

**MEMO# 32803**

October 2, 2020

## **ESMA Recognition of UK CCPs**

[32803]

October 2, 2020 TO: ICI Global Members  
Derivatives Markets Advisory Committee  
Global Operations Advisory Committee  
ICI Global Brexit Task Force  
ICI Global Regulated Funds Committee  
ICI Global Trading & Markets Committee SUBJECTS: Derivatives  
International/Global RE: ESMA Recognition of UK CCPs

As previously advised,[\[1\]](#) the European Commission has confirmed that the EU will grant UK central Counterparties (CCPs) 18 months additional temporary equivalence under EMIR from 1 January 2021 (the date from which the Brexit implementation period expires) until 30 June 2022.

On 28 September 2020, the European Securities and Markets Authority (ESMA) published[\[2\]](#) a public statement[\[3\]](#) confirming that it will recognise three UK CCPs[\[4\]](#) from 1 January 2021 on the following “tiering” basis:

- LME Clear Limited has been assessed as a Tier 1 CCP;
- ICE Clear Limited as a Tier 2 CCP; and
- LCH Limited as a Tier 2 CCP.

The Bank of England published a statement[\[5\]](#) welcoming ESMA’s decision and confirming that as part of the recognition process, the Bank of England and ESMA have agreed an updated Memoranda of Understanding regarding cooperation and information-sharing arrangements with respect to CCPs, which will take effect from 1 January 2021.

Giles Swan  
Director of Global Funds Policy  
ICI Global

**endnotes**

[1] See Memorandum No. 32781, RE: EU Recognition of UK CCPs, dated 25 September 2020, available from [https://www.ici.org/my\\_ici/memorandum/memo32781](https://www.ici.org/my_ici/memorandum/memo32781)

[2] Press Release: ESMA to recognise three UK CCPs from 1 January 2021, 28 September 2020, available from <https://www.esma.europa.eu/press-news/esma-news/esma-recognise-three-uk-ccps-1-january-2021>

[3] Public Statement: ESMA to recognise three UK CCPs from 1 January 2021, 28 September 2020, available from [https://www.esma.europa.eu/sites/default/files/library/esma71-99-1403\\_communication\\_ukccps\\_recognition\\_2020.pdf](https://www.esma.europa.eu/sites/default/files/library/esma71-99-1403_communication_ukccps_recognition_2020.pdf)

[4] ICE Clear Europe Limited, LCH Limited, and LME Clear Limited

[5] Press Release: Bank of England statement on European Securities and Markets authority recognition decisions, 28 September 2020, available from <https://www.bankofengland.co.uk/news/2020/september/boe-statement-on-esma-recognition-decisions>