

Steven Maijoor on “Brexit – the regulatory challenges” at the European Financial Forum, Dublin

The speech focused on ESMA’s preparations for a no-deal Brexit across a number of areas including secondary markets, clearing and settlement and cooperation agreements while also looking to the future of the European Union’s market after Brexit.

“The UK’s decision will sadly, but inevitably, move Europe’s biggest capital market outside of the Union. This is a major operation as, supported by the progress of the single market in the past decades, the EU27 and UK capital markets have become very interconnected. Carving out the UK capital market requires preparations for all circumstances, by all participants concerned, including for the real possibility that the UK leaves the Union without a deal.”

Beyond Brexit

“Financial centres in the EU27 should be free to compete based on the particular strengths they can offer relocating firms, like speed and efficiency, but in all cases the EU rulebook should be consistently applied and supervised.”

“I would like to stress that Brexit has increased the convergence challenges of European financial supervision as the structure of the financial market is changing. Financial market activity concentrated in London is relocating to a range of hubs across the EU27 including Ireland. So, financial activity is moving from one regulator to a range of regulators, increasing the need for consistency and additional and stronger convergence tools.”

“The new EU27 environment will be one where there will be a large, liquid and interconnected capital market next door, which is not part of, or subject to, its regulatory requirements. This creates the need to have tools to react rapidly to new developments.”