

MEMO# 32059

November 21, 2019

Extension of EU Commission Temporary Equivalence Decision for UK CCPs in the Event of a No-Deal Brexit

[32059]

November 21, 2019 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: Derivatives

Trading and Markets RE: Extension of EU Commission Temporary Equivalence Decision for UK CCPs in the Event of a No-Deal Brexit

On 15 November 2019, European Commission Vice-President Dombrovskis confirmed in a speech[\[1\]](#) that the European Commission (“the Commission”) intends to extend the temporary equivalence decision it has granted to UK Central Clearing Counterparties (CCPs) in the event of a no-deal Brexit. The equivalence decision had been due to expire on 30 March 2020. A communication made by a European Commission official to an industry association suggests the extension will be for an additional year.

As previously advised,[\[2\]](#) following confirmation earlier in the year that the Commission would provide temporary equivalence to UK CCPs, on 18 February 2019 ESMA recognized[\[3\]](#) three UK CCPs - LCH Limited, ICE Clear Europe Limited and LME Clear Limited. ESMA has updated its recognition as the UK’s exit date has been revised to 12 April 2019[\[4\]](#), 31 October 2019[\[5\]](#) and 31 January 2020[\[6\]](#) along with more general updates to its Brexit preparations.

Giles Swan

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endnotes

[1] https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_19_6285

[2] See Memorandum No. 31649, RE: Brexit: A Summary of Key Technical Publications, dated 13 March 2019, *available from* https://www.ici.org/my_ici/memorandum/memo31649

[3] https://www.esma.europa.eu/sites/default/files/library/esma71-99-1114_esma_to_recognise_three_uk_ccps_in_the_event_of_a_no-deal_brexit.pdf

[4] https://www.esma.europa.eu/sites/default/files/library/esma71-99-1142_esma_updates_its_recognition_of_uk_ccps_and_csd.pdf

[5] <https://www.esma.europa.eu/press-news/esma-news/esma-update-no-deal-brexit-preparations>

[6] <https://www.esma.europa.eu/press-news/esma-news/esma-update-brexit-preparations>

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