

EACH Statement

Brussels,
14th December 2018

Legal certainty for clearing activities in case of a 'no-deal' scenario

Against the background of a hard Brexit and increasing risks to financial stability, the European Association of CCP Clearing Houses (EACH) welcomes the communication of the European Commission regarding a temporary and conditional regime for equivalence and recognition of UK CCPs in the EU¹. Such a regime would ensure the continuity of critical clearing services for EU clearing members in case the withdrawal of the UK from the EU occurs without an agreement (i.e. 'no-deal'). EACH has welcomed similar statements from the Bank of England for the temporary recognition of EU CCPs in the UK².

EACH believes that to ensure financial stability and avoid amongst other the disorderly close out of positions of EU clearing members in UK CCPs, it is critical to urgently enshrine into EU law the possibility of a temporary and conditional equivalence regime. This would provide the legal certainty needed for market participants to cope with a 'no-deal' scenario in the least disruptive manner, meeting the end goal of ensuring a smooth transition from authorisation to temporary recognition for UK CCPs. EACH also requests a reciprocal approach by UK authorities and therefore welcomes the steps already taken by UK authorities to enshrine into UK law a temporary and conditional equivalence regime for EU CCPs.

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¹ https://ec.europa.eu/info/sites/info/files/brexit_files/info_site/communication-preparing-withdrawal-brexit-preparedness-13-11-2018.pdf

² http://www.legislation.gov.uk/uksi/2018/1184/pdfs/ukxi_20181184_en.pdf

Notes to the editors

About EACH

The European Association of CCP Clearing Houses (EACH) represents the interests of CCPs in Europe since 1992. EACH currently has 19 members from 15 different European countries. Its Membership is open to European and non-European CCPs. EACH is registered in the European Union Transparency Register with number 36897011311-96.

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