

PUBLIC STATEMENT

ESMA: update on governance and reporting obligations following the UK's withdrawal from the European Union

The European Securities and Markets Authority (ESMA) is publishing this statement to clarify issues relating to its governance and the reporting obligations for UK entities from 1 February 2020 following the United Kingdom's (UK) withdrawal from the European Union (EU).

The terms of the Withdrawal Agreement (WA) stipulate that UK representatives will no longer be permitted to participate in the EU institutions, agencies, or other bodies, and their governance structures, except where exceptionally justified, under the conditions set out in Article 128(5) of the WA. Therefore, from 1 February:

- the UK Financial Conduct Authority (FCA) will no longer be a member of ESMA's Board of Supervisors or participate in any of ESMA's other governance bodies.

By virtue of the WA, EU law will continue to apply to the UK, as if it were a Member State, during the transition period from 1 February 2020 to 31 December 2020. This means for instance that:

- rights and obligations for UK entities under EU law will also continue to apply – such as reporting and notification obligations under MiFIDII/MiFIR, EMIR, CSDR, AIFMD, MMFR; and
- ESMA will continue to directly supervise registered Credit Rating Agencies, Trade Repositories and Securitisation Repositories established in the UK during this period.

Next steps

In the coming eleven months, ESMA will continue monitoring the application of EU law to/in the UK and will closely monitor developments in preparation for the end of the transition period. ESMA will also engage and provide input as necessary with/to the European Commission.