

Banks, financial institutions, banking industry organisations
and other stakeholders
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Consultation: Adjustments to the operating schedule for Norges Bank's settlement system (NBO) and extended opening hours until 18:00.

Norges Bank's letter of 3 November to banks, financial institutions, banking industry organisations and other stakeholders.

Norges Bank is tasked with promoting an efficient and secure payment system and facilitating the central settlement system. Norges Bank is the ultimate settlement bank in the Norwegian payment system. All payments made in NOK are ultimately settled between banks in Norges Bank's settlement system (NBO). The securities settlement system (VPO) has a cash leg and a securities leg, which depend on simultaneous transfer of securities and cash. When a security is sold, the security itself is transferred from the vendor's account to the buyer's account in the Norwegian central securities depository, Euronext Securities Oslo (ES-OSL), while the cash leg is settled at Norges Bank. The settlement of securities takes place three times per day.

The EU Commission and the European Securities and Markets Authority (ESMA) have proposed and prepared for a transition to T+1 in the EU and EEA with the aim to implement the transition on 11 October 2027.¹ The transition to T+1 will involve settlement of a trade taking place within one working day (T+1) instead of two working days (T+2) as is currently the case. As these rules are considered EEA relevant, Finanstilsynet (Financial Supervisory Authority of Norway) is tasked with following up. Norwegian participants should plan to adapt in line with the EU.² ES-OSL has requested that Norges Bank assesses whether NBO has the operational capacity for a new, fourth daily VPO settlement in NBO. Norges Bank will assess how the adjustments to T+1 and an extra VPO settlement can be supported by NBO. This involves changing settlement times and NBO's operating schedule to align with current practices in the EU, including necessary adjustments to cut-off times and opening times.

Major changes to the terms and conditions for account management³ at Norges Bank and the operating schedule for NBO will be circulated for comment before they are determined. With this consultation letter, Norges Bank invites the financial sector and other stakeholders to submit

¹ [Nye regler for verdipapiroppgjør før overgangen til kortere oppgjørssyklus for verdipapirer \(T+1\) - Finanstilsynet.no](#) [New rules for securities settlement before the transition to a shorter securities settlement cycle (T+1)] (in Norwegian only)

² [Anbefalinger til markedsaktører i forbindelse med overgangen til en kortere oppgjørssyklus \(T+1\) - Finanstilsynet.no](#) [Recommendations to market participants in connection with the transition to a shorter settlement cycle (T+1)] (in Norwegian only)

³ [Terms and conditions for account management at Norges Bank from 15 April 2024](#)

their assessments of adjustments to NBO's operating schedule and extended opening hours to 18:00.

Input from the consultation will support Norges Bank's further work to assess and decide on necessary adjustments to VPO and NBO for a transition to T+1.

Norges Bank requests input by 19 December. Please send your consultation response with the subject field: "Consultation: Adjustments to the operating schedule for NBO and extended opening hours until 18:00" to post@norges-bank.no. Consultation responses will be published on Norges Bank's webpage.

Thank you for your participation!

Sincerely,

Steinar Årdal
Executive Director
Interbank Settlement Unit

Elisabeth Lervik
Deputy Executive Director
Interbank Settlement Unit

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More detailed information about the consultation:

This section gives both information and directs attention to information sources that are relevant for the consultation response and questions.

Norges Bank's role

Pursuant to Section 1-2, Section 1-3 and 3-3 of the Act relating to Norges Bank and the monetary system etc (Central Bank Act), Norges Bank is tasked with promoting an efficient and secure payment system and facilitating the central settlement system. The objective of Norges Bank's settlement system is to process secure and efficient payment settlement between banks and other institutions in the financial sector that have an account at Norges Bank. Norges Bank is the ultimate settlement bank in the Norwegian payment system. All payments made in NOK are ultimately settled between banks in Norges Bank's settlement system (NBO).

In Norway, securities settlements are processed through the central securities depository (CSD) and payment in is made in central bank money. Rights to securities are registered to CSD accounts, which are operated by Euronext Securities Oslo (ES-OSL). The cash leg of the trade is settled in Norges Bank's settlement system. To ensure delivery-versus-payment, the settlements in ES-OSL and NBO are synchronised.

For more information about NBO and VPO

- [Terms and Conditions for Account Management at Norges Bank](#)
- [Operating schedule for NBO](#)
- [Norway's financial system](#)
- [Annual Reports - Norges Bank's settlement system](#)

Information regarding T+1 from ES-OSL

The EU Commission and the European Securities and Markets Authority (ESMA) have proposed and planned for a transition to T+1 in the EU and EEA with the implementation date set as 11 October 2027.⁴ As these rules are considered EEA relevant, Finanstilsynet (Financial Supervisory Authority of Norway) is tasked with following up. Norwegian participants are expected to adapt in line with the EU.⁵ The US, Canada and Mexico have already implemented T+1 since May 2024 following recommendations from the SEC (US Securities and Exchange Commission).

Transitioning to T+1 means that the time between the initiation and settlement of a securities trade is one working day at most, instead of two working days (T+2) as is currently the case. This will result in faster settlement, reduced counterparty risk and impose tighter requirements for liquidity management and operational coordination. The advantages include: reduced risk, faster access to liquidity, lower margin requirements for use of central counterparties (CCP) and

⁴ [Nye regler for verdipapiroppgjør før overgangen til kortere oppgjørssyklus for verdipapirer \(T+1\) - Finanstilsynet.no](#)
[New rules for securities settlement before the transition to a shorter securities settlement cycle (T+1)] (in Norwegian only)

⁵ [Anbefalinger til markedsaktører i forbindelse med overgangen til en kortere oppgjørssyklus \(T+1\) - Finanstilsynet.no](#)
[Recommendations to market participants in connection with the transition to a shorter settlement cycle (T+1)] (in Norwegian only)

improved investor protection. At the same time, it may impose difficulties, such as less time to manage non-reconciled trades, liquidity needs and cross-border securities transactions.

In April 2025, ES-OSL established the national T+1 working group, with participants such as market participants and a central counterparty and observers from Finanstilsynet (Financial Supervisory Authority of Norway) and Norges Bank. The working group aims to identify the necessary market and system adaptations to maintain efficiency and timely settlement in the transition from T+2 to T+1. Currently, Norway has a cut-off time for securities settlement instructions at 14:15 and the last securities settlement is processed in NBO at 14:30.

The working group has highlighted that the current Norwegian securities settlement instruction deadline is too early for a T+1 model. In line with the EU T+1 Industry Committee's recommendation, the cut-off time for securities trades will be 16:00. The calculation of the securities settlement (VPO) will be at 16:15, and VPO will be settled in NBO shortly thereafter. The Norwegian adjustment to T+1 will affect both the VPO process and the operating schedule for NBO. Therefore, ES-OSL has requested that Norges Bank assess whether NBO has the operational capacity for an extra VPO settlement in NBO at around 16:00 CET in connection with the implementation of T+1. An extra securities settlement will necessitate an adjustment to NBO's operating schedule, including opening hours and end-of-day processes.

The current operating schedule for NBO and the need for adjustments

In line with recommendations, the Norwegian market must facilitate settlement of the cash-leg in NBO at around 16:20. An extra NICS net clearing is needed after the last VPO clearing to support the necessary redistribution of liquidity and payment flows between banks. Therefore, Norges Bank is considering adjusting the operating schedule to accommodate this, meaning that NBO will close at 18:00. The adjustments must be considered along with other daily settlements and system dependencies to ensure a coordinated and efficient implementation. Chart 1 illustrates the current operating schedule, and chart 2 illustrates the proposed changes after transitioning to T+1.



Chart 1 The current operating schedule

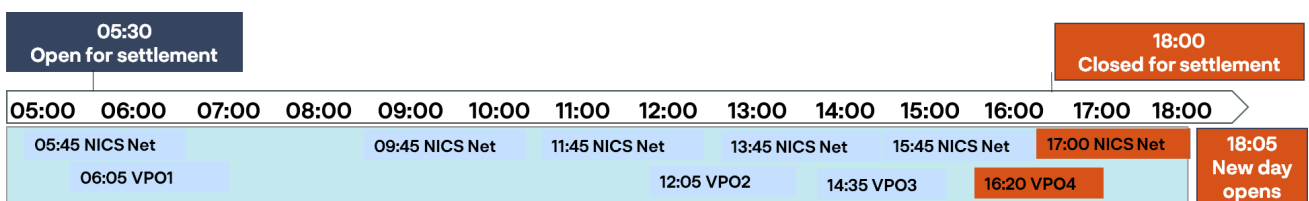


Chart 2 An updated operating schedule after transitioning to T+1

Adjustments to Norges Bank's liquidity management as a result of an altered operating schedule for NBO

After the last NICS net clearing is posted in NBO, there is a window of time in the current operating schedule before NBO closes when Norges Bank conducts any necessary market operations (F-auctions) and the banks redistribute central bank reserves to be below their respective reserve quotas, in line with the current liquidity policy. The proposal for a new operating schedule for NBO will continue to contain this window.

In the current schedule, F-auctions are made between 15:50 and 16:10. If the last NICS net clearing is moved to 17:00, this will result in a shift in the window of time in which ordinary F-auctions are carried out to between 17:20 and 17:40.

Consultation questions

One of the working group's key recommendations is that the last securities settlement batch is moved to 16:15, thus the cash settlement will be sent to NBO at 16:20. This will require a new NICS net clearing at around 17:00, and for NBO to close at around 18:00. The purpose of this consultation is to obtain views on which adjustments are needed to VPO settlement and NBO's operating schedule to enable such harmonisation, as well as to identify risk factors that can prevent or delay the implementation. Input from the consultation will support Norges Bank's further work to assess and decide on necessary adjustments to VPO and NBO for a transition to T+1 consistent with ESMA and European harmonisation.

Questions that we would like your views on are listed below.

Adjustments to NBO's operating schedule

A new VPO settlement (in consultation with Euronext Securities Oslo)

- What do you consider to be the operational consequences of a new VPO batch with the cash leg settling in NBO at around 16:20 CET.

New NICS net clearing after the last VPO (in consultation with Bits)

- What do you consider to be the operational consequences of an extra NICS net clearing after a new VPO settlement.
- Give input on the required length of time between a new VPO settlement and the delivery deadline for the new NICS net settlement
- If relevant, describe expected volumes and payment types that will be included in the new NICS net settlement

NBOs operating schedule

- What do you consider the operational consequences to be of extending NBO's opening hours to 18:00, the deadline for gross payments and potential market operations. Please also include a suggestion of the buffer time between settlements.

Other factors of importance:

- Include your assessment of whether there are other factors of importance for your operations, eg liquidity management, delay management and extended opening hours.

