

ESMA publishes stress simulation framework for investment funds

Steven Maijoor, ESMA Chair, said:

“The stress simulation framework is a key element of ESMA’s stress testing strategy, which also includes guidelines on liquidity stress testing and on money market fund stress testing. The resilience of the fund sector is of growing importance as it accounts for an increasing part of the EU financial system.

“This framework will be an important tool for supervisors to assess risks in the asset management industry, as the methodology developed by ESMA can be applied across the industry’s different sectors.”

The development of the fund industry has provided retail and institutional investors with a range of investment vehicles, and in the period between 2007 and 2018 the total net assets managed by EU-domiciled UCITS funds have increased significantly from EUR 6.2tn to EUR 9.3tn. Therefore, it is crucial to ensure that the fund industry is resilient and is able to absorb economic shocks.

ESMA, in applying the stress simulation framework to the UCITS bond funds sector, has simulated a pure redemption shock, where a large number of investors request to reduce or withdraw their parts in the fund within a short timeframe. The results show that overall, most funds are able to cope with such extreme but plausible shocks, as they have enough liquid assets to meet investors’ redemption requests. However, pockets of vulnerabilities are identified, especially for High Yield (HY) bond funds. Under the severe but plausible assumptions of our simulations, up to 40% of HY bond funds could experience a liquidity shortfall, i.e. a situation in which their holdings of liquid assets alone would not suffice to cover the redemptions assumed in the shock scenario and recourse to less liquid assets would need to be taken.

As a second step, the impact of the funds’ liquidation on financial markets has been modelled, as funds need to sell assets to meet investors’ redemptions, thereby exerting downward pressure on assets prices. The results show that the overall price impact is limited for most asset classes, as sales by funds are only a fraction of aggregate trading volumes. However, for asset classes with more limited liquidity, such as HY bonds and Emerging Markets (EM) bonds, fund sales could have a material impact, ranging from 150 to 300 basis points, and generate material second round effects.

Next steps

The method described in this report can be used by regulators to simulate stress situations for different segments of the fund industry. ESMA has also discussed the underlying data in detail with the relevant national authorities, to ensure the knowledge gained from this case study can benefit

the day to day supervision of this sector.

ESMA will use this stress simulation framework as part of its regular risk monitoring to identify risk and assess possible adverse scenarios that might impact the EU fund industry.

[EMCDDA joins EU Justice and Home Affairs agencies in presenting work at European Parliament](#)

EMCDDA Director Alexis Goosdeel is at the European Parliament today, where he will be presenting the agency's activities to the [Committee on Civil Liberties, Justice and Home Affairs \(LIBE\)](#). The EMCDDA will be joining other Justice and Home Affairs (JHA) agencies – CEPOL, EASO, eu-LISA, Eurojust, Europol and FRA – in introducing their work to the new LIBE MEPs. The [European Data Protection Supervisor](#) will also deliver a presentation at the meeting.

Mr Goosdeel will present the key findings of the [European Drug Report 2019](#), the [General Report of Activities 2018](#) and the results of the [external evaluation of the agency in 2018](#).

Anna-Maja Henriksson, Minister of Justice and Maria Ohisalo, Minister of the Interior, will present the priorities of the [Finnish Council Presidency](#). The committee will also hold an exchange of views with Frans Timmermans, first Vice-President of the European Commission, on strengthening the rule of law within the Union.

Time: 16.15–17.00 (Brussels time).

Webstreaming: www.europarl.europa.eu/ep-live/en/committees/schedule?committee=LIBE

Agenda:

http://www.emeeeting.europarl.europa.eu/emeeting/committee/agenda/201909/LIBE?meeting=LIBE-2019-0904_1&session=09-04-08-00

JHA agencies' network (Europol current chair): CEPOL, EASO, EIGE, EMCDDA, eu-LISA, Eurojust, Europol, FRA and Frontex.

<https://www.europol.europa.eu/activities-services/justice-and-home-affairs-jha-agencies-network>

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COLLEGE MEETING: Brexit 'no-deal' preparedness: Final Commission call to all EU citizens and businesses to prepare for the UK's withdrawal on 31 October 2019

With 8 weeks to go until the United Kingdom's withdrawal from the European Union on 31 October 2019, the Commission has today – in its [6th Brexit preparedness Communication](#) – reiterated its call on all stakeholders in the EU27 to prepare for a 'no-deal' scenario. In light of the continued uncertainty in the United Kingdom regarding the ratification of the Withdrawal Agreement – as agreed with the UK government in November 2018 – and the overall domestic political situation, a 'no-deal' scenario on 1 November 2019, remains a possible, although undesirable, outcome. It is in this spirit that the European Commission has today published a [detailed checklist](#) to help those businesses that trade with the UK to make final preparations. In order to minimise disruption to trade, all parties involved in supply chains with the UK – regardless of where they are based – should be aware of their responsibilities and the necessary formalities in cross-border trade. This builds on previous Communications and 100 stakeholder notices, which cover a broad range of sectors. In addition to this, the Commission has proposed to the European Parliament and the Council to make targeted technical adjustments to the duration of the EU's 'no-deal' contingency measures in the area of transport. The Commission has also proposed to mirror, for the year 2020, the existing 2019 contingency arrangements for the fisheries sector and for the UK's potential participation in the EU budget for 2020. These measures are necessary given the decision to extend the Article 50 period to 31 October 2019. Finally, the Commission has proposed that the European Solidarity Fund and the European Globalisation Adjustment Fund are available to support businesses, workers and Member States most affected by a 'no-deal' scenario. These proposals need to be agreed by the European Parliament and the Council. A full press release is available [here](#). (For more information: Mina Andreeva – Tel.: +32 2 299 13 82; Daniel Ferrie – Tel.: +32 2 299 86500)

COLLEGE MEETING: Initiatives citoyennes européennes: la Commission enregistre trois nouvelles initiatives et conclut à l'irrecevabilité d'une quatrième

Aujourd'hui, la Commission européenne a décidé d'enregistrer trois nouvelles initiatives citoyennes européennes intitulées « *Lutter contre les causes profondes de la corruption en Europe en privant de financement les pays qui ne disposent pas d'un système judiciaire efficace après le délai imparti* », « *Actions pour faire face à l'urgence climatique* » et « *Sauvons les abeilles et les agriculteurs! Vers une agriculture respectueuse des abeilles pour un environnement sain* ». La Commission a également décidé de ne pas enregistrer une proposition d'initiative citoyenne européenne intitulée « *Assurer la conformité de la politique commerciale commune avec les traités de l'Union européenne ainsi que le respect du droit international* » car les actions demandées ne relèvent manifestement pas des pouvoirs d'action dont dispose la Commission en vertu des traités. À ce stade de la procédure, la Commission

n'a pas analysé les initiatives sur le fond, mais s'est prononcée uniquement sur leur recevabilité juridique. Si, en l'espace d'un an, l'une des trois initiatives enregistrées recueille un million de déclarations de soutien, provenant d'au moins sept États membres, la Commission procédera à son analyse et y réagira. Elle pourra décider de faire droit à la demande ou non, mais, dans les deux cas, elle sera tenue de motiver sa décision. Un communiqué de presse est à votre disposition [en ligne](#). (Pour plus d'informations: *Natasha Bertaud – Tél.: +32 229 67456; Tim McPhie – Tél.: +32 2 295 86 02 ; Katarzyna Kolanko +32 2 296 34 44*).

COLLEGE MEETING: European Commission appoints Mr Elmar Brok as Special Adviser to the President on relations with Ukraine

The European Commission has today decided to appoint Mr Elmar Brok, former Member of the European Parliament, as Special Adviser to President Jean-Claude **Juncker** on relations with Ukraine. This decision takes effect immediately and the position is not remunerated. Mr Brok will advise the President on strategy and priorities in relations with Ukraine in the aftermath of the country's presidential and parliamentary elections earlier this year. Thanks to his nearly 15 years of experience as Chairman of the Committee on Foreign Affairs (AFET) in the European Parliament, Mr Brok will be instrumental in forging links with the new government and identifying the new administration's priorities and preferences regarding its relations with the EU. He will carry out his tasks in good cooperation with the respective EU colleagues dealing with Ukraine. Mr Brok is one of the longest-serving Members of the European Parliament, having first been elected to the institution in 1980. Over the years, he has been involved in tens of high-level assignments. In the foreign policy field, he also served as Deputy Chairman and Chairman of the Foreign Affairs Working Group of the European People's Party (EPP) (1994-1999), Rapporteur in Chief of the European Parliament for the EU Enlargement (1999-2007), Foreign Policy Spokesman of the EPP Group (2009-2012), and European Parliament negotiator for the establishment of the European External Action Service (2011/2012). (For more information: *Mina Andreeva – Tel.: +32 229 91382; Andreana Stankova – Tel.: +32 2 29 57857*)

Feux de forêt en Bolivie: l'UE mobilise des pompiers, experts et drones

En réponse à la demande d'assistance de la Bolivie la semaine dernière, le [mécanisme de protection civile de l'UE](#) achemine une assistance importante afin d'aider les autorités boliviennes à lutter contre les incendies de forêt. La France a mobilisé une équipe de 40 pompiers assistée par une équipe de six experts de la protection civile française. L'offre française est complétée par quatre drones et du personnel opérationnel. Une équipe de protection civile de l'Union européenne, composée de sept experts français, espagnols et danois, se rendra également en Bolivie avec un agent de liaison du [centre de coordination de la réaction d'urgence de l'Union européenne](#). Toutes les équipes seront déployées dans les jours à venir. « *Voici un exemple de la solidarité mondiale de l'UE en action. Les catastrophes naturelles ne connaissent pas de frontières et le changement climatique*

augmente leurs risques et leur impact. Je suis reconnaissant aux États membres de l'UE qui ont manifesté leur soutien. L'UE est solidaire avec la Bolivie et tous les pays de la région amazonienne touchés par ces incendies dévastateurs », a déclaré Christos Stylianides, commissaire chargé de l'aide humanitaire et de la gestion des crises. En outre, le [service satellite d'urgence de l'UE, Copernicus](#), fournit des cartes des zones touchées par les incendies de forêt. L'UE se tient prête à fournir une assistance supplémentaire à la Bolivie et aux pays touchés de la région amazonienne. (Pour plus d'informations: Carlos Martin Ruiz De Gordejuela – Tél.: +32 229 65322; Daniel Puglisi – Tél.: +32 229 69140)

Eurostat: Le volume des ventes du commerce de détail en baisse de 0,6% dans la zone euro, baisse de 0,5% dans l'UE28 (juillet 2019 comparé à juin 2019)

En juillet 2019 par rapport à juin 2019, le volume des ventes du commerce de détail corrigé des variations saisonnières a diminué de 0,6% dans la zone euro (ZE19) et de 0,5% dans l'UE28, selon les estimations d'Eurostat, l'office statistique de l'Union européenne. En juin 2019, le volume du commerce de détail a augmenté de 1,2% dans la zone euro et de 1,3% dans l'UE28. En juillet 2019 par rapport à juillet 2018, l'indice corrigé des effets de calendrier des ventes de détail a augmenté de 2,2% dans la zone euro et de 2,6% dans l'UE28. Un communiqué de presse est à votre disposition [en ligne](#). (Pour plus d'informations: Lucía Caudet – Tél.: +32 229 56182; Sophie Dupin de Saint-Cyr – Tél.: +32 229 56169)

ANNOUNCEMENTS

Commissioner Vella hosts the first EU-China Blue Partnership Forum for the Oceans

Tomorrow in Brussels, Commissioner for Environment, Maritime Affairs and Fisheries Karmenu Vella will host the first 'Blue Partnership Forum for the Oceans'. The Forum, established under the [Ocean Partnership](#) signed between the EU and China in July 2018, will bring together EU and Chinese stakeholders. They will help shape future actions in the areas covered by the Ocean Partnership, such as ocean governance, a thriving blue economy and sustainable fisheries. Ahead of the event, Commissioner Vella said: "China and the EU are major ocean players. We should use our joint influence to take the lead globally and ensure the conservation and sustainable use of the oceans. We want our partnership with China to go beyond words and deliver tangible results." The Forum will be followed by a high-level dialogue co-chaired by Commissioner Vella and Administrator of State Oceanic Administration of China Hong Wang. More details are available [here](#). (For more information: Enrico Brivio – Tel.: +32 229 56172; Ana Crespo Parrondo – Tel.: +32 229 81325)

[Upcoming events](#) of the European Commission (ex-Top News)

European citizens' initiatives: Commission registers 3 new initiatives, and finds 1 inadmissible

Today the European Commission decided to register 3 new European citizens' initiatives: *'Stop corruption in Europe at its root, by cutting off funds to countries with inefficient judiciary after deadline'*, *'Actions on Climate Emergency'* and *'Save bees and farmers! Towards a bee-friendly agriculture for a healthy environment.'* The Commission also decided not to register a proposed European citizens' initiative entitled *'Ensuring Common Commercial Policy conformity with EU Treaties and compliance with international law'* as the actions requested manifestly fall outside the Commission's powers to act according to the EU Treaties.

At this stage in the process, the Commission has not analysed the substance of the initiatives, but only their legal admissibility. Should any of the 3 registered initiatives receive 1 million statements of support from at least 7 Member States within 1 year, the Commission will analyse and respond to the initiative. The Commission can decide either to follow the request or not and in both instances would be required to explain its reasoning.

1. 'Stop corruption in Europe at its root, by cutting off funds to countries with inefficient judiciary after deadline'

The organisers of the initiative call on the Commission to *'mandate a firm 10 year post accession deadline for an automatic moratorium on payments of structural and cohesion funds to a newly acceded country, until the monitoring mechanism is lifted from their judiciary.'* They state that *'the current EU legal code allows undue interpretation. Under certain conditions, the corruption among political elites in newly acceded countries may turn out to be beneficial to other countries in the Union, and the relative notion 'temporary' to be stretched out indefinitely. Setting a strict timeframe avoids direct and indirect motivation for corruption in EU Member States. [...]'*

Under the EU Treaties, the European Commission can take legal action when it comes to financial rules relating to the EU budget. The Commission therefore considers the initiative legally admissible and has decided to register it. The registration of this initiative will take place on 12 September 2019, starting a 1-year process of collection of signatures of support by its organisers.

2. 'Actions on Climate Emergency'

The organisers of the initiative call on the Commission *'to strengthen action on the climate emergency in line with the 1.5° warming limit. This means more*

ambitious climate goals and financial support for climate action'. In particular, the initiative focuses on the need for the EU to 'adjust its goals (NDC) under the Paris Agreement to an 80% reduction of greenhouse gas emissions by 2030, to reach net-0 by 2035 and adjust European climate legislation accordingly.' The initiative also refers to the implementation of an EU Border Carbon Adjustment, free trade agreements with partner countries based on Climate Action Tracker and free educational materials on the effects of climate change.

Under the EU Treaties, the European Commission can take legal action with the aim of preserving, protecting and improving the quality of the environment as well as in the area of the common commercial policy. The Commission therefore considers the initiative legally admissible and has decided to register it. The registration of this initiative will take place on 23 September 2019, starting a 1-year process of collection of signatures of support by its organisers.

3. 'Save bees and farmers! Towards a bee-friendly agriculture for a healthy environment'

The organisers of this initiative call on the Commission to *'propose legal acts to phase out synthetic pesticides by 2035, to restore biodiversity, and to support farmers in the transition'*. More specifically, the organisers want to *'phase out synthetic pesticides in EU agriculture by 80% by 2030, starting with the most hazardous, to become free of synthetic by 2035; restore natural ecosystems in agricultural areas so that farming becomes a vector of biodiversity recovery; reform agriculture by prioritising small scale, diverse and sustainable farming, supporting a rapid increase in agro-ecological and organic practice, and enabling independent farmer-based training and research into pesticide- and GMO-free farming.'*

Under the EU Treaties, the European Commission can take legal action in the area of the common agricultural policy and the internal market as well as measures in the veterinary and phytosanitary fields. The Commission therefore considers the initiative legally admissible and has decided to register it. The registration of this initiative will take place on 30 September 2019, starting a 1-year process of collection of signatures of support by its organisers.

4. 'Ensuring Common Commercial Policy conformity with EU Treaties and compliance with international law'

The Commission concluded today that the initiative: *'Ensuring Common Commercial Policy conformity with EU Treaties and compliance with international law'* is legally inadmissible because it manifestly falls outside the Commission's powers to act, as set out in the EU Treaties.

The initiative refers to *'regulating commercial transactions with Occupant's entities based or operating in occupied territories by withholding products originating from there from entering the EU market.'* The organisers call on the Commission to *'propose legal acts to prevent EU legal entities from both importing products originating in illegal settlements in occupied territories*

and exporting to such territories, in order to preserve the integrity of the internal market and to not aid or assist the maintenance of such unlawful situations.'

A legal act on this subject could only be adopted on the basis of Article 215 of the Treaty on the Functioning of the European Union, regarding restrictive measures. However, before such a legal act can be adopted by the Council, a decision is needed under the EU's Common Foreign and Security Policy to allow for the interruption or reduction of economic and financial relations with a third country. The Commission does not have the legal power to make a proposal for such a decision.

Since it does not meet the legal conditions for admissibility, the European Commission has decided it cannot register this initiative. Under the Regulation, a European citizens' initiative cannot be registered if it manifestly falls outside the framework of the Commission's powers to submit a proposal for a legal act.

Background

European citizens' initiatives were introduced with the Lisbon Treaty and launched in April 2012, upon the entry into force of the European citizens' initiative Regulation, which implements the Treaty provisions. In 2017, as part of President Juncker's State of the Union address, the European Commission tabled [reform proposals for the European citizens' initiative](#) to make it even more user-friendly. In [December 2018](#), the European Parliament and the Council agreed on the reform and the revised rules will start applying as of 1 January 2020.

In the meantime, the process has been simplified and a collaborative platform offers support to organisers. All this has contributed to 41% more registered initiatives (41 registrations under the Juncker Commission compared to 29 under the previous Commission) and 70% fewer refusals (only 6 citizens' initiatives were not registered under this Commission compared to 20 under the previous Commission).

Once formally registered, a European citizens' initiative allows 1 million citizens from at least 7 of the Member States to invite the European Commission to propose a legal act in areas where the Commission has the power to do so.

The conditions for admissibility are that the proposed action does not manifestly fall outside the framework of the Commission's powers to submit a proposal for a legal act, that it is not manifestly abusive, frivolous or vexatious and that it is not manifestly contrary to the values of the Union.

For More Information

Full text of the proposed European citizens' initiatives:

- Stop corruption in Europe at its root, by cutting off funds to countries with inefficient judiciary after deadline (available as of 12 September 2019)

- Actions on Climate Emergency (available as of 22 September 2019) www.fridaysforfuture.org/ECI
- Save bees and farmers! Towards a bee-friendly agriculture for a healthy environment (available as of 30 September 2019) www.savebeesandfarmers.eu
- 'Ensuring Common Commercial Policy conformity with EU Treaties and compliance with international law'

[ECIs currently collecting signatures](#)

[ECI website](#)

[ECI Regulation](#)

Brexit 'no-deal' preparedness: Final Commission call to all EU citizens and businesses to prepare for the UK's withdrawal on 31 October 2019

With 8 weeks to go until the United Kingdom's withdrawal from the European Union on 31 October 2019, the Commission has today – in its [6th Brexit preparedness Communication](#) – reiterated its call on all stakeholders in the EU27 to prepare for a 'no-deal' scenario. In light of the continued uncertainty in the United Kingdom regarding the ratification of the Withdrawal Agreement – as agreed with the UK government in November 2018 – and the overall domestic political situation, a 'no-deal' scenario on 1 November 2019, remains a possible, although undesirable, outcome.

It is in this spirit that the European Commission has today published a [detailed checklist](#) to help those businesses that trade with the UK to make final preparations. In order to minimise disruption to trade, all parties involved in supply chains with the UK – regardless of where they are based – should be aware of their responsibilities and the necessary formalities in cross-border trade. This builds on previous Communications and 100 stakeholder notices, which cover a broad range of sectors.

In addition to this, the Commission has proposed to the European Parliament and the Council to make targeted technical adjustments to the duration of the EU's 'no-deal' contingency measures in the area of transport. The Commission has also proposed to mirror, for the year 2020, the existing 2019 contingency arrangements for the fisheries sector and for the UK's potential

participation in the EU budget for 2020. These measures are necessary given the decision to extend the Article 50 period to 31 October 2019.

Finally, the Commission has proposed that the European Solidarity Fund and the European Globalisation Adjustment Fund are available to support businesses, workers and Member States most affected by a 'no-deal' scenario. These proposals need to be agreed by the European Parliament and the Council.

The Commission recalls that it is the responsibility of all stakeholders to prepare for all scenarios. Given that a 'no-deal' scenario remains a possible outcome, the Commission strongly encourages all stakeholders to use the extra time provided by the extension of the Article 50 period to ensure that they have taken all necessary measures to prepare for the UK's withdrawal from the EU.

Technical adjustment of specific contingency measures to take account of the UK's withdrawal date of 31 October 2019

On 11 April 2019, the European Council (Article 50) extended the Article 50 period to 31 October 2019. This was done at the request of, and in agreement with, the United Kingdom.

In light of this extension, the Commission has screened all the EU's preparedness and contingency measures to ensure that they are still fit for purpose. The Commission has concluded that these measures continue to meet their objectives and therefore there was no need to amend any of them on substance. However, the Commission has today proposed to make some technical adjustments to specific contingency measures in order to take account of the new Article 50 timeline.

These adjustments are in three main areas:

1. Transport

- A Regulation ensuring **basic road freight and road passenger connectivity** (Regulation (EU) 2019/501): The Commission has today proposed to extend this Regulation until 31 July 2020, reflecting the logic and the duration of the original Regulation.
- **Basic air connectivity** (Regulation (EU) 2019/502): the Commission has today proposed to extend this Regulation until 24 October 2020, reflecting the logic and duration of the original Regulation.

2. Fishing activities

- Regulation on **fishing authorisations**: the Commission has today proposed to extend the approach in the adopted contingency Regulation (Regulation (EU) 2019/498) with a similar measure for 2020, providing a framework for EU and UK fishermen to maintain access to each other's waters for 2020.

3. The EU Budget

- The Commission has today proposed to extend the approach of the

contingency Budget Regulation for 2019 (Council Regulation (EU, Euratom) 2019/1197) with a similar measure for 2020. This means that the UK and UK beneficiaries would remain eligible to participate in programmes under the EU budget and to receive financing until the end of 2020 if the UK accepts and fulfils the conditions already set out in the 2019 contingency Regulation, pays its budget contributions for 2020 and allows the required audits and controls to take place.

Providing EU financial support to those most affected by a 'no-deal' Brexit

The Commission announced in its fourth Brexit Preparedness Communication of 10 April 2019 that technical and financial assistance from the EU can be made available in certain areas to support those most affected by a 'no-deal' scenario.

In addition to existing programmes and instruments, the Commission has today:

- Proposed to extend the scope of the **European Solidarity Fund** to cover the serious financial burden that may be inflicted on Member States by a 'no-deal' scenario, subject to certain conditions.
- Proposed to ensure that the **European Globalisation Adjustment Fund** is available to support workers and self-employed persons who are made redundant as a result of a 'no-deal' scenario, subject to certain conditions.

In the agriculture sector, the full spectrum of existing instruments for market support and direct financial support to farmers will be made available to mitigate the worst impact on agri-food markets. For more immediate support, for example for smaller companies with large exposure to the United Kingdom, the EU's State aid rules offer flexible solutions for national support measures.

Ireland

The Commission and Ireland continue working together, in the context of the unique situation on the island of Ireland and their twin objectives of protecting the integrity of the internal market while avoiding a hard border, to identify arrangements both for contingency solutions for the immediate aftermath of a withdrawal without an agreement and for a more stable solution for the period thereafter. The backstop provided for by the Withdrawal Agreement is the only solution identified that safeguards the Good Friday Agreement, ensures compliance with international law obligations and preserves the integrity of the internal market.

Preparing for a 'no-deal' scenario

In a 'no-deal' scenario, the UK will become a third country without any transitional arrangements. All EU primary and secondary law will cease to apply to the UK from that moment onwards. There will be no transition period, as provided for in the Withdrawal Agreement. This will obviously cause significant disruption for citizens and businesses and would have a serious negative economic impact, which would be proportionally much greater in the

United Kingdom than in the EU27 Member States.

Since December 2017, the European Commission has been preparing for a 'no-deal' scenario. To date, the Commission has tabled 19 legislative proposals, all of which have now been adopted by the European Parliament and Council. The Commission has also adopted 63 non-legislative acts and published 100 preparedness notices. The Commission does not plan any new measures ahead of the new withdrawal date.

[As outlined by President Juncker](#) in the European Parliament on 3 April 2019, should a 'no-deal' scenario occur, the UK would be expected to **address three main separation issues** as a precondition before the EU would consider embarking on discussions about the future relationship. These are: (1) protecting and upholding the rights of citizens who have used their right to free movement before Brexit, (2) honouring the financial obligations the UK has made as a Member State and (3) preserving the letter and spirit of the Good Friday Agreement and peace on the island of Ireland, as well as the integrity of the internal market.

Every single business that trades with the UK, both in goods and services, will be affected by a 'no-deal' scenario. The Commission has today published a **"Brexit preparedness checklist"**, which all relevant businesses should examine carefully. Businesses should now be ready to fulfil all the required formalities.

Today's Communication provides an overview of preparedness work in those areas where continued and particular vigilance is needed. They include citizens' rights, border formalities and trade, medicinal products, medical devices and chemical substances, financial services and fisheries.

For more information: what should I do in a 'no-deal' scenario?

For the period immediately after a withdrawal without an agreement, the Commission has set up a call centre for Member State administrations, giving them rapid access to the expertise of the Commission services by establishing a direct channel of communication, also for the purposes of facilitating the necessary coordination between national authorities. To know more about how to prepare for a 'no-deal' scenario, EU citizens can contact [Europe Direct](#) for any questions. Call Freephone **00 800 6 7 8 9 10 11** from anywhere in the EU, in any official EU language.

Further useful links:

EU citizens

- [Today's Communication](#)
- [Checklist for businesses](#)
- [European Commission preparedness website](#)
- [Overview of residence rights in each EU27 Member States](#)

- [Member States national 'no-deal' websites](#)
- [Notice on Travelling](#)
- [Factsheets on travelling, citizens' rights, studying, and consumer rights](#)
- [Q&A on Erasmus](#)
- [Q&A on a 'no-deal' scenario](#)
- [Information for EU citizens living in the UK](#)

EU businesses

- [A range of materials](#) on customs and indirect taxation (including [a simple 5-step checklist](#)) for businesses
- [Information related to Agriculture](#)
- [Seven Things Businesses in the EU27 need to know in order to prepare for Brexit](#)