

30 July 2025

Circular on Regulation (EU) 909/2014 – the Central Securities Depositories Regulation ('CSDR')

This Circular is being addressed to all interested stakeholders, in particular to Central Securities Depositories ('CSDs'), its participants, investment firms and other market infrastructures.

This Circular should be read in conjunction with the Regulation, its Delegated Regulations and previous Circulars issued by the Authority, as the case may be.

Purpose of the Circular

The Authority would like to inform market participants that on the 30 June 2025, the EU T+1 Industry Committee (the 'Committee') has finalised and published its [High-Level Road Map](#) (the 'HLRM') for the transition to a T+1 settlement cycle for securities. Accordingly, the European Securities and Markets Authority (the 'ESMA') had launched a feedback phase up until 31 August 2025 to gather additional input from stakeholders, which may support the Committee's future work.

This roadmap outlines recommendations directed at specific groups and strategic transition from the current T+2 settlement cycle to a T+1 settlement cycle, with an implementation date set for 11 October 2027.

Overview

The transition to T+1 settlement is a significant step towards aligning European markets with other major global economies. Whilst the aim of the transition is to enhance the efficiency, competitiveness, and modernity of the EU's market infrastructures, the HLRM emphasizes the importance of collaboration among European Associations, market infrastructure providers, market users, and public authorities. The HLRM also includes high-level recommendations for market participants to ensure proactive engagement, smooth transition, and stresses the need for robust technological upgrades and collaboration across all market sectors. Similarly, continuous dialogue with the UK Accelerated Settlement Taskforce and the Swiss Securities Post-Trade Council is highlighted as

beneficial to ensure efficient cross-border settlement and encourage reduction of the systemic risk across interconnected European markets.

Further to the above, the HLRM focuses on several critical areas, including the standardisation of processes to ensure uniformity in settlement processes across the EU, technological enhancements to upgrade technology and infrastructure to support the new settlement cycle, and regulatory support to identify and address regulatory barriers to facilitate a smooth transition.

The HLRM also sets out clear timelines for the necessary changes, with the final transition to T+1 settlement scheduled for 11 October 2027 as well as interim milestones including the development of detailed market practices, monitoring of implementation, and preparation for the testing phase.

The EU T+1 Industry Committee's press release highlights the collaborative efforts and the importance of enhancing automation and eliminating manual interventions across all stages of the post-trade lifecycle. The full press release can be accessed [here](#).

Lastly, all market participants are also invited to visit ESMA's webpage on "*Shortening the settlement cycle to T+1 in the EU*" that provides further insights into the regulatory standards and governance structures supporting this transition. For the ease of reference, the webpage can be accessed through the following [link](#).

Next Steps

The MFSA encourages all stakeholders to review the High-Level Road Map, in order to individually identify those recommendations that are relevant to them, based on their respective business model and begin preparations for the transition to T+1 settlement. It is crucial to engage with the recommendations and timelines outlined to ensure compliance and operational readiness.

Whilst the compliance with each recommendation is not mandated, nonetheless, market participants who choose not to adhere to a recommendation, or who cannot adhere to the recommendation within the indicated deadline, are expected to inform their relevant stakeholders, providing an explanation for their non-adherence, and to agree alternatives that minimise any resulting negative impacts.

Stakeholders are also invited to provide feedback on the roadmap by clicking [here](#).

Contacts

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