

PRESS RELEASE

ESMA to recognise Euroclear UK & Ireland Limited (EUI) after Brexit transition period

The European Securities and Markets Authority (ESMA), the EU's securities markets regulator, has announced today that Euroclear UK & Ireland Limited (EUI), the central securities depository (CSD) established in the United Kingdom (UK), will be recognised as a third-country CSD (TC-CSD) after the end of the UK's transition from the European Union (EU) on 31 December 2020.

The European Commission, on 25 November 2020, adopted an equivalence decision determining, for a limited time period, that the regulatory and supervisory framework applicable to CSDs established in the UK is equivalent in accordance with CSDR.

ESMA's decision to recognise EUI as a third-country CSD after the end of the transition period will allow EUI to continue providing the following services in the EU:

- notary and central maintenance services in respect of securities constituted under the law of Ireland; and
- central maintenance services in respect of underlying securities constituted under the laws of Cyprus, Luxembourg and the Netherlands, which are represented in the EUI CREST system by means of depository interests.

An equivalence decision is the first of several conditions to be met for the recognition of a TC-CSD under CSDR, which also include the establishment of cooperation arrangements with the home supervisor. In this respect, ESMA has agreed with the Bank of England a new Memorandum of Understanding (MoU) establishing the necessary cooperation arrangements for the recognition and supervision of UK CSDs under CSDR.

Earlier, the UK CSD (EUI) had submitted its application to be recognised as a TC-CSD under CSDR and, based on this, ESMA conducted the recognition assessment, including the consultation of the competent authorities and relevant authorities in accordance with CSDR.



ESMA's recognition decision will apply from 1 January until 30 June 2021. This time period should give concerned EU issuers sufficient time to transfer their securities to EU CSDs.



Notes for editors

1. ESMA is the European Union's securities markets regulator. Its 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.
2. 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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