

**MEMO# 31604**

February 8, 2019

## **Draft Letter on UK Venue Recognition in Brexit: Response Requested by February 11 at Noon**

[31604]

February 8, 2019 TO: Derivatives Markets Advisory Committee  
ICI Global Trading & Markets Committee RE: Draft Letter on UK Venue Recognition in Brexit:  
Response Requested by February 11 at Noon

ICI Global is considering whether to join the attached draft letter on the recognition of UK derivatives trading venues under the European Market Infrastructure Regulation (EMIR) and the Markets in Financial Instruments Regulation (MiFIR). If you have comments on the draft, or object to ICI Global joining the letter, please contact George Gilbert ([george.gilbert@ici.org](mailto:george.gilbert@ici.org)) and Giles Swan ([giles.swan@iciglobal.org](mailto:giles.swan@iciglobal.org)) by **noon (US eastern time) on Monday, February 11**. We also would appreciate your feedback on the **[bracketed and bolded]** sentence on p. 5 of the draft.

The letter urges the European Commission to adopt equivalence decisions for UK trading venues under EMIR and MiFIR, either in advance of Brexit or shortly thereafter, if the UK leaves the EU without concluding a withdrawal agreement. The letter explains the legal implications if UK trading venues cease to be recognized under EMIR and MiFIR following Brexit and describes the harms that EU and UK derivatives markets would face in the absence of equivalence determinations. These harms include diminished liquidity in UK and EU derivatives markets and reduced market access for counterparties. The letter also argues that UK trading venues will meet the criteria for equivalence under Article 2a of EMIR (with respect to UK regulated markets) and Article 28(4) of MiFIR (with respect to UK multilateral trading facilities and organized trading venues).

George M. Gilbert  
Assistant General Counsel

Giles Swan  
Director of Global Funds Policy, ICI Global

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