

EU T+1 Industry Committee SSI Task Force

Transaction type Identifiers in Settlement Instructions

December 2025



Context

1. EU T+1 Industry Committee

The EU T+1 Industry Committee in its [High-Level Roadmap](#) for T+1 Settlement in the European Union recommend that transaction types be populated in settlement instructions (Recommendation ST-01.6). The rationale is twofold:

- To distinguish SFTs from other transaction types will achieve the transparency required to facilitate the automated exemption of SFTs (documented as single transactions) from the regulatory scope of T+1 under Article 5(2) of CSDR¹.
- To ensure market participants comply with Article 5.4 of the CSDR Regulatory Technical Standards for the 'matching and population of settlement instructions' in effect since 1st February 2022 which will also allow CSDs to report settlement fails accurately.

To provide clarity to the industry on the scope and application of the transaction type, the EU T+1 Industry Committee attributed ST-01.6 to a wider book of work relating to the format of settlement instructions and the use of SSIs (standard settlement instructions) under a Taskforce ('SSI Taskforce').

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 SSI Taskforce worked over a number of months to identify the relevant features and requirements relating to the sharing and storage of SSIs and the format of settlement instructions documenting market practice to aid the industry's move to a T+1 settlement cycle.

2. Other Industry or Regulatory requirements relating to Transaction Type Identifiers

Whilst this market practice is written in the context of T+1 in the European Union and supporting recommendation ST-01.6 as referenced in the High-Level Roadmap (page 28) it should be noted that other requirements for the correct use of transaction identifiers are in existence which specifically reference the work of the EU T+1 Industry Committee and its market practice:

i) ECB AMI-SeCo:

¹ [ECON_LA\(2025\)003233_EN.pdf](#)

The ECB AMI-SeCo have identified the ‘Inconsistent use of transaction type in messaging’ as a weakness in its report ‘Remaining barriers to post trade integration’ (Barrier 37) listing the following recommendations for remediation:

- Market players should instruct transaction types correctly, in accordance with SMPG guidelines.
- CSDs should accept all transaction types in settlement messages.
- The T+1 Industry Committee should monitor and encourage implementation of ISO codes for identifying transaction types.

ii) ESMA

- **CSDR Regulatory Technical Standards on Settlement Discipline²**

Whilst the Industry Committee’s ST-01.6 focuses on the correct population of transaction types in settlement messages, ESMA’s RTS on Settlement Discipline requires the correct population of transaction types in Article 2.1(a) - *Measures concerning professional clients*, Article 5.4 - *the Matching and population of settlement instructions*, and Article 13.1(d) - *Details of the system monitoring settlement fails*.

In its ‘[Final Report on Amendments to the RTS on Settlement Discipline](#)’, ESMA proposes an update to the list of transaction types in all three articles to include *buy-sell back transactions* or *sell-buy transactions*.

At a settlement level, the correct use of SFT related transaction types in settlement instructions will provide the transparency for the SFT exemption introduced in Article 5(2) of CSDR.

- **Cash Penalty Regime**

Although outside of the Industry Committee’s remit, considering ESMA’s proposal for certain [exemptions](#) to the CSDR Cash Penalty regime, greater need to distinguish transactions at the level of the CSD / securities settlement system is required. This means providing greater granularity than is currently documented under Articles 2.1(a) / 5.4 / 13.1(d) of the RTS on Settlement Discipline.

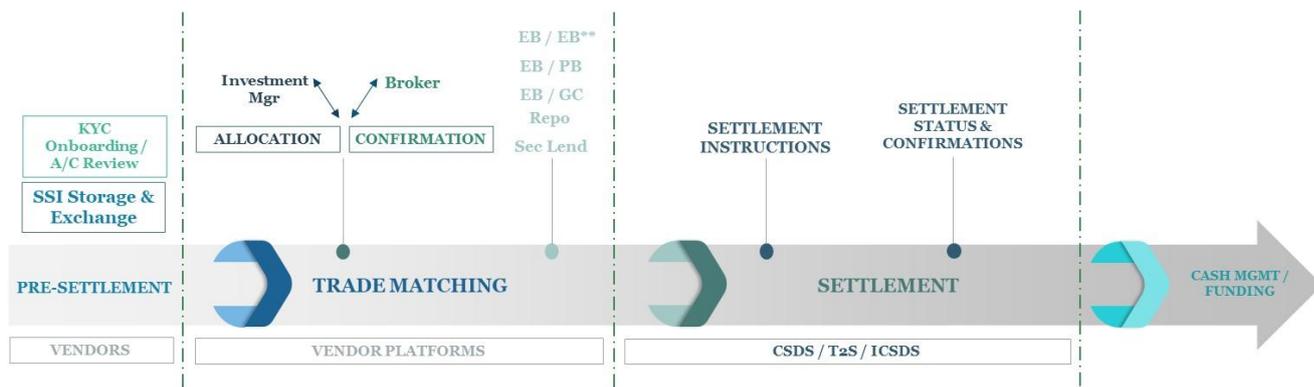
Whilst an aligned approach with the EU T+1 Industry Committee is beneficial, it should be noted, this market practice is not a substitute for regulatory guidance such as Implementing Technical Standards or Level 3 clarification or an implementing framework of the cash penalty regime (e.g. the ECSDA framework) and should not therefore be seen as achieving compliance with the CSDR cash penalty regime and its effective operation.

Market Practice for the population of Transaction Types in Settlement Messages

1. Use of Transaction Types in Trade Lifecycle

Transaction type usage sits at the trade-matching and settlement levels notably in the operational and messaging processes supporting allocation and confirmations and settlement instructions. ST-01.6 of the High-Level Roadmap focuses on settlement messages, but the use and standards outlined in this market practice can also be applied in the context of allocation and confirmations and CSD fail reporting.

² [CELEX:32018R1229:EN:TXT.pdf](#)



Trade Matching:

- The current CSDR RTS on Settlement Discipline Article 2.1(a), applicable since 1st February 2022, requires transaction type identifiers to be populated in allocation/confirmation processes.
- Under the proposed revision to the CSDR SD RTS buy-sell back transaction or sell-buy back transactions are added to the granular requirements in Article 2.1(a).

Settlement:

- The current CSDR RTS on Settlement Discipline Article 5.4, applicable since 1st February 2022, requires transaction type identifiers to be populated in settlement instructions.
- Under the proposed revision to the CSDR SD RTS buy-sell back transactions or sell-buy back transactions are added to the granular requirements, which, alongside other SFT transaction types already specified, will provide the transparency of certain types of SFTs that are exempt from the T+1 settlement cycle.

Problem statement: *Transaction type identifiers are i) not always populated correctly by market participants ii) not all supported by CSDs.* This market practice should be used to remedy this.

2. Minimum Requirements

The Transaction Types to be used in practice by market participants and supported by the (I)CSDs / Securities Settlement Systems in the European Economic Area

Whilst the list of transaction types attributable to settlement and reconciliation as documented by ISO³ should be used as the definitive list, the following transaction types are specifically mandated for use to comply with various requirements under CSDR:

i. To meet the specific requirements in ESMA's RTS on Settlement Discipline

Using the requirements under the CSDR RTS on Settlement Discipline (Article 2.1(a) – *Measures concerning professional clients*, Article 5.4 - *the Matching and population of settlement instructions*, and Article 13.1(d) - *Details of the system monitoring settlement fails*) and including the proposed additions of buy-sell back / sell-buy back as a starting point, the use of the following transaction types are required as a minimum requirement by market participants and to be supported by all EEA CSDs:

³ [ISO 20022 Message Definitions | ISO20022](#)

CSDR RTS on Sett Discipline Requirement	Corresponding ISO Codes
Purchase or sale of securities	TRAD
Collateral management operations	CNCB / COLI / COLO
Securities lending / borrowing operations	SECB / SECL
Repurchase transactions	REPU / RVPO / TRPO / TRVO
Buy-sell back transaction or sell-buy back transaction (Proposed)	BSBK / SBBK
Other transactions (which can be identified by more granular ISO codes as provided by the CSD).	See matrix in section XX

ii. To be considered in the context of the proposed exemptions to cash penalties

On the 26th June 2025, ESMA published its [Final Report](#)⁴ on the Technical Advice on the scope of CSDR Settlement Discipline. ESMA's Technical Advice is subject to the European Commission Delegated Act which, at the time of drafting this Market Practice to support T+1 Settlement in the European Union, has not been confirmed.

As noted in the earlier section on 'Context' this Market Practice does not constitute technical advice for the implementation of cash penalty exemptions. Indeed, the deliberations of the SSI Taskforce note that further work is required to definitively conclude the ISO transaction types relating to the proposed exemptions which may require the region's trade associations to seek clarification from ESMA via the established Q&A process.

The EU T+1 Industry Committee SSI Taskforce recommend that market standards be drafted to support the operation of exemptions to the cash penalty regime, once finalised, which should supersede the observations in this T+1 focused market practice.

Exemptions for Operations Not Considered as Trading (proposed pending EC approval)	Corresponding ISO Codes
(De)mobilization of collateral for ESCB credit operations or for purposes listed in Annex V of Guideline ECB/2024/22	CNCB ⁵
Market claims and corporate actions on stock, such as cash distributions, securities distributions, and reorganizations	CLAI / CORP
The technical creation of securities, which is the process of transferring from the CSD's issuance account to the issuer's CSD account or the initial recording of securities	ISSU / NSYN / PLAC / SYND
Share registration, which is the process of officially recording a change of ownership in the issuer's share register	NA ⁶

⁴ [ESMA74_1_1.PDF](#)

⁵ Confirmed by ECB that CNCB will be used to meet cash penalty exemption for: (De)mobilization of collateral for ESCB credit operations or for purposes listed in Annex V of Guideline ECB/2024/22.

⁶ "The ECB's policy/harmonisation view, settlement messages should not be used for share registration purposes (which is case d. of the ESMA document) and would therefore not support a harmonised code for share registrations".

Technical realignment operations between CSDs, including T2S technical realignment	REAL (CSDs / T2S only)
Technical creation and redemption of fund units or shares on the primary market (including ETFs)	ETFT, REDM, SUBS

Please note the following:

To achieve appropriate distinction between primary and secondary market operations, further work is required, including documented market standards, by the relevant industry associations, to distinguish when ETFT (Exchange traded fund (ETF) creation or redemption, REDM (Relates to a redemption of Funds (Funds Industry ONLY)) and SUBS (Relates to a subscription to funds (Funds Industry ONLY)) should be used to ringfence primary market operations from secondary market transactions. In an ideal state these three codes should be used in primary market transactions only.

Furthermore, in light of the proposed exemption from the cash penalties regime and to ensure the distinction between primary and secondary market activity, it would be beneficial for industry best practice to be drafted, by the relevant trade associations, to support for the issuance processes to ensure the correct population and processing of securities instructions.

The full list of transaction types considered by the SSI Taskforce can be found in the Annex.

Noting the reference to “*Other transactions (which can be identified by more granular ISO codes as provided by the CSD)*” referenced in ESMA’s Regulatory Technical Standards on Settlement Discipline, the EU T+1 Industry Committee observe that it is best practice for Transaction Types listed in Annex 2 to be used by market participants and supported by the (I)CSDs.

3. Technical Requirements

SFTs and other transaction types need to be identified at settlement level by ensuring complete and consistent use of the existing “transaction type” field in settlement instructions.

To enable CSDs to identify and classify the transaction types, settlement instructions need to include the relevant transaction type code in field:

- 22F::SETR// in ISO15022
- Securities Transaction Type in ISO 20022

For example, in practice, using the transaction types relevant to Articles 2.1(a) / 5.4 / 13.1(d):

- Purchase or sale of securities: SETR//TRAD
- Collateral management operations: SETR//CNCB, SETR//COLI, SETR//COLO
- Securities lending / borrowing operations: SETR//SECB and SETR//SECL
- Repurchase transactions: SETR//REPU, SETR//RVPO, SETR//TRPO, SETR//TRVO
- Buy-sell back / sell-buy back operations: SETR//BSBK, SETR//SBBK

Details of the transaction codes can be found [here](#) under:

- Messages
- sese ‘securities settlement’
- Sese.023.001.12 SecuritiesSettlementTransactionInstructionV12
- ISO20022_MDRPart2_SettlementAndReconciliation_2024_2025_v1.pf

Annex

1) CSDR Regulatory technical Standards on Settlement Discipline (Delegated regulation 2018/1229)⁷

Article 2 (1) of RTS on settlement discipline

Measures concerning professional clients

1. Investment firms shall require their professional clients to send them written allocations of securities or of cash to the transactions referred to in Article 5(1) of Regulation (EU) No 909/2014, identifying the accounts to be credited or debited. Those written allocations shall specify the following:

(a) one of the following types of transaction:

(i) purchase or sale of securities;

(ii) collateral management operations;

(iii) securities lending/borrowing operations;

(iv) repurchase transactions;

(v) buy-sell back transaction or sell-buy back transaction; ****Proposed****⁸

(vi) other transactions, which can be identified by more granular ISO codes.

Article 5 (4) of RTS on settlement discipline

Matching and population of settlement instructions

4. In addition to the fields referred to in paragraph 3, CSDs shall require their participants to use a field indicating the transaction type in their settlement instructions based on the following taxonomy:

(a) purchase or sale of securities;

(b) collateral management operations;

(c) securities lending/borrowing operations;

(d) repurchase transactions;

(e) buy-sell back transaction or sell-buy back transaction; ****Proposed****

(f) other transactions (which can be identified by more granular ISO codes as provided by the CSD).

Article 13 of RTS on settlement discipline

⁷ [CELEX:32018R1229:EN:TXT.pdf](#)

⁸ [ESMA74-2119945926-3430_Final_Report -](#)

[CSDR RTS on Settlement Discipline and tools to improve settlement efficiency.pdf](#)

Details of the system monitoring settlement fails

1. CSDs shall establish a system that enables them to monitor the number and value of settlement fails for every intended settlement date, including the length of each settlement fail expressed in business days. That system shall, for each settlement fail, collect the following information:

[...]

(d) the type of transaction, within the following categories, affected by the settlement fail:

(i) purchase or sale of financial instruments;

(ii) collateral management operations;

(iii) securities lending/borrowing operations;

(iv) repurchase transactions;

(v) buy-sell back transaction or sell-buy back transaction ****Proposed****

(vi) other transactions, which can be identified by more granular ISO codes as provided by the CSD;

2) List of Transaction Types considered by the EU T+1 Industry Committee, SSI Taskforce

Trans. Type	Description	CSDR RTS Sett Disc.	Potential Cash Pen. Exemption	Minimum Requirement to be supported⁹
AUTO	Auto-collateralisation	'Comes under 'other'	No	No
BSBK	Relates to a buy sell back transaction.	Yes (new) (proposed)	No	Yes
CLAI	Transaction resulting from a market claim.	'Comes under 'other'	Yes	Yes
CNCB	Relates to a collateral delivery/receipt to a National Central Bank for central bank credit operations.	Yes	Yes	Yes
COLI	Relates to a collateral transaction, from the point of view of the collateral taker or its agent.	Yes	No	Yes
COLO	Relates to a collateral transaction, from the point of view of the collateral giver or its agent.	Yes	No	Yes
CONV	Relates to a depository receipt conversion.	'Comes under 'other'	No	Recommended
CORP	Relates to a corporate action	'Comes under 'other'	Yes	Yes
ETFT	Relates to an exchange traded fund (ETF) creation or redemption.	'Comes under 'other'	Yes	Yes

⁹ By market participants across all sectors, CCPs and (I)CSDs and Securities Settlement Systems operated by other entities

FCTA	Relates to a factor update.	'Comes under 'other'	No	No
INSP	Relates to a movement of shares into or out of a pooled account.	'Comes under 'other'	No	No
ISSU	Relates to the issuance of a security such as an equity or a depository receipt.	'Comes under 'other'	Yes	Yes
MKDW	Relates to the decrease of positions held by an ICSD at the common depository due to custody operations (repurchase, pre-release, proceed of corp. event realigned).	'Comes under 'other'	No	Recommended
MKUP	Relates to the increase of positions held by an ICSD at the common depository due to custody operations (repurchase, pre-release, proceed of corporate event realigned).	'Comes under 'other'	No	Recommended
Trans. Type	Description	CSDR RTS Sett Disc.	Potential Cash Pen. Exemption	Minimum Requirement to be supported
NETT	Relates to the netting of settlement instructions.	'Comes under 'other'	No	No
NSYN	Relates to the issue of medium and short-term paper (CP, CD, MTN, notes ...) under a program and without syndication arrangement.	'Comes under 'other'	Yes	Yes
OWNE	Relates to an account transfer involving more than one instructing party (messages sender) and/or account servicer (messages receiver).	'Comes under 'other'	No	Recommended
OWNI	Relates to an account transfer involving more than one instructing party (messages sender) and/or account servicer (messages receiver).	'Comes under 'other'	No	Recommended
PAIR	Relates to a pair-off: the transaction is paired off and netted against one or more previous transactions.	'Comes under 'other'	No	No
PLAC	Relates to the placement/new issue of a financial instrument.	'Comes under 'other'	Yes	Yes
PORT	Relates to a portfolio move from one investment manager to another and/or from an account servicer to another. It is generally charged differently than another account transfer (OWNE, OWNI, INSP), hence the need to identify this type of transfer as such.	'Comes under 'other'	No	Recommended
REAL	Relates to a realignment of positions.	'Comes under 'other'	Yes	Yes (CSDs / T2S only)

REDI	Relates to the withdrawal of specified amounts from specified sub-accounts.	'Comes under 'other'	No	No
REDM	Relates to a redemption of Funds (Funds Industry ONLY)	'Comes under 'other'	Yes	Yes
RELE	Relates to a release (into/from local) of Depository Receipt operation.	'Comes under 'other'	No	Recommended
REPU	Relates to a repurchase agreement transaction.	Yes	No	Yes
RODE	Without Matching Relates to the return of financial instruments resulting from a rejected delivery without matching operation.	'Comes under 'other'	No	No
RVPO	Relates to a reverse repurchase agreement transaction.	Yes	No	Yes
SBBK	Relates to a sell buy back transaction.	Yes	No	Yes
Trans. Type	Description	CSDR RTS Sett Disc.	Potential Cash Pen. Exemption	Minimum Requirement to be supported
SBRE	Internal reallocation of a borrowed holding from one safekeeping account to another.	'Comes under 'other'	No	No
SECB	Relates to a securities borrowing operation.	Yes	No	Yes
SECL	Relates to a securities lending operation.	Yes	No	Yes
SLRE	Internal reallocation of a holding on loan from one safekeeping account to another	'Comes under 'other'	No	No
SUBS	Relates to a subscription to funds (Funds Industry ONLY).	'Comes under 'other'	Yes	Yes
SWIF	Transaction is a change of an investment from one sub-fund to another sub-fund	'Comes under 'other'	No	No
SWIT	Transaction is a change of an investment from one sub-fund to another sub-fund	'Comes under 'other'	No	No
SYND	Relates to the issue of financial instruments through a syndicate of underwriters and a Lead Manager.	'Comes under 'other'	Yes	Yes
TBAC	Relates to a To Be Announced (TBA) closing trade.	'Comes under 'other'	No	No
TRAD	Relates to the settlement of a trade.	Yes	No	Yes
TRPO	Relates to a triparty repurchase agreement.	Yes	No	Yes
TRVO	Relates to a triparty repurchase agreement.	Yes	No	Yes

TURN	Relates to a turnaround: the same security is bought and sold to settle the same day, to or from different brokers.	'Comes under 'other'	No	No
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