

# Where can *we* take you in 2026?

Whether it has been the introduction of shorter settlement cycles, the unprecedented pace of digitalization or the industry's doubling down on market integration initiatives, the first half of the 2020s has been nothing short of transformative for Securities Services. Marcello Topa, Head of Global Advocacy for Investor Services at Citi, shares what 2026 could have in store for us.

## [Settlement efficiency to remain a strategic priority](#)

Similar to 2025, shorter settlements will be a big theme in 2026.

North America's T+1 implementation is now in the rear-view mirror, but deadlines in Europe, the UK and other markets, e.g. Hong Kong, Pakistan, are fast approaching. According to Swift's settlement instruction message data, 35% of the market is now settling on T+1, but it expects this will rise to 50% in 2027, before surging past 70% by 2030.<sup>1</sup>

Financial institutions are having to recalibrate their end-to-end operations. From trade execution, to matching and reconciliations, funding and inventory management, right through to clearing and settlement, the rollout of T+1 is having a massive impact on the entire transaction lifecycle.

Even in North America, a fairly homogenized securities market which migrated to T+1 back in May 2024, 48% of survey participants in [Citi's Securities Services Evolution](#) 2025 white paper indicated that they are still running T+1 projects in the region. Firms should in no way underestimate the challenges which T+1 will cause in markets which are fragmented or complex, e.g. Europe which has 32 transitioning markets, 30+ Central Securities Depositories (CSDs) and 11 settlement currencies, or in regions/countries where FX liquidity may be more constrained.

Help is at hand, however.

Industry bodies, including the [UK Accelerated Settlement Taskforce](#), the [EU T+1 Industry Committee](#) and the

[Swiss Post-Trade Council](#), have all published their recommendations on what the industry needs to do ahead of T+1's big bang in Europe in October 2027.

In October 2025, the European Securities and Markets Authority (ESMA) updated its Regulatory Technical Standards (RTS) on Settlement Discipline, which among other things called for industry-wide adoption of same day trade allocations and settlement instructions, the mandatory introduction of hold and release, auto-partial settlement and auto-collateralization, and a phased-in implementation schedule starting in December 2026.<sup>2</sup>

If firms are to have a frictionless T+1 transition in Europe, they must use 2026 to automate their operations. The importance of automation has not been lost on UK respondents to our white paper, of whom 43% said improvements to internal processes will be a critical enabler for T+1, whilst 26% said the same thing about upgrading or re-platforming legacy technology. Any technology enhancements need to be fully future-proofed – simply patching up ageing systems to address the needs of T+1 will not suffice. Instead, firms need to ensure that their infrastructure of tomorrow is primed to handle T+0, real-time or atomic settlements and 24/5 trading.

Equally important is that while firms should be prioritizing their own internal T+1 preparations, they also need to check that clients and counterparties are doing the same. If clients or counterparties are lagging behind on T+1, then this will have consequences for all of the other market participants in the investment and intermediary chain.

<sup>1</sup> Swift – September 24, 2025

<sup>2</sup> ESMA – October 10, 2025 – [ESMA proposes key reforms to settlement discipline, supporting the transition to T+1](#)

Citi has a long track record of supporting its clients with the T+1 transitions in various markets. In the US – and now Europe – Citi has been engaging with clients and counterparties on T+1 – by holding one-on-one meetings, events, webinars and publishing thought leadership articles. As an active participant in many of the T+1 Working Groups and industry association dialogues, Citi is also shaping the direction of travel on accelerated settlements. In addition, Citi has a number of best-in-class solutions e.g. E2C, Single Legal Vehicle Account Structures, Single Event Processing, etc, all designed to ensure clients have a seamless T+1 experience. By adopting a ‘follow the sun’ operating model, Citi can now provide assistance to clients at any point during their working day – once again, making their T+1 implementation journey much easier.

#### Digitalization propels securities services forward

Distributed Ledger Technology (DLT) and digital assets are becoming more embedded in post-trade, a trend that is likely to prevail in 2026. A turning point on digital assets appears to be tantalisingly close, with the industry zeroing in on three core use cases, namely tokenized collateral, fund tokenization, and StableCoins.

Tokenizing financial instruments, e.g. fixed income, equities, cash, for collateral management purposes could bring about a number of tangible benefits, namely increased asset velocity and more favourable risk capital weightings, enabled by reduced overnight funding costs, better liquidity ratios and improved risk weighted asset provisions. This is underlined in the Securities Services Evolution 2025 white paper, which found that tokenization of fixed income assets in the form of collateral is the fastest growing digital asset class.

In funds, tokenization will accelerate the subscription and redemption process – in today’s market, it can sometimes take an investor up to three days to subscribe to a mutual fund, but in a tokenized environment this can be done in real-time. Investor demand for tokenized funds is there – for example, BlackRock’s tokenized treasury fund is currently managing \$2.9 billion.<sup>3</sup>

Tokenization could also turbo-charge the push by private market funds into retail. Historically an asset class accessible only to large institutions, tokenization of private market funds would reduce the cost of investment through fractionalization, allowing managers to target return-hungry retail buyers.

The ascendency of StableCoins is expected to continue in 2026, sparked by the recent regulatory changes in the US, most notably the passage of the GENIUS Act, President Trump’s Executive Order promising to make the US the crypto capital of the world,<sup>4</sup> and the regulatory clarity on crypto-custody.

In response, more custodians are beginning to launch crypto-custody solutions for institutional clients, including Citi, which plans to start offering such services in 2026.

Outside of digital assets, Artificial Intelligence (AI) is being increasingly integrated into post-trade operations, generating all sorts of productivity gains. While some providers are leveraging AI to expedite analytics or summarize large data sets, others are using the technology to streamline previously analogue client-facing activities, such as onboarding and reporting.

However, with new technology, there comes new risks.

Cyber-crime has been a growing challenge for the industry over the last decade, but the emergence of powerful AI tools is going to amplify the problem, e.g. through AI-assisted vulnerability research and exploit development, which enables access to systems through the discovery and exploitation of flaws in code and configurations. Operational resilience and cyber-hygiene will therefore remain top focus areas for the industry in 2026 and beyond.

#### Integration and common standards take precedent in 2026

Market integration efforts show no sign of losing momentum in 2026.

In the EU, fuelled by the Draghi Report’s findings and the renewed focus on the Savings and Investments Union (SIU), post-trade reform remains firmly on course, whether it is T+1 or the ambitious integration strategies being pursued by leading European Financial Market Infrastructures (FMIs), e.g. Euronext’s Convergence Programme; Euroclear’s commitment to provide a single post-trade point of access for equities, fixed income and funds;<sup>6</sup> and Clearstream’s Project Uno, which will see Clearstream become the consolidated place of settlement for T2S markets.<sup>7</sup>



<sup>3</sup> Coin Desk – June 18, 2025 – [BlackRock’s \\$2.9 billion tokenised treasury fund now accepted as collateral on Crypto.com, Deribit](#)

<sup>4</sup> White House – March 6, 2025 – [Fact sheet: President Donald J Trump establishes the strategic Bitcoin reserve and US Digital Asset stockpile](#)

<sup>5</sup> National Cyber Security Centre – May 7, 2025 – [Impact of AI on cyber threat from now to 2027](#)

<sup>6</sup> Euroclear – July 15, 2025 – [Connecting EU markets across asset classes](#)

<sup>7</sup> Clearstream – [Project Uno](#)

As part of the SIU, the European Commission (EC) announced a package of reforms on December 4, 2025, which among other things will create passporting opportunities for trading venues and CSDs, introduces pan-European Market Operator status for trading venues, streamlines the distribution of funds regulated under the Alternative Investment Fund Managers Directive (AIFMD) and UCITS, removes regulatory barriers related to DLT, and gives ESMA greater supervisory powers.<sup>8</sup>

Market integration is not unique to Europe. The single market bringing together the Stock Exchanges of Chile, Colombia and Peru, is expected to become interoperable from 2026, paving the way for a consolidated equity market across the three participatory countries.<sup>9</sup> Similarly, the Abu Dhabi Securities Exchange's Tabadul platform, a digital exchange supporting mutual market access, continues to expand with Armenia becoming the latest member, joining the financial markets of Abu Dhabi, Bahrain, Oman and Kazakhstan.

The drive towards ISO 20022 in securities markets marches on. Whilst firmly embedded in payments, the securities services industry is gradually embracing ISO 20022, with the

Depository Trust & Clearing Corporation (DTCC) due to adopt the standard in Q3 2027.<sup>10</sup> A common, more enriched data dictionary, enabled by ISO 20022, will help usher in greater standardization and automation, facilitating all sorts of benefits for intermediaries and investors alike.

Citi is working closely with market participants in preparation for the adoption of ISO 20022. However, the bank is also actively lobbying on behalf of clients to ensure there is no mandatory imposition of ISO 20022 further up the chain, as the demand is simply not there. Even so, Citi is working with clients to better understand their communication requirements so that it can help them transition to ISO 20022 should they choose to do so.

Just as the previous 12 months have been full of change, so too will 2026.

To weather the challenges and capitalize on the opportunities which the transformative market developments will bring, engaging with a leading provider with deep global and local subject matter expertise will be the key differentiator.

<sup>8</sup> European Commission – December 4, 2025 – [Commission launches major package to fully integrate EU markets](#)

<sup>9</sup> BN Americas – September 2, 2025 – [Integration of Chilean, Peruvian, and Colombian stock exchanges could boost mining financing](#)

<sup>10</sup> Post-Trade 360 – October 10, 2025 – [ISO 20022 /in securities: A single film or a trilogy](#)