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**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN  
PARLIAMENT, THE COUNCIL, THE EUROPEAN CENTRAL BANK, THE  
EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE  
OF THE REGIONS**

**Equivalence in the area of financial services**

## Equivalence decisions adopted since January 2018

Since January 2018, the Commission has adopted the following equivalence decisions or finalised assessments in the following areas:

- **The Commission has made new assessments under the applicable sectoral rules:**
  - An equivalence decision on the **EMIR margin requirements for Japan**<sup>1</sup>;
  - An equivalence decision under the Capital Requirements Regulation<sup>2</sup> (**CRR for Argentina**<sup>3</sup> for credit-risk weighting under CRR requirements;
  - An equivalence decision under **MiFIR on the Derivative Trading Obligation for Singapore**<sup>4</sup>;
  - An equivalence decision under **MiFIR on the Shares Trading Obligation for Switzerland** of December 2018, which expired on 30 June 2019<sup>5</sup>;
  - Two equivalence decisions under the **Benchmark Regulation** for Singapore and Australia<sup>6</sup>;
  - The Commission is also planning to adopt an adequacy decision under the **Statutory Audit Directive** for China. This planned decision has been published in draft form inviting public feedback by 2 July 2019;
- **The Commission has adopted equivalence decisions to avoid a financial stability risk related to a possible no-deal Brexit.** In December 2018, the Commission adopted two strictly time-limited equivalence decisions<sup>7</sup>, which will only enter into force if there is a no-deal Brexit:

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<sup>1</sup> Commission Implementing Decision (EU) No 2019/684 of 25 April 2019, OJ L 115, 2.5.2019, p. 11–15. Based on Article 13 of the European Market Infrastructure Regulation. This decision allows market participants to comply with only one set of rules and thus avoid duplicative or conflicting rules when entering into a non-cleared over the counter derivatives contract.

<sup>2</sup> Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176 27.6.2013, p. 1).

<sup>3</sup> Commission Implementing Decision (EU) No 2019/536 of 29 March 2019, OJ L 92, 1.4.2019, p. 3–8. This decision enables a more favourable capital treatment for exposures to credit institutions and certain public sector entities located in Argentina.

<sup>4</sup> Commission Implementing Decision (EU) No 2019/541 of 1 April 2019, OJ L 93, 2.4.2019, p. 18–24. The decision recognises certain markets established in Singapore as eligible for derivatives trading venues in the EU. Under the decision, the Commission recognises certain trading venues authorised and supervised in Singapore as compliant for the execution of G20-mandated derivatives under Article 28 of Markets in Financial Instruments Regulation. Conversely, as part of a common approach, the Singaporean authorities exempt certain EU trading venues as notified by the Commission from the obligation to register as recognised market operators.

<sup>5</sup> Commission Implementing Decision (EU) No 2018/2047 of 20 December 2018, OJ L 327, 21.12.2018, p. 77–83. The decision recognised certain markets established in Switzerland as equivalent to regulated markets under EU rules for shares trading.

<sup>6</sup> Two Commission Implementing Decisions adopted together with this Communication. (Drafts published for public feedback between 19 March 2019 and 16 April 2019 - Ares(2019)1806355; Ares(2019)1806384). These decisions allow EU financial institutions which reference the benchmarks referred to in the decision to continue to do so in the future.

<sup>7</sup> Commission Implementing Decision (EU) 2018/2030 of 19 December 2018, OJ L 325, 20.12.2018, p. 47–49 and Commission Implementing Decision (EU) 2018/2031 of 19 December 2018. The decisions allow the

- An equivalence until 30 March 2020 for UK central counterparties (CCPs);
- An equivalence until 30 March 2021 for UK central securities depositories (CSDs);
- **The Commission has reassessed already existing equivalence decisions as a result of changes in the EU legislative framework:**
  - Under the **Credit Rating Agencies Regulation**, a series of decisions which either renew or repeal existing equivalence **decisions for a total of nine countries**<sup>8</sup>.

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European Securities and Markets Authority to temporarily recognise central counterparties (respectively central security depositories) currently established in the UK so that EU entities can use the respective services provided by those UK-based infrastructures. On 3 April 2019, the temporary equivalence decisions have been amended to apply on the date following a no-deal Brexit (see Commission Implementing Decisions (EU) 2019/544 and (EU) 2019/545 and for central counterparties and central security depositories). Their end dates remain unchanged.

<sup>8</sup> Nine Commission Implementing Decisions adopted together with this Communication, including four renewals: Hong-Kong, Japan, Mexico; the United States and five repeals: Argentina, Australia, Brazil, Canada, Singapore. Drafts were published for public feedback between 11 June 2019 and 9 July 2019 (e.g. Ares(2019)3678306 for the United States).