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# EU T+1 Transition: National Lead, Governance, Timeline, and Resourcing

Capital Markets Supervision



# EU T+1: What, Why, When



**Objective**

Shorten the EU settlement cycle to T+1 to improve market efficiency and reduce risk



**EU governance**

ESMA/EC/ECB Coordination Committee plus EU Industry Committee (workstreams)



**Key milestones reached**

- Governance launch 22/01/25;
- EU Roadmap June 2025;
- Additional Guidance 22/12/25 (SSIs, SFT, partials);
- RTS timing signalled Q1 2026;
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- target EU cutover **11 Oct 2027**



**Implication for Malta**

National plan must mirror EU cadence and T2S dependencies

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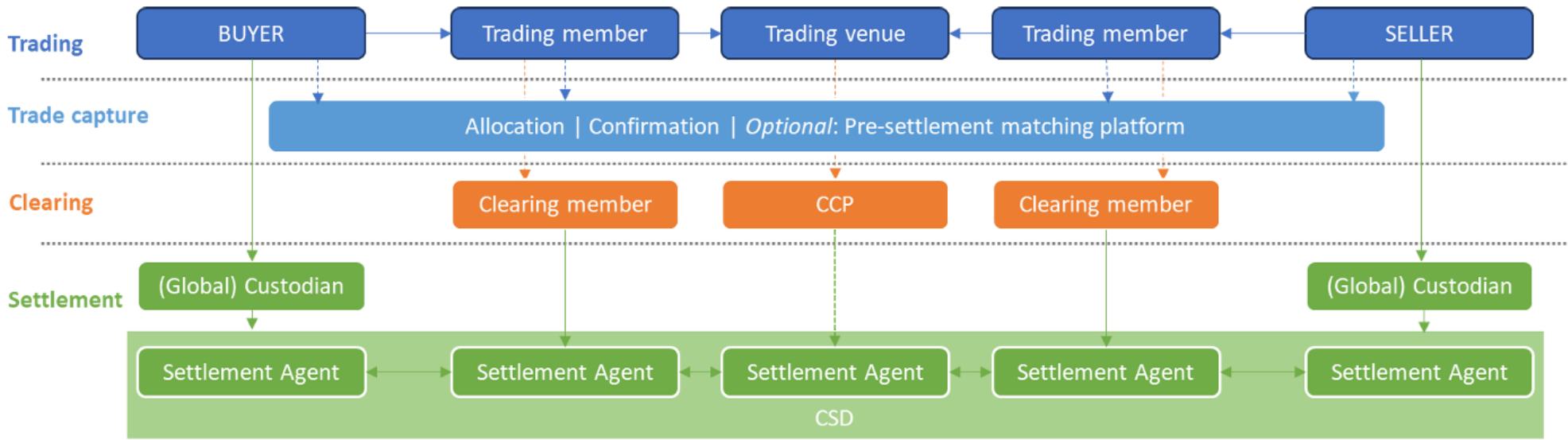
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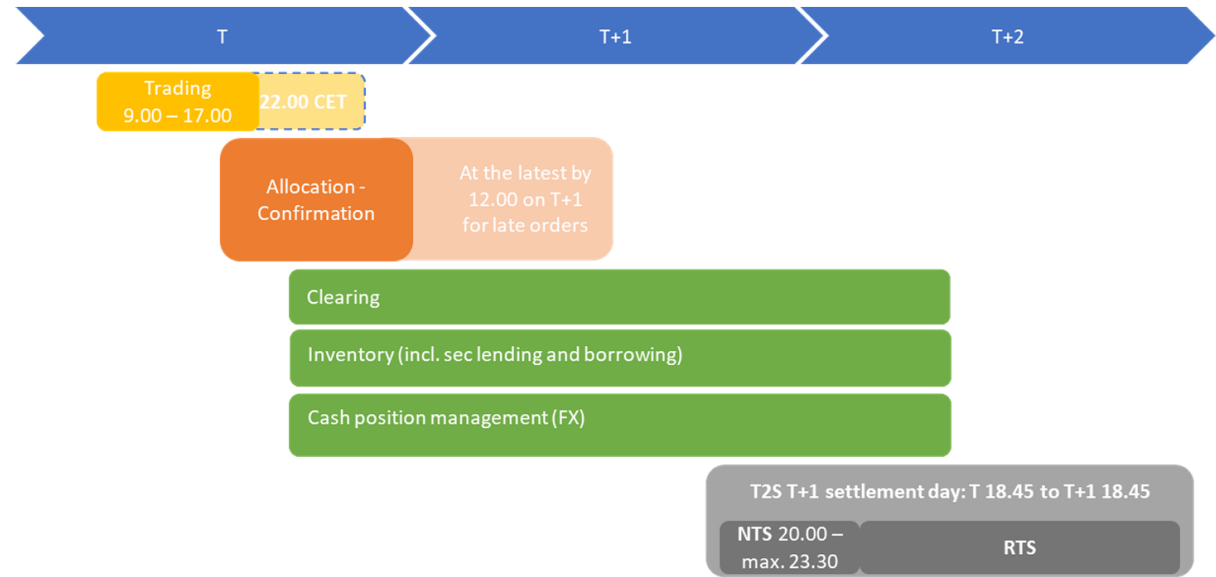
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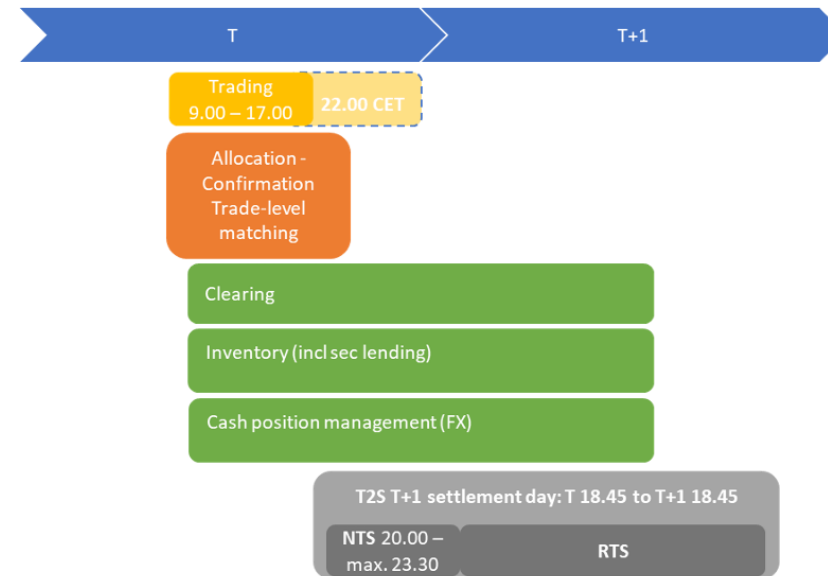
# Current Securities Transaction Lifecycle

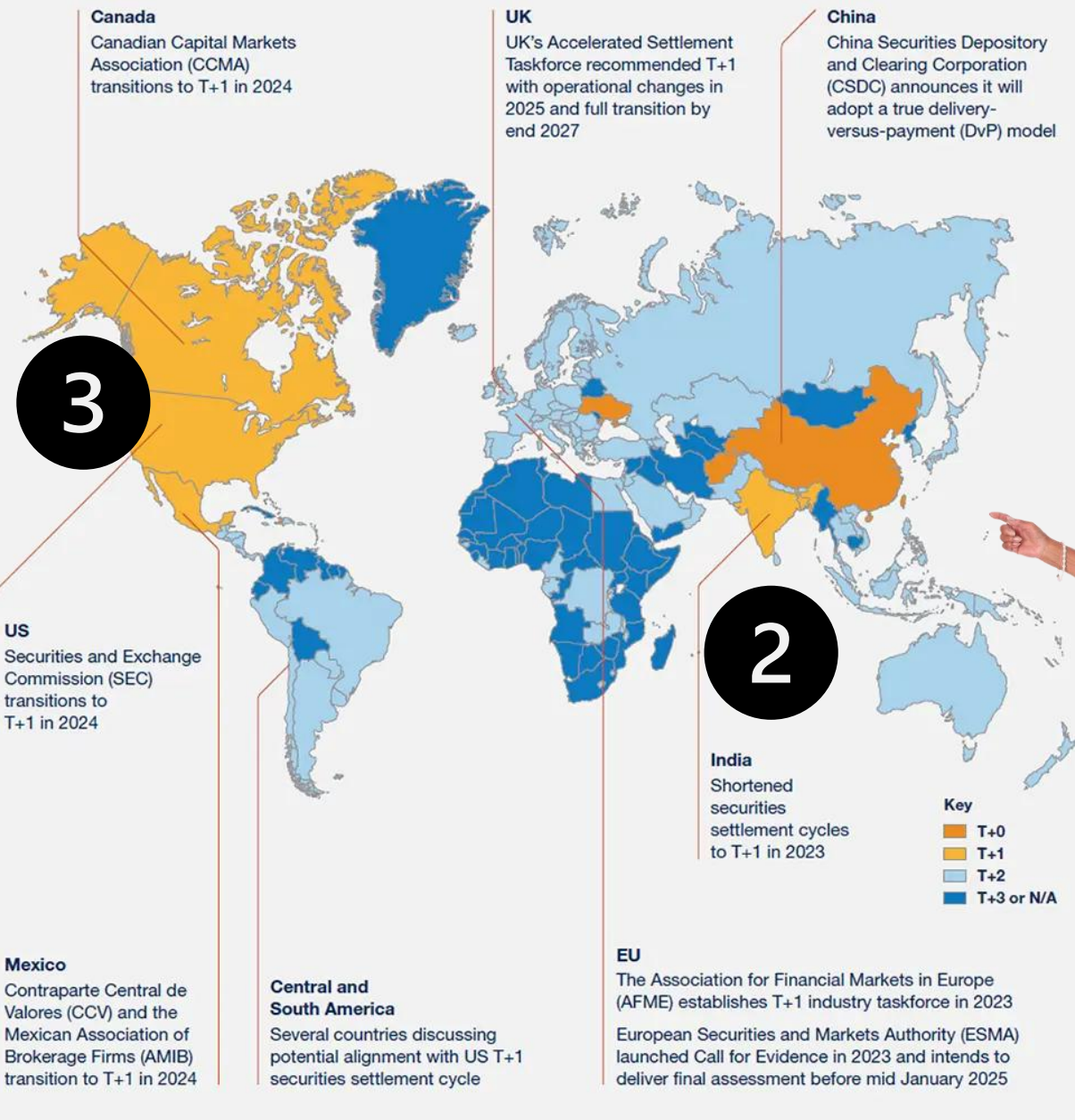


# Current T+2 Settlement Cycle



# T+1 Settlement Cycle as of 11 October 2027





1

2

3



# Global momentum toward T+1

Over the past 50 years, securities settlement cycles have shortened substantially, and this trend appears to have accelerated in recent years. When stock exchanges were established over 200 years ago, T+14 was the typical settlement period.

Between the 1970s and 1990s, the settlement cycle shrank to 7, 5 and then 3 days. T+2 became the rule for securities in 2014 for the European Union and in 2017 for the US. The shift towards T+1 is now gaining momentum worldwide

Source: CLS and Swift; swift.com/news-events/news/work-friction-drivers-towards-seamless-securities-settlement

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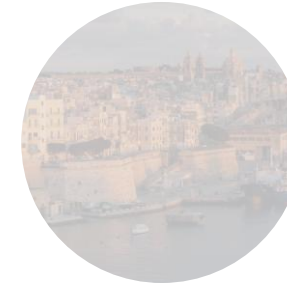
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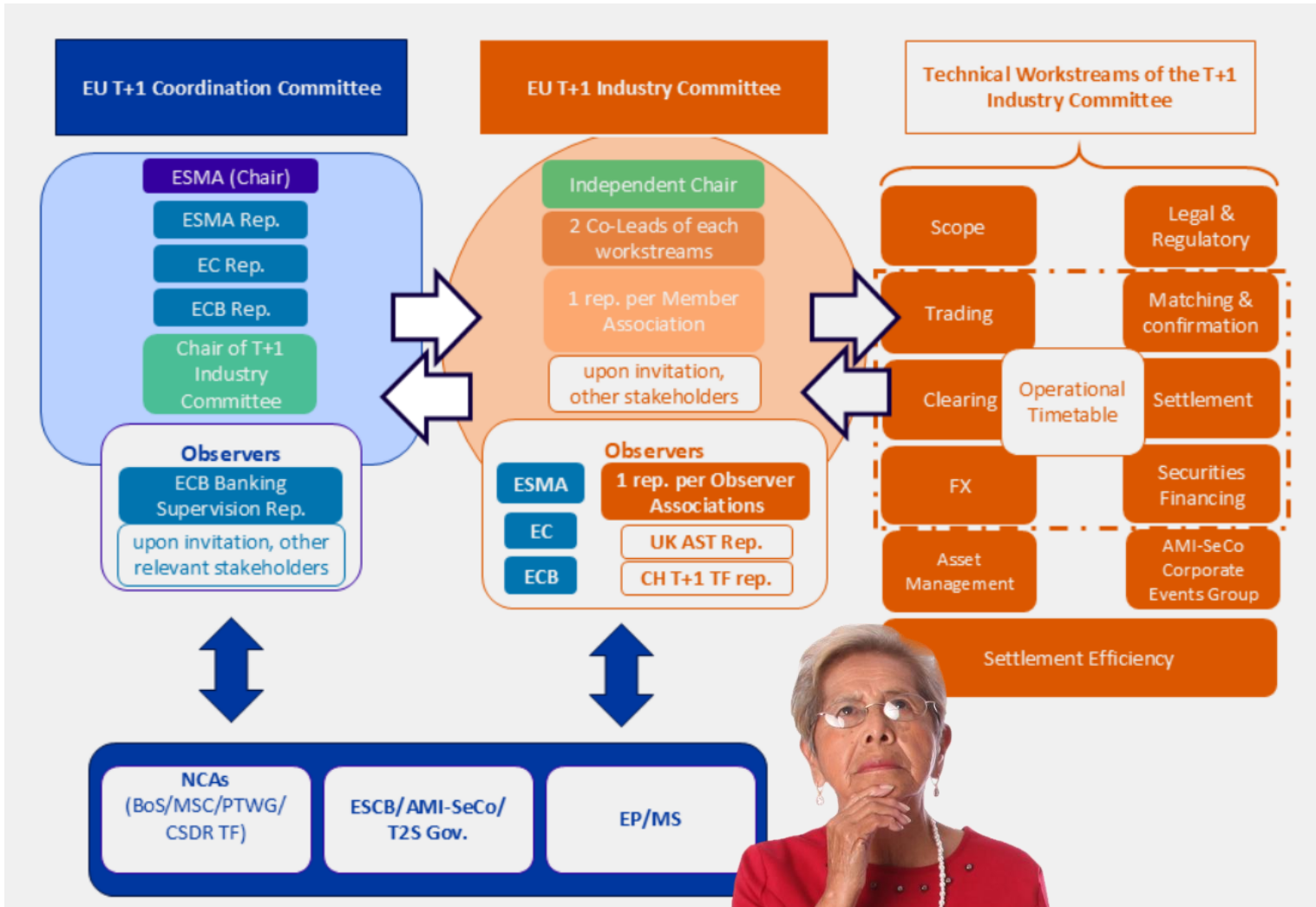
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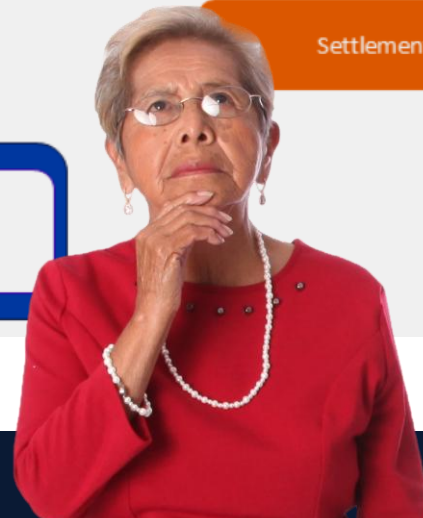


# EU T+1 Governance Structure

The Coordination Committee's role is to ensure coordination between the industry and the authorities to ensure that all stakeholders pull in the same direction for the EU to manage the switch to T+1.

To achieve this objective, the Coordination Committee should interact with the Industry Committee and:

- a. confirm, on the basis of input from the Industry Committee, the timeline for key deliverables from the industry structure;
- b. monitor the progress of the transition to T+1 on the basis of reporting by the Industry Committee;
- c. contribute to facilitating dialogue on any identified challenge or blocking issues that are brought to its attention by the Industry Committee through the Independent Chair, and if necessary, identify if any type of action from a European or national authority would be needed;
- d. in case no consensus can be found on a blocking issue at the level of the Industry Committee, the Coordination Committee may provide its advice on the possible way forward.



# Responsibilities

## Operational Readiness

Assess and guide market participants on changes required in trade processing, allocation, and confirmation workflows to meet T+1 deadlines.

## Coordination & Communication

Collaborate with other workstreams (e.g., Trading, Settlement, Legal & Regulatory) to ensure alignment across the securities ecosystem. Broader communication effort to bring EU T1 Industry outputs and recommendations to asset management firms across the EU27.

## Regulatory Engagement

Interface with EU authorities (e.g., ESMA, European Commission) to reflect market participants perspectives in regulatory discussions.





# Topics Covered

## **Cross-Border Complexity**

Addressing challenges for global market participants operating across multiple time zones and jurisdictions.

## **Trade Lifecycle Compression**

Implications for trade matching, allocation, and confirmation timelines.

## **Cash Management, Custody, Fund Administration & Transfer Agency**

Adjustments needed in NAV calculation, FX processing, and fund order routing.

# Workstreams



## Trading

The T+1 Trading Workstream focuses on assessing and preparing for the impacts of the transition to T+1 settlement within the EU; its primary aim is to identify and address operational and market-specific challenges across trading venues and broker/dealers, evaluate potential effects on pricing and liquidity, and propose necessary changes to daily trading operations.

## Matching & Confirmation

Trade matching and allocation is focus mainly on SSI inefficiency as it has been recognized as one of the major pain points in the context of settlement matching & settlement efficiency including the ECB AMI-SeCo SEG 'Barriers to Post-trade Integration' study. Detailed market practice and well-documented technical requirements / changes promoting standardization across these three crucial pre-settlement areas will support the market's transition to T+1. The market practice should consider factors to promote wide adoption whilst the EU T+1 Industry TF should also assess underlying business flows and document possible exceptions.

## Clearing

The EU T+1 Clearing Workstream is dedicated to addressing the challenges of Central Counterparty (CCP) clearing processes in the context of accelerated settlement within the European Union. This endeavour necessitates navigating the inherent complexities arising from the diverse clearing & settlement systems, and their varied operating models currently in use across market participants and infrastructure in the region.

## Settlement

The T+1 Settlement Workstream is dedicated to evaluating how securities settlement and related processes should evolve under a T+1 environment, with the goal of maintaining high settlement efficiency while ensuring optimal use of liquidity and inventory. The group will identify operational challenges, propose practical solutions, and define implementation requirements. Its recommendations will support the EU T+1 Industry Committee in shaping a smooth and effective transition across markets and asset classes.

## Scope

The Scope Workstream within the EU T+1 taskforce is responsible for defining which financial instruments, transactions and transactions types will be included in the new T+1 settlement cycle. It works to ensure a consistent approach across the EU, identifying which securities, such as transferable securities, should be subject to the new rule and market conventions. This workstream is also tasked with pinpointing any necessary exemptions or special considerations for certain transactions, such as some securities financing transactions (SFTs).

## Asset Management

The Asset Management workstream is tasked with evaluating and preparing the asset management sector for the transition to a T+1 settlement cycle in the EU/EEA, scheduled for October 11, 2027. Its primary aim is to ensure that asset managers can adapt operationally to the shortened settlement timeframe.

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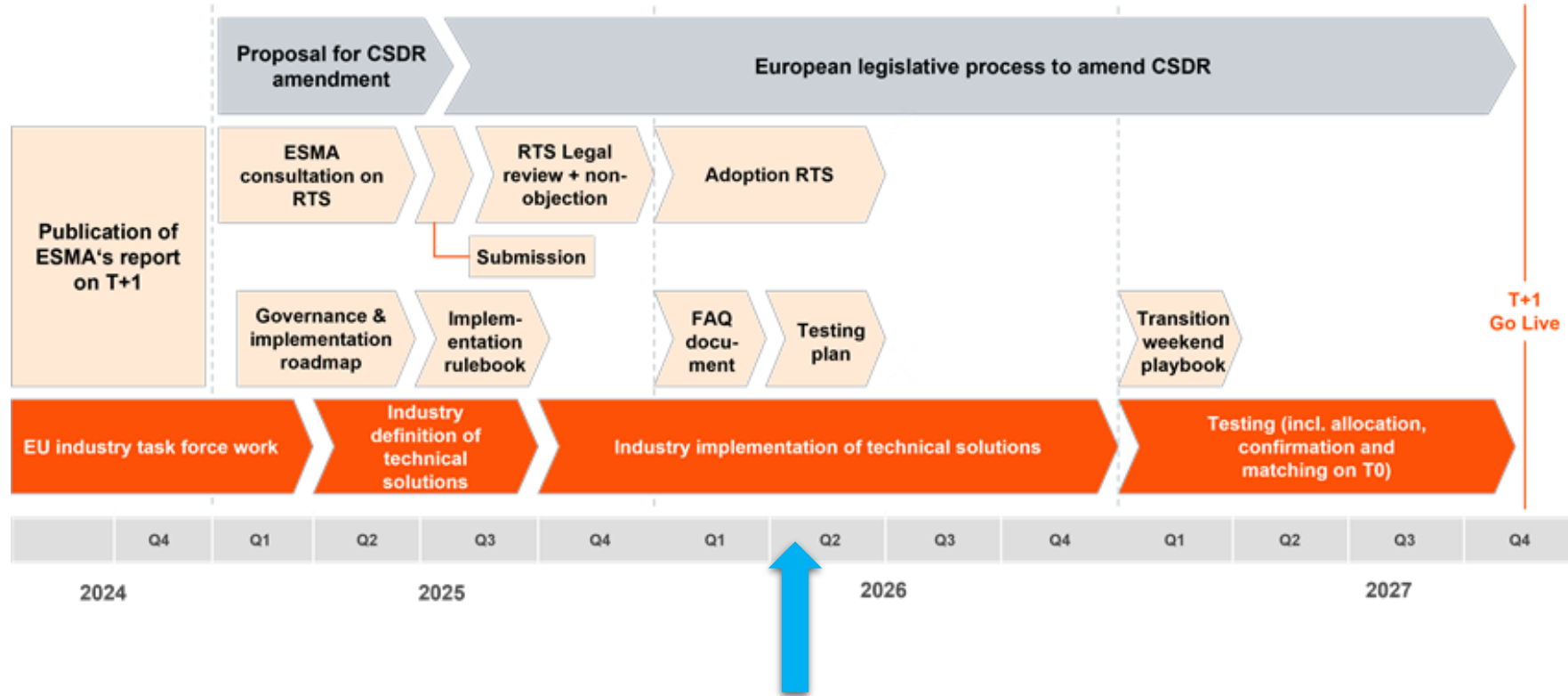
**Implication for Malta**

National plan must mirror EU cadence and T2S dependencies

# Achieved Milestones

5 October 2023	ESMA's Call for evidence On shortening the settlement cycle	<a href="#">ESMA74-2119945925-1616</a>
27 December 2023	Regulation (EU) 2023/2845 (CSDR Refit), mandates ESMA to submit to the European Commission by 17 January 2025 a report including: (a) an assessment of the appropriateness of shortening the settlement cycle and the potential impact of such shortening on CSDs, trading venues and other market participants; (b) an assessment of the costs and benefits of shortening the settlement cycle in the Union, differentiating, where appropriate, between different financial instruments and categories of transactions; (c) a detailed outline of how to move to a shorter settlement cycle, differentiating, where appropriate, between different financial instruments and categories of transactions; (d) an overview of international developments on settlement cycles and their impact on the Union's capital markets.	<a href="#">Regulation (EU) 2023/2845 of the European Parliament and of the Council of 13 December 2023 amending Regulation (EU) No 909/2014</a>
21 March 2024	ESMA's Feedback statement on the Call for evidence on shortening the settlement cycle	<a href="#">ESMA74-2119945925-1959</a>
15 October 2024	ESMA, ECB and EC joint statement on the transition to T+1 governance	<a href="#">ESMA74-2119945925-2085</a>
<b>18 November 2024</b>	<b>Report - ESMA assessment of the shortening of the settlement cycle in the European Union</b>	<a href="#">ESMA74-2119945925-1969</a>
19 November 2024	Final Report – Technical Advice on CSDR Penalty Mechanism	<a href="#">ESMA74-2119945925-2059</a>
13 February 2025	ESMA published a Consultation Paper (CP) seeking feedback on a set of proposed changes to the RTS on settlement discipline	
30 June 2025	High-level <b>Roadmap</b> to T+1 Securities Settlement in the EU by the EU T+1 Industry Committee	<a href="#">Roadmap</a> and <a href="#">Presentation</a>
13 October 2025	Final Report sets out ESMA's proposed amendments to address practical challenges in relation to the allocation and confirmation processes, standardisation and timeliness of settlement instructions, and the monitoring and reporting of settlement fails.	<a href="#">ESMA's Final Report on Amendments to the RTS on Settlement Discipline</a>
14 October 2025	<b>L1:</b> amendments to CSDR have been published in the Official Journal	<a href="#">Regulation (Eu) 2025/2075 Of The European Parliament And Of The Council of 8 October 2025 amending Regulation (EU) No 909/2014 as regards a shorter settlement cycle in the Union</a>
3 February 2026	The <b>EU T+1 Handbook</b> issued by the Industry Committee is a comprehensive industry guide designed to help European financial market participants prepare for the transition to a T+1 securities settlement cycle, going live in October 2027 by translating the EU T+1 High-Level Roadmap into practical operational guidance.	<a href="#">EU T+1 Securities Settlement Handbook</a>

# Roadmap for the transition to T+1 settlement



<p><b>7 December 2026</b></p>	<p>Provisions introducing shorter timeframes for pre-settlement processes that support the transition to a T+1 settlement cycle should enter into application at an earlier stage, for market participants to have sufficient time for testing, well in advance of the move to T+1</p>
<p><b>1 July 2027</b></p>	<p>Other amendments, such as those related to the reporting and disclosure of settlement fails data by CSDs should enter into force a few months ahead of the move to T+1, given the proposed amendments to CSDR in the context of the move to T+1. <b>T2S release window</b></p>
<p><b>11 October 2027</b></p>	<p><b>Cut-Off Date</b> and entry into application of several requirements that involve IT developments, such as CSDs' functionalities aimed at enhancing settlement efficiency</p>

## Next Steps

# EU T+1: What, Why, When



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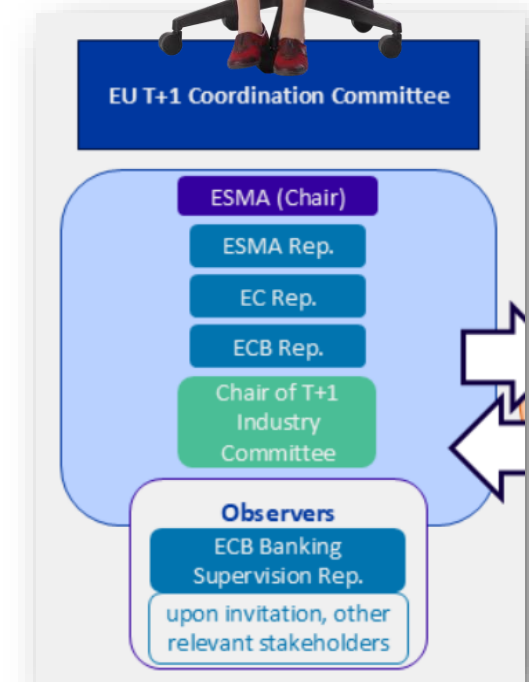


**Implication for Malta**

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# National Governance Proposal (Single NCG)

- **Chair: MFSA** – CSDR National Competent Authority; market rules; settlement discipline; supervisory communications.
- **Vice-Chair: CBM** – payments and securities-settlement systems; T2/T2S alignment; liquidity, cash windows, cut-offs.
- **Permanent member: MSE** (CSD/SSS operator) – operational delivery (cut-offs, batches, registrar processes, rehearsals).
- **Policy sponsor: Ministry for Finance** – EU liaison, domestic legal instruments, public messaging.
- **Industry interface:** Members and Stakeholders under the NCG to structure input from investment firms, banks/custodians, issuers/registrars, fund administrators and key providers.



# Workstreams & Ownership

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**Legal & Rulebook** (*MFSA chair; MSE member*): FMA/Capital Markets Rules updates; CSD and market-operator rulebooks; issuer timetable standards; settlement-discipline alignment.

**Operations & Market Practice** (*MSE + industry co-leads*): Same-day allocation/confirmation/affirmation; SSIs; partials; SFT workflows; codified procedures and user guides.

**Technology & Messaging / T2S** (*CBM + MSE*): STP, ISO messaging, connectivity, cut-offs, batch schedules; NTS timing change and June 2027 T2S window.

**Liquidity/FX & Testing** (*CBM lead; MFSA testing governance*): Intraday liquidity, collateral and FX booking cycles; bilateral/component tests; two market-wide dress rehearsals; entry/exit criteria; Go/No-Go evidence pack.





# National Plan & Milestones (Aligned to EU)

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**Q1 2026:** Constitute NCG; publish governance note; nominate supervisory PoCs; launch Industry Committee and workstreams.

**Q2 2026:** Readiness survey; legal/market-practice gap analysis; T2/T2S dependency mapping.

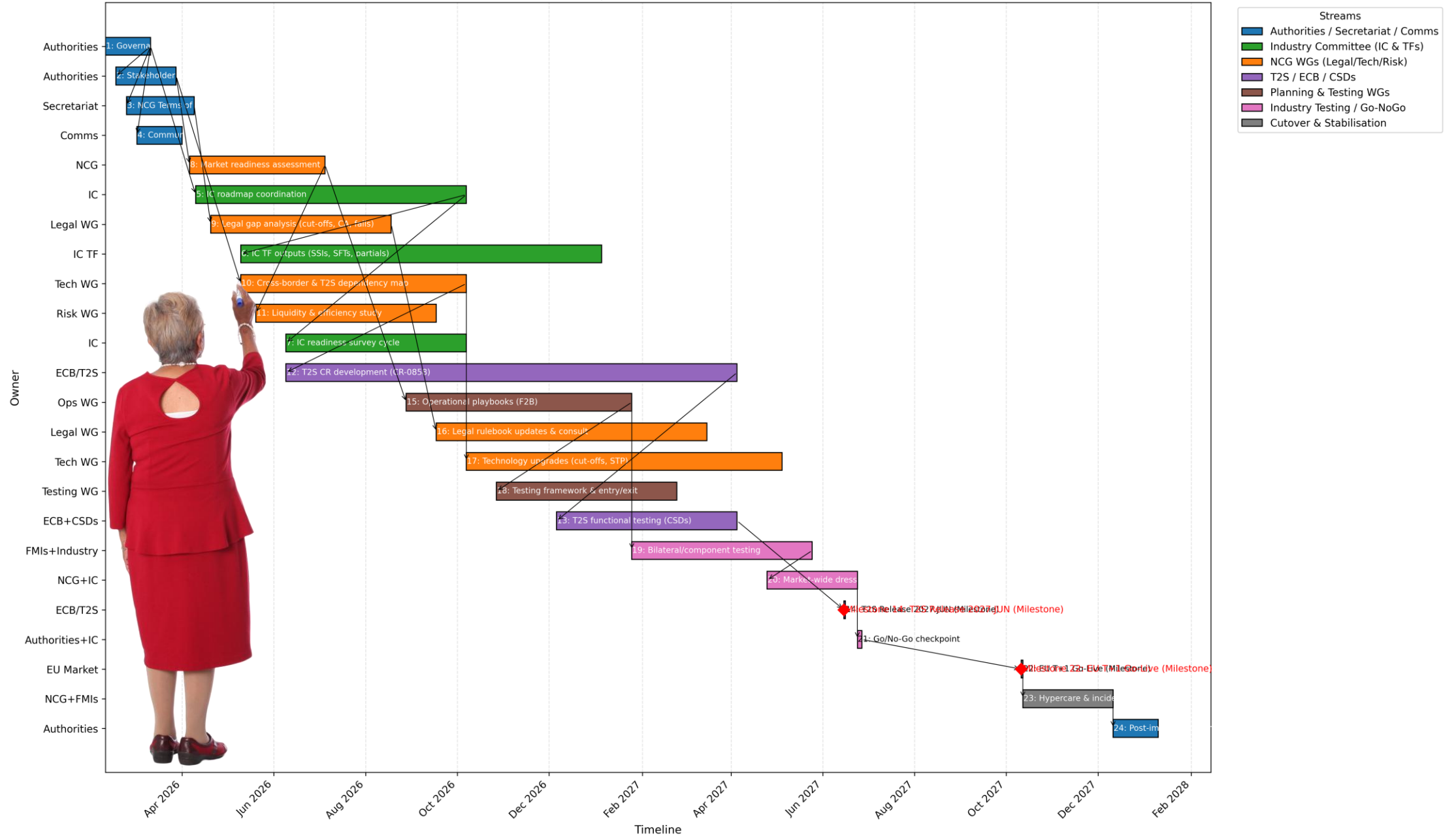
**H2 2026:** Operational playbooks; consult rulebook updates; agree technology/cut-offs; adopt Testing Framework (objective gates).

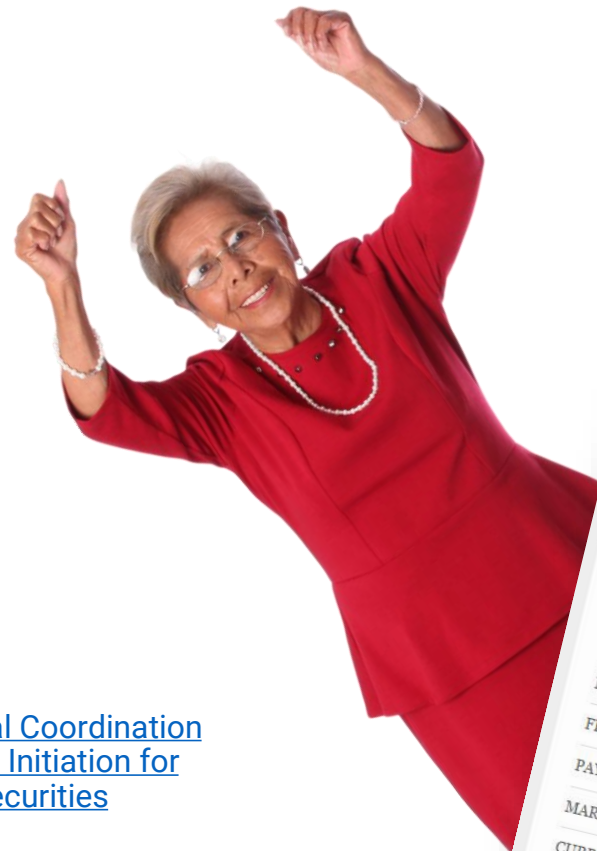
**Q1–Q2 2027:** Bilateral/component testing; prepare for June 2027 T2S release; confirm activation dependencies.

**Late Q2–Q3 2027:** Market-wide dress rehearsals; joint Go/No-Go (MFSA–CBM); final market notice.

**11 Oct 2027:** Cutover to T+1; hyper-care; post-implementation review.

### NCG + T2S + IC Master Roadmap — Finish-to-Start Dependencies & Milestones





# Press Release

- [Establishment of T+1 National Coordination Group \(NCG\) and Programme Initiation for Malta's Transition to a T+1 Securities Settlement Cycle – MFSA](#)
- [News - Central Bank of Malta](#)



# Join NCG!

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Microsoft Form available at the following link [T+1 NCG Participation](#) by 17 April 2026.




### Capital Markets Supervision

 Trading Venues Operated by Market Operator	 Central Securities Depositories (CSD)	 Data Reporting Services Providers	 Securitisation	 Listed Entities
 Market Data	 Market Oversight	 Crowd Funding Service Providers	 DLT Market Infrastructures	 Shortening the Settlement Cycle to T+1 in the EU

### Shortening the Settlement Cycle to T+1 in the EU

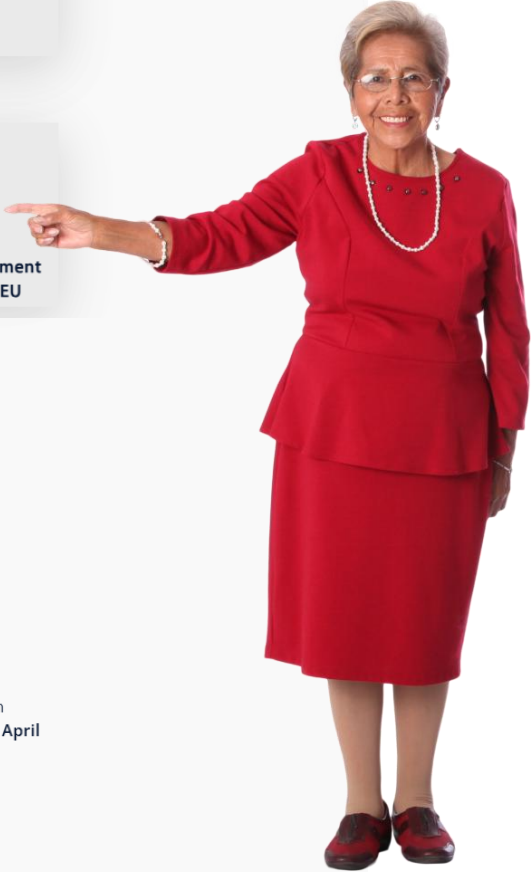
- European Commission
- ESMA and EU T+1 Coordination Committee
- ECB
- EU T+1 Industry Committee
- National Coordination Group

#### Publications

 Establishment of T+1 National Coordination Group (NCG) and Programme Initiation for Malta's Transition to a T+1 Securities Settlement Cycle

#### Contact

- [SteeringNCG@mfsa.mt](mailto:SteeringNCG@mfsa.mt)
- To facilitate efficient onboarding and communications, stakeholders are requested to designate two contact points (a primary and an alternate) and submit a brief participation statement via Microsoft Form available at the following link [T+1 NCG Participation by 17 April 2026](#).



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# Thank you



## Follow Us



## Get in touch

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