Republic of Malta

Central Government Debt Management

Annual Report 2016

Debt Management Directorate
Treasury Department
Malta
July 2017

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DEBT MANAGEMENT DIRECTORATE

The Debt Management Directorate (DMD) was established within the Treasury department in December 2006 with responsibilities for debt and cash management for the central government and for providing specified funding requirements as authorised by Parliament.

The principal objective of the directorate in its debt management and cash management mandate is to raise funds smoothly to meet the Government's financing needs as well as carry out other financial transactions such that central government borrowing programme is financed prudently and cost effectively to ensure that:

- The costs of meeting Government's financing needs are minimised over the medium to long term taking into account an acceptable level of risk;
- The development of the domestic financial markets is given the necessary support; and
- The liquidity of government funds is adequate to meet government's payment obligations as and when they fall due.

I. Organisation and resources

The DMD is organized along functional lines under three main areas namely, Front Office, Middle Office and Back Office to ensure a clear division of responsibilities according to international best practices in the area of debt management.

The Front office co-ordinates and manages the activities of the directorate related to the issuance of Government securities; the Middle office undertakes market research and risk analysis activities; whilst the Back office is responsible for the servicing, settlements and accounting of central government's debt and cash management transactions.

II. Legal framework for borrowing

The statutory basis for central government borrowing is set out under the following primary and subsidiary legislation:

- Malta Treasury Bills Act, Cap.133 *(relating to the issue of short-term borrowing up to 12 months maximum maturity).* The maximum amount of outstanding Treasury bills is established by Parliamentary Resolution. In 2002, the maximum amount was set at €698.8 million;
- Malta Treasury Bills (Dematerialisation) Regulations, 2007;
- Local Loans (Registered Stock and Securities) Ordinance, Cap.161 *(relating to terms and conditions applicable to loans authorised to be raised locally by the issue of stock in Malta);*
- Local Loans (Registered Stock) Regulations, S.L.161.01;
- Development Loan Act, Cap.229 *(in respect of bilateral loans raised outside Malta);*
- Budget Measures Implementations (2016) Act, Cap. 554 (*An annual budget law that authorises the Minister for Finance to raise loans on behalf of the government for an established amount during the financial year by the issuing of securities and provides also the main purposes for which government can apply such borrowing*).

III. Financing Instruments and Operations used in Debt and Cash management

Until now, the Government's policy to meet its financing needs has been that of relying almost exclusively on issuing euro-denominated financing instruments in the domestic market. In accordance with its strategy, no funds were raised in the international financial markets.

The main financing instruments used to finance the central government funding requirements for the year 2016 were Treasury bills (T-bills), being of maturity of 12 months or less, and Malta Government Stocks (MGSs).

The Treasury carried out its **cash management activities** by conducting regular public auctions of Treasury bills on a weekly basis. T-bills are primarily issued to provide for temporary liquidity needs arising due to timing mismatches between revenue and expenditure flows. Hence they contribute to smooth the implementation of the operational targets of fiscal policy and public debt management. Moreover, such issuances also serve to maintain activity and development of the domestic Treasury bills market. T-bills issued to investors through such auctions are listed and traded on the Malta Stock Exchange.

The conventional fixed-rate MGS remained the Treasury's primary financial instrument by which it funded the **medium to long-term borrowing** programme for 2016. The fixed-rate MGS issued consisted of maturities between six (6) - and twenty-five (25) years. All MGSs are listed and traded on the Malta Stock Exchange.

Malta Government Stock Financing Operations in 2016

In terms of '*The Budget Measures Implementation (2016) Act*, *Cap. 554*, the total amount of MGS issuances for 2016 was set not to exceed €600 million.

The funding programme was mainly applied for the purpose of financing:

- the redemption of four (4) MGSs amounting to €417.8 million;
- repaying a bank loan of €56.4 million with a commercial bank maturing in 2016; and
- affect changes in Central Government's debt portfolio, in line with Government's debt management policies.

I. Issuance Strategy

In an effort to achieve strategic consistency, the issuance strategy for 2016 that is, issuance size, distribution over different maturities and types of instruments, maintained the main features adopted in the year 2015. The four MGS issuances were more or less evenly spread throughout the year, raising a total sum of nearly €600 million. As detailed in the Indicative Issuance Calendar published on 7th January 2016, the issuance strategy focused on fixed-rate, euro-denominated stocks with maturity horizons spreading over the short- and long-term. The Treasury issued: (a) one new short-term, and (b) three new long-term, fixed-rate stocks, the latter offering investors a relatively attractive coupon in an extremely low interest rate environment. During the year under review the Treasury did not issue Floating Rate Notes. The new fixed rate MGSs issued were:

- 1.5% MGS 2022 (IV)
- 2.50% MGS 2036 (I);
- 2.10% MGS 2039 (I); and
- 2.40% MGS 2041 (I).

Table 1 – MGS Issuances in 2016

	Issuance Strategy *(€ million)*			
Issuance month	Short-Term	Long-Term	FRN	**Total**
February	3.0	196.7		199.7
April	55.0	25.0		80.0
August	5.3	153.7		158.9
October	0.1	159.1		159.2
TOTAL	**63.4**	**534.5**	**0.0**	**597.9**

Amounts may not add up due to rounding

In addition to the above issuances, an MGS amounting to €0.7 million was issued in partial settlement of transfer of ex-Church property to the government in terms of the Holy See and Malta Government Agreement of 1991.

II. Strong Demand for MGS issues

Demand for Malta Government Stocks was high and relatively evenly distributed across the year. The sales mainly comprised 6-year and 20 to 25-year stocks. Sales of the 6-year MGS totalled 11% of the issuance in 2016. With local interest rates at historic lows and on the whole mirroring the development of European yields, local participants, mainly retail individuals in search of attractive coupon were not discouraged at the prospect of yields being lower than usual. In fact, the three MGS issuances which were offered simultaneously both to retail and institutional investors were oversubscribed by retail investors. The details and results of all four issuances are shown in **Table 2.**

Table 2 – Participation vs. allotment

Issuance month	Amount offered +over-allotment	Total Participation € Mn	Bid-to-Cover
February*	120+80	201.9	1.7
March**	50+30	151.3	3.0
August*	100+60	185.8	1.9
October*	100+60	187.8	1.9
TOTAL	**600.0**	**726.7**	

** Issue was over-subscribed by retail investors*
*** Issue targeted for institutional investors only*

The preferred issuance mechanism adopted by the Treasury is to offer its Stocks both to retail and institutional investors simultaneously in a combined MGS issuance. Since Treasury's allocation policy gives priority to retail investors, the auction window planned for institutional investors was called off for all the three MGS issuances offered simultaneously to both retail and institutional investors. Having exercised the over-allotment option in full in all three occasions, the Treasury had to scale down allocation in accordance with an allocation formula announced to the market. In these instances, the Treasury allotted the full amount subscribed to each applicant up to an established amount (cap) and for those who exceeded this capping the Treasury allotted an additional percentage on the remaining unallocated balance over and above the capped amount. **Table 3** gives further insight into the allocation policy.

Table 3 – Allotment policy applied in case of over-subscription by retail investors

Issuance	Security Issued	Total Participation € millions	Total Allotment € millions	Accepted %	Capping/application €000s	% accepted over capping
Feb	1.5% MGS 2022	3.0	3.0	100%	n/a	n/a
	2.5% MGS 2036	198.9	196.7	99%	90.0	53%
Mar	1.5% MGS 2022**	93.0	55.0	59%	n/a	n/a
	2.5% MGS 2036**	58.3	25.0	43%	n/a	n/a
Aug	1.5% MGS 2022	5.3	5.3	100%	n/a	n/a
	2.4% MGS 2041	180.5	153.7	85%	50.0	15%
Oct	1.5% MGS 2022	0.1	0.1	100%	n/a	n/a
	2.1% MGS 2039	187.7	159.1	85%	45.0	11%

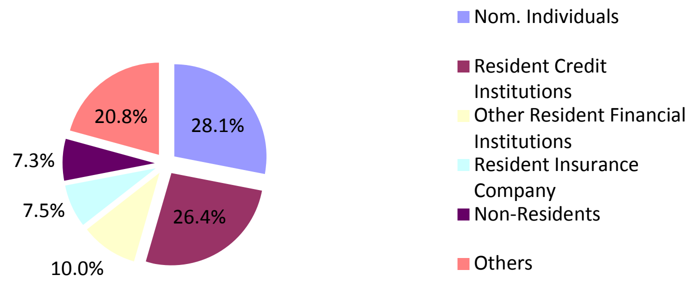
*** Issue targeted for institutional investors only*
Amounts may not add up due to rounding

In view of (a) the overwhelming participation by the retail, (b) the preferred mode of issuance mechanism adopted by the Treasury and (c) an allotment policy giving preference to retail, the institutional investors were crowded out from acquiring MGS in the primary market throughout most of the year. In order to address this issue, the Treasury offered an amount of €50 million (plus another €30 million available as an over-allotment option) to institutional investors through the auction process. This issuance registered a bid-to-cover ratio of 3x.

III. MGS Holder Distribution by investor type

Chart 1 shows the distribution of MGS among the different types of investor groups. Following the trend of past years, *resident nominal individuals* and *resident credit institutions* held the largest ownership shares of MGS in the market with 28% and 26% respectively. When compared to end of 2015, the *resident credit institutions* decreased their ownership share by 6% whilst *nominal individuals'* share remained unchanged. *Resident insurance companies* decreased their holdings in percentage terms from 8.4% in 2015 to 7.5% resulting in an overall decrease in holdings by approximately €30 million. The share held by *other resident financial institutions* was stable, increasing marginally to 10% when compared to end of 2015. The share of holdings held by *non-residents* increased by 1.4% reaching 7.3% at the end of 2016. All other investor categories, mainly composed of domestic entities not falling under the main categories, including non-profit entities, local councils and public non-market units, etc. increased their ownership share in 2016 from 16.1% to 20.8% .

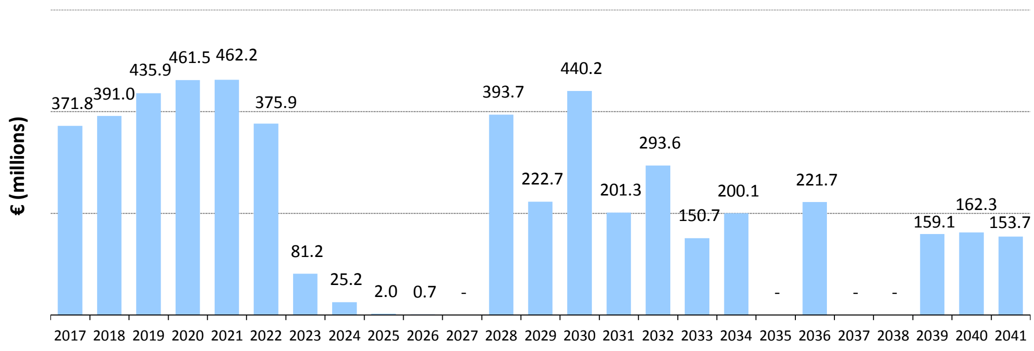
Chart 1 – MGS Holder Distribution as at 31st December 2016



IV. Maturity Profile

The gross outstanding nominal value of MGS as at 31st December 2016 reached € 5,206.5 million, an increase of 3.6% over the outstanding balance as at end 2015. **Chart 2** illustrates the distribution of outstanding MGSs by year of maturity.

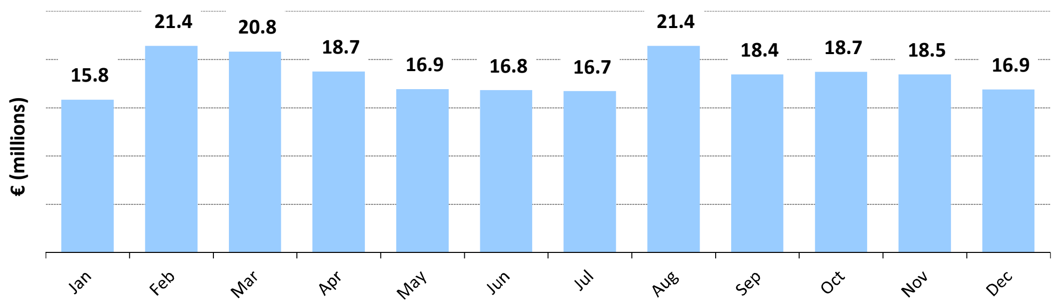
In accordance with its issuance strategy the DMD continued tapping the longer end of the yield curve, extending it further to 2041. In so doing it also filled some gaps in the 2036-2039 maturity horizon by issuing new MGSs in this maturity range. This was done in order to offer a relatively attractive coupon intended for investors in search of bonds that yielded a higher return and guaranteed a stable income stream in a low interest rate environment. The weighted-average coupon of all new MGSs issued during 2016 was 2.27% on the back of a weighted-average maturity on all the new issuances launched in 2016 of 20 years. At the same time the weighted-average maturity (WAM) of the MGS portfolio was extended further to 9.8 years, a 13% increase over last year's metric which stood at 8.7 years. Skewness has remained unchanged, with 32% of the MGS portfolio maturing within the next four years.



V. Cost of Borrowing

Interest paid on MGS in 2016 amounted to €221.0 million, a 3.26% decrease when compared to the interest paid in 2015 of €228.2 million. The distribution of monthly aggregate semi-annual coupon payments is illustrated in **Chart 3**.

Chart 3 - Distribution of Monthly MGS Interest Payments – 2016



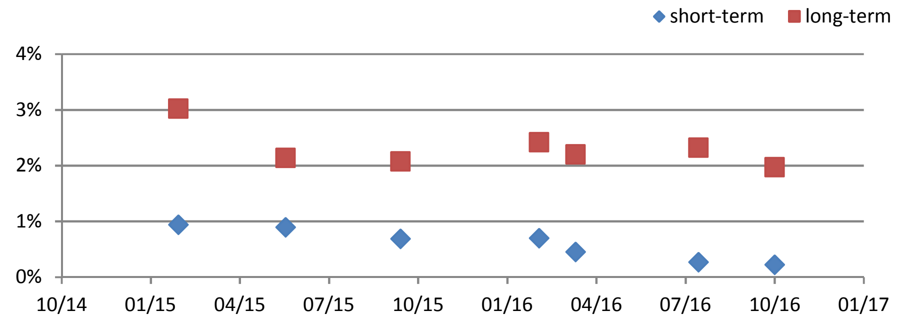
The MGS portfolio weighted-average coupon (WAC) as at 31st December 2016 continued to decrease to 4.25% from 4.56% a year earlier. The borrowing environment not only facilitated the servicing of debt, but Treasury seized the opportunity to extend the yield curve at exceptionally low interest rates. Given the low interest rate environment on a global level, the DMD could replace the high coupon-paying maturing stock with longer-dated bonds paying a lower coupon, thus decreasing the WAC and extending WAM at the same time.

VI. Developments in the MGS Markets during 2016

During the year 2016 the situation of historically low rates in the sovereign bond markets continued to prevail on the back of inflation pressures remaining contained worldwide and with the ECB continuing to address a subdued inflation outlook in the Euro Area. In March of 2016, the ECB decreased its main refinancing rate to 0% and continued its own quantitative easing (QE) programme in the form of a Public Sector Purchases Programme (PSPP). The monthly purchases were increased by €20 billion per month to €80 billion. It also cut the deposit facility rate further to minus 0.4% (from minus 0.3% in 2015). In December, the duration of the Asset Purchase Programme was extended by a further nine months, yet the volume of monthly purchases was scaled back to €60 billion with effect from April 2017. Throughout the year 2016 there was a surge of political uncertainties (Brexit, the US election, instability of the Italian Banking Sector, continued high levels of migration, etc.) which weighed on the financial markets. These situations exerted downward pressure on sovereign bond yields as investors sought safety, until such pressure somewhat eased towards the end of the year, with yields climbing slightly. The spill over effect of these risks arising from significant global political events could be observed in the domestic capital market with yields on MGS reaching new lows than those registered in 2015.

The yield of short and long-term MGS (calculated as a weighted average of retail & wholesale [where applicable]) issued on the primary market in the past two years is plotted in **Chart 4 below.** The bar graph represents the maturity of Stocks selected for each respective issuance. It can be noted that even with an increase in maturity (from 14 years to 25 years) the yield remained close to around 2%. In the 5-year bucket, yields approached 0%, more or less mirroring the negative yields of comparable sovereign countries.

Chart 4 –Primary Market Yields & Maturities Jan 2015- Dec 2016



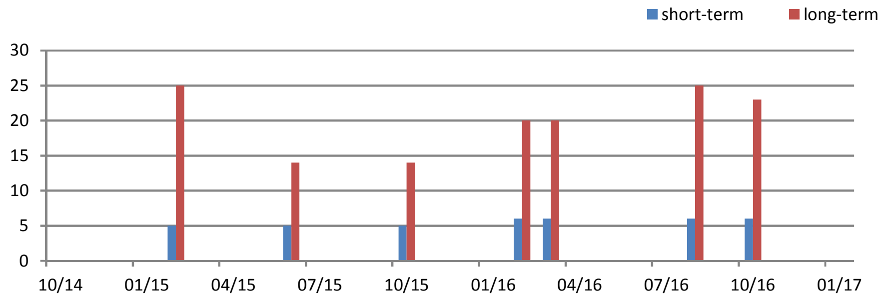


Table 4 shows the yield spreads for both retail & wholesale in two maturity segments, as interpolated with German bunds of identical maturity in primary issues of MGSs on the domestic market in 2015 & 2016. Short-term spreads remained more or less unchanged hovering around +70 basis points (bps). The movement of long-term spreads was more pronounced and to a certain extent widening, yet this was mostly due to the discrepancy in the term to maturity of the stocks being analysed; i.e. the MGSs issued in 2016 were five to ten years longer than the last MGS issued in 2015. When analysing the spreads linked to the 25-year bond issued in March 2015 with the spreads which emerged when a similar 25-year bond was issued in August 2016, it was noted that long term spreads narrowed by eight basis points (bps).

Table 4 – Spread Over Bund in Primary Market (Fixed Coupon MGS)

Year	Issuance	Short term		Long term	
		Retail	Auction	Retail	Auction
2015	Mar	+99bps	-	+212bps	-
	Jun	-	+64bps	-	+93bps
	Oct	+73bps	+72bps	+122bps	+117bps
2016	Feb	+91bps	-	+166bps	-
	Mar	-	+73bps	-	+156bps
	Aug	+78bps	-	+204bps	-
	Oct	+67bps	-	+147bps	-

Source: Deutsche Bundesbank (www.bundesbank.de) & own calculations

Treasury Bills

The DMD held weekly Treasury bills auctions to support its daily cash management activity and ensure that government's daily cash requirements were met. Being the only instrument used in cash management operations, the directorate made extensive use of this financial instrument to fine tune the cash balance at CBM and smooth liquidity fluctuations arising from the mismatch between the receipts and payments. The nominal value of outstanding T-Bills at the end of the year increased to €254 million, almost €32 million over the 2015 closing balance. Yet this figure was €112 million less than the revised estimated balance published on 17th October 2016 in the *Financial Estimates 2017*.

I. Issuance Strategy

In accordance with its issuance strategy, the Treasury offered a mix of tenors after taking into account market appetite consistent with an acceptable level of risk. Participation in T-bills auctions was both strong and stable throughout the year. **Table 5** summarizes the aggregate issuances and redemptions per tenor for the year. In line with its issuance strategy, T-bill issuance concentrated on the 91-day benchmark, where 73% of total issuances were allotted in this tenor. This marked a 13 percentage points (pp) increase in the take-up in this tenor when compared to the issuances of 2015. On the other hand, the 182-day T-bill stood at 16% of total issuance, a decrease of 12pp over last year. The remaining 11% of the total of T-Bills issued in 2016 were allotted among the 28-day, 273-day and 364-day tenors. With a higher weighting on the 3-month bill, the weighted-average maturity (WAM) on issued T-bills decreased to 110 days from 125 days in 2015.

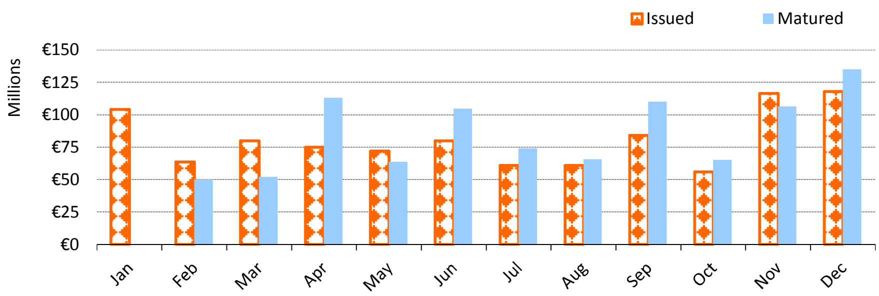
Table 5 - T-Bills issued by tenor in 2016

Tenor	Issued*(€ million)*	% of Total	Redeemed*(€ million)*	% of Total
28	67.5	7%	57.5	6%
91	706.0	73%	661.0	70%
182	152.1	16%	161.1	17%
273	41.5	4%	51.6	5%
364	4.0	0%	8.0	1%
Total Issuance	**€971.05**	**100%**	**939.10**	**100%**

% total does not add up due to rounding.

Chart 5 below shows gross issuance and redemption on a monthly basis. Net issuance was negative in seven out of twelve months throughout the year. On a quarterly basis the net issuance pattern reveals that net issuance was negative in all quarters except Q1, mainly because there were no redemptions in the first five weeks of the year. Overall, on a yearly basis net issuance was positive by almost €32 million.

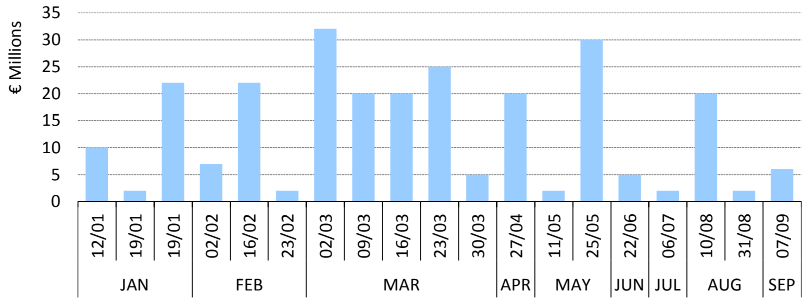
Chart 5 - T-Bills issued and redeemed per month in 2016



II. Redemption Profile

The nominal outstanding balance of Treasury bills at the end of the year stood at €254 million. These instruments were entirely held by resident credit institutions. **Chart 6** shows how this balance will be redeemed throughout 2017.

Chart 6 - Outstanding Treasury Bills as at end 2016

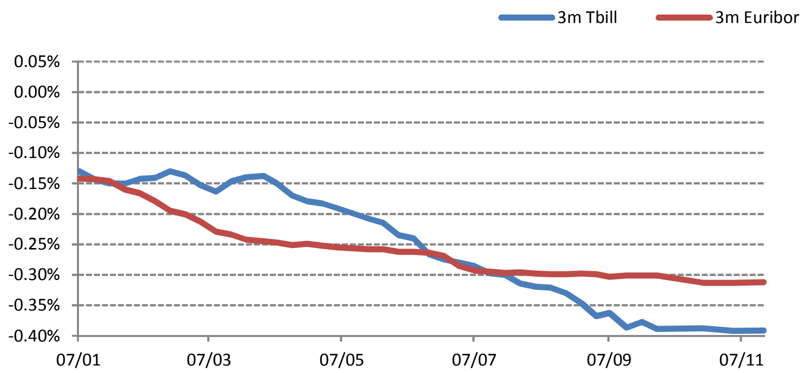


III. Yields & cost of borrowing

The year 2016 was characterized by negative yields across the entire money market spectrum. This implies that bidders were willing to pay, rather than receive interest, to lend their money to the government.

The 3-month Euribor is used as a benchmark for the 3-month T-bill. These are both plotted in **Chart 7**. In the beginning of the year, the Euribor continued its descending trajectory until it somewhat flattened towards the end of March around the minus 0.25% level, followed by another significant movement of minus 0.05% towards the end of June. It continued on its declining path reaching the minus 0.3% level towards the end of the year. The T-bill weighted average rate (WAR) started 2016 slightly higher than the Euribor and being a little more volatile around the minus 0.15% level. From the beginning of April, the weighted-average rate resumed its dive for the following five months, in tandem with the flatter downward movement of the EURIBOR rate. The WAR intersected the Euribor in July, and stayed constantly below the Euribor thereafter. Towards the end of Q4 2016, the 91-day weighted-average rate stabilized close to the minus 40bps level ending at a low of minus 0.39%.

Chart 7 – 3-month Euribor vs. Accepted 3-month T-bill rates



Horizontal X-axis does not cross vertical axis at zero.
Source: European Banking Federation (www.euribor-ebf.eu) & own calculations.

With interest rates navigating deeper into negative territory, the DMD received interest amounting to almost €0.8 million on new T-bills issued in 2016, as investors compensated government for providing them the opportunity to 'park' their cash in the form of Treasury bills. No interest was paid throughout the year.

Gross issuance of T-bills was 23.5% higher than in 2015, or €185 million more (€971.0 million vs €786.0 million). With 73% of issuance concentrated in the 91-day tenor, the WAM was shortened to 110 days (from 124 in 2015). The entire portfolio's weighted-average yield on accepted bids was minus 0.263%.

Table 6 below shows the maximum and minimum accepted rates together with the weighted-average rate for the most frequently issued tenors.

Table 6 - T-Bills borrowing rates

Tenor	Max	Date	Min	Date	WAY
1m	-0.341%	28-Jul-2016	-0.394%	10-Nov-2016	-0.390%
3m	-0.130%	07-Jan-2016	-0.392%	03-Nov-2016	-0.265%
6m	-0.050%	25-Feb-2016	-0.386%	24-Nov-2016	-0.230%

Foreign Loans

Bilateral loans with foreign official creditors were specifically undertaken by Government to finance large capital projects. In 2016, €10.4 million were repaid in accordance with the pre-established repayment schedules, resulting in an end-of year outstanding balance of €19.4 million. During 2016 the government did not borrow from outside Malta through foreign bilateral loans.

Total interest costs incurred during 2016 to service these loans amounted to €1.3 million. The majority of Government's bilateral loan agreements are denominated in euro as shown in **Table 7** below, hence making any exchange rate risk insignificant.

Table 7 - Foreign loans outstanding (by currency) as at 31/12/2016 (€ Mn)

	Euro	CAD	Total
Amount (€ Millions)	19.24	0.13	19.37
%	99.3%	0.7%	100.0%

Exchange rates as at 30/12/2016.

Source: Central Bank of Malta (www.centralbankmalta.org) & own calculations.

European Investment Bank (EIB)

During 2016 officials from the directorate met with officials from EIB and held a number of teleconferences to discuss the bank's terms and conditions of a loan facility in connection with EIB's support for Malta in the form of co-financing towards approved projects under the EU Operation Programme of 2014 -2020. In this regard, in September 2016 the Ministry for Finance signed an agreement for a loan facility of an amount not exceeding €72 million which can possibly be utilised by the Government of Malta as required, in order to cover its contribution towards projects undertaken as part of Malta's Operational Programmes for the European Regional Development Fund, the European Social Fund, and the Cohesion Fund for the 2014-2020 programming period.

The EU Emissions Trading System (EU ETS)

During 2016 the Treasury continued to fulfil its role as auctioneer for Malta-based stationery installations' emission allowances (EUAs) and aviation emission allowances (EUAAs) on behalf of the Government of Malta. The directorate within the Treasury Department participated in the auctions conducted by the European Energy Exchange (EEX). Under the EU Emissions Trading System, Malta's share of auctioned allowances for the year 2016 was 848,500, of which 819,000 allowances were in respect of EUAs (stationery installations) and 29,500 in respect of EUAAs (aviation).

In 2016, 132 auctions in respect of EUA were held regularly on Monday, Tuesday and Thursday of every week, whilst another 6 EUAA auctions were held on Wednesdays and spread across the year in two-month interval. Malta's 2016 share of revenue generated from these auctions amounted to €4.5 million or €1.7 million less than generated last year. Most of the proceeds, that is €4.3 million, were generated from EUA auctions whilst the remaining €0.2 million were received from EUAA auctions.

Relations with other institutions

I. International Monetary Fund

The directorate gave its input towards the annual Article IV consultation process carried out by the International Monetary Fund (IMF). To this effect the directorate together with officials from the Ministry for Finance participated in the annual meetings with officials from the IMF Mission held in June and December 2016 respectively. During these meetings various topics related to government debt management and strategies on central government debt were discussed.

II. DG ECFIN and Credit Rating Agencies

Jointly with officials from the Budget Office and the Economic Policy Department, the directorate participated in the spring and autumn forecast meetings held with officials from the European Commission's DG ECFIN in April and October 2016 respectively.

Officials from the Debt Management Directorate flanked by officials from the Ministry for Finance met with officials from credit rating agencies on four different occasions, to discuss issues related to central government debt, debt issuance strategies and debt management. Such meetings are normally undertaken as part of the credit rating review process and in some occasions, were a follow up to teleconferences held earlier with these agencies. After each meeting, the Credit Rating Agencies were presented with a report outlining the issues that were discussed during the meetings.

The directorate's contribution in these meetings focused on reviews of past performance, ongoing developments and outlooks related to Central Government Debt and Debt Management.

III. EFC sub-committee on EU Sovereign Debt Markets (ESDM)

The DMD continued to participate in meetings of the Economic and Financial Committee's (EFC) Sub-committee on EU *Sovereign Debt Markets* (ESDM) in Brussels. The main objectives of the sub-committee include discussions on issues related to the efficient functioning of the EU's primary and secondary sovereign debt markets, as well as contributions in the form of formulation of common positions for the consideration of the EFC/EWG on issues considered of significant impact on EU sovereign debt markets.

During the course of the year 2016, the Debt Management Directorate in conjunction with officials from the Central Bank of Malta participated in four meetings held in Brussels and two teleconferences. The key areas of work focused on the ongoing functioning and developments in the sovereign bond markets as well as discussions on a number of policy-related issues linked to (i) the introduction of various regulatory provisions that can affect sovereign debt markets, (ii) the IMF's views on Collective Action Clauses (CACs) and Preferred Creditors Status (PCS), and (iii) Credit Rating Agency regulation (CRA 3). As from the beginning of the year, the directorate joined the Risk Metrics Working Group (RMWG) set up by the

ESDM, to calculate and compile a standardised set of government debt-related risk indicators on a quarterly basis for reporting to the EFC and other EU departments.

Government Borrowing and Management of Public Debt Act

During the year the directorate continued its work on the proposed new legislation governing the borrowing and debt management of central government. The proposed act shall include an update to the administrative and legislative framework of debt management in line with international best practices in the area of public debt management. The 1st reading of the bill is expected to be tabled in Parliament in the first quarter of 2017.

Staff Training and Development

The directorate is committed to training and human resources development to ensure that its staff have the right skills to achieve its strategic and operational goals. To this effect the directorate provides support for professional studies to enhance the skills base of its employees. During the year 2016 opportunities were offered to directorate staff to attend training courses, seminars and annual conferences organised by local and foreign organisations. These included:

- The 11th annual European Bond Conference organised by the Association for Financial Markets in Europe (AFME);
- AFME/ European Primary Dealers: Government Bond Markets Off-Site;
- 2nd Annual MSE Investor Education Conference;
- Public Lecture organised by the Department of Banking & Finance of the University of Malta entitled: “Achieving high yields in bonds and stocks”;
- Performance Management Skills training on the new Performance Appraisal Form organised by the Centre for Development, Research and Training (CDRT), within the Office of the Prime Minister; and
- Conceptual Framework (Accrual Accounting) – Information Session organised by the CDRT.

Support Services

The directorate’s front office continued to offer guidance and provide the necessary services to the heirs of deceased MGS holders so that they can have any inherited government Stocks transferred in their name through a *Causa Mortis* procedure after a claim is submitted through their notary or legal counsel.

In 2016 the directorate received three hundred and three (303) new *Causa Mortis* claims from the heirs’ legal counsel, representing a decrease of 19% over the previous year. During the course of the same year the directorate finalised three hundred and one (301) cases, of which one hundred and seventy-seven (177) were in respect of new claims submitted in the year 2016, whilst the remaining one hundred and twenty-four (124) cases were related to claims opened in previous years.

Online Services

During the year 2016 the Debt Management Directorate continued to make use of the Treasury's website to increase the data available to stakeholders and market participants, such that its content better meets their needs in a timely and more efficient manner. The information/statistics/forms uploaded on the website include:

- Market announcements linked to new issuance of Malta Government Stocks;
- The annual indicative issuance calendar of Government Securities;
- Monthly issuance calendar for Treasury bills;
- The publication of weekly Treasury bills auction results;
- Weekly Treasury bills' auction bid analysis report;
- Malta Government Stocks auction results;
- Investor base of Malta Government Securities;
- The composition of the outstanding MGS portfolio;
- The latest credit ratings for Malta government debt;
- The full text of the Model Collective Action Clauses (CACs);
- Concise guidelines intended to guide the heirs of deceased stockholders through the administration tasks related to *'Causa mortis'* claims;
- Various other occasional reports, both of a technical and an informative nature.