

## Press Release

### **Pakistan Capital Market Successfully Transitions to the T+1 Settlement Cycle**

**Karachi, February 10, 2026** — Pakistan’s Capital Market has officially transitioned to the T+1 settlement cycle, a landmark reform that strengthens efficiency, reduces risk and aligns the country with international best practices. Effective from February 9, 2026, all eligible trades at the Pakistan Stock Exchange (PSX) are now settled on a Trade plus one (T+1) basis, replacing the previous T+2 cycle.

The transition has been implemented under the guidance of the Securities and Exchange Commission of Pakistan (SECP), through close collaboration among Pakistan Stock Exchange (PSX), National Clearing Company of Pakistan Limited (NCCPL), Central Depository Company (CDC), Pakistan Stock Brokers Association (PSBA), State Bank of Pakistan (SBP), Pakistan Banks Association (PBA), Mutual Fund Association of Pakistan (MUFAP), securities brokers, custodian clearing members, asset management companies, settling banks, E-Clear and other non-broker clearing members.

The transition aligns Pakistan’s Capital Market with leading markets such as the United States, Canada, Mexico, Argentina, Jamaica, and China, which have already adopted shorter settlement cycles. Europe, the UK and Switzerland are set to follow by 2027. By moving early, Pakistan positions itself ahead of several advanced markets and demonstrates its commitment to modernization and investor protection.

The transition to the T+1 settlement cycle brings important advantages for Pakistan’s capital market. It enables faster access to funds and securities, improving liquidity, while reducing settlement and counterparty risk through shorter exposure periods. Quicker trade finalization enhances efficiency and the reform strengthens investor confidence, particularly among institutional and foreign investors. Together, these benefits support a stronger and more resilient market aligned with global best practices.

Dr. Kabir Ahmed Sidhu, Chairman SECP, commended the Pakistan Stock Exchange, the Central Depository Company, and the National Clearing Company of Pakistan for the successful implementation of the T+1 settlement system.

He stated that the reform brings Pakistan’s capital market at par with modern jurisdictions by accelerating trade settlement, reducing counterparty and market risks, and enhancing liquidity. He added that the adoption of T+1 will strengthen investor confidence and align Pakistan’s capital market with evolving international standards and global best practices.

As a broader policy initiative, this milestone reflects SECP’s commitment to modernizing capital markets, reducing systemic risk, and strengthening investor protection. PSX, NCCPL, and CDC reiterate their congratulations to all stakeholders for their collective efforts in making this transition a success.