MFSA MALTA FINANCIAL SERVICES AUTHORITY

EU Corporate Actions Standard for T+1

lifecycle, controls, key dates and implementation implications

T+1 NCG – Second Meeting

The EU target operating model for corporate actions

The EU corporate-actions target model is built around a **single harmonised framework** for business processes, workflows, data elements and ISO 20022 messaging across AMI-SeCo markets. It applies to **debt** instruments, **equities** and investment **funds**.

The standards are designed for all actors in the chain: **issuer (I)CSDs**, **investor (I)CSDs**, **custodians and other account servicers**, and also cover bilateral and triparty collateral-management settings where relevant.

The EU T+1 corporate-actions implementation workstream sits on top of this broader harmonisation architecture and makes it immediately relevant to the T+1 transition.

The ECB/AMI-SeCo T+1 Corporate Events Harmonised Implementation Guide explicitly complements the High-Level Roadmap and is intended to support harmonised implementation by market stakeholders.

The correct frame for a national discussion is therefore not "how to preserve local custom under T+1", but "how local practice compares with the harmonised chain model".

The SCoRE Rulebook states that the standards are intended to facilitate consistent and timely implementation of harmonised business processes and workflows for corporate actions and meeting events, across actors and across AMI-SeCo markets, using ISO 20022.

The five-stage lifecycle of a corporate action

Stage 1: Notify

Stage 2: Instruct

Stage 3: Advise

Stage 4: Confirm

Stage 5: Reverse

Meeting events are treated separately but follow the same disciplined logic: **notification, instruction, results**.

The important point for T+1 is not only that these stages exist, but that they are expected to operate through **defined workflows**, with corresponding message types, roles and timing expectations.

Any local process that is unclear, manual or weak at any one of these stages becomes more vulnerable once the cycle shortens and same-day discipline increases.

Actors and chain of responsibility

- In custody processing, the core relationship is between **Account Servicer** and **Account Owner**. In practice this covers the dissemination of event information and, where relevant, the forwarding of instructions through the chain.
- In bilateral collateral-management settings, the model also brings in **Collateral Taker** and **Collateral Giver**. In triparty collateral-management settings, the **Triparty Agent** has direct information and instruction responsibilities.
- For T+1 purposes, the important point is that the standard defines responsibility **by process stage and by actor role**, not simply by broad institutional label.

Golden source, unchanged data and event taxonomy

- A core SCoRE principle is **data consistency across the chain**: investor (I)CSDs and custodians must remit corporate-action and meeting-event information **in accordance with the information received from the issuer (I)CSD** and must not alter the golden-source data.

- All issuer CSD-announced event types relevant to the securities in scope must be supported downstream, and event types must be used consistently across markets.

- The Rulebook sets out a broad event universe relevant across instruments, including—for illustration—**INTR (interest payment), REDM (final maturity), MCAL (full call / early redemption), DVCA (cash dividend), DVOP (dividend option), DVSC (scrip dividend), DVSE (stock dividend), CONS (consent), GMET/XMET/BMET (meeting events)** and many others.

- For a T+1 transition, this means that local operational handling must be tested against **consistent event classification and unchanged transmission through the chain**, **not only against local habit.**

Message architecture: what the chain is expected to exchange

The Rulebook makes clear that the lifecycle is supported by specific ISO 20022 messages, notably:

- **CANO** (seev.031) notification,
- **CAIN** (seev.033) instruction,
- **CAIS** (seev.034) instruction status,
- **CAFE** (seev.035) preliminary advice,
- **CACO** (seev.036) confirmation,
- **CARE** (seev.037) reversal advice,
- **CACN** (seev.039) cancellation,
- **CAIC** / **CACS** for instruction cancellation, and the **meeting-event** message family.

Key dates: the real pressure points under T+1

The SCoRE framework treats key dates as structured data, not narrative footnotes.

Relevant date fields include **record date, ex-dividend date, effective date, payment date, earliest payment date, response deadline, market deadline, early response deadline, revocability deadline** and others depending on event type.

In the Rulebook, **record date** is the date on which settled positions are struck in the books of the issuer (I)CSD at close of business to determine entitlement.

Payment date is the date at which the cash and/or securities movement is due to take place.

For mandatory events with an outturn, the record date is a core field. For elective events, deadlines and, where applicable, blocking windows become equally critical.

Under T+1, the practical issue is not whether these dates still exist, but whether local processes, account structures and investor communications still function once the buffer between them narrows.

Trading / entitlement

Ex date

- Determines whether a trade is executed with or without entitlement to the corporate action. It matters primarily for trading behaviour and investor expectations

Record date

- Determines the holders entitled to the corporate action based on positions recorded in the issuer CSD / register at the relevant cut-off. It matters for entitlement determination

Instruction / election

Response deadline

- The deadline by which an investor or intermediary must submit an election or instruction for an elective event. It matters for investor choice and intermediary processing

Market deadline

- The final market / infrastructure deadline for processing instructions. It matters for CSD / custodian / market infrastructure processing

Execution / outcome

Payment date

- The date on which cash and/or securities proceeds are due to be distributed. It matters for cash, securities movements and investor proceeds

Effective date

- The date on which the corporate action legally or economically takes effect. It matters for reorganisations, conversions, redemptions, mergers or other structural events

Under T+1, the key question is **not** whether these dates exist, but whether the market still has enough time between them to process, instruct, settle and communicate accurately.

Who cares about which date?

	Issuer	CSD/MSE	Broker/Custodian	Investor
Ex date	Indirectly relevant	Indirectly relevant	Directly relevant	Directly relevant
Record date	Directly relevant	Directly relevant	Directly relevant	Directly relevant
Response deadline	Indirectly relevant	Directly relevant	Directly relevant	Directly relevant
Market deadline	Indirectly relevant	Directly relevant	Directly relevant	Indirectly relevant
Payment date	Directly relevant	Directly relevant	Directly relevant	Directly relevant
Effective date	Directly relevant	Directly relevant	Indirectly relevant	Directly relevant

Different actors care about different dates — but under T+1, **a delay by one actor can affect the whole chain**.

T+2 vs T+1 Compression

TODAY — T+2 ENVIRONMENT

T	▶	T+1	▶	T+2
Trade Processing		Record/ Processing		Settlement/ payment-related

AS OF 11 OCTOBER 2027 - T+1 ENVIRONMENT

T	▶	T+1
Trade / compressed record-date logic		Settlement reduced processing buffer

Mandatory fields and calculation discipline: data needed to automate

The SCoRE standard requires the notification message to include the data necessary to calculate cash and/or securities movements.

Mandatory and conditional-mandatory fields cover items such as **event identification, event type, ISIN, participation type, account details, eligible balance, record date, payment date, option details and agent information**.

The Rulebook also standardises **securities amount conventions**: debt instruments with nominal value should be expressed as **FAMT**, while equities, investment funds and debt instruments without nominal value should be expressed as **UNIT**.

Calculation-related standards also cover **rounding rules** and the provision of data necessary to calculate proceeds consistently through the chain. Cash is generally rounded down to currency decimals; securities are rounded down to the nearest full unit or minimum settlement unit, as applicable.

The point for T+1 is straightforward: more compressed timelines increase the value of **standardised data, correct denomination logic and automated calculation**.

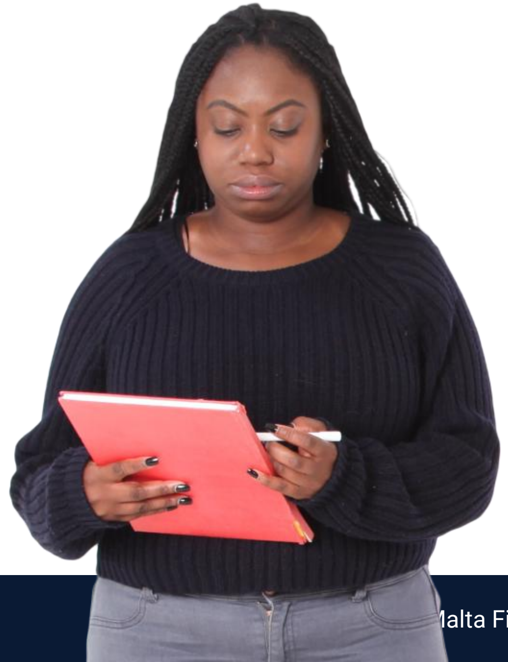
Calculation discipline: data elements, rounding and securities amount conventions

The Rulebook lays down:

- mandatory data needed for entitlement calculation,
- rules on **FAMT** vs **UNIT**,
- rounding-down rules for cash and securities,
- separate handling of negative cash flows,
- and business-day conventions.

Why it matters

- debt with nominal value = face amount denomination,
- equities/funds = units,
- cash rounded down,
- securities rounded down to nearest full unit / MSU,
- negative interest flows handled separately.



Elective events: CHOS/VOLU, soft blocking and default options

For events with choices or elections, the standard distinguishes **MAND**, **CHOS** and **VOLU** participation types.

The Rulebook says that for **mandatory-with-options (CHOS)** and **voluntary (VOLU)** events involving a debit of securities:

- the elected quantity should be subject to **soft blocking**,
- issuer CSDs should separate positions accounting-wise,
- default options must be identified,
- response deadlines and market deadlines must be present,
- and monitoring / reconciliation close to deadlines is critical.

MAND / CHOS / VOLU: Why Participation Type Matters under T+1

The Rulebook treats **response deadlines, market deadlines and revocability conditions** as hard operational features of these events.

Reconciliation and monitoring of traded positions close to deadline are explicitly important.

Under T+1, the logic of elective events becomes more sensitive because settlement, election, blocking and account availability compete more tightly for the same position.

MAND	CHOS	VOLU
Mandatory event	Mandatory event with choices	Voluntary event
No investor election required	Event occurs, but investor / account owner may need to elect an option	Investor / Account owner decides whether to participate
• cash dividend, • standard interest payment, • redemption	• dividend option, • mandatory reorganisation with alternatives	• tender offer, • voluntary exchange offer, • optional event requiring election

Corporate Action Elections: Blocking, Defaults and Position Control

- Investor / Account Owner elects option
- Elected quantity identified
- Soft blocking applied where required
- Position remains visible but restricted for conflicting use
- Event processed / securities debited / proceeds delivered

Blocking is mainly relevant where:
- the event requires an election or instruction;
- securities are to be debited, transformed, exchanged or otherwise used;
- the market needs to prevent the same position from being both settled/traded and elected.

Soft blocking protects the integrity of the election process. It helps ensure that securities elected for a corporate action are not simultaneously:
- sold,
- delivered for settlement,
- reused for another purpose,
- or included in conflicting instructions.

If a default option applies, it must be clearly identified in the notification and transmitted consistently through the chain.

Issuer CSD → Investor CSD / Custodian → Intermediary → Investor

From Election to Blocking: Managing Position Availability under T+1

	MAND	CHOS	VOLU
	Mandatory event	Mandatory event with choices	Voluntary event
	No investor election required	Event occurs, but investor / account owner may need to elect an option	Investor / Account owner decides whether to participate
• Investor action required?	No, event is processed automatically	Yes, where options exist	Yes, participation is optional
• Blocking relevance	Usually limited / not driven	Relevant if elected securities may be debited or transformed	Highly relevant where position must be reserved for election

For T+1, the key question is not only “what is the corporate action?”, but
“does the chain know whether action is required, whether securities must be blocked, and what happens if no instruction is received?”
Soft blocking is a control mechanism: it preserves settlement integrity while allowing investors to elect corporate-action options.

Payment time, simultaneous movements and status escalation

The SCoRE standard requires issuer CSDs to make **cash proceeds available as early as possible** on the payment date.

- For **European currencies**, distribution should be no later than **12:00 noon issuer-CSD time**;
- for **non-European currencies**, no later than **16:30**.

Where a corporate action results in both cash and securities movements, the standard requires the **cash and securities movements to occur simultaneously**.

If a payment cannot be processed on the announced date, all account servicers should inform account owners as soon as possible. The SCoRE timing standard expects delay notifications

- by **12:15** for **European currencies**; and
- By **16:45** for **non-European currencies**.

Are local payment chains capable of this?

Are issuer / paying-agent arrangements aligned with this?

What happens if they are not?

Exception management: status, cancellations and reversals

The SCoRE framework includes structured handling for **event processing status, event cancellation, instruction cancellation,** and **reversal**. Specific message families support these exception and control functions.

Reversals are not treated informally: the standard expects a **pre-advice before reversal** and identifies coded reasons for reversal, including incorrect value date, incorrect entitlement date, incorrect price, undue payment and other event-level errors.

The Rulebook also notes that reversal announcements should, where possible, be made within **two business days of the original payment date**.

This is highly relevant for T+1 because shorter settlement does not eliminate exception scenarios; it simply reduces the time available to manage them.

MFSA

Which parts of the EU standard are most relevant for Malta

- key dates and entitlement logic,
- issuer-to-CSD / CSD-to-market notification chains,
- payment timing and paying-agent arrangements,
- debt events such as **INTR, REDM, MCAL**,
- equity events such as **DVCA, DVOP, DVSC, DVSE**,
- cross-CSD consistency if applicable.

Bridge to national assessment: the parts of the EU standard that are most likely to bite locally

The parts of the EU corporate-actions standard that are most likely to affect national markets under T+1 are:

- **key-date handling and entitlement logic,**
- **unchanged transmission of golden-source event information,**
- **payment timing and delay handling,**
- **election / blocking / default-option discipline,**
- **data completeness for calculation and automation,**
- **and exception-management / reversal readiness.**

The ECB T+1 Corporate Events Harmonised Implementation Guide specifically highlights the need to adjust key dates and to consider **market claims, transformations and buyer protection** in a T+1 environment.

The next question for the NCG is therefore not whether these standards exist, but **which of these points interact most sharply with the Maltese operating model**.

Thank you

Follow Us

Get in touch

T: +356 2144 1155
E: info@mfsa.mt
W: www.mfsa.mt

A: Malta Financial Services Authority,
Triq l-Imdina, Zone 1,
Central Business District, Birkirkara,
Malta, CBD 1010