



Investor Services

Are your SSIs in place?

Lack of inventory, be it securities or cash, may be the biggest trigger for settlement fails, but data quality issues, such as inaccurate, missing or outdated Standing Settlement Instructions (SSIs) are a significant factor too.¹ With the deadline for T+1 compliance in Europe just over one year away, time is running out for the industry to get its SSIs into shape.

What is an SSI and why are they important?

An SSI is a default instruction from one counterparty to another to ensure the delivery of payments and securities during a transaction.² SSIs contain basic trade information, including asset class/product type, currencies, account information, intermediary details, and the 'where' of delivery/settlement following the execution of a financial transaction.³

As so much of this SSI data is static and reusable, firms can share it upfront, reducing manual input after trade execution and, with it, the risk of delays, errors and settlement fails.

Getting to the root causes of problem SSIs

SSIs are a critical cog in the trade settlement engine, but despite their importance, they are often seen as an afterthought.

Analysis shows poor SSIs were responsible for 21% of all settlement fails on the Target2Securities (T2S) platform in 2024.⁴ Settlement indiscipline whether it is caused by issues with SSIs or inventory management, is costing the industry a lot of money, with organizations on T2S paying on average EUR 70.43 million in penalties every month.⁵

"If SSIs are not accurate or if details about the Place of Settlement (PSET) are erroneous, there is a risk that instructions will not match, and this could lead to a settlement fail. These problems will only get worse when T+1 kicks in across Europe on October 11, 2027, as firms must start providing robust and accurate SSIs on a T+0 basis, to ensure frictionless allocations, confirmations and settlement instructions. If issues with instructions persist and this leads to fails, then firms could be hit with CSDR [Central Securities Depositories Regulation] penalties," said **Alexia Kazakou, Director, Global Product, Transaction Management, Investor Services, Citi.**

Complicating matters further is that settlement chains are becoming increasingly multi-dimensional. What was previously an intra-CSD settlement between a client and an executing broker has morphed into a complex ecosystem comprising of multi-CSD settlements and T2S.⁶

Unlike in the US where the Depository Trust & Clearing Corporation (DTCC) is the principle settlement hub, Europe has 32+ CSDs, which is creating additional logistical complexities around the PSET and Place of Safekeeping (PSAFE).

Given the looming introduction of T+1 in Europe, fixing SSIs has become a matter of urgency for the industry if it is to prevent fails and CSDR cash penalties from trending upwards, but what is causing these data issues to begin with?

A lot of the SSI management processes, from populating the data fields during onboardings to onward counterparty exchanges, remain highly manual. It is not uncommon for participants to disseminate SSIs bilaterally, manually and in multiple formats, typically by email and, in some cases, by fax. This is because the costs of automating SSIs do not always make sense for smaller firms or those with lower trading volumes.⁷

"SSIs have historically been an underinvested area, and one where automation does not exist at a lot of organizations," said **Michele Pitts, Global Product Head of Transaction Management, Citi Investor Services.**

Standardization of SSIs is elusive

SSI standardization is nowhere near where it should be. Even when identification standards are agreed-upon, the Financial Markets Standards Board (FMSB) notes that entities still use different names to refer to the same data points within SSIs.⁸ The Bank Identifier Code, or BIC ISO 9362, is a good example here. Some counterparties call it the Business Identifier Code, Bank International Code, Swift Code, or Swift address, among other terms.⁹ The FMSB adds these discrepancies are much greater where no standard exists at all.¹⁰

Without proper identification standards, SSIs will continue to be a weak link in the settlement chain, notes **Pitts.**

Ensuring that SSIs are fit for purpose for T+1

Resolving issues with SSIs was already a headache for market participants in a T+2 market, but these pain-points risk being exacerbated once a truncated settlement cycle takes effect.

According to the ValueExchange, 24% of firms expect T+1 will significantly impact their customer onboardings and SSI set ups, as just in time onboardings at brokers and asset managers come under the microscope. If more trade fails are to be prevented in a T+1 environment, there needs to be further standardization of SSI data points and automation of their means of transmission.

This means counterparties need to make sure that the data contained in SSIs is both correct and standardized at the point of onboarding and sharing.

Both the UK Accelerated Settlement Taskforce and the EU T+1 Industry Committee have endorsed the FMSB Standards for the Sharing of SSIs as a strong foundation for SSI exchange.¹¹ The UK Accelerated Settlement Taskforce has said the industry should implement the FMSB Standard for Sharing SSIs by no later than December 31, 2026.¹²

The FMSB has also updated its data taxonomy to allow for Classification of Financial Instruments (CFIs) or International Securities Identification Numbers (ISINs) to be used when sharing SSIs.¹³

In addition to the creation of a unified industry format for settlement instructions, the EU T+1 Industry Committee handbook tries to provide clarity on the correct use of the PSET and PSAFE, two data fields, which tend to cause the most operational challenges. The Committee also advises that messages used during SSI exchanges be made available in the ISO 20022 format.¹⁴

Once that is done, SSI exchanges and communication flows should be fully automated, another recommendation made by both the UK and EU T+1 taskforces. In cases where automation is not possible, the FMSB proposes that firms use standardized templates when sharing SSIs.¹⁵

The EU T+1 Industry Committee also makes the case for creating a centralized database or repository, where counterparties can maintain their SSIs, and establish mechanisms for proactively communicating updates or amendments with the market.¹⁶ However, this might be easier said than done in Europe, at least relative to North America. This is because the DTCC's ALERT system, a single, fully automated database for maintaining and communicating SSIs, is embedded across much of the industry in North America (and also to an extent in the UK), but adoption is less so in Europe.

The ValueExchange notes that 67% of firms in Europe currently maintain their own SSI databases, triggering cost and exception management issues across entities and teams. **Kazakou** noted however that efforts to create a pan-European centralized utility for SSIs have come to nought, mainly due to governance and market structure challenges. Although there have been discussions in the past about creating a single European utility for SSIs, the industry is currently more focused on delivering standardization and interoperability.

Analysis shows many firms are a long way off from automating their SSI processes. According to **Barnaby Nelson, CEO of the ValueExchange**, 28% of EU financial institutions have automated their SSIs, and 12% are only just implementing it,¹⁷ suggesting there is still a lot of work to be done.

While large financial institutions in Europe are well-prepared for T+1, smaller firms are less so.

"Citi is actively looking at solutions to support clients with their SSI requirements ahead of T+1. It is enriching and enhancing the SSI data that is available at the onboarding stage, and in a

format that is aligned with the DTCC Alert's standard. The new standard also means SSIs are reusable and do not require interpretation," said **Sharon Connor, Global Head of Custody Onboarding, Citi Investor Services**.

She continued; "The bank is also developing Citi Direct so clients can self-serve and extract their SSIs, before sending them on to their counterparties. Historically, SSIs have been more centred around clients using global custody versus those directly accessing the market. This tool will make it easier operationally for clients when they begin trading with new brokers."

SSI shortcomings are one of the biggest reasons why trades fail, and this is something that needs to be addressed. By following the various Industry Committees' T+1 recommendations, namely implementing more automation and embracing standardization, SSI quality will improve, and so too will settlement completion rates.

With more than 70% of settlement volumes expected to be on T+1 or faster by 2030,¹⁸ including in a number of Asian markets, having high-quality SSIs will mean the industry is well-positioned to navigate the changes as and when they happen.

- 1 Firebrand Research – June 2025 – [Tackling Post-Trade Friction: Supporting a global shortened settlement cycle](#)
- 2 ISDA – September 2024 – [Suggested Operational Practices: Standing Settlement Instructions](#)
- 3 Financial Markets Standard Board – [Standard for sharing of Standard Settlement Instructions](#)
- 4 Firebrand Research – June 2025 – [Tackling Post-Trade Friction: Supporting a global shortened settlement cycle](#)
- 5 Firebrand Research – June 2025 – [Tackling Post-Trade Friction: Supporting a global shortened settlement cycle](#)
- 6 EU T+1 Industry Committee – December 2025 – [SSI Market Practice](#)
- 7 DTCC – [T+1 In Europe: The Critical Role of SSIs](#)
- 8 Financial Markets Standard Board – [Standard for sharing of Standard Settlement Instructions](#)
- 9 Financial Markets Standard Board – [Standard for sharing of Standard Settlement Instructions](#)
- 10 Financial Markets Standard Board – [Standard for sharing of Standard Settlement Instructions](#)
- 11 Financial Markets Standard Board – July 1, 2026 – [EU Industry Committee for T+1 recognises FMSB SSI Standard as minimum EEA data standard](#)
- 12 Accelerated Settlement Taskforce Technical Group – February 2025 – [UK implementation plan for first day of trading for T+1 settlement – 11th October, 2027](#)
- 13 T+1 Accelerated Settlement Taskforce – July 30, 2026 – [EU T+1 Industry Committee publishes clarification on approach to SSI templates](#)
- 14 EU T+1 Industry Committee – February 3, 2026 – [EU T+1 Securities Settlement Handbook](#)
- 15 Financial Markets Standard Board – [How we do it: Standard for Sharing of Standard Settlement Instructions](#)
- 16 EU T+1 Industry Committee – February 3, 2026 – [EU T+1 Securities Settlement Handbook](#)
- 17 The ValueExchange – [Accelerated Settlements in the EU: Key Findings Q1 2026](#)
- 18 Swift – [T+1: One Year on: A New Chapter begins](#)