

PRESS RELEASE

ESMA to recognise three UK CCPs in the event of a no-deal Brexit

The European Securities and Markets Authority (ESMA) has today announced that in the event of a no-deal Brexit, three central counterparties (CCPs) established in the United Kingdom (UK) – LCH Limited, ICE Clear Europe Limited and LME Clear Limited – will be recognised to provide their services in the European Union (EU). ESMA has adopted these recognition decisions in order to limit the risk of disruption in central clearing and to avoid any negative impact on the financial stability of the EU.

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. Having assessed the applications and the information submitted by the three CCPs, and consulted the relevant authorities in accordance with EMIR, ESMA considers that the conditions for recognition under Article 25 of EMIR are met by the three CCPs in case of a no-deal Brexit. Therefore, it has adopted decisions to recognise the three CCPs as third country CCPs under EMIR.

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

UK Central Securities Depository (CSD)

ESMA has previously communicated that its Board of Supervisors also supports continued access to the UK CSD. That recognition process is still on-going, the results of which will be published as soon as the process is finalised.



Notes for editors

1. On 19 December 2018, ESMA published a public statement stating that it was ready to review UK CCPs' and the UK CSD's recognition applications for a no-deal Brexit scenario if the four recognition conditions under Article 25 of EMIR and Article 25 of CSDR were met, respectively.
2. 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.
3. 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.
4. 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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