

PRESS RELEASE

ESMA has extended its recognition decisions for the three UK CCPs in the event of a no-deal Brexit following the amendment to the European Commission equivalence decision for the United Kingdom

The European Securities and Markets Authority (ESMA) has today announced that it has extended the recognition decisions for the three central counterparties (CCPs) established in the United Kingdom (UK) to reflect the extension of the expiry date of the Implementing Decision (EU) 2018/2031 of the European Commission on the equivalence of the UK CCP legal framework.

ESMA announced on [18 February](#) and [5 April 2019](#) that in the event of a no-deal Brexit, it would recognise the three UK CCPs.

On 29 October 2019 the European Council took a decision in agreement with the United Kingdom to extend the period under Article 50(3) TEU. Furthermore, on 19 December 2019 the European Commission adopted Implementing Decision (EU) 2019/2211¹ amending Implementing Decision (EU) 2018/2031. As a result, Implementing Decision (EU) 2018/2031 is now set to expire one year after the date referred to in the second paragraph of Article 2 of that Decision. ESMA has consequently amended the recognition decisions for the three UK CCPs to extend them until this new expiry date.

The recognition decisions would take effect on the date following Brexit date, under a no-deal Brexit scenario.

¹ Commission implementing decision (EU) 2019/2211 of 19 December 2019 amending Implementing Decision (EU) 2018/2031 determining, for a limited period of time, that the regulatory framework applicable to central counterparties in the United Kingdom of Great Britain and Northern Ireland is equivalent, in accordance with Regulation (EU) No 648/2012 of the European Parliament and of the Council (OJ L332, 23.12.2019, p.157).

Notes for editors

1. The three CCPs established in the United Kingdom are LCH Limited, ICE Clear Europe Limited and LME Clear Limited.
2. ESMA has previously communicated, in its statements of [23 November](#), [19 December](#) 2018 and [4 February](#) 2019, that its Board of Supervisors supports continued access to UK CCPs.
3. On 4 February 2019, ESMA and the Bank of England announced that they had agreed Memoranda of Understanding (MoUs) for the recognition of CCPs and CSDs established in the United Kingdom (UK), that would take effect should the UK leave EU without a withdrawal agreement.
4. ESMA's mission is to enhance investor protection and promote stable and orderly financial markets.

It achieves these objectives through four activities:

- i. assessing risks to investors, markets and financial stability;
 - ii. completing a single rulebook for EU financial markets;
 - iii. promoting supervisory convergence; and
 - iv. directly supervising specific financial entities.
5. ESMA achieves its mission within the European System of Financial Supervision (ESFS) through active cooperation with the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA), the European Systemic Risk Board, and with national authorities with competencies in securities markets (NCAs).

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