MFSA MALTA FINANCIAL SERVICES AUTHORITY

T+1 and Corporate Actions in Malta

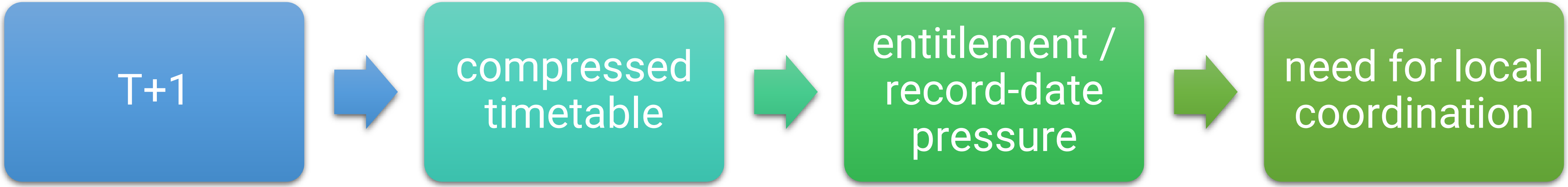
Local operating model, actor impacts and open questions

T+1 NCG Second Meeting - 24 July 2026

Why this topic is on today’s agenda

- EU transition to T+1 on 11 October 2027 is now legally settled.
- ESMA, the European Commission and the ECB have established a dedicated governance structure, with the EU T+1 Industry Committee supporting implementation.
- Corporate actions are a named implementation stream at European level, not a secondary issue.

Why this matters?



EU baseline: what is already clear

- Regulation (EU) 2025/2075 amends CSDR to shorten the settlement cycle in the Union.
- ESMA's October 2025 final report on settlement discipline recommends same-day timing for allocations and settlement instructions, machine-readable formats, and key settlement-efficiency functionalities such as hold & release, auto-partial settlement and auto-collateralisation.
- The ECB/AMI-SeCo T+1 Corporate Events Harmonised Implementation Guide covers key dates, market claims, transformations and buyer protection under T+1.

Legal Change | Operational compression | Corporate actions harmonisation

What changes conceptually under T+1 for corporate actions

T / Trade Date
- Trade Execution
- Initial allocation entitlement impact
- Contract note generation
- Start of messaging

T+1
- Allocation follow-up
- Confirmation checks
- SSI / Instruction repair
- Entitlement validation

T+2 / Settlement
- Settlement
- Final entitlement impact
- Payment / CA processing link
- Exception handling

T / Trade Date
- Trade Execution
- Allocation
- Confirmation
- Contract note enrichment
- SSI / instruction quality checks
- Corporate action messaging impact
- Entitlement-related data must be accurate earlier

T+1 / Settlement
- Settlement
- Final entitlement position
- Payment / CA processing links
- Exceptions must already be minimised

- The operational timetable becomes shorter and less tolerant of late instructions or manual hand-offs.
- Corporate-action **key dates** become more sensitive in a T+1 environment.
- Local conventions that are workable under T+2 may need to be checked against EU-standardised treatment under T+1.

The Malta operating model today: where corporate actions sit

MSE is the **national CSD**

MaltaClear is the securities settlement system within the MSE

Clearing and settlement are processed through MaltaClear.

The CSD provides corporate-action-related issuer services where the register is maintained by it, including **identification of holders, calculation of payments due, and direct credit / cheque processing**.

The issuer remains responsible for **reconciliation** and **sign-off** / **dispatch of warrants or instructions**.

Actor impact map: who is affected, and how

The impact of T+1 is not identical for all market participants.

The strongest systems impact may sit with brokers and infrastructure, but issuers, investors and service providers may still face meaningful changes in **timing, communication logic and entitlement expectations**.

The EU T+1 implementation material stresses coordinated action across the full chain; the Maltese model means different actors will feel the change in different ways.

Brokers / members	MSE / infrastructure	Issuers	Investors / bondholders / shareholders
likely strongest impact from trading-system changes, contract-note enrichment, faster processing and testing needs.	parameter changes, ISIN onboarding logic, testing dependencies, corporate-action messaging where relevant	possible impact on announcement drafting, record-date logic, payment timing and investor queries	need to understand changed timing for entitlement and payment logic

Timing logic, record date and entitlement

A key local question is whether current operational logic around **trade date / record date / settlement date** will need to be redrafted once T+1 applies.

The EU corporate-actions workstream focuses specifically on **key dates**, which makes this a legitimate and central topic for local discussion.

Under the EU standard, **record date** is the end-of-day entitlement cut in the books of the issuer (I)CSD, while the T+1 corporate-events implementation guide highlights the need to review key dates under a shorter cycle.

Stakeholders have raised the working assumption that today's local sequencing effectively behaves as: **trade on T / record on T+1 / settlement on T+2**,

whereas under T+1 the logic may move closer to: **trade and record on or much closer to T / settlement on T+1**

The local concern raised in stakeholder discussions is that market participants may still be thinking in an operational logic shaped by T+2, whereas under T+1 the practical distance between trade, record and settlement narrows significantly.

If record date moves closer to settlement day, entitlement expectations and communication wording may need to change.

This may be particularly important for **equity holders** and for instruments where investor expectation currently reflects a T+2-style timeline.

If investor understanding, issuer wording or internal procedures continue to assume more room between these dates than the T+1 chain actually allows, entitlement-related confusion is likely to emerge.

This is therefore not an abstract matter of "one date moving"; it is a question of whether local operational and communication logic still matches the chain model.

Fixed-income instruments, interest accrual and bondholder communications

In Malta, one of the most practical issuer-facing concerns may be the effect of T+1 on interest / redemption timing, accrual logic and bondholder expectations. The MSE issuer-services model explicitly covers interest payments and redemptions, while the MSE bye-laws define **accrued interest** by reference to the amount accumulated n respect of an interest-bearing instrument from the last payment up to **settlement day**.

- The MSE CSD provides issuer services for **interest payments** and **redemptions** where the register is maintained by the CSD.
- MSE bye-laws define **accrued interest** as the amount accumulated up to **settlement day**, which makes settlement-cycle shortening potentially relevant to local fixed-income conventions.
- Stakeholder feedback has already suggested that bondholders may ask why logic appears to shift by one day or why **announcement / payment expectations look different under T+1**.

Against the EU standard, this makes the fixed-income angle particularly important locally: if settlement timing changes, issuers and intermediaries may need to confirm whether investor-facing expectations, calculations or explanatory wording also need to be adapted.

Does T+1 change investor-facing payment expectations, accrual communication or just internal processing logic?

Company announcements, advance notices and transitional cases

If company announcements are issued well in advance of a record date, a transition issue arises where a notice may be published **before October 2027** but the relevant record date or payment date falls **after** the T+1 go-live. That is a genuine transitional risk area even if the underlying corporate action itself is not changing in substance. The need to adapt key-date handling under T+1 is already recognised at EU level.

- Some company announcements are published months before the record date.*(local operating point)*
- Transitional cases may therefore arise where the notice is prepared under T+2 assumptions, but the event materialises under T+1 conditions.
- This suggests a need to review **drafting logic, timing references and investor-facing explanations** in company announcements and OAM notices.

Announcement in July 2027 / record date in October 2027 — what wording should apply?

Company announcements, OAM notices and transitional wording

The EU standard treats record date, payment date and other event dates as **hard operational data**, not merely descriptive narrative.

Under T+1, notice wording that assumes legacy T+2 logic becomes riskier.

Stakeholders have raised a transitional concern: some company announcements or notices are published well in advance of the event.

That creates cases where an announcement may be drafted before go-live, but the event takes effect after T+1 applies.

In Malta, this suggests that **announcement templates, explanatory wording and OAM communication logic** may require review in advance of the transition period.

This is especially relevant where investors are likely to interpret dates according to pre-T+1 assumptions.

The question is less “do we need more announcements?” and more “do current announcements explain entitlement and timing in a way that remains correct after the cycle shortens?”

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Special case: Treasury bills and the primary-market angle

- Treasury bill auctions are typically held every Tuesday and settle on the following Thursday, i.e. on a **T+2 settlement cycle**.
- Treasury bill auction results also confirm that both primary-market settlement and secondary-market dealing are currently described on a **T+2 basis**.
- This makes treasury bills a useful case study for discussing whether the local primary/issue-date logic needs adaptation under T+1.
- If stakeholder feedback is correct that the issuer-side impact is otherwise limited in much of the local market, Treasury bills may become the clearest national case through which to **test primary-market adaptation**.

Market infrastructure, DvP, cash side and testing

The EU T+1 transition depends heavily on **same-day processing discipline, settlement efficiency and infrastructure readiness**, which means local discussion on **DvP cycle, cash-side readiness, system adaptation and testing** is appropriate.

ESMA’s proposed reforms explicitly emphasise operational readiness, same-day timing and settlement-efficiency functionalities; the EU T+1 Handbook similarly stresses coordination, early preparation and testing.

- ESMA’s T+1-related RTS amendments are built around same-day timing, settlement-efficiency tools and operational readiness.
- The EU T+1 Handbook highlights the need for early preparation, coordinated implementation and practical operational guidance.

Market infrastructure, DvP, cash side and testing

Local stakeholder concerns on **contract-note enrichment**, **cut-off windows**, **DvP timing**, **cash-side readiness**, **availability of quicker payment arrangements**, and **MSE trading-system changes / testing** should be treated as core readiness issues, not peripheral technicalities.

The local discussion should therefore identify which of these dependencies are already being addressed, which depend on external service providers, and which may require coordinated testing milestones across the market.

Cross-CSD cases and EU-standardised processing

Even if the Maltese market is largely local, cross-CSD cases and EU-standardised practice still matter.

Under the EU standard, the issuer-side event information is the golden source and must be transmitted consistently through the chain. The T+1 corporate-actions implementation approach is built around **harmonised implementation**, not local reinterpretation.

The European target is not only shorter settlement, but harmonised implementation of corporate-action processing.

Local exceptions should be assessed carefully: where Malta-specific practice exists today, the question is whether it remains compatible with the EU-standardised T+1 approach.

These cases should be tested against EU-standard logic for messaging, entitlements and payment processing. Particularly relevant for Maltese issuers that are also participants in **other EU CSDs.**

Payment routing through the CSD

what is clear, and what is still open

Issue	Settlement cycle	Record date logic	Issuer CSD chain	Corporate-actions harmonisation	T+1 corporate-actions implementation	Legal status of EU industry material
EU position	CSDR Article 5 is the legal rule for intended settlement date. Regulation (EU) 2025/2075 amends CSDR so that, from 11 October 2027, the intended settlement date for in-scope transactions executed on trading venues is no later than the first business day after trading, subject to exemptions.	EU corporate-action standards use the principle that record date allows proceeds to be distributed based on settled positions at the same reference date/time, starting at the issuer CSD and down the chain. Harmonized market practises across European Markets highlight the following sequence: **Record Date = Ex Date + settlement cycle − 1.** Under T+1, that formula effectively compresses the distance between ex date and record date.	EU market standards build on an issuer-to-investor processing flow. Harmonized market practises describes the issuer CSD / issuer agent crediting participants who held positions as at record date as the “actual” booking layer, with downstream intermediaries then processing through the chain.	The ECB / AMI-SeCo SCoRE Corporate Actions Rulebook sets standards for harmonised business processes, data for calculation, consistency of information, rounding, business-day rules, payment time, elective events, default options, reversals and ISO 20022 messaging.	The ECB / AMI-SeCo T+1 Corporate Events Harmonised Implementation Guide specifically covers key dates, transaction management, market claims, transformations and buyer protection in a T+1 environment.	Industry Committee documents are not adopted, endorsed or approved by ESMA. Therefore, these are highly relevant implementation standards but should not be intended as formal ESMA legal guidance.
Rule / source basis	Regulation (EU) 2025/2075; CSDR Article 5.			ECB / AMI-SeCo SCoRE Corporate Actions Rulebook	ECB / AMI-SeCo T+1 Corporate Events Harmonised Implementation Guide	

Payment routing through the CSD

what is clear, and what is still open

EU framework — rule basis and standards

EU standards clearly point to issuer-CSD-centred, harmonised processing and record-date alignment, but the binding legal obligation to route payments through a specific CSD must be found in local law, CSD rules, listing rules, membership documentation or issuer-CSD contractual arrangements.

Malta local regime

- MSE CSD provides issuer payment-processing services where the relevant register is maintained by the CSD.
- MSE has clarified that payment processing through the CSD is an operational service model offered where the register is maintained by the CSD, rather than a mandatory routing obligation imposed on issuers.

Record-date treatment

EU-level position

At EU standards level, the record date is the central entitlement date, and the CAJWG explanatory memorandum states that record date allows proceeds to be distributed based on settled positions at the same reference date/time, starting at the issuer CSD and down the intermediary chain.

T+1 implication

Record date moves closer to the ex-date than under T+2. In practical terms, current T+2-based local announcement and entitlement logic may need review.

Malta local regime

MSE has indicated that its Bye-laws may contain **relevant definitions**, including record-date / books-close-date terminology, but **do not impose a mandatory processing route** for corporate-action payments. The record-date discussion should therefore focus less on legal routing and more on whether local announcement, entitlement and investor-communication practices remain operationally clear under T+1.

CSD / rulebook obligations

MSE confirmed:

1. Dividend, interest, redemption and other corporate-action payments for securities whose register is maintained by the MSE CSD are operational services performed by the CSD on behalf of issuers.
2. there is no obligation requiring issuers to process such payments through the CSD.
3. The use of the CSD for these services has historically been the most practical operating arrangement for issuers, rather than a mandatory routing requirement.
4. MSE Bye-laws may contain relevant definitions, including record-date / books-close-date terminology, but do not impose one mandatory operational processing route for corporate-action payments.
5. this position applies irrespective of instrument type or cross-CSD cases.
6. the current local framework does not require further alignment with EU corporate-actions standards on issuer-CSD-centred processing, record-date sequencing, payment timing or event-information consistency.

CSD / rulebook obligations

Clarification received:

the CSD route is a practical service model, not a mandatory rule. The remaining question is whether the market understands the operational consequences under T+1.

Residual NCG consideration:

If payment routing through the CSD is a service model rather than a binding requirement, the coordination question becomes whether current practice remains sufficiently clear, resilient and well understood under T+1.

Proposed next steps

1 — Local operating model documentation: record the confirmed MSE position on CSD payment processing, identify any remaining operational dependencies, and assess whether market-facing communication is needed.

2 — Operational mapping: document current vs future logic for record date, entitlement, payment date, fixed-income servicing, Treasury bills and any cross-CSD cases, using the EU corporate-actions standard as the benchmark.

3 — Systems and testing: identify dependencies around contract notes, allocations, settlement instructions, DvP, cash-side readiness, MSE system configuration and testing sequencing.

4 — Market communications: prepare guidance for issuers, brokers and investors on announcement wording, record-date logic, transition-period notices and likely investor queries.

The expected result of this meeting should therefore not be a longer issue list, but a clearer allocation of **owners, priorities and next actions.**

Proposed next steps

- **Given MSE’s clarification that CSD payment processing is a service model rather than a mandatory routing obligation, do issuers, intermediaries and investors clearly understand how corporate-action payments will operate under T+1?**

Confirm the local legal basis for issuer-side payment channels.

- **How should record-date logic be reformulated locally under T+1?**

Map current vs future record-date / entitlement logic across equities and fixed income.

- **Which announcement templates or OAM wording require review ahead of October 2027?**

Identify system and testing dependencies.

- **What testing and readiness milestones should be expected from MSE, brokers, issuers and service providers?**

Prepare an issuer / investor communication note before the transition period.

Thank you

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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