

February 2019

Non-binding Bank materials relating to Financial Market Infrastructure Supervision: The Bank's approach after the UK's withdrawal from the EU

Supervisory Statement



BANK OF ENGLAND





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Effective from the date of the UK's withdrawal from the EU

1 Introduction

1.1 HM Treasury set out its intention to ensure that the UK will continue to have a functioning financial services regulatory regime regardless of the outcome of negotiations with the EU.¹ This approach is to ensure that EU-derived laws and rules that are currently in place in the UK will continue to apply at the point of exit to the extent that they remain operable in a UK regime. Changes will only be made to those laws or rules that would otherwise not operate appropriately. This provides continuity and certainty for firms as the UK leaves the EU.

1.2 This supervisory statement sets out how Financial Market Infrastructures (FMIs) should interpret existing Bank supervisory materials in light of the UK's withdrawal from the EU.

1.3 Setting out the Bank's approach to its non-binding materials after the UK's withdrawal from the EU helps provide certainty to firms. This statement is relevant to all Bank supervised FMIs operating, or intending to operate, in the United Kingdom. The Bank may issue further expectations in relation to this topic.

2 Supervisory expectations for FMIs on the UK's exit from the EU

2.1 The Bank of England has issued various materials in relation to its supervision of FMIs:

- The Bank of England's approach to the supervision of FMIs.
- The Bank of England's approach to the supervision of services providers to recognised payments.
- The Policy Statement on financial penalties imposed by the Bank under FSMA 2000 or under part 5 of the Banking Act 2009.
- The implementation by the Bank of England of ESMA's guidelines and recommendations on CCP interoperability arrangements.
- The Policy Statement on the giving of directions to qualifying parent undertakings of UK recognised clearing houses.
- The statutory statements of procedure in respect of the Bank of England's supervision of financial market infrastructures.
- The guidance on recognised clearing houses for insolvency practitioners.
- Other relevant material on the Bank's financial market infrastructure supervision website.²

2.2 The Bank is not intending to make line-by-line amendments to the material listed above ahead of the UK's withdrawal from the EU. Firms should read and interpret these materials in light of the UK's withdrawal from the EU, as well as the amendments that have been made to related legislation, including FMI rules and Binding Technical Standards, under the European Union (Withdrawal) Act 2018. For example, references to the role of the European Supervisory Authorities (ESAs) or to colleges established under EU law would no longer be relevant.

¹ See HM Treasury's approach to financial services legislation under the European Union (Withdrawal) Act 2018, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/720298/HM_Treasury_s_approach_to_financial_services_legislation_under_the_European_Union_Withdrawal_Act.pdf.

² All relevant material can be found on the Bank website: <https://www.bankofengland.co.uk/financial-stability/financial-market-infrastructure-supervision>.