

VALDIS DOMBROVSKIS

*Vice-President of the European Commission*

AFME

10 AVR. 2019

Brussels,  
Ares (2019)

Dear I

Thank you for your letter dated 27 March 2019 concerning the application of the shares trading obligation under Article 23 MiFIR in a no-deal Brexit scenario.

First of all, let me stress that the European Commission continues to believe that an orderly withdrawal of the United Kingdom, based on an Agreement, is the best outcome. As the Commission has repeatedly pointed out, a disorderly withdrawal of the United Kingdom from the European Union would have negative consequences, also in the EU27. This applies to all sectors, including financial services. For that reason, the Commission has consistently called on all stakeholders to prepare for all scenarios<sup>1</sup>.

Following close cooperation with the relevant EU authorities, and joint work of the European Central Bank and the Bank of England, the Commission has assessed possible financial stability risks for the financial system related to a disorderly withdrawal. The Commission has published temporary and conditional equivalence decisions with respect to UK central counterparties and central securities depositaries, which were adopted on 19 December 2018.

Concerning the MiFID share trading obligation, the Commission welcomes that ESMA is clarifying the application of the share trading obligation in case of a no deal Brexit scenario. I have asked my services to monitor market developments and to continue very close cooperation with ESMA on this matter.

Yours

<sup>1</sup> See for example the three preparedness Communications "Preparing for the withdrawal of the United Kingdom from the European Union on 30 March 2019 (19 July 2018)", "Preparing for the withdrawal of the United Kingdom from the European Union on 30 March 2019: a Contingency Action Plan (13 November 2018)" and "Preparing for the withdrawal of the United Kingdom from the European Union on 30 March 2019: Implementing the Commission's Contingency Action Plan" (19 December 2018) and several notices to stakeholders in the area of financial services, including with regard to markets in financial instruments, 8 February 2018

[https://ec.europa.eu/info/sites/info/files/file\\_import/financial\\_instruments\\_en.pdf](https://ec.europa.eu/info/sites/info/files/file_import/financial_instruments_en.pdf)

The Commission remains available for further contacts with regard to contingency planning and the specific situation in area of financial services.

Yours sincerely,

A grey rectangular box redacting the signature of Valdis Dombrovskis.

Valdis DOMBROVSKIS

Cc:

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