

Deutsche Börse Group's Response
to
European Central Bank's public consultation on a possible
extension of T2 operating hours

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Deutsche Börse Group (DBG) welcomes the opportunity to participate in the European Central Bank's public consultation on a possible extension of T2 operating hours. As a financial market infrastructure, we view the extension of T2 operating hours as a natural step in the evolution of the European payments and settlement landscape. As financial markets become increasingly global, digital, and real-time, the demand for faster and more flexible settlement infrastructure continues to grow. Extending T2 operating hours aligns with broader industry trends toward 24/7 availability, supports the integration of cross-border payment corridors, and enhances the competitiveness of the European financial ecosystem. We believe that any expansion of operating hours should primarily serve payment-related purposes. DBG is committed to an ongoing dialogue on the implications, opportunities, and challenges arising from a potential extension of T2 operating hours.

The evolving landscape of derivatives, crypto assets, and digital finance is driving demand for more flexible cash and securities settlement. Extended operating hours would facilitate real-time margining and funding during non-standard trading windows, ensuring that post-trade infrastructure remains aligned with global trading schedules and investor expectations.

From an operational and treasury management perspective, later cut-off times would help reduce peak-hour pressure, improve liquidity and collateral decisions. Extending the euro liquidity window also enables more efficient cross-currency funding and foreign exchange (FX) conversions at the end of the day, particularly benefiting central counterparties (CCPs) managing USD and GBP exposures across time zones. Reducing dependency on non-European infrastructure is another benefit. Longer T2 hours would lower reliance on fragile USD repo markets, strengthen EU financial autonomy, and reinforce the euro's position as a globally competitive reserve currency. The extension also supports Europe's digital transformation agenda: It enables dematerialized issuance, tokenized assets, and integration with distributed ledger technology (DLT) by aligning with trading hours.

To ensure that any shift toward extended operating hours is both sustainable and secure, it is essential to examine the potential risks across liquidity, infrastructure, and financial stability. To mitigate systemic vulnerabilities, it is essential to ensure resilience and cybersecurity through real-time monitoring, stress testing, and robust fallback procedures. Liquidity and credit line management must also be adapted to support continuous operations and evolving reserve requirements. Euro liquidity providers, in particular, will need to reassess their cut-off times to avoid breaches and ensure smooth funding flows. Operational impacts on T2S and central securities depositories (CSDs) must be carefully managed, as changes to T2 cut-off times or value dates could disrupt settlement flows, bridge activity, and liquidity transfers between (I)CSDs. This requires close coordination to prevent mismatches and potential settlement failures across infrastructures. DBG also highlights financial stability risks, noting that if sight deposits become withdrawable during non-standard hours, this could accelerate liquidity stress.

Overall, DBG supports a phased implementation strategy, recognizing the scale of change involved—particularly if the value date is aligned with the calendar date. A minimum two-year notice period is necessary to allow market participants to adapt systems, staffing, and processes accordingly. In the short term, we would welcome if remuneration of cash left in T2 accounts were possible without moving funds into the deposit facility. This choice of account could provide entities with greater flexibility in adapting to changes in the T2 business day. We recommend conducting a thorough cost-benefit analysis: This analysis should account for the technical interdependence between T2 and T2S, as well as the broader implications of the T+1 settlement transition.