

MEMO# 32125

January 2, 2020

Confirmed Extension of EU Commission Temporary Equivalence Decision for UK CCPs

[32125]

January 2, 2020 TO: ICI Members

ICI Global Members

Chief Risk Officer Committee

ICI Global Brexit Task Force

ICI Global Regulated Funds Committee

ICI Global Trading & Markets Committee

Securities Operations Advisory Committee SUBJECTS: International/Global RE: Confirmed Extension of EU Commission Temporary Equivalence Decision for UK CCPs

As previously advised,[\[1\]](#) the European Commission (“the Commission”) has been considering extending the temporary equivalence decision it has granted to UK Central Clearing Counterparties (CCPs) in the event of a no-deal Brexit. On 23 December 2019, an amendment to the equivalence decision – extending the expiry date from 30 March 2020[\[2\]](#) to 1 February 2021 – was published in the EU’s Official Journal.[\[3\]](#)

The Commission has also indicated that it will continue to monitor “financial market conditions and developments, as well as the exposure of clearing members and clients established in the (EU) to the concentration risk posed by CCPs established in the United Kingdom.” Furthermore, if the Commission considers that such exposures are detrimental to the EU’s financial stability then it may seek to limit the access of clearing members and clients to certain products, activities or services provided by CCPs established in the United Kingdom. The Commission plans to make its intention known at the latest, six months before the expiry date (i.e. by early August 2020).

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endnotes

[1] See Memo 32059, RE: Extension of EU Commission Temporary Equivalence Decision for UK CCPs in the Event of a No-Deal Brexit, dated 21 November 2019, available from https://www.ici.org/my_ici/memorandum/memo32059

[2] Article 2, Commission Implementing Decision (EU) 2018/2031, available from <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018D2031&from=EN>

[3] See Commission Implementing Decision (EU) 2019/2211 of 19 December 2019 on p157, available from <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2019:332:FULL&from=EN>

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