Services

Forging a *unified* Italian post-trade model

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As part of its ambitious *'Innovate for Growth 2027'* strategy, Euronext is overhauling its entire post-trade operating model, a move that will have major ramifications for Italy and other European markets. In the latest edition of our *"Where Can We Take You"* series, Marcello Topa, Head of Global Advocacy for Investor Services at Citi, sits down with Donatella Fronza, Italy Custody Head, to discuss Euronext's reform plans and what they mean for Italy.

Q **Topa:** Euronext's CA4U project is a significant step for corporate action processing. What is the status of its implementation in Italy and what are the key timelines?

A **Fronza:** Post-trade fragmentation remains a key barrier to frictionless cross-border investment and trading across the EU.

Specifically in the corporate actions space, local market nuances and the patchwork of different regulations, standards and processes have bred complexity and allowed for inefficiencies to proliferate, creating costs and risks for issuers, intermediaries and end investors.

Euronext aims to simplify corporate actions processing. Under CA4U, Euronext is creating a common, automated asset servicing platform across its Central Securities Depositories (CSDs) in Italy, Portugal, Norway, Denmark and now Greece following its recent acquisition of AthexCSD. The deadline for Euronext Securities Milan to join the platform has now been pushed back to November 16, 2026, as the market needed more time to prepare and test their systems ahead of the transition.

Citi has worked closely with Euronext Securities Milan, identifying potential service gaps and promoting the use of common standards.

Q **Topa:** Beyond CA4U, how is Italy being positioned as a central hub in Europe's evolving post-trade landscape?

A **Fronza:** Euronext has big growth plans in the pipeline, and Italy has a big role to play. CA4U is to the first step in Euronext's expansion agenda, which will eventually enable clients to consolidate issuance, safekeeping and settlement services from Euronext Amsterdam, Brussels and Paris into Euronext Securities Milan.[1]

Phase one will centralize the settlement of equities and Exchange Traded Products (ETPs) within Euronext Securities Milan from September 21, 2026.[2] By making Euronext Securities Milan the default CSD for all settlement activity, clients will benefit from stronger cross-border connectivity, greater operational efficiency, and lower post-trade costs.[3]

Euronext's objective broadly chimes with the recommendations made in a recent Citi white paper – Reimaging Europe's Capital Markets – which are designed to bring greater price efficiency and help lay the foundations for a single market structure.

Q **Topa:** Reforms of this magnitude are rarely without controversy. What has the reaction been to these consolidation plans?

A **Fronza:** The initiative has triggered a constructive dialogue about competition.

When first announced in March 2025, Euroclear warned the proposal would restrict where clients could settle trades.[4]

A compromise has since been reached. In March 2026, Euronext confirmed that while clients can settle equities and ETPs in Euronext Securities Milan, they can also leverage alternative venues, e.g. Clearstream Europe AG, Euroclear Bank, Euroclear Belgium, Euroclear France and Euroclear Nederland – if preferred.[5] The only exception is that trades on Euronext Milan must settle at Euronext Securities Milan, which has always been the case.

Q **Topa:** Beyond competition, what other challenges have emerged and are we seeing any notable shifts in CSD pricing?

A **Fronza:** There have been a few other minor issues. Euronext's new settlement model is scheduled to go live in September, but CA4U has been delayed until November.

The industry participants expected some additional technical guidance to be able to properly manage asset servicing events, especially for non-Italian securities.

However, Euronext only expects a limited number of clients – most of whom are based in Italy anyway – to transition to the new settlement model in September, with global institutions likely to follow at a later date.

Despite the early challenges, clients are reporting that CSD fees in certain European markets are now trending downwards. This comes after 40% of respondents to the Citi whitepaper indicated that high and opaque cost structures are contributing to market fragmentation in Europe. In some cases, settlement costs in Europe are between 30%-300% higher than in the US, whilst safekeeping charges are between 150%-500% more expensive.[6]

Q **Topa:** CA4U and the consolidation of equity/ETP settlement within Euronext Securities Milan are setting the scene for the Convergence Programme. But, what is the end goal of the Convergence Programme, and where does Italy stand with it?

A **Fronza:** Both projects are the first building blocks of Euronext's eagerly anticipated Convergence Programme which will establish a common platform and standardized processes across its CSDs in Milan, Copenhagen, Oslo, Porto and Athens. This will not only drive harmonization, but it will also lower costs and provide a framework for a fully future-proofed FMI.[7]

The platform is being designed, developed and tested this year, with Euronext Copenhagen due to migrate onto the platform by 2027. With existing Euronext projects taking up so much bandwidth already, Citi has stressed that the Italian market will not be in a position to begin preparations for the Convergence Programme until 2027 at the earliest. If everything goes to plan, we expect the platform migration in Italy will be finalized in 2030.

Q **Topa:** Beyond settlement, significant changes are happening in clearing. What are the implications of this clearing evolution for the Italian market?

A **Fronza:** There is indeed significant evolution happening in this space.

In 2024, Euronext launched a new Core Clearing System (CCS), making Euronext Clearing the Central Counterparty Clearing House (CCP) of choice for the cash, financial and commodity derivatives markets at Euronext Amsterdam, Brussels, Dublin, Lisbon and Paris. Italy's cash equity and derivatives markets joined the CCS in June 2025, with fixed income to follow in 2026.

Euronext is upgrading its repo clearing capabilities too. In 2025, it extended its repo clearing services to Spanish, Portuguese, and Irish government bonds.[8] Collateral asset eligibility criteria is also being broadened to include new cash currencies (USD, GBP, NOK) and a wider range of government bonds such as US treasury Bills, Gilts and Nordic denominated securities.

A single, multi-asset class CCP will benefit clients in Italy and beyond. Unlike when operating in siloes, an integrated clearing and settlement model allows for cross-margining, enabling firms to both optimize collateral and enhance their portfolio risk management capabilities.[9]

Q **Topa:** T+1 is becoming a global trend. How is Italy adapting to the transition?

A **Fronza:** On T+1, Italy's preparations are broadly aligned with the rest of the EU's, although a recurrent theme has been the introduction of a 'gating event' for Italy's EUR 2.6 trillion[10] government bond market. This 'gating event' would allow instructing parties to (optionally) hold transactions from real-time settlement until an automated, simultaneous release at 11:00 CET.

The concept of a gating event was introduced because there were concerns T+1 might force a lot of repo trades (and securities financing transactions) to settle on a same day basis in the real-time gross settlement cycle, resulting in reduced netting opportunities and a sharp rise in intraday liquidity costs.[11] The gating event will help ensure functional netting of cash movements with more synchronized settlements. This will help maintain current levels of settlement and funding efficiency in repo markets when T+1 goes live.[12]

Q **Topa:** The European Commission's Market Integration Package (MIP) is gaining momentum. Please share how these proposals could transform the post-trade landscape in markets such as Italy.

A **Fronza:** The MIP, which was published in December 2025, is part of the EU's wider competition agenda under the Savings and Investments Union (SIU). It proposes centralizing supervisory powers with the European Securities and Markets Authority (ESMA) to eliminate divergent regulatory practices within the EU. It also mandates T2S connectivity for all relevant FMIs in the spirit of harmonization. And very importantly, it proposes the establishment of a Pan-European Securities Law with a common issuance framework (the so-called "28th regime"), to help overcome the existing regulatory and operational inconsistencies for issuers and investors. These reforms are a step towards simplifying the EU's fragmented trading and post-trade landscape, a policy which Citi has repeatedly advocated for.

1 Euronext – Euronext Securities European Offering
2 Euronext – Euronext Securities European Offering
3 Euronext – Euronext Securities European Offering
4 Global Custodian – March 26, 2026 – Euronext approves Clearstream and Euroclear as alternative venues for new settlement model
5 Euronext – March 6, 2026 – Confirmation of the go live of Euronext's new settlement model in September 2026
6 Citi – January 2026 – Reimaging European Capital Markets: From fragmentation to Harmonization
7 Euronext – April 14, 2025 – CSD Convergence Programme: A unified future for post-trade services
8 Euronext – July 8, 2025 - Euronext launches the first phase of its strategic multi-year repo expansion initiative
9 Euronext – April 15, 2026 – Bringing together the fixed income value chain: trading, clearing and settlement
10 Dipartimento del Tesoro – Government Securities and public debt outstanding
11 ICMA – December 22, 2025 – Industry Committee issues additional guidance on key areas of the EU's T+1 roadmap
12 ICMA – December 22, 2025 – Industry Committee issues additional guidance on key areas of the EU's T+1 roadmap

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