

25 November 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 13 October 2025, the European Securities and Markets Authority (ESMA), the EU financial markets regulator and supervisor, has published its [final report](#) recommending significant amendments to the Regulatory Technical Standards (RTS) amending the settlement discipline regime under the Central Securities Depositories Regulation (CSDR). The Final Report introduces a series of targeted reforms aimed at improving settlement efficiency and supporting the transition to **T+1 settlement by 11 October 2027**.

Furthermore, MFSA would like to inform that the EU T+1 Industry Committee's has launched its first [readiness survey](#), which will be **open until 19 December 2025**.

Overview – Amendments to Settlement Discipline Regime

The amendments reflect feedback received during ESMA's consultation and are designed to align EU settlement practices with international standards. Notable changes include:

- **Trade Date Deadlines:** Professional clients shall ensure that allocation and confirmations details are received by Investment firms as soon as possible and no later than by **23:00 CET on the trade date**, aligning operational timelines with settlement cycles. Accordingly, Investment firms must require their retail clients to send them all the relevant settlement information as soon as possible and no later than **by 23:00 CET** on the business date the transaction took place.

- **Standardised Communication:** Mandatory use of electronic, machine-readable formats for allocations and confirmations, with exceptions only in cases of documented disruptions.
- **Open Communication Standards:** Compulsory use of international open communication procedures and standards for messaging and reference data exchange.
- **Reference Data Requirements:** Investment firms must require their professional clients to provide all reference data necessary to settle trades in standardised, electronic and structure format sufficiently in advance to ensure timely settlement of transactions.
- **Settlement Instruction Deadlines:** Settlement instructions must be submitted to the securities settlement system as soon as possible and no later than by **23:59 CET on the trade date**.
- **Mandatory CSD Functionalities:** Repeal of Article 12 of the RTS, making auto-partial settlement, hold and release, and auto-collateralisation mandatory for all central securities depositories (CSDs).
- **Settlement fails:** introduction of additional measures to address settlement fails such as enhanced monitoring by CSDs, monthly reporting by members having the highest rates of settlement fails, more granular disclosures by CSDs on settlement fails.
- **Phased Implementation:** The reforms will be phased in starting December 2026, culminating in full implementation by October 2027.

Readiness Survey

Approaching the halfway point toward T+1 implementation, the EU T+1 Industry Committee has launched its first comprehensive survey to evaluate industry progress in adopting the [High-Level Roadmap recommendations](#).

To capitalize on the work the Industry Committee and wider securities industry have done this year preparing for the move to T+1, the Industry Committee would like to assess the level of alignment with the High-Level Roadmap recommendations. This survey will be the first of a number of planned monitoring initiatives over the next 2 years which we the EU T+1 Industry Committee is conducting with the support of The ValueExchange.

Further information on this survey is available on the homepage of the EU T+1 Industry Committee website. Please find [here the link](#) to the survey and the relevant [guidance note](#).

Next Steps

The draft amendments have been submitted to the European Commission, which has three months to decide on their adoption. Stakeholders are **strongly encouraged to review the Final Report** and assess the implications of the proposed changes on their operational models, IT systems, and compliance frameworks.

Notwithstanding the above, MFSA strongly invites market infrastructures and financial intermediaries to initiate internal assessments to ensure readiness for the transition to T+1 and coordinate with service providers and clients to align processes with the new regulatory requirements. The Authority strongly encourage stakeholders to participate in the EU T+1 Industry Committee's first [readiness survey](#), which will be open until **19 December 2025**.

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.