



QUARTERLY PANORAMA

Securities Finance Intelligence | Q1 2026

Foreword

Regulatory deadlines, structural market shifts, and the emergence of genuinely transformative AI capability are arriving simultaneously – and firms are being asked to respond to all three at once. This Quarterly Panorama brings together perspectives from across our leadership team on the questions we hear most consistently from clients and prospects.

In this first issue, we cover how to sequence automation investments ahead of October 2027, what mandatory US Treasury clearing means for our clients' book – cleared and bilateral. We also ask the question that matters most right now: what does a firm actually need in place to make AI work – and what do the firms already acting on this, from North America to Europe to APAC, have in common.

The articles in this edition are written by practitioners, for practitioners. They are intended to inform, and occasionally to challenge. We hope they are useful.

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01. Securities Finance 3.0: what Bangkok told us



By Ben Challice | CEO

Earlier this month, I came back from the outstanding conference in Bangkok with a clearer sense than ever that this market has moved on. Not just in terms of technology adoption or regulatory pressure, but in how practitioners think about what securities finance actually is.

The quality of conversation at this year's PASLA – or as they have now rebranded to Securities Finance Association Asia Pacific – conference reflected that.

Delegates were not relitigating the case for automation, as that debate is settled. They were asking harder, more interesting questions: how do you build infrastructure that is genuinely global rather than market-by-market? How do you create the data foundation that makes AI a practical tool rather than a strategic aspiration? How do you connect the front office and the back office in a way that creates competitive advantage rather than just operational compliance? These are the questions of a market that has moved from awareness to action.

The AI conversation

What struck me most about the AI discussions in Bangkok was their maturity. The consensus was that, to begin capitalising on the power that AI offers, firms require a solid foundation: automated infrastructure that generates the clean, real-time, enterprise-wide data these models require.

Moreover, the firms positioning themselves for AI-enabled operations are not acting today because a regulatory deadline forces them to. They are doing so because they understand that a connected data infrastructure is the competitive asset on which the next decade of advantage will be built. At SFAAP this year, the question had moved on from whether to act on AI – the answer to that is settled – to how to sequence the investment. That is the right question. And the firms that answer it now will define what the market looks like in this region for years to come.

“At SFAAP this year, the question had moved on from whether to act on AI – the answer to that is settled – to how to sequence the investment.”

– Ben Challice, CEO, Pirum

The North American lesson

APAC firms have a useful reference point for this question. The North American T+1 transition in 2024 was instructive above all as a story about data, more than settlement speed. The firms that navigated it well were those with real-time tech stacks that let them see their positions, their counterparties and their risk whatever the market weather. Those that struggled were those that could not.

APAC is a more complex operating environment than North America, with more settlement cycles, more regulatory regimes, more currencies, all running simultaneously, but the lesson is identical: lifecycle thinking outperforms asset-class silos. Every time.

The name change says it all

Perhaps the most telling signal of where this market stands came not from a panel discussion but from a rebranding. PASLA is now the Securities Finance Association Asia Pacific (SFAAP). The rename is more than cosmetic. It reflects a deliberate choice by the membership to describe the business they are actually running in 2026: an integrated discipline spanning Equities, Fixed Income and Collateral that runs from pre-trade execution through to post-trade settlement, and whose practitioners think in terms of enterprise-wide liquidity management rather than asset-class silos.

The pre- and post-trade distinction – the one that has structured our industry’s technology and operations for decades – is dissolving. What is emerging in its place is something we might call Securities Finance 3.0: a unified, connected, data-driven industry that is built in a way that allows AI to improve outcomes. The associations, including SFAAP, ISLA, ISLA Americas, CASLA, SASLA and the broader global community, play a vital role in giving this evolution a forum, shape and trajectory – and we as an industry are lucky to have them.

Pirum’s platform was built for exactly this model – connecting pre-trade and post-trade, across asset classes and geographies, as a single lifecycle rather than a collection of point solutions. Get in touch to [learn more](#).

02. T+1, 15c3-3 and building a future-proofed Securities Lending business



By Carmine Salute | Head of Commercial Development, Americas

I recently wrote about [what clients are demanding](#) and how the conversation in North America has shifted from ‘why automate?’ to ‘how fast can you get us live?’. That shift is only accelerating.

Across the US and Canada, I am seeing a market that has already made up its mind and is now focused entirely on execution, to gain faster, more accurate and smarter operations. The word is out that Pirum TradeConnect, combined with our Post Trade Services platform, has achieved bid-to-settlement in under 30 minutes. That is the operational reality for firms that have connected their pre- and post-trade infrastructure through a single platform, and forward-looking firms are jumping on to this train.

<30 mins

Bid-to-settlement for Pirum TradeConnect clients with the right configuration

Source: Pirum TradeConnect client data

But, along the way, my team had already started looking closely at this issue some time ago, having identified that, if it were to happen, the ramifications for US firms and international firms alike would be far-reaching.

SEC Rule 15c3-3: confirmed

On the last day of Q1 2026, the [SEC confirmed it](#): this is now real. The SEC’s Order under Rule 15c3-3 should now be on the radar of every North American Securities Lending desk.

The so-called Customer Protection Rule has created a significant divide between US and global Securities Lending for decades. Its collateral restrictions mean that US broker-dealers borrowing customer securities are limited in the collateral types they can post. Specifically, domestic equities are not currently eligible. The result: operationally intensive workarounds, limited triparty adoption, and higher costs relative to global peers where equity collateral is standard practice.

That divide is significant in scale. While equity collateral is standard practice in international Securities Lending markets, US broker-dealers operating under Rule 15c3-3 [remain restricted](#) to cash, US Treasuries, and letters of credit. Hence, US market participants face higher costs, limited triparty adoption, and a structural competitive disadvantage relative to global peers.

“US desks, operating under the most restrictive collateral rules of any major market, have had to manage workarounds that add cost, complexity and operational overhead.”

– Carmine Salute, Head of Commercial Development, Americas

The Order has now evolved. Broker-dealers may pledge diversified baskets of Russell 1000 and/or S&P 500 equity securities as collateral when borrowing fully-paid or excess margin equity securities from Qualified Institutional Securities Lenders. The collateralization requirement is 101% for major currency securities and 105% for others – with daily mark-to-market required.

The equity collateral universe spans approximately 1,500 securities across the two indices and can include unleveraged ETFs tracking either index. The operational and capital efficiency implications are significant: equity collateral eligibility is expected to materially reduce capital requirements for Securities Lending under Basel III, given the lower risk weights applicable to equity-for-equity secured transactions versus cash-collateralized ones.

Pirum is well placed to help customers navigate what comes next. With 25 years of experience facilitating clients’ use of equity collateral for Securities Lending internationally, and connectivity across all major triparty agents, we are well positioned to fast-track the operational integration of equity collateral under the new Order.

The complexity that 15c3-3 introduces – daily mark-to-market, concentration and diversification monitoring, index composition changes, corporate actions across hundreds of positions – is precisely the kind of operational challenge our platform is built to handle at scale. And indeed has been handling for our non-US based clients for over 25 years.

We are preparing in-depth analysis of what this means for your firm, your book and your operations. To receive this as soon as it’s ready, [Get in touch](#).

03. T+1 is the waypoint, not the destination



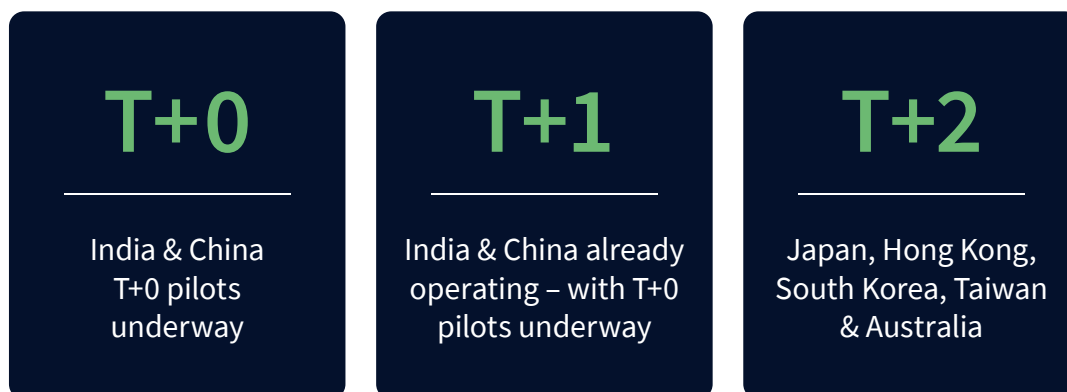
By Duncan Carpenter | Head of Securities Lending Post Trade | Member, UK Accelerated Settlement Taskforce

T+1 is coming to the EU, UK and Switzerland in October 2027. That much is confirmed. But the firms treating it as the destination are missing the bigger picture.

I am often asked what T+1 will actually require of Securities Lending operations. The honest answer is: considerably more than many firms currently have in place. The settlement window compresses by 50% relative to T+2.

Firms that rely on manual processes, or that think they can staff their way through cut-offs, will find the arithmetic does not work.

But I am also asked: what comes after T+1? And here the bigger picture is already clear, even if the timeline to getting there is not. India and China are running T+1 for equities today, with T+0 pilots already underway. T+1 is a waypoint on the journey to T+0, as Andrew Douglas, Chair of the UK's Accelerated Settlement Taskforce, noted in Pirum's [recent industry webinar](#). Firms building their infrastructure to just meet a T+1 deadline – rather than to operate in a T+0 world – will face the same investment decision again, sooner than they think and under greater pressure.



Source: Pirum [APAC White Paper](#), 2025

What T+1 is asking of your operations

Following North America's transition to T+1, a post-go-live survey found back-office staffing costs rose by [16-18%](#) at firms that had not automated ahead of the transition. That's challenging enough, but the reality is that no manual process survives in a T+0 world.

The infrastructure that enables compliance at T+1 must already include automated pre-matching of Securities Lending instructions on trade date, automated recalls and return instruction flows, real-time visibility into trade status throughout the pre-settlement phase, and the use of triparty tools to forecast funding and position needs. These are the architectural baseline for any settlement environment that runs faster than T+2. Firms that treat them as optional will find out why.

The firms that implement these capabilities for T+1 today will not face T+0 as a transformation programme. They will face it as a configuration exercise.

The infrastructure premium and the AI case

Moreover, the gap between firms with connected automation infrastructure and those without widens with every passing quarter.

The connected data infrastructure built for T+1 compliance is also the prerequisite for AI-enabled operations. The settlement prediction tools, collateral optimisation engines, and agentic workflows that are beginning to deliver real competitive differentiation in Securities Lending all depend on standardised, real-time, enterprise-wide data. That quality of data only exists in firms that have automated end to end.

Near term

AI use cases that are proven today:
Settlement prediction, exception management, collateral optimisation

Medium term

Only viable with fully connected, automated infrastructure Agentic AI:
Autonomous minimal human oversight operational workflows

Source: Pirum technology strategy assessment, 2025

The business owners still thinking purely in T+1 terms rather than future-proofed T+0 risk a painful reckoning. In the next two to three years, they may have to explain not just the missed opportunity, but why their competitors are now operating at a fundamentally different cost base and capability level.

T+1 transition analysis – North America 2024

The US, Canada and Mexico T+1 transition in 2024 exposed where fragility in operating models lay. The industry divided into three cohorts, and the distance between them is still visible today.

“The question is no longer whether every institution will automate – it is which firms will do so proactively, with proven solutions, and which will automate reactively under stressed conditions.”

– Duncan Carpenter, Head of Securities Lending Post Trade

For a detailed walkthrough of what the T+1 transition means for your Securities Lending operations, get in touch with Duncan via [our website](#). We have also collated a [T+1 Hub](#) with resources on how to tackle accelerated settlement.

How the industry responded: Three distinct cohorts

01

Built for it

Already invested in connected automation

- ✓ Pre-existing connected automation infrastructure
- ✓ Clean, enterprise-wide data already in place
- ✓ Pre-trade visibility into settlement risk
- ✓ STP rates sustained without intervention

Winners

Operational outcome

T+1 Day was unremarkable. Transition was smooth. Focus shifted immediately on growth.

02

Staffed around it

Headcount as the answer, follow-the-sun people

- ✓ Added headcount across time zones to cover gaps
- ✓ Manual processes patched by additional staff
- ✓ Compliance achieved but cost still being absorbed
- ✓ Technology debt remains unresolved

Surviving

Operational outcome

Achieved compliance, at elevated, ongoing cost. Fragmented, unscalable operations remain.

03

Waited and reacted

Chose to wait and see, reactive remediation

- ✓ No proactive investment before the deadline
- ✓ Settlement fails escalated rapidly
- ✓ Remediation cost exceeded prevention cost
- ✓ Now facing the same investment decision again for EU T+1

At risk

Operational outcome

Fails and cost mounted faster than anticipated. Reactive fixes proved far more expensive than preparation.

04. Fixed Income's golden opportunity: T+1, Matching, Pair-offs, Mandatory UST clearing and the bilateral book



By Jon Ford | Head of Fixed Income Business Development

The move to T+1 has given securities finance folks an unexpected gift: a genuine, industry-wide forcing function to modernise. For the Equity finance world, automation has been the norm and Pirum has been front and centre in this space for over 25 years. The Fixed Income financing market, owing to its bilateral and OTC nature, has not progressed as rapidly, and that gap is now both visible and costly.

This is, however, the moment for Fixed Income desks to accelerate post-trade automation and catch up with their Equities peers. The tools are ready, the business case is clear, and the moment to act is now.

The fault line and why it formed

After the global financial crisis, Fixed Income markets grew dramatically. Quantitative easing piled on government debt, low rates drove an explosion in credit issuance, and trading volumes surged. But while front-office auto-execution kept pace, post-trade automation in Fixed Income did not. The result is a structural inefficiency that is, with rates higher and regulatory pressure intensifying, increasingly painful and costly.

~6,000

Average daily settlement fails
in EU capital markets in 2024

Sources: ESMA: [EU Securities Financing Transactions markets 2024](#)

These are not abstract risk statistics. They are daily P&L events faced by individual desks around the world, occurring in operations that could have been automated years ago.

The most effective way to reduce a fail is to reduce gross settlements, and this is where pair-offs come in. Very topical in the T+1 discussion is how reducing gross settlements via pairing off transactions can greatly improve the efficiency in the markets. CCPs do this as BAU; the market needed a non-cleared solution and we have built it. Advanced algos identify every pair-off opportunity and advanced workflows allow these to be proposed and agreed without having to send a single email.

Mandatory US Treasury clearing: the catalyst and the complexity

Layered on top of the T+1 transition is a change that rivals UMR, SFTR and MiFID II in its operational scope: mandatory US Treasury clearing, with the Repo deadline set for June 2027. For every Treasury Repo participant, this is a multi-year, market-wide transformation, and preparation is already consuming significant bandwidth across the industry.

June 2027

Mandatory US Treasury repo clearing deadline

Source: SEC Final Rule, 2024

The operational challenges are substantial. Firms need to identify which trades must be cleared versus what is exempt. They must also flag clearing-eligible trades at execution, and route them to the appropriate CCP. Only matched trades can be submitted while unmatched submissions are rejected, which means pre-submission matching and affirmation between counterparties will be essential.

\$60bn+

Estimated in additional margin collateral required industry-wide to be pledged to clearinghouse

Source: Pirum Fixed Income analysis, 2025

Three CCPs now approved in the US Treasury space – FICC, CME Securities Clearing, and ICE Clear Credit – add further complexity for firms navigating clearing access and margin optimisation, with all three targeting repo clearing capability by end of 2026.

The non-centrally cleared bilateral book (NCCBR) remains: according to Federal Reserve research, approximately 38% of the US Repo market – representing trillions in daily transactions – executes outside central clearing. How those trades reach the clearinghouse is an open operational question that the industry is still working through.

Where Pirum can help – cleared and bilateral

Our approach with clients is practical: use mandatory clearing as the strategic entry point but look at the full picture. RepoConnect's bilateral matching engine addresses the pre-submission matching challenge directly, catching and resolving breaks before they reach the CCP. Our Post Trade Services platform also handles SSI affirmation between counterparties. And for the bilateral book, i.e. the trades that clearing does not touch, RepoConnect continues to deliver the automation and visibility that reduces fails and operational overhead.

>\$1.5T

daily repo transactions
processed through RepoConnect

Source: Pirum RepoConnect data, 2025

Volatility rewards the prepared

Fixed Income desks have recently had no shortage of market stress, making the value of post-trade automation existential. In uncertain times like ours, real-time visibility across counterparties, collateral movements and settlement statuses is a prerequisite for anyone attempting to manage volatility.

The question is whether firms will build this infrastructure now, with time to do it properly, or wait until the cost of not doing so forces their hand.

To discuss how RepoConnect and Pirum's broader Fixed Income capabilities can support your operations, get in touch with Jon via [our website](#).

05. Pirum – product highlights Q1 2026

**US\$3
billion**

Pirum TradeConnect continues to gain significant momentum. Daily availability now stands at US\$3 billion, with network growth driving a step-change in trading activity and notional volumes increasing substantially quarter on quarter. This represents a meaningful move toward critical mass of liquidity on the platform, with further growth anticipated as additional entities and automated trading workflows come online.

300% ↑

ClearingConnect, Pirum's service providing real-time trade instruction and lifecycle event processing for Cboe Clear Europe, continued to expand its reach during the quarter, with both volumes and balances increasing significantly month on month. Balances are up threefold from December 2025 to March 2026, to €3.2 billion on average per day.

100%

RepoConnect's global pair-off solution is live, enabling clients to cover 100% of their book across Europe, North America, APAC, and beyond.

**US\$130
billion**

Recalls Manager saw borrower adoption accelerate materially in Q1, with multiple institutions rolling out the rules-based automated recall functionality. We have seen a 35% increase in the number and value of recalls issued on the platform Q4 2025 vs Q1 2026, with the value of recalls around US\$130 billion this quarter.

Looking ahead, Pirum's 2026 product roadmap builds on this foundation with a series of capabilities designed to keep clients ahead of the curve: SSI automation to further reduce settlement friction; expanded Repo connectivity; Collateral Optimisation tools; and dedicated investment in digital assets infrastructure and data and AI capabilities. Look out for Ben Challice's article, *Becoming AI-first: what it actually means in securities finance*, in the Securities Finance Times Tech Annual 2026 to learn more.

06. Regulatory and market calendar

Key dates shaping securities finance in Q2

April

APR 20	ESMA EMIR 3 PTRR consultation closes
APR 21-22	ISLA Americas Ops & Tech / Institutional contacts
APR 28-30	ISDA 40th Annual General Meeting
APR 29	New EMIR Reporting fields apply
APR 30	ESMA CCP Collateral consultation closes

May

MAY 11 - 14	SIFMA Ops in Marco Island, Florida
MAY 19 & 21	Absolute Capital events (London 19 th & Paris 21 st)
MAY 19-20	AFME European Financial Integration Conference
MAY 27-29	ICMA 58th AGM & Conference
MAY 27	16th Annual CASLA Conference on Canadian Securities Lending
MAY (ANTICIPATED)	NSCC 24x5 Phase 2 Launch

June

JUN 15-18	ISLA 33rd Annual Conference
JUN 25	EMIR 3 CRD / IFD Transposition Deadline
JUN 30	SEC Rule 15c3-3 Daily Reserve Computation

Critical downstream dates

7 DEC 2026	EU allocation & confirmation requirements
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If you have any questions or would like further information on any of the topics in this Panorama, or how Pirum can support your business, get in touch.



Get in touch



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