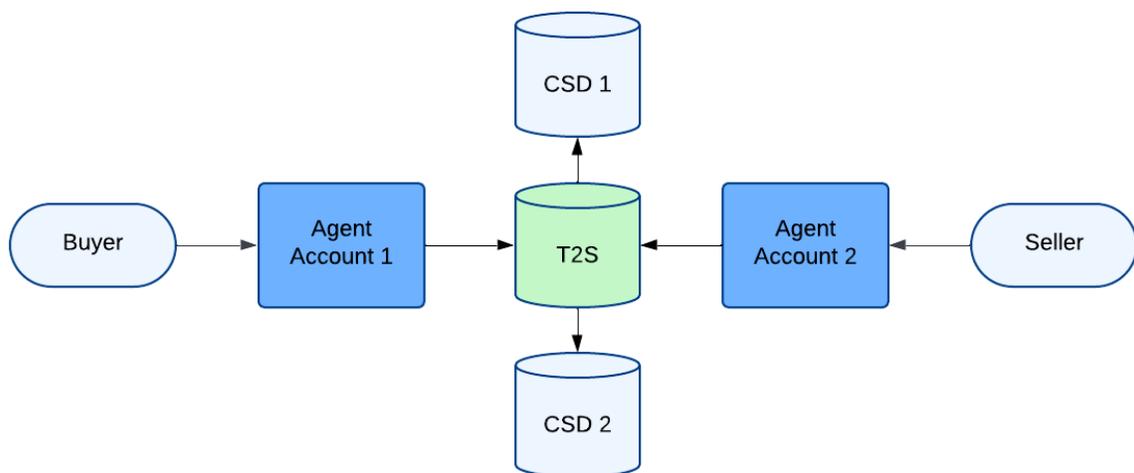
*Figure 2 Cross CSD Settlement*

The introduction of T2S and the capacity across European markets to interoperate in a more seamless way has also created new settlement chains that did not exist just a few years ago.

```
                    CSD 1
                      ↑
Buyer → Agent Account 1 → T2S ← Agent Account 2 ← Seller
                      ↓
                    CSD 2
```

Different concepts such as Novation or Exchange Trade Reporting have also affected the settlement chains and hence the SSI requirements and exchanges between parties.

4

Direct participants flow:

The simplest chain, where both parties are CSD members and there are no further intermediaries between them, usually illustrates flow between 2 executing brokers which are members of an exchange and mandated to face each other through the non-guaranteed trading.
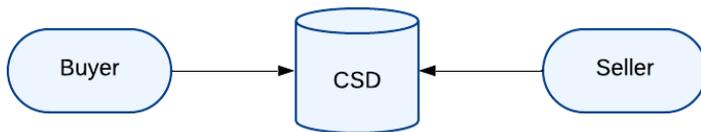
Custodian and Prime Brokerage Flows:

Where buyer, seller or both are not direct members of the CSD and use the services of custodians/prime brokers that at the same time could require the local expertise from sub-custodians in each of the markets.

Some of those variations are represented below and they mostly represent the interaction between different types of clients and the executing brokers or exchange participants.
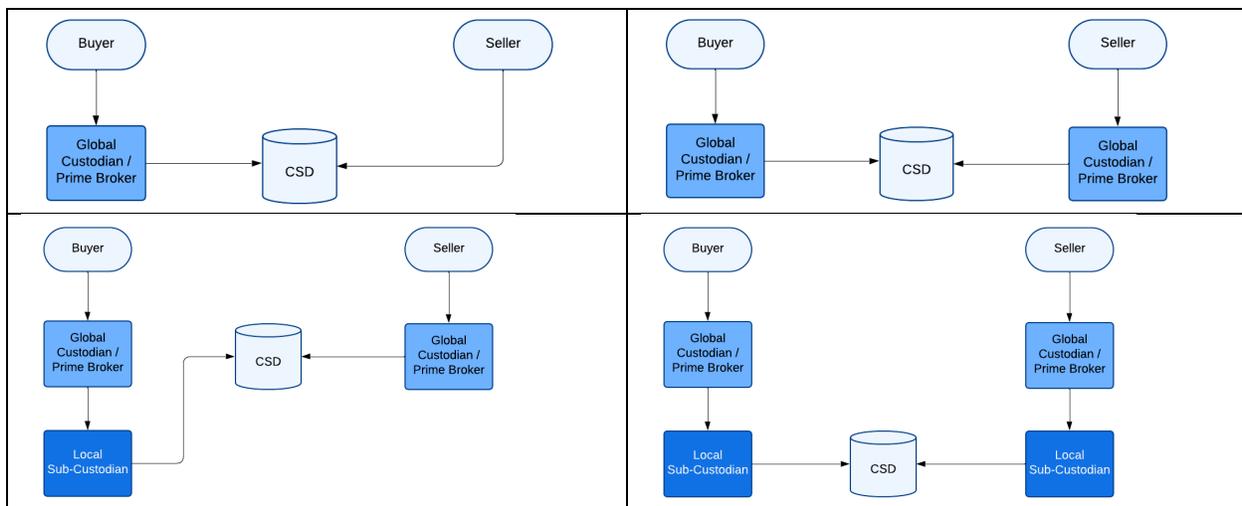

Cross CSD Settlement and PSET Match

With the introduction of the concept of the Investor and Issuer CSD the settlement chains have not been so much bounded by the country in which trading has taken place and limited to a single local CSD.

Links between CSDs have proliferated and the activity in either iCSDs and investor CSDs has grown.

The introduction of T2S has also helped increase the number of cross CSD settlements and introduced some standards for markets in T2S to seamlessly move securities between

them not requiring any more the buyer and the seller to use the same CSD for settlement and safekeeping.

Some illustrations of those settlement chains are showcased below.

Seller PSET Match | Cross CSD Settlement via CSD Link
Cross CSD Settlement Via T2S (ICP) | Cross CSD Settlement Via T2S (DCP)
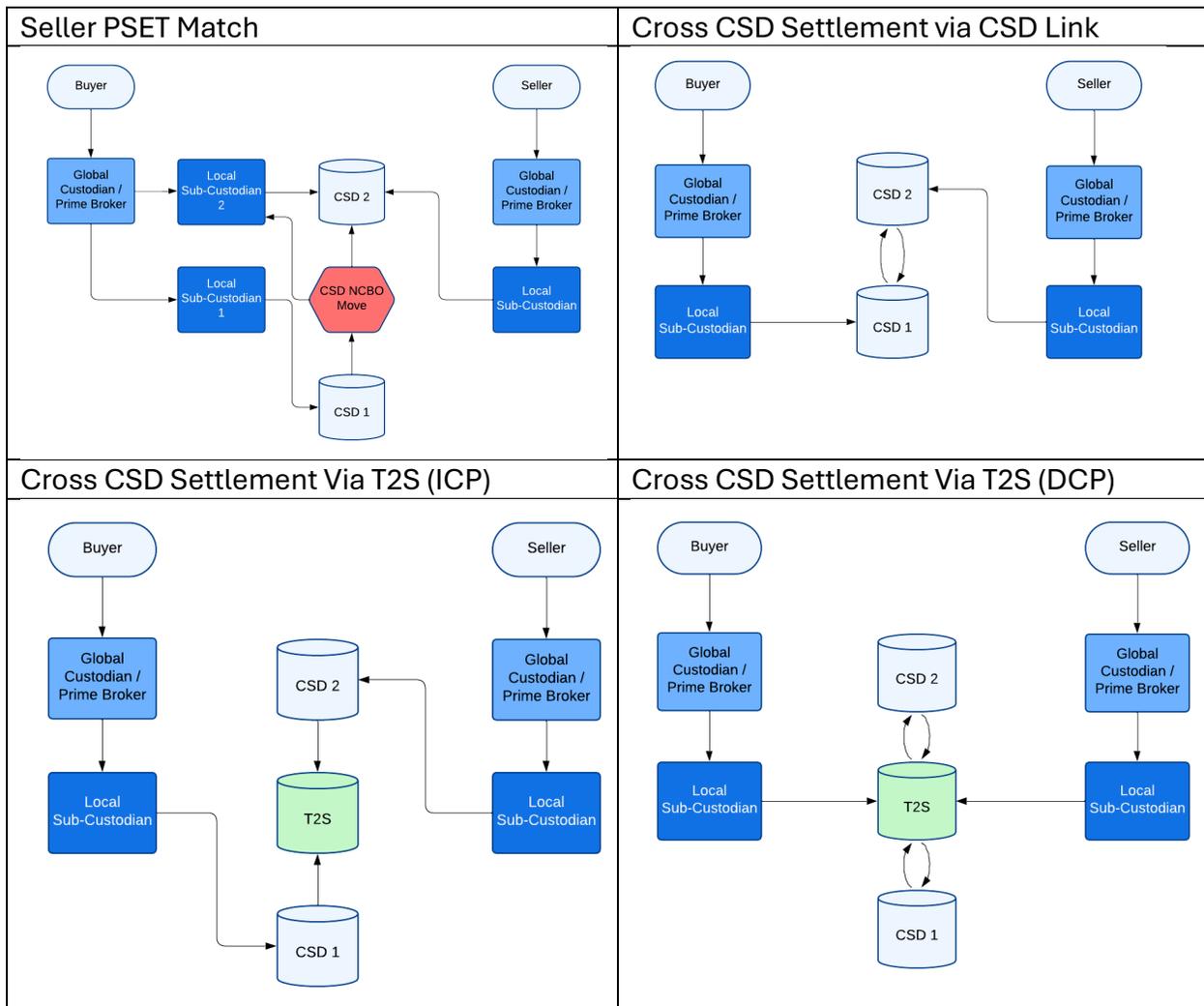
SET OF MESSAGES:

Instruction

This message is sent by the 'SSI instructing party' to provide a new SSI or an updated SSI.

Message Name	Message Identifier
StandingSettlementInstruction	reda.056
Fix SettlementInstructions	35=T

Create

the process of sharing a new Settlement Instruction by an account servicer to an account owner. The process is triggered by an external process, such as an IM signing a Custody agreement with a Custodian. Post-conditions: the acknowledgement of the acceptance of the instruction.

Update

the process of modifying an existing SSI. .Modification of SSI can be done in two ways

- Simple Update - where one SSI is updated by changing one or multiple attributes in the SSI.

- Delete/Re-create – Deletion of the old SSI and re-creation of the same SSI with new attribute values.

Trigger: depending on a change in the market such as a Custodian is changing their Local Agent in a market.

- Pre-conditions: to modify an SSI, the SSI must exist.

- Post-conditions: acknowledgement of update request.

Deletion

This message is sent by 'SSI instructing party' to delete previously sent instructions

Message Name	Message Identifier
StandingSettlementInstructionDeletion	reda.057
Fix SettlementInstructions	35=T

Delete means the process of deleting an existing SSI.

- Trigger: depending on a change in the account-servicer and account-owner agreement e.g. an IM is terminating Custodian relationship for a fund with a Custodian. Or this could be a new market restriction – e.g. a fund is not allowed to do business in a certain market and the Custodian must withdraw the SSI for that market.

- Pre-conditions: the SSI must exist.

- Post-conditions: acknowledgement of the delete request.

Status

This message is sent by the 'SSI executing party' to provide the status of a previously received instruction, cancellation or deletion message. A Status message with a positive status, such as received or accepted, is optional but certain markets may mandate that it must be provided even if the status is positive.

Message Name	Message Identifier
StandingSettlementInstructionStatusAdvice	reda.058
Fix SettlementInstructions	35=T

Cancellation

This message should be used by the 'SSI Instructing Party' to cancel a previously sent request (create/update/delete). This message must not be sent if a status has been received for the original instruction; if this is the case, the delete message should be used.

Message Name	Message Identifier
StandingSettlementInstructionCancellation	**reda.059**
Fix SettlementInstructions	**35=T**

Participants in SSI workflows:

➢ **Account Owner <-[Vendor UtilityIt** seeks to **establish standards** for the required content for the exchange of standing settlement instructions among settlement partners. We believe that this will address a number of inconsistencies that exist among participants in this process as well as provide a more consistent format and interoperability for communicating this information**]-> Account Servicer**
- Invesment manager <-[Vendor UtilityIt seeks to **establish standards** for the required content for the exchange of standing settlement instructions among settlement partners. We believe that this will address a number of inconsistencies that exist among participants in this process as well as provide a more consistent format and interoperability for communicating this information]-> Globall Custodian
- Executing Broker Dealer <-[Vendor UtilityIt seeks to **establish standards** for the required content for the exchange of standing settlement instructions among settlement partners. We believe that this will address a number of inconsistencies that exist among participants in this process as well as provide a more consistent format and interoperability for communicating this information]-> Clearing Broker Dealer
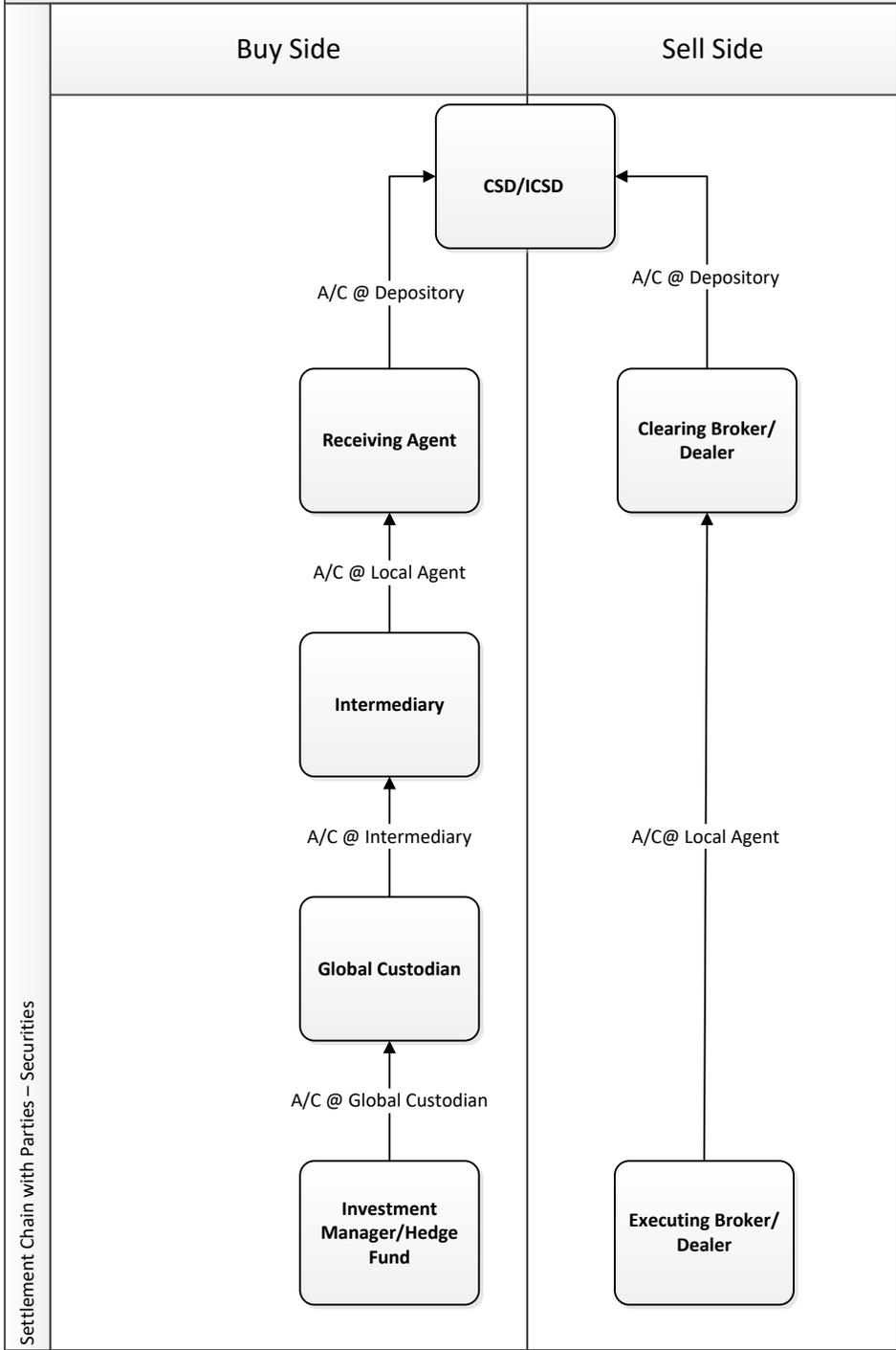- Hedge Fund <-[Vendor UtilityIt seeks to **establish standards** for the required content for the exchange of standing settlement instructions among settlement partners. We believe that this will address a number of inconsistencies that exist among participants in this process as well as provide a more consistent format and interoperability for communicating this information]-> Prime Broker

➢ **Between Counterparties**:
- Investment Manager <-[Vendor UtilityIt seeks to **establish standards** for the required content for the exchange of standing settlement instructions among settlement partners. We believe that this will address a number of inconsistencies that exist among participants in this process as well as provide a more consistent format and interoperability for communicating this information]->Executing Broker Dealer
- Hedge Fund <-[Vendor UtilityIt seeks to **establish standards** for the required content for the exchange of standing settlement instructions among settlement

partners. We believe that this will address a number of inconsistencies that exist among participants in this process as well as provide a more consistent format and interoperability for communicating this information]-> Executing Broker Dealer

- Global Custodian <-[Vendor UtilityIt seeks to **establish standards** for the required content for the exchange of standing settlement instructions among settlement partners. We believe that this will address a number of inconsistencies that exist among participants in this process as well as provide a more consistent format and interoperability for communicating this information]->Executing Broker

- Primer Broker <-[Vendor UtilityIt seeks to **establish standards** for the required content for the exchange of standing settlement instructions among settlement partners. We believe that this will address a number of inconsistencies that exist among participants in this process as well as provide a more consistent format and interoperability for communicating this information]->Executing Broker

A vendor utility is an optional and will be transparent in the communication

It seeks to **establish standards** for the required content for the exchange of standing settlement instructions among settlement partners. We believe that this will address a number of inconsistencies that exist among participants in this process as well as provide a more consistent format and interoperability for communicating this information. **Vendor utility** means third pmeans application which serves as a SSI repository and lets all parties, for example, Investment Manager, Broker Dealer, Global Custodian, Hedge Fund, Prime Broker, participate and communicate with each other, for example, ALERT, Open SSI.

Settlement Chain for Securities

Buy Side	Sell Side

Settlement Chain with Parties – Securities

CSD/ICSD

A/C @ Depository (Buy Side)

A/C @ Depository (Sell Side)

Receiving Agent

Clearing Broker/ Dealer

A/C @ Local Agent (Buy Side)

A/C@ Local Agent (Sell Side)

Intermediary

A/C @ Intermediary

Global Custodian

A/C @ Global Custodian

Investment Manager/Hedge Fund

Executing Broker/ Dealer

Share SSI with the counterparty. This could be linked with a transaction or not linked to a transaction. *The request for an SSI is an optional step*
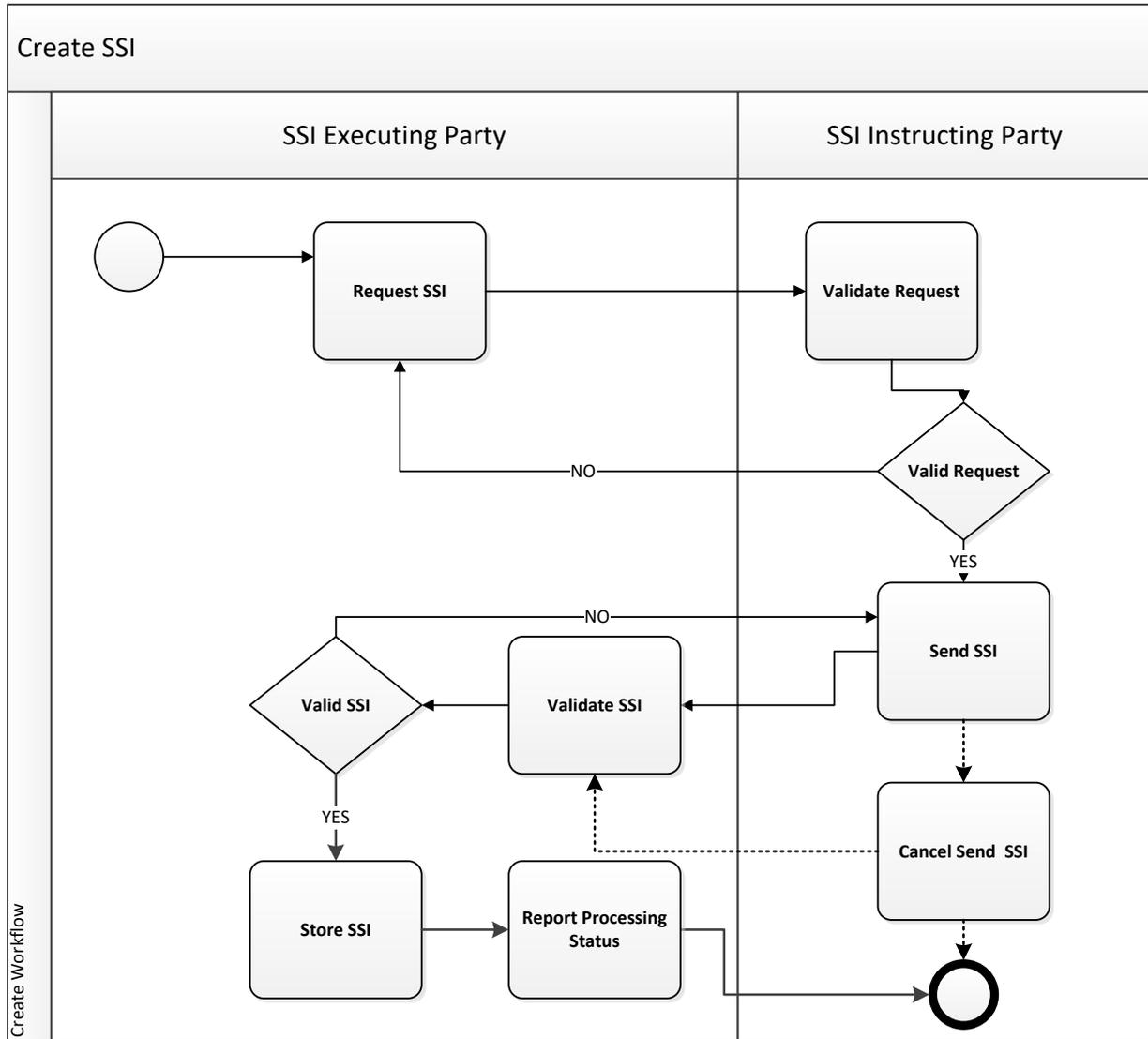
Share SSI with the counterparty : can be linked with a transaction or not linked to a transaction.
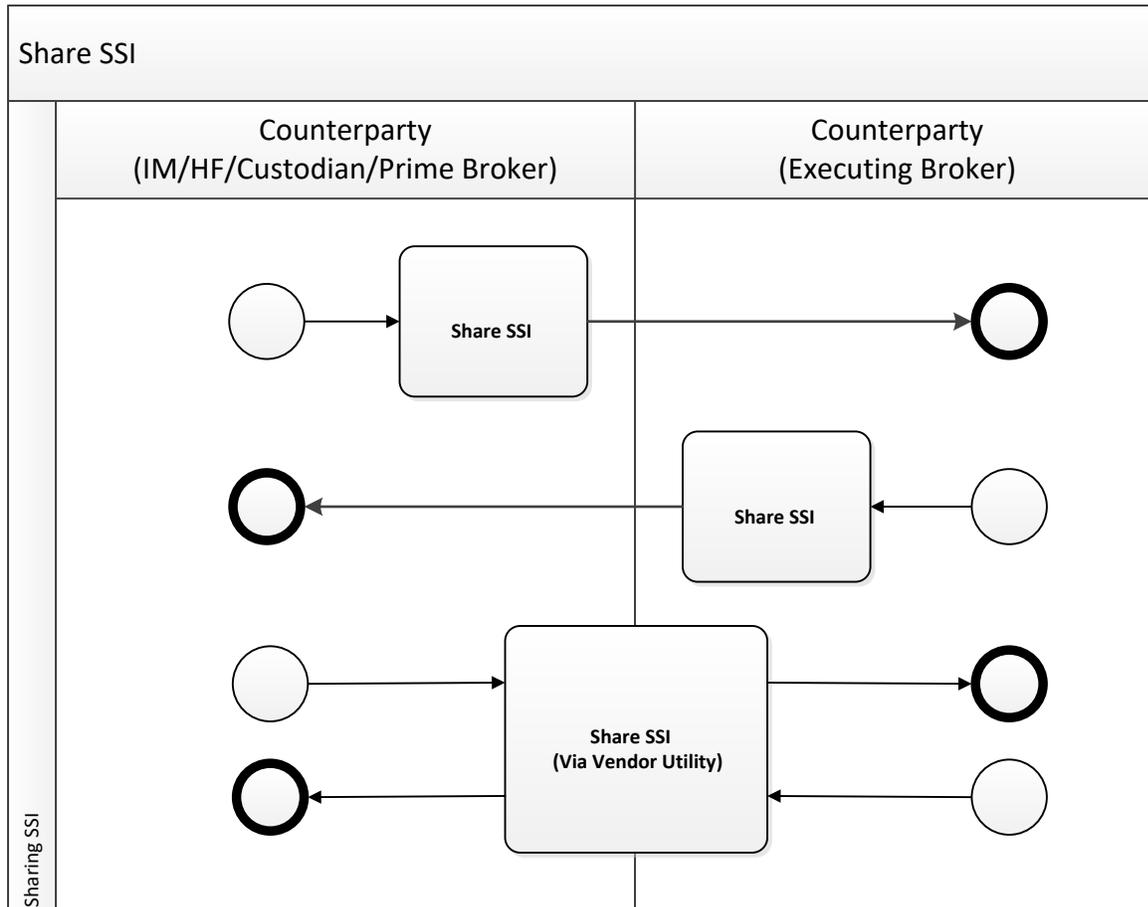
A vendor utility is an optional and will be transparent in the communication

Vendor utility mean third party application which serves as a SSI repository and lets all parties, for example, IM, BD, GC, HF, PB, participate and communicate with each other, for example, ALERT, OpenSSI.

Delete SSI: Based on a business decision (outside of the scope of this process), the account owner may decide to delete all SSIs for an account.

Delete SSI (Initiated by SSI Instructing Party)