

# ESMA CONSULTATION PAPER ON THE AMENDMENTS TO THE RTS ON SETTLEMENT DISCIPLINE

## [Consultation Paper On the Amendments to the RTS on Settlement Discipline](#)

### Target participants

The consultation paper (CP) will be of interest to central securities depositories (CSDs), CSD participants, investment firms, credit institutions, and their professional clients.

### Information Note

This CP proposes changes and measures on the settlement discipline in the European Union's financial markets in the context of the CSDR Refit<sup>1</sup>, which mandates ESMA to develop new technical standards to improve settlement efficiency. Accordingly, ESMA is considering amendments to existing regulations by the introduction of additional measures and tools for enhancing settlement efficiency and paving the way towards T+1 in the EU due to the strong link between both objectives.

In the preparation, ESMA has consulted various stakeholders (like the Market Infrastructure and Payments Committee of the European System of Central Banks) and considered responses from previous consultations<sup>2</sup> and industry reports<sup>3</sup> in developing these proposals. The proposed amendments aim to address the requirements for the calculation and application of cash penalties, as well as for settlement fails monitoring and reporting. ESMA emphasizes that improving settlement efficiency requires engagement from all actors in the transaction and settlement chain, not just CSDs and their participants.

The CP is organized into **four** parts:

- **Section 1** and **Section 2** provide background for the ESMA's changes proposed in the document.
- **Section 3** details the proposed amendments to CDR 2018/1229 on settlement discipline and specification for the additional tools to improve settlement efficiency.
- **Section 4** includes the annexes to this CP comprising a summary of the questions to stakeholders (Annex I), a reference to the legislative mandate to develop technical standards (Annex II), and the full text of the proposed amendments to CDR 2018/1229 (Annex III).

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<sup>1</sup> Regulation (EU) 2023/2845 of the European Parliament and of the Council of 13 December 2023 amending Regulation (EU) No 909/2014 as regards settlement discipline, cross-border provision of services, supervisory cooperation, provision of banking-type ancillary services and requirements for third-country central securities depositories and amending Regulation (EU) No 236/2012.

<sup>2</sup> E.g.: ESMA Call for Evidence on the shortening of the settlement cycle and ESMA CP on the Technical Advice on the Scope of Settlement Discipline.

<sup>3</sup> E.g.: AFME's document "Improving the settlement efficiency landscape in Europe", the EU Industry Report on High-Level Roadmap for Adoption of T+1 in EU Securities Markets, and the UK's Accelerated Settlement Task Force Technical Group (AST Technical Group) draft recommendations report and consultation



After considering the feedback received from this CP, ESMA expects to publish a final report and submit the draft technical standards to the European Commission by October 2025.

#### Submission of comments

The deadline for submitting comments is **14 April 2025**.

Respondents may send their comments through ESMA's website: [www.esma.europa.eu](http://www.esma.europa.eu). The paper of this consultation (ESMA74-2119945925-2117) and the Response Form are available in the section [Consultation](#).

Likewise, please send a copy of your answers to the CNMV to the following email address: [documentosinternacional@cnmv.es](mailto:documentosinternacional@cnmv.es)

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