
Press release

AFME calls for further progress on the future EU-UK relationship for financial services

6 July 2020

With less than six months remaining before the end of the transition period, the Association for Financial Markets in Europe (AFME) urges the EU and UK to make progress on the negotiations and put in place equivalence decisions and the necessary arrangements to ensure a stable long-term relationship for financial services and minimise potential disruption.

In a paper published today (6 July) setting out priorities for the future EU-UK relationship, AFME highlights that continuing uncertainty on Brexit, combined with the adverse macroeconomic situation arising from COVID-19, has the potential to aggravate existing risks at the end of the transition period and significantly increase disruption to clients and markets.

AFME is calling on the EU and UK to:

- ensure that equivalence determinations are in place well in advance of the end of the transition period;
- establish arrangements for close supervisory cooperation to ensure effective and efficient oversight of firms and cross-border activities; and
- establish a formalised framework for regulatory cooperation to build trust and ensure as much transparency and certainty as possible over the processes for the assessment and withdrawal of equivalence.

Michael Cole-Fontayn, AFME Chairman said:

“We hope the EU and the UK will establish a successful long-term relationship for financial services, but time is running out. That’s why we are urging the EU and UK to put in place equivalence determinations and address regulatory challenges as soon as possible to minimise disruption to markets and businesses which will need time to adapt their processes and technology. We hope that the foundations can be laid for a cooperative and stable long-term relationship, minimising fragmentation, including formal arrangements for supervisory and regulatory cooperation to build trust and ensure as much transparency and certainty as possible over equivalence processes.

“This is even more important in the current economic environment, where firms and their clients are facing the ongoing effects of COVID-19. While European wholesale banks have undertaken very extensive preparations to ensure that they can continue to serve their clients in any scenario, businesses across Europe are facing the consequences of the COVID-19 pandemic. This combination has the potential to aggravate risks at the end of the transition period. A clear position from the EU and the UK will ensure that businesses and markets can have certainty and time to adapt to minimise potential disruption for clients and markets.”

Association for Financial Markets in Europe

London Office: 39th Floor, 25 Canada Square, London E14 5LQ, United Kingdom T: +44 (0)20 3828 2700

Brussels Office: Rue de la Loi 82, 1040 Brussels, Belgium T: +32 (0)2 788 3971

Frankfurt Office: Neue Mainzer Straße 75, 60311 Frankfurt am Main, Germany T: +49 (0)69 153 258 963

www.afme.eu

The paper also highlights outstanding regulatory challenges for financial services that should be addressed ahead of the end of the transition period to minimise disruption to markets and clients. These include ensuring continued access for EU firms to UK CCPs, addressing the implications of the MiFID share trading obligation (STO) and the derivatives trading obligation (DTO), and ensuring the continued servicing of existing clients and contracts.

The paper can be [downloaded from the AFME website](#)

– Ends –

AFME Contacts

Patricia Gondim

Interim Head of Media Relations

patricia.gondim@afme.eu

+44 (0)20 3828 2747

Notes:

1. AFME (Association for Financial Markets in Europe) promotes fair, orderly, and efficient European wholesale capital markets and provides leadership in advancing the interests of all market participants. AFME represents a broad array of European and global participants in the wholesale financial markets. 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.
2. Follow us on Twitter [@AFME_EU](https://twitter.com/AFME_EU)