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'I' ITEM NOTE

From:	General Secretariat of the Council
dated:	2 May 2025
To:	Permanent Representatives Committee (Part 2)
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) No 909/2014 as regards a shorter settlement cycle in the Union - Mandate for negotiations with the European Parliament

I. BACKGROUND/INTRODUCTION

1. On 12 February 2025, the Commission submitted to the Council and the European Parliament a proposal for a Regulation amending Regulation (EU) No 909/2014 as regards a shorter settlement cycle in Union[1]. Currently, the settlement cycle in the Union is harmonised at T+2. However, a growing number of capital markets have moved or are planning to move to T+1 settlement. The global shift to T+1 is creating misalignments between EU and global financial markets, which creates costs for EU market participants. Therefore, the Commission is proposing to shorten the settlement cycle to T+1 as of 11 October 2027.

2. The draft Regulation is based on Article 114 of the Treaty on the Functioning of the European Union (TFEU) (ordinary legislative procedure).

3. The European Central Bank delivered its opinion on 31 March 2025[2].

4. The European Economic and Social Committee adopted its opinion on the 30 April 2025.

5. In the European Parliament, the Committee on Economic and Monetary Affairs (ECON) has the lead responsibility. Mr Johan Van Overtveldt was appointed rapporteur. His draft committee report was published on 9 April 2025 and a vote in the ECON Committee has been scheduled for 13 May 2025.

6. The Council Working Party on Financial Services & Banking Union (Financial Services) discussed the proposal at its meetings on 3 March 2025 and 2 April 2025 and has agreed on the text in the annex to this note.

II. CONCLUSION

7. The Permanent Representatives Committee is therefore invited to confirm agreement on the text of the mandate for negotiations with the European Parliament, as set out in the annex to this note, to enable the Presidency to conduct those negotiations.

[1] WK 5390 2025 INIT
[2] ST 7689 2025 INIT