

III BME Post-Trade Conference

Innovation, digitalization and regulation in a key year for the post-trade industry

Good morning,

Dear Amalia, dear panelists, dear friends. It is a pleasure to welcome you to the third Post-trade Conference organised by BME.

Today we will once again highlight from experts and professionals in the sector that everything that happens after the trade, even if it is not visible to the naked eye, is crucial for the smooth running of the financial markets.

Thank you again Amalia for presenting **EMIR 3.0** from the Treasury's perspective. The regulators' view is key to understanding the rationale behind the rules and their implementation.

This year we also have for the first time a **panel on Clearing**, which allows us to underline the crucial role of Central Counterparties in risk management and market robustness.

I believe that the title of this conference captures well the main issues of interest in the post-trade world. Indeed, **innovation, digitalisation and regulation** are the most determining factors, which occupy most of our time, our efforts and our discussions. And of course, it is clear that we are in a key year for the post-trade industry.

It is always interesting to take the pulse of the industry, but perhaps more so than ever this year and, moreover, just a few days after the **move to the T+1 settlement cycle in the United States**, which has attracted the attention of all market participants on both sides of the Atlantic. I think we are extremely fortunate to have the DTCC here today to explain last week's migration. I am grateful to **Michelle Hillery who will join us later and tell us first hand what the process has been like.**

I am sure that the two round tables, the one dedicated to clearing and the one dedicated to custody, as well as the keynote speeches on EMIR 3.0 and T+1 in the United States, will provide us with clues on the challenges and opportunities facing our sector.

Always in the certainty that post-trade is the basis for the solidity, confidence and security of regulated financial markets.

As I was saying, last week Mexico, Argentina, Canada and the United States migrated to the **T+1 settlement cycle**. The first news coming from these countries speaks of a successful adaptation to this new model. The big debate now in Europe is when and how we will follow in the same footsteps.

SIX's position, which is also the general position in the industry, is that the decision on the timing of the move should take into account the opinion of the industry and market members. And, of course, we must take note of the areas of improvement in the process on the other side of the Atlantic. The move to T+1 also needs to be adopted at the same time in all three major European economies: the European Union, the United Kingdom and Switzerland.

As you know, at the end of last year the European market supervisor, ESMA, opened a public consultation on this issue. All indications are that the migration could take place before the end of 2027.

The future **debate on possible atomic liquidation, which could be technologically feasible in a few years' time**, will also be interesting. I have no doubt that, sooner or later, we will be discussing this.

Regarding digitisation and innovation, we at SIX are strongly committed to a future for our industry that explores all the benefits of DLT technology.

SIX Digital Exchange (SDX) is the first trading platform and central securities depository, both in DLT, authorised by the Swiss supervisor (FINMA). Transforming the post-trade ecosystem based on current technology to an ecosystem based on DLT technology will be one of the great coming revolutions for our industry.

In addition, at SIX we are working intensively on developing **AI-based solutions** both to improve processes internally and to improve the service offering to our clients.

Finally, I cannot fail to mention, at least briefly, the other regulatory changes involving our industry. Just a month ago, on 29 April, **EMIR REFIT came into force**, with new requirements for reporting transactions to the regulator and migration to a new system.

This regulatory change has been a huge challenge successfully met by REGIS-TR, one of Europe's leading transaction repositories, with almost 2,000 European clients in 37 countries.

In addition to this regulation, there are many other regulatory changes ahead of us. I will highlight three:

- **EMIR 3.0**, which seeks to improve the central clearing system in the EU to make central counterparties more efficient and attractive.
- **The Reform3 of the Spanish Settlement System**, which will enter into force on 10 March 2025 and includes the elimination of the PTI as the main change.
- And the **ECB's ECMS (Eurosystem Collateral Management System) platform**, which is scheduled to come into force at the end of this year and which unifies collateral management at the European level.

And all this, of course, while maintaining our daily work and always seeking to offer the best service to our customers. If one thing is for sure, no one in this room will be bored this year. We have work ahead of us, but let's take a few hours to exchange ideas and discuss.

I hope you enjoy the day. Thank you very much.