

Stakeholders' Newsletter

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Quadrilateral conference

The annual Quadrilateral conference took place on Thursday 7 and Friday 8 June 2018 in Frankfurt.

FMLC Chief Executive Joanna Perkins attended the Quadrilateral along with Members of the Committee and other stakeholders who are closely involved with the Committee's work.

There were a range of panel discussions on issues of legal uncertainties surrounding benchmarks reform, financial market responses to Brexit and regulatory developments in relation to FinTech.

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Coming Soon: FMLC Paper on the Robustness of Financial Contracts

As the U.K. prepares to withdraw from the E.U. ("**Brexit**"), negotiations between the U.K. and the E.U. to agree on a post-Brexit relationship are underway. If a new future relationship is not agreed, U.K. firms will lose their ability to access the E.U. single market on the basis of the "passporting" rights by which a significant degree of access is currently ensured. The key implication of this is that, unless an exemption is available under local law, U.K. firms will be limited in their ability to provide financial services to E.U. clients without gaining permission from the European Commission or other E.U. bodies under the Third Country regimes provided in E.U. legislation.

Such a situation will give rise to the question of whether the performance of existing or "legacy" financial contracts can continue or whether Brexit will make the performance of existing contracts illegal, impractical or impossible in some way. This upcoming paper analyses the question of legacy contracts and highlights the legal uncertainty which will arise. As ever, the FMLC has also proposed mitigants by which some clarity can be provided to market participants. The paper will soon be available on the FMLC website.

Coming Soon: FMLC Paper on the Establishment of an Insurer in an E.U. Member State

As U.K. insurers with clients in the E.U. begin to plan for the possibility that no deal is struck, previously raised uncertainties it has become clear that the uncertainties in respect of the freedom to provide services and the freedom of establishment still persist. This FMLC paper examines questions about the European Commission's Interpretive Communication on Insurance, published in 2000. It examines uncertainties in the determination of whether an E.U. insurer must avail of the freedom of establishment or the freedom of services in order to provide cross-border business and highlights the likelihood that these uncertainties will be thrown into the spotlight after Brexit.