

Press release

How might financial services contracts be impacted by Brexit?

AFME & Clifford Chance publish FAQs to assist bank clients address contractual questions

19 February 2018

AFME, together with Clifford Chance, has today published guidance to assist bank clients in understanding how their cross-border relationships may be impacted by banks' plans to adapt to Brexit.

The FAQs explain the potential significant impact on contractual relationships for financial services, providing answers to a number of "Frequently Asked Questions" which highlight potential operational and documentation impacts. As banks begin implementing their Brexit contingency plans, clients are likely to see impacts in respect of existing cross-border contracts and will be required to put in place arrangements for new business following Brexit.

The FAQs address questions such as which clients may be in scope, which contracts may be affected, how they may be impacted and consequential operational impacts that need to be considered.

Simon Lewis, Chief Executive of AFME said: *"With the Brexit political process still ongoing, our FAQs document highlights the need for clients to take action now by reviewing documentation and operations to understand how they might be impacted, including whether operations may need to change. This is to ensure that clients have sufficient lead time to address documentation, technical and other issues for minimal business disruption. In this respect, AFME continues to call for clarity that clients will be able to rely on services under existing contracts post-Brexit."*

Monica Sah, Partner at Clifford Chance, said: *"Six months ago nobody was talking about repapering. Now people realise that moving contracts from one jurisdiction to another is likely to be a significant undertaking as banks adapt to Brexit. These FAQs attempt to simplify a hugely complex process and help clients understand how their day to day contractual activities will be impacted by their dealers' implementation of their own Brexit strategies. Clients need to work with their dealers to ensure a smooth transition and a continued seamless service."*

The FAQs primarily focus on questions relevant to EU27 clients of UK-based banks in relation to sales and trading in wholesale markets and related credit given for settlement purposes. The FAQs also highlight questions for UK-based clients of EU27-based banks, and primary market and financial market infrastructure impacts.

The FAQs are available in [English](#), [French](#), [German](#), [Italian](#) and [Spanish](#).

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AFME Contact

Rebecca Hansford
Head of Media Relations
rebecca.hansford@afme.eu

+44 (0)20 3828 2693

+44 (0)7825 081 686

About AFME:

AFME (Association for Financial Markets in Europe) advocates for deep and integrated European capital markets which serve the needs of companies and investors, supporting economic growth and benefiting society. AFME is the voice of all Europe's wholesale financial markets, providing expertise across a broad range of regulatory and capital markets issues. AFME aims to act as a bridge between market participants and policy makers across Europe, drawing on its strong and long-standing relationships, its technical knowledge and fact-based work. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. AFME participates in a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association (ASIFMA) through the GFMA (Global Financial Markets Association). For more information please visit the AFME website: www.afme.eu.

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Clifford Chance is one of the world's pre-eminent law firms, with significant depth and range of resources across five continents. As a single, fully integrated, global partnership, we pride ourselves on our approachable, collegial and team-based way of working. We always strive to exceed the expectations of our clients, which include corporates from all the commercial and industrial sectors, governments, regulators, trade bodies and not-for-profit organisations. We provide them with the highest-quality advice and legal insight, which combines the Firm's global standards with in-depth local expertise. For more information please visit the Clifford Chance website: www.cliffordchance.com.