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When markets stop closing: EU readiness for 24/7 trading and instant settlement

QuickTake

The EU is ready to lengthen trading hours—but not yet ready to treat the securities market as a single, continuously operating legal and operational system. This distinction matters. A venue can accept orders overnight even while the CCP, CSD, central-bank money, corporate-action and supervisory layers still run to business-day clocks. The result is not an “always-on market” but a longer front end attached to intermittently available rails.

The immediate question is not whether EU law permits a venue to stay open longer—in most cases it can, provided systems, controls, disclosures and rulebooks remain compliant. The harder question is what happens to the trade when other market functions are closed.

T+1, extended hours and instant settlement are separate projects. The EU’s move to T+1 on 11 October 2027 compresses a batch-based cycle; it does not abolish cut-offs, pre-funding, netting, fails management or the settlement day itself. Tokenisation does not solve the timing problem by definition. DLT may combine trading and settlement, but access to the cash leg, collateral, identity, custody, corporate actions and public-law intervention remains a matter of design and legal choice.

The largest regulatory gap is temporal rather than substantive. MiFID II, MiFIR, MAR, EMIR, CSDR, the Settlement Finality Directive and DORA contain powerful controls—but they do not yet specify the response time, staffing model or cross-border command structure for a market event that can become irreversible within seconds at 03:00 CET. Firms should therefore treat 24/7 trading as a target operating model, not simply a change to opening hours. Product design, client disclosures, best execution, market surveillance, liquidity, treasury, incident response, legal finality and supervisory escalation all need to be mapped to the same clock.

What peers are saying

The policy debate is moving quickly but remains fragmented. The Federation of European Securities Exchanges (**FESE**) is broadly confident that Europe can support venue-led extensions, provided that reporting, transparency, settlement, corporate-action, staffing and cyber issues are managed.[1] The International Organization of Securities Commissions (**IOSCO**) is more cautious: extended sessions may display thinner liquidity, wider spreads and trading conditions that differ materially from the main session.[2] The World Federation of Exchanges identifies the practical middle ground. A venue can extend its hours, but asynchronous CCP, CSD and RTGS windows make end-to-end continuity a coordination problem.[3] These positions do not necessarily conflict. They test readiness at different points in the transaction chain.

That divergence is useful. It shows that "readiness" depends on the layer being tested. The trading venue may be ready; the market as a legal chain may not be.

How other jurisdictions are approaching the same question

The EU is not acting in isolation. Other jurisdictions are testing extended-hours models, and their experience offers useful reference points:

- **United Kingdom**. UK authorities and market infrastructures are examining longer payment and settlement windows, while the United Kingdom plans to move to T+1 on 11 October 2027 alongside the EU and Switzerland. The Bank of England has decided to move the start of CHAPS settlement from 06:00 to 01:30,[4] with implementation targeted for September 2027, while continuing work towards broader availability. These developments may support longer trading sessions, but they do not yet amount to an end-to-end 24/7 securities-market model.

- **United States**. US equity markets have long offered pre-market and after-hours sessions, although liquidity and price formation may differ materially from the core session. The SEC's approval of 24X National Exchange and other venue proposals demonstrates regulatory openness to substantially longer securities-trading hours, subject to infrastructure, rulebook and investor-protection conditions. Separately, crypto-assets trade continuously on a mixture of regulated and offshore platforms. Those markets provide evidence of the operational and conduct risks that can arise outside conventional business hours, but they should not be treated as a single regulated-market model.[5]

- **Asia-Pacific**. A number of Asian derivatives markets already operate evening or night sessions designed to overlap with European or US trading. The relevant lesson is not that the region has achieved end-to-end 24/7 settlement. It is that venues can extend front-end access more quickly than the accompanying CSD, CCP, payment, collateral and central-bank-money infrastructure. Any named example should identify the relevant product and actual session hours and should not describe an existing night session merely as an initiative being explored.

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[1] Federation of European Securities Exchanges (FESE), "Note on 24-hour Trading in Europe" (8 May 2025).
[2] IOSCO, "Extended Trading Hours" (May 2026).
[3] Kaitao Lin, "Extending Exchange Trading Hours" (World Federation of Exchanges, 20 February 2026).
[4] Bank of England, 'Extending RTGS and CHAPS settlement hours: early morning extension' (Policy Statement, 24 February 2026)
[5] For contrast only: Securities and Exchange Commission, In the Matter of the Application of 24X National Exchange LLC for Registration as a National Securities Exchange, Release No 34-101777, File No 10-242 (27 November 2024) available here.

For EU-headquartered firms with global operations, the practical implication is that extended-hours capabilities developed for one jurisdiction may be reusable elsewhere—but the regulatory perimeter, settlement mechanics and supervisory expectations must be mapped market by market.

A longer trading day is not yet a continuously operating market

A venue may accept orders while the CCP, CSD, central-bank money, securities-lending, corporate-action and supervisory layers remain unavailable. The legal and commercial question is therefore not simply whether a venue may stay open. It is what the transaction becomes, who carries the risk and which authority can intervene while the rest of the chain is closed.

The questions firms should now answer

- ***Target state***: Is the project an extended conventional session, continuous trading with deferred post-trade, or genuine continuous delivery-versus-payment?
- ***Settlement asset***: Which security and cash assets are legally transferred, and when does each transfer become final?
- ***Operating clocks***: Which venue, CCP, CSD, payment, collateral, valuation and corporate-action windows remain discontinuous?
- ***Market controls***: Are surveillance, price collars, circuit breakers and best-execution processes calibrated for overnight liquidity?
- ***Intervention***: Who may halt or constrain activity out of hours, through which technical channel and within what maximum response time?
- ***Client position***: Do disclosures and contracts allocate the basis, funding, custody and operational risks created by asynchronous market functions?

24/7 trading is not a single operating model

Before assessing EU-law readiness, it helps to distinguish three models. Policy discussions often use extended hours, 24/7 trading and instant settlement as if they described one reform. They do not. Each model changes a different part of the transaction chain and therefore raises a different EU-law question.

Model	What changes	Principal EU-law question
Extended conventional session	The venue opens for more hours; clearing and settlement continue under existing cycles and windows.	Can overnight liquidity, surveillance, best execution, resilience and disclosure be made equivalent to the core session?
Continuous trading with deferred post-trade	The instrument or a wrapper trades continuously, but CCP, CSD, payment or underlying-market functions pause.	Who bears basis, funding and operational risk while the underlying rails are unavailable, and how is the difference disclosed?
End-to-end continuous market	Execution, clearing or risk management, settlement, custody, collateral and money operate continuously or on demand.	Can legal finality, liquidity, corporate rights and public intervention operate on the same time scale as automated transfer?

In further detail: Extended conventional sessions

Here the venue opens for longer while clearing and settlement retain existing cycles and operating windows. The immediate issues are liquidity quality, surveillance, best execution, disclosures, staffing and operational resilience during the additional session.

In further detail: Continuous trading with deferred post-trade

Here an instrument or wrapper trades continuously but clearing, settlement, payments or the underlying market pause. This model creates an explicit period in which basis, funding and operational risk accumulates outside the core session.

In further detail: End-to-end continuous markets

Here execution, risk management, settlement, custody, collateral and money operate continuously or on demand. That is the most demanding model because legal finality, liquidity and public intervention must operate on the same time scale as automated transfer.

The EU market architecture still runs on different clocks

Having distinguished the three models, the next step is to examine where EU market infrastructure already supports continuous operation and where timing gaps remain.

Trading can lengthen before settlement accelerates

The EU has chosen T+1 for transferable securities executed on trading venues, with the transition mandated for 11 October 2027.[6] This is a material infrastructure programme. It shortens the period for allocation, confirmation, securities borrowing, foreign-exchange funding and error correction. It does not require settlement at the moment of execution. Nor does it require T2S, a CSD or a cash settlement mechanism to operate continuously.

That separation is commercially important. Longer trading can increase the number of transactions accumulating while post-trade systems or funding markets are closed. Instant gross settlement may remove replacement-cost exposure for an individual trade yet increase intraday liquidity demand and remove the netting benefits that make modern markets scalable. Firms should resist project plans that describe these outcomes as a single linear modernisation.

The Eurosystem is already moving in this direction. Its May 2026 roadmap[7] records that T2 operates 22.5 hours per weekday and sets out a phased approach, beginning with improved instant-payment liquidity management and short liquidity-transfer windows on most weekends and TARGET holidays. Respondents

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[6] Regulation (EU) 2025/2075 amending Regulation (EU) No 909/2014 as regards a shorter settlement cycle in the Union [2025] OJ L, 23 October 2025; ESMA, “Central Securities Depositories”, confirming the 11 October 2027 transition date.
[7] European Central Bank, 'Eurosystem moves toward extending T2 operating hours' (28 May 2026) available here.

generally preferred gradual movement towards broader availability rather than an immediate change to every cut-off and value-dating rule. This is meaningful progress, but it remains a roadmap towards broader availability rather than an end-to-end 24/7 securities-settlement model.

The DLT Pilot is permissioned experimentation

The DLT Pilot Regulation allows DLT multilateral trading facilities, settlement systems and combined trading-and-settlement systems to obtain targeted exemptions subject to compensatory measures.[8] It is the closest EU framework to an integrated execution-and-settlement model. Even so, the Pilot preserves market-abuse rules, thresholds, permissions, transition strategies, liability and supervisory conditions. It demonstrates that some legacy provisions are poorly fitted to DLT. It does not establish a general right to operate a systemically important securities market without interruption.

The Commission's December 2025 Market Integration and Supervision Package seeks to reduce fragmentation, recalibrate the DLT Pilot and strengthen aspects of EU-level supervision.[9] It is directionally relevant, but it remains proposed legislation. More importantly, institutional centralisation is not the same as temporal readiness. A supervisor can have jurisdiction over a platform without having a continuously staffed and technically executable intervention capability.

Existing rules are necessary but not temporally complete

MiFID II and MiFIR already require resilient systems, algorithmic-trading controls, circuit breakers, transaction reporting, transparent markets and best execution. MAR requires surveillance and prompt disclosure of inside information. Authorities and venues have suspension and intervention powers.[10] RTS 6, RTS 7 and RTS 25 add detailed controls for algorithms, venue resilience and clock synchronisation.[11] These rules travel into an extended session. The unresolved questions concern calibration: which liquidity reference applies at 02:00; what constitutes an orderly market when the primary price-discovery centre is closed; and how quickly a cross-border authority must be able to act.

Post-trade law adds another clock, although that clock should not be equated mechanically with office hours. The Settlement Finality Directive defines a business day to include day and night-time settlements and all events occurring during a system's business cycle. The harder question is how the rules and operating windows of connected systems identify entry, irrevocability and finality when execution and ledger state can change continuously. 'Pause and contain' may remain legally feasible; an attempt to reverse a transfer after finality may collide with finality and insolvency protections. Rulebooks, transaction-state models and smart-contract controls should therefore distinguish cancellation before entry, suspension of new activity and correction after finality.

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[8] Regulation (EU) 2022/858 on a pilot regime for market infrastructures based on distributed ledger technology [2022] OJ L151/1 (DLT Pilot Regulation), arts 3-5 (infrastructure types and exemptions), art 6 (thresholds) and art 15 (transition strategies).

[9] European Commission, 'Market Integration and Supervision Package' (4 December 2025). The package remains a legislative proposal as at the date of this alert. For provision-specific assertions, refer to the relevant specific proposal rather than the package label.

[10] Directive 2014/65/EU (MiFID II), arts 17 (algorithmic trading controls) and 48 (systems and circuit breakers), arts 32 and 52 (suspension and removal of instruments); Regulation (EU) No 600/2014 (MiFIR), arts 3-11 (transparency), art 26 (transaction reporting), arts 40-43 (product intervention); Regulation (EU) No 596/2014 (MAR), arts 12–17 and 22–23.

[11] Commission Delegated Regulation (EU) 2017/584 (RTS 7, on organisational requirements for trading venues); Commission Delegated Regulation (EU) 2017/589 (RTS 6, on algorithmic trading); Commission Delegated Regulation (EU) 2017/574 (RTS 25, on clock synchronisation).

DORA gives firms a stronger framework for ICT risk, incident management, testing and third-party risk.[12] It does not answer which public authority is watching, who can instruct a halt, or how rapidly a legally valid direction can reach an automated market. An incident-reporting deadline is not a supervisory response standard.

Seven legal and operational questions that should not be collapsed into one

The table below maps seven layers of market activity to their 24/7 pressure points and practical consequences. Treating these as a single reform obscures where readiness already exists and where it does not.

Layer	24/7 pressure point	Practical consequence
Market integrity	Thin overnight books, cross-venue reference prices, surveillance handovers and news released while the primary market is closed.	Session-specific thresholds, disclosures and surveillance models may be required; a single daily calibration may misfire.
Best execution	Price, costs, speed, likelihood and venue choice can change when liquidity providers and correlated markets are absent.	Policies should define when overnight execution is available, how quality is measured and when orders are held for the core session.
Clearing and collateral	Margin calls can arise when treasury desks, eligible collateral markets or payment rails are unavailable.	The operating model needs prefunding, committed liquidity, collateral mobility and a transparent treatment of unmatched operating hours.
Settlement and finality	Continuous execution may feed a non-continuous CSD or cash leg; instant settlement reduces time for error correction.	Cut-offs, trade-date conventions, reject logic, legal finality and recovery procedures must be explicit.
Issuers and funds	Corporate-action record dates, inside information, closing prices, valuations and NAVs remain day-based.	Token or venue availability should not imply that shareholder rights, creation/redemption or valuation are continuously available.[13]
Operational resilience	Maintenance, deployment, reconciliation and cyber-response windows disappear.	Active-active capacity, controlled degraded modes and human escalation become part of the regulated service, not back-office detail.
Supervision	Risk can build across Member States and third-country venues outside ordinary staffing hours.	Firms need a named authority, a decision path and a tested technical channel for intervention.

[12] Regulation (EU) 2022/2554 on digital operational resilience for the financial sector [2022] OJ L333/1 (DORA), especially arts 5–16, 17–23 and 24–27. DORA requires ICT risk management proportionate to the function's criticality and the firm's operating model; it does not itself require every dependency to operate continuously.

[13] The propositions in this section are based on client experience and market observation; precise positions will vary by firm, product and market segment.

Why the existing EU architecture does not fully close the gap

The seven-layer analysis shows that EU law already regulates the relevant institutions, instruments and risks. The remaining weakness is not a blank perimeter but a mismatch between legal powers designed around business-day processes and market activity capable of changing state continuously. That mismatch appears most clearly in tokenised products and in the time needed to detect, authorise, execute and verify an intervention.

In further detail: Tokenised exposure is not always the underlying security

An always-on token can represent the security, a contractual claim on a custodian, a derivative exposure, a depositary interest or another wrapper. The legal classification determines whether the holder has voting, information, dividend, insolvency and proprietary rights. ESMA has warned that continuous tokenised equity exposure may not confer the rights of the underlying shareholder.[14] The correct disclosure is therefore not simply that a token "tracks" an EU share. Firms should identify the issuer, obligor, governing law, custody chain, redemption mechanics, market-hours mismatch and consequence of an outage or insolvency.

In further detail: The missing concept is regulatory latency

We describe this problem as regulatory latency: the time between a legally or operationally significant event becoming detectable and an authorised response taking effect and being verified. For automated and tokenised markets, authorities and operators should consider agreeing a regulatory-latency budget—the maximum tolerable period for completing that chain. This is a proposed supervisory framework rather than an existing defined EU-law requirement. That period has at least five components: detection, legal qualification, decision, execution and verification. At present, EU law tends to specify powers and reporting duties, not the end-to-end time in which the public and private response must complete.

This is not an argument for supervisors to approve each market action. It is an argument for intervention capability to be designed ex ante. Authorities and operators should agree the events that trigger enhanced monitoring; the data and legal facts required for a decision; the person or body authorised to act; the technical mechanism for a halt or constraint; and the evidence that the measure took effect. The faster and more irreversible the market process, the shorter the permissible latency.[15]

Why this matters for legislation, regulation and supervision

Four propositions should guide the next phase of EU reform:

1. Legislation should identify the legal asset that settles, the point of irrevocability and the treatment of insolvency, error and competing records; technical completion alone is insufficient.

2. Regulation should translate existing duties into session-sensitive standards for liquidity, surveillance, best execution, margin, disclosures, resilience and third-party dependencies.

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[14] Natasha Cazenave, ESMA Executive Director, keynote speech, "Capital Markets in the Digital Age" (1 September 2025), warning that always-on tokenised equity exposure may be a wrapper rather than the underlying share and may not confer shareholder rights.

[15] Tobias Adrian, "Tokenized Finance" (IMF Note 2026/003, 1 April 2026), on continuous liquidity management, automated settlement, margin and collateral and the need for legal certainty and appropriately fast official intervention.

3. Supervision should include a regulatory-latency budget: the maximum tolerable period from detection of an event to an authorised measure taking effect and being verified.

4. Cross-border arrangements should name the lead authority, out-of-hours decision rights, required data and the tested technical route by which a halt or constraint is implemented.

The analysis above applies across securities markets, but 24/7 readiness differs materially by asset class:

Asset-class considerations

- **Equities**. Cash equities face the tightest link between trading and corporate-action calendars. Record dates, dividend entitlements, proxy voting and index rebalancing remain day-based. Extended equity sessions therefore require clear trade-date conventions and disclosures on corporate-action cut-offs.

- **Fixed income**. Bond markets already accommodate cross-time-zone trading, but liquidity is episodic and settlement relies on ICSD and CSD windows. The main constraint is collateral mobility: repo, securities-lending and margin processes assume business-day access to eligible assets.

- **Listed derivatives**. Cleared derivatives add CCP margin cycles to the timing chain. Margin calls falling outside the availability of the relevant T2 transaction type, commercial-bank service, custodian or collateral-mobilisation window may create prefunding requirements. Default-management procedures must also remain executable when decision-makers, auction participants or supporting infrastructures are operating on different timetables.

- **Crypto-assets and tokenised securities**. MiCA governs crypto-assets that are not already regulated under existing EU financial-services law. Where a token qualifies as a financial instrument, MiFID II, MiFIR and MAR may apply. CSDR and the DLT Pilot apply only where their respective conditions are met: CSDR depends on the issuance and settlement structure, while the Pilot applies to authorised DLT market infrastructures and eligible DLT financial instruments within its scope and limits. A token or wrapper may itself constitute a different legal instrument from the security to which it refers. The analysis must therefore identify the legal instrument, issuer, obligor, rights, trading model and settlement infrastructure before assigning the regulatory perimeter.

Illustrative scenario: margin call at 02:00 CET

A clearing member holds a position in an equity-index future traded during an extended-hours session. Overnight volatility triggers an intraday margin call at 02:00 CET. T2 is operating in RTGS settlement window I, during which only ancillary-system settlement and liquidity transfers are processed. Depending on the CCP's payment arrangements, the member's ordinary payment, treasury or collateral channels may therefore be unavailable even though T2 itself is operating. Eligible collateral may also sit with a custodian whose mobilisation window opens later. If the position continues to move before the call can be met, the CCP may have to decide whether to liquidate in thin overnight liquidity or wait for additional infrastructure and market capacity to become available. The scenario illustrates that continuous trading does not necessarily provide continuous access to every form of payment, collateral mobilisation and risk management.

What this means for market participants

The analysis above identifies legal and operational gaps. The ten-point checklist below translates those gaps into concrete actions for firms planning or operating extended-hours or continuous markets.

1. **Choose the target state**. Define whether the project is 22/5 or 24/5 venue access, weekend access with deferred post-trade, or genuinely continuous delivery-versus-payment. Avoid using “24/7” as an architecture requirement.

2. **Map every clock**. Record venue sessions, trade-date rollovers, CCP cycles, CSD cut-offs, central and commercial bank money windows, collateral movements, FX liquidity, corporate-action dates, valuation points and maintenance periods.

3. **Document the legal perimeter instrument by instrument**. Separate the underlying security from wrappers and identify the MiFID/MiFIR, MAR, EMIR, CSDR, MiCAR, DLT Pilot, payments and national private-law consequences.

4. **Set session-specific market controls**. Back-test surveillance, price collars, order limits and circuit breakers using overnight liquidity and correlated-market availability rather than daytime averages.

5. **Re-paper best execution and client disclosure**. Explain when execution quality can differ, what references are used, whether orders may be held and who bears the risk while post-trade rails are closed.

6. **Build continuous treasury and collateral capability**. Test margin, prefunding and default scenarios that occur during central-bank, custodian or securities-lending downtime.

7. **Design for pause, not fictional rollback**. Align technical kill switches, transaction states, venue rules, finality provisions and client contracts.

8. **Agree supervisory escalation before launch**. Identify the home and host authorities, out-of-hours contacts, decision rights, data feed and method for implementing an instruction. Exercise the full chain.

9. **Treat third parties as part of the service**. DORA arrangements should cover cloud, oracle, node, custody, data, identity and smart-contract dependencies under an always-on operating model.

10. **Use a staged launch**. Instrument eligibility, participant access and volume limits should expand only when liquidity, settlement performance and incident response meet pre-agreed thresholds.[16]

Retail investor considerations

The analysis above focuses principally on institutional infrastructure, but extended-hours trading raises distinct conduct questions for retail investors. Where applicable to the service provided, suitability or appropriateness processes should take account of whether the client understands that an extended-hours session may involve thinner liquidity, wider spreads, different reference prices and more limited access to supporting services. Suitability under Article 25(2) MiFID II and appropriateness under Article 25(3) apply to different services and should not be presented as cumulative requirements for every retail transaction. Order-execution policies under Article 27 MiFID II should explain how execution quality is assessed when the main price-discovery venue or a reliable reference price is unavailable.

Order-handling disclosures should state whether retail orders will be held until the core session or executed immediately in an extended-hours book. Product-governance arrangements under Article 16(3) MiFID II and the MiFID II Delegated Directive should consider the product’s complexity, expected liquidity, price-discovery mechanism and the knowledge, experience, loss-bearing capacity and information access of the intended client group. For some complex or thinly traded products, firms may conclude that particular categories of retail investor belong in the negative target market. That is a product- and distribution-specific assessment, not an automatic consequence of extended-hours trading.

Employment and staffing considerations

[16] AFME, response to the Commission’s SIU consultation (June 2025), identifying resilience, cost, volatility, price formation and fragmentation risks and calling for analysis across trading and post-trade infrastructures.

Continuous operations require continuous staffing or credible automation supported by human escalation. The Working Time Directive[17] generally requires a minimum daily rest period of 11 consecutive hours and limits average weekly working time, including overtime, to 48 hours, subject to its detailed provisions and national implementation. Separate protections apply to night workers. Collective-bargaining, employee-representation or works-council requirements depend on the applicable national law, agreements and circumstances. Firms should therefore design shift, on-call and remote-working arrangements on a jurisdiction-specific basis rather than treating 24/7 staffing as a purely operational decision.

Cross-border remote-working arrangements add social-security, tax and regulatory-perimeter complexity. Firms should map critical functions—booking-model and loss-management coverage, surveillance, treasury, IT incident response, client-facing supervision—against staffing models that comply with applicable employment law and still meet regulatory expectations for continuous oversight.

Documentation considerations

Implementing the checklist above will require updates to contractual and policy documentation. Firms should apply a legal lens across six areas:

1. Client-Facing Contracts and Disclosures

Firms must re-paper best execution and client disclosure documentation to address the risk mismatch created by extended or continuous trading. The alert specifically asks whether current "disclosures and contracts allocate the basis, funding, custody and operational risks created by asynchronous market functions". Key priorities include:

- **Execution-quality divergence:** Explain clearly when overnight execution quality can differ from the core session, what reference prices and liquidity benchmarks are used, and whether orders may be held until the primary market reopens.

- **Risk allocation while rails are closed:** Identify who bears basis, funding and operational risk during periods when the CCP, CSD, payment or underlying-market functions are unavailable.

- **Settlement-asset clarity:** Specify which security and cash assets are legally transferred and when each transfer becomes final.

- **Wrapper vs. underlying:** Where tokenised products are offered, separate the underlying security from wrappers and disclose the issuer, obligor, governing law, custody chain, redemption mechanics, market-hours mismatch and consequence of an outage or insolvency.

2. Venue and Trading Rulebooks

Firms operating or accessing trading venues should ensure rulebooks address:

- **Session-specific market controls:** Surveillance, price collars, order limits and circuit breakers should be back-tested using overnight liquidity and correlated-market availability rather than daytime averages.

- **Halt and kill-switch design:** Technical kill switches, transaction states, venue rules, finality provisions and client contracts should be aligned around a "pause" rather than a "rollback" model, because reversal may collide with finality and insolvency protections.

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[17] Directive 2003/88/EC concerning certain aspects of the organisation of working time [2003] OJ L299/9, arts 3, 6 and 8.

3. Post-Trade Agreements

Clearing, settlement and custody documentation must reflect:

- **Margin, pre-funding and default scenarios:** Contracts with CCPs, CSDs and custodians should address margin calls that arise when treasury desks, eligible collateral markets or payment rails are unavailable, including prefunding, committed liquidity, collateral mobility and a transparent treatment of unmatched operating hours.

- **Cut-offs, trade-date conventions and reject logic:** Settlement and finality provisions, along with recovery procedures, must be explicit.

- **Finality and correction:** Rulebooks and smart-contract controls should distinguish cancellation before acceptance, suspension of new activity and correction after finality.

4. Third-Party and ICT Arrangements

- **DORA arrangements**. Contracts, service levels, contingency arrangements and exit strategies for relevant ICT third-party services should be reviewed against the criticality of the supported function and the operating model offered to clients. Where a firm promises continuous or extended-hours availability, its cloud, data, identity, custody-interface, node and other relevant ICT dependencies should support that model or be subject to transparent limitations and effective contingency arrangements. Not every oracle, custodian or smart-contract dependency is necessarily an ICT third-party service within DORA; the legal characterisation should be assessed function by function.

5. Internal Policies and Procedures

- **Operating-clock mapping:** Record venue sessions, trade-date rollovers, CCP cycles, CSD cut-offs, central and commercial bank money windows, collateral movements, FX liquidity, corporate-action dates, valuation points and maintenance periods — and surface where asynchronous windows create gaps.
- **Supervisory escalation protocols:** Policies should identify the home and host authorities, out-of-hours contacts, decision rights, data feeds and the method for implementing an instruction, exercised end-to-end before launch.

- **Regulatory-latency budgeting:** Internal incident-response policies should incorporate a "regulatory-latency budget" — the maximum tolerable period from event detection to an authorised measure taking effect and being verified — with clear ownership across detection, legal qualification, decision, execution and verification stages.

In summary the above means:

Documentation Type	Key Legal Priority
Client terms / disclosures	• Allocate basis, funding, custody and operational risk; disclose execution-quality differences; distinguish wrapper from underlying
Best-execution policies	• Define when overnight execution is available, how quality is measured and when orders are held
Venue rulebooks	• Session-specific controls; pause-not-rollback halt logic
CCP / CSD / custody agreements	• Prefunding, margin timing, collateral mobility, finality and reject logic

Documentation Type	Key Legal Priority
Third-party / ICT contracts	• Always-on service-level commitments under DORA
Internal policies	• Clock mapping; supervisory-escalation protocols; regulatory-latency budgeting
Cost and resource implications	The ten-point checklist and documentation priorities above describe what firms must do. Boards and management committees will also ask how much it costs and how long it takes. Precise figures depend on the firm’s starting point, target model and asset-class scope. The following are illustrative planning assumptions only. Actual timing and cost will depend on the asset class, target operating model, jurisdictions, infrastructure dependencies, contractual perimeter, automation level and existing out-of-hours capability. These bands are not market averages or regulatory implementation periods. • **Policy refresh (low intensity)**. Where a firm already operates extended hours or offers crypto-asset services, the main task is aligning existing policies, disclosures and contracts with the framework above. This is typically a three-to-six-month legal and compliance exercise with limited technology spend. • **Targeted build (medium intensity)**. Where a firm is launching a new extended-hours product, onboarding to a DLT venue or preparing for T+1, the programme involves technology, operations, legal and compliance workstreams running in parallel. Expect a 12-to-18-month implementation with dedicated project resources and material third-party spend on connectivity, testing and external advice. • **Operating-model transformation** (high intensity). Where a firm is moving from business-day operations to a genuinely continuous model—staffing, treasury, surveillance, incident response—the programme is a multi-year transformation comparable in scale to a core-system replacement or post-merger integration. Board sponsorship, ring-fenced budget and phased delivery are essential.

What are peers doing?

Market-participant readiness. Publicly available information does not support a single maturity assessment across the sell side, buy side and retail market. Large cross-border firms may already support near-continuous activity in selected asset classes, but that does not establish equivalent readiness across securities execution, clearing, settlement, treasury, collateral, compliance and client servicing. Buy-side demand and retail-platform strategies also vary by product and jurisdiction. Any maturity assessment should therefore be presented as a non-exhaustive observation from client and market experience rather than as an empirical market finding.

- **Venues and market infrastructure**. Market practice remains uneven. Public evidence supports growing interest in longer securities-trading sessions, particularly in the United States, while European industry material continues to emphasise liquidity concentration, operational readiness and work-life considerations. Firms should distinguish the technical availability of a trading platform from the legally defined operating hours of a regulated venue. They should also verify the relevant CCP, CSD, payment and collateral windows before describing a product or service as operating on a continuous basis. We have not identified a major EU securities-settlement model that currently provides end-to-end 24/7 settlement in central-bank money.

- **Sell-side firms**. Large investment banks with global footprints already operate near-continuous dealing desks for FX, rates and some equity products. For these firms, the incremental effort is connecting to new venue sessions and updating client disclosures. Mid-tier and regional firms are earlier in their planning cycles.

- **Buy-side firms**. Asset managers and institutional investors are largely reactive—they will access extended sessions when their brokers and custodians support them, but few are proactively demanding

24/7 capability. The exception is crypto-native funds and some hedge funds with global macro strategies.

- **Retail platforms**. Neo-brokers and crypto exchanges already offer continuous trading for digital assets. Some are exploring extended hours for traditional securities to differentiate their offering. Conduct risk and product governance remain key supervisory focus areas.

What to watch next

Five developments will shape when and how these priorities become binding:

1. EU T+1 implementation will show whether post-trade processes can align across venues, CCPs, CSDs, custodians, foreign exchange and securities lending before 11 October 2027.

2. MISP negotiations will determine how far the DLT Pilot and EU-level supervision move towards scalable integrated infrastructure.

3. IOSCO, ESMA and national authorities may define more specific expectations for extended-session liquidity, surveillance, disclosure and governance.

4. Changes to T2S, central-bank money, payment and collateral windows will determine whether post-trade can keep pace with trading.

5. Evidence from extended-hours venues will test whether overnight price discovery can support broader instruments and investor access.

How we can help

Turning these priorities into a structured implementation plan requires cross-functional coordination. We can support product approval, venue-rule changes, DLT Pilot applications, T+1 programmes and supervisory engagement. A "**24/7 Market Readiness Review**" maps operating clocks, the legal perimeter, settlement assets, liquidity and collateral, session controls, third-party dependencies and the intervention path, then converts them into a staged implementation plan.

Outlook

The commercial opportunity is real, but so is the risk of building a continuous user interface over a discontinuous legal infrastructure. Firms planning extended-hours or tokenised products should map every operating clock, document the legal perimeter instrument by instrument, and stress-test treasury, collateral and incident-response capabilities against out-of-hours scenarios. Europe will be closest to genuine 24/7 readiness when the policy conversation shifts from whether markets can remain open to whether every layer of the transaction chain—execution, clearing, settlement, custody, corporate actions and public intervention—can respond on the same time scale.

The EU does not need to rewrite its entire financial-services rulebook before venues extend their hours. MiFID II, MiFIR, MAR, EMIR, CSDR, settlement-finality law and DORA already regulate the relevant institutions, instruments and risks. What remains incomplete is their temporal and operational calibration. Negotiations on the proposed Settlement Finality Regulation should preserve technology-neutral legal outcomes and clarify how DLT consensus events map to entry, irrevocability and finality. Level 2 and Level

3 measures should translate existing duties into session-sensitive standards for liquidity, surveillance, best execution, margin, disclosure and resilience. Supervisory arrangements should establish out-of-hours contact points, decision rights, required data and tested technical channels for intervention. Until each legally significant function can keep pace with automated execution, extended trading will remain a longer front end attached to intermittently available rails rather than a continuously operating market.

A final note on the policy debate: not all stakeholders agree that continuous markets are beneficial. Critics argue that 24/7 trading primarily serves high-frequency participants and may expose retail investors to thinner liquidity, wider spreads and impaired price discovery. Consumer advocates also question whether circuit breakers, price collars and reference-price methodologies will be calibrated effectively for thin or disconnected sessions. The concern is not the general legal absence of circuit breakers on regulated markets, but whether session-specific controls, thresholds, reference prices and intervention arrangements remain effective outside the core session. Inadequate calibration or incomplete coverage may amplify losses. These concerns are legitimate and should inform product governance, disclosure and target-market assessments. The question is not whether 24/7 trading is inherently good or bad, but whether the legal, operational and conduct infrastructure can keep pace with the technology. This alert takes no position on whether continuous markets should expand—only on what firms must do if they choose to operate in them.

About us

PwC Legal is assisting financial services firms and market participants in forward planning for relevant developments. We have assembled a multi-disciplinary and multijurisdictional team of sector experts to support clients in addressing challenges and opportunities and to engage with their market stakeholders and regulators.

Moreover, we have developed a number of RegTech and SupTech tools for supervised firms, including PwC Legal's Rule Scanner tool, backed by a trusted set of managed solutions from PwC Legal Business Solutions, allowing for horizon scanning and risk mapping of all legislative and regulatory developments as well as sanctions and fines from multiple thousands of legislative and regulatory policymakers and other industry voices in over 170 jurisdictions impacting financial services firms and their business.

Equally, in leveraging our Rule Scanner technology, we offer a further solution for clients to digitise financial services firms' relevant internal policies and procedures, create a comprehensive documentation inventory with an established documentation hierarchy and embedded glossary that has version control over a defined backward plus forward looking timeline to be able to ensure changes in one policy are carried through over to other policy and procedure documents, critical path dependencies are mapped and legislative and regulatory developments are flagged where these may require actions to be taken in such policies and procedures.

The PwC Legal Team behind Rule Scanner are proud recipients of ALM Law.com's coveted "2024 Disruptive Technology of the Year Award" and the "2025 Regulatory, Governance and Compliance Technology Award in 2025".

If you would like to discuss any of the developments mentioned above, or how they may affect your business more generally, please contact any of our key contacts or PwC Legal's RegCORE Team via de_regcore@pwc.com or our website.

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