Press release

**Trade Organisations call for Extension of Temporary Equivalence and Recognition of UK CCPs**

12 November 2019

Today, 14 financial services trade associations wrote to European Commission Vice President, Valdis Dombrovskis to highlight the need for an urgent extension to the temporary equivalence determination for UK central counterparties (CCPs). Without such an extension, EU clearing members would not be able to continue as direct members of UK CCPs in the event of a no-deal Brexit, and EU counterparties would not be able to clear derivatives subject to the clearing obligation on those CCPs. The current temporary equivalence expires on 30 March 2020.

The 14 trade associations signing the letter are AFME, FIA, ISDA, FIA EPTA, EFET, DAI, Eurelectric, SSDA, Assosim, AIMA, MFA, EFAMA, SIFMA AMG and EBF.

The signatories of today’s letter argue that without a seamless ability to continue to clear transactions across borders in the event of a ‘no-deal’, Brexit will have a significant impact on companies and on the safety and soundness of the financial system.

As argued in the letter: “*It is important for the purpose of maintaining financial stability in the event of a "No Deal" Brexit for the Commission to provide this certainty in a timely fashion. It is also an important bridging measure to ensure that the transitional, anti-disruption protections for EU counterparties that have been negotiated under EMIR 2.2 will be available in the event that the UK is not ultimately found to be equivalent or in the event that UK CCPs are not able to obtain recognition (although we emphasise that we consider that it is of vital importance for financial stability that the necessary arrangements are put in place to ensure that UK CCPs are able to obtain recognition under EMIR 2.2).”*

*The Associations request that the Commission amend the Implementing Decision on UK CCPs to extend the temporary equivalence until the date 18 months after entry into force of the relevant Commission delegated acts under EMIR 2.2, plus an additional three month period to allow UK CCPs to serve termination notices to EU clearing members in the event that their recognition is withdrawn following ESMA's review.”*

-ENDS-

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**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](http://www.afme.eu).

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