

Financial services – Access, equivalence and transitional measures under the Withdrawal Agreement

The table below outlines the overall position regarding access, equivalence and transitional measures under the Withdrawal Agreement. For background information, please see our update for the week ending on 7th December 2018.

TABLE 1

	Preferential UK/EU access in FS.	Improved access for EU-27/EEA-3 FS firms via UK equivalence frameworks.	Improved access for UK FS firms via EU equivalence frameworks.	TM for EU-27/EEA-3 FS firms.	TM for UK FS firms.
29/3/19 – current no-deal risk	No - SM DRC turned off.	Not yet known? Not required for 29/3/19 given broad UK TMs.	None except proposed time-limited equivalence decisions for UK CCPs and depositories.	Extensive TM for their UK activities under NtA legislation. ESMA measures to assist OTC derivative migration to EU-27.	None proposed.
If WA takes effect before exit					
Stage 1 – to 31/12/20	Yes - SM DRC.	Not required during SM DRC. Assessment due by mid-2020 for end of TP.	Not required during SM DRC		
Stage 2 – 1/1/21 to no later than 31/12/22	Yes - SM DRC.	Not required during SM DRC.			
End of TP	No - SM DRC turned off.	See below.		See below. TM may be less critical at end of stage 2 as longer notice of SM turn off date and if equivalence decisions in place.	
Stage 3 – ‘no-deal on services’.	No preferential access.	UK would be expected to have decisions in place as per PD but these may not be required at start of stage 3 if UK replicates current no deal TMs.	EU may have equivalence decisions in place as per PD but what if LTR negotiation stand-off?	UK has provided extensive TM for 29/3/19 and is expected to replicate for stage 3/no-deal on services.	EU not expected to provide if no-deal/LTR stand-off. If stage 3 only short and LTR agreed but in ratification, agreed TM might apply on provisional basis?

Stage 4 - LTR	No preferential access.	PD suggests that UK equivalence decisions would be in place under LTR.	UK has provided extensive TM for 29/3/19 and is expected to replicate even if EU does not.	UK is seeking in LTR but not provided for in WA or PD.
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Contact



Paul Edmondson

Partner (UK)

+44 (0)20 7367 2877

paul.edmondson@cms-cmno.com

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