

28 November 2019

Circular on Regulation (EU) No 909/2014 - the Central Securities Depositories Regulation (CSDR)

Improving Securities Settlement in the European Union and on Central Securities Depositories (CSDs)

This circular is being addressed to market participants and all interested stakeholders, in particular to investment firms authorised pursuant to Article 5 of Directive 2014/65/EU and professional clients as referred to in Annex II to Directive 2014/65/EU.

The contents of this circular shall be read in conjunction with the [CSDR](#), the European Securities and Markets Authority ('ESMA') guidelines on Internalised Settlement reporting¹, Commission Delegated Regulation (EU) 2017/3912 ('RTS on Internalised Settlement'), Commission Implementing Regulation (EU) 2017/3933 ('ITS on Internalised Settlement') and previous circulars issued by the Authority, specifically the [circular](#) issued on 16 September 2019.

Background

Through its circular dated 16 September 2019, the Authority had informed market participants that it was working on a submission platform enabling settlement internalisers to report to the Authority, on a quarterly basis, the aggregated volume and value of all securities transactions they settle outside securities settlement systems.

Settlement Internalisers Platform

The Malta Financial Services Authority ('the Authority') would like to inform market participants that the development of the settlement internalisers platform has been completed. In this regard, the Authority is in the process of setting up the test environment.

During testing period, the Authority will conduct User Acceptance Tests ('UAT') and will require settlement internalisers to upload their XML files and report any bugs encountered during the process.

¹ https://www.esma.europa.eu/sites/default/files/library/esma70-151-1258_final_report_-_csdr_guidelines_on_internalised_settlement_reporting.pdf

² <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R0391&from=EN>

³ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R0393&from=EN>

Test Environment

The test environment will be available from 2 December 2019 through 14 December 2019. Investment Firms acting as settlement internalisers and willing to participate in the testing are kindly requested to contact the Authority by Monday, 2 December 2019 and provide the Authority with the public IP address of the workstation which will be used for testing, together with the LH Portal account email.

Settlement internalisers are reminded that data should be submitted in XML format, conforming with the XSD schema provided by ESMA (*vide* the [Circular](#) published on 16 September 2019).

Furthermore, the Authority has, on Thursday 28 November, published the Guidelines on the Submission of Internalised Settlement Reporting and can be found [here](#).

The guidelines help settlement internalisers through the process of submitting reports on LH Portal and provide useful information regarding the file convention.

Contacts

Should you have any queries on the above, please do not hesitate to contact us on csdr@mfsa.com.mt for any further clarifications.

Investment firms wishing to participate in the testing phase are also required to contact the Authority via the abovementioned email address.