

A&O Brexit SI Toolkit

Our online toolkit to help EEA firms navigate changes to UK law as a result of Brexit

Following the success of A&O's regulatory temporary permission regime (**TPR**) tool, we have developed a new toolkit which enables European Economic Area (**EEA**) firms to manage and implement the changes to onshored EU law resulting from a "no deal" Brexit.

The UK Government is onshoring key pieces of EU financial services legislation into UK law through statutory instruments (**SIs**) with UK regulators onshoring relevant technical and implementing legislation through binding technical standards made by way of exit instrument (**BTSS**). The SIs make extensive changes to the EU legislation. The amendments introduced by the SIs and BTSSs are expected to come into force on 1 January 2021, following the end of the implementation period. The UK Government as well as the Prudential Regulation Authority (**PRA**) and the Financial Conduct Authority (**FCA**) are providing limited transitional relief in respect of some of these changes. EEA firms will therefore need to consider the operational and compliance implications of such changes required (i) immediately on 1 January 2021; and (ii) on the expiration of any applicable transitional relief.

What does the toolkit do?

The Brexit SI toolkit (the **Toolkit**) focuses on onshored legislation which relates to wholesale markets, banking and payments business. It is structured thematically and concisely enumerates the key changes to EEA firms' legal and regulatory obligations under each EU law covered, and the practical steps which they will need to take in order to comply. It covers the onshoring of primary EU legislation and relevant technical and implementing standards and is based on publically available versions of the SIs, BTSSs and the transitional directions contained the PRA and FCA Brexit policy statements as at 1 September 2020.

What does the toolkit cover?

The Toolkit covers the following legislation: the Benchmarks Regulation, Bank Recovery and Resolution Directive, Capital Requirements Regulation, Central Securities Depositories Regulation, Deposit Guarantee Scheme Directive, EMIR (the Regulation on OTC derivative transactions, central counterparties and trade repositories), Market Abuse Regulation, Markets in Financial Instruments Regulation, Payment Services Directive, PRIIPs Regulation, Prospectus Regulation, Transparency Directive, Listing Rules, Securities Financing Transactions Regulation, Securitisation Regulation and the Short Selling Regulation.

How is the toolkit structured?

Our online Toolkit comprises the following:



Executive Summary:

Our executive summary contains an overview of the key pieces of onshored EU legislation. It also contains a process map to help firms navigate the relevant materials provided in the legislative detail section.



Summary of Changes:

The legislative summary contains an overview of the key obligations in each piece of EU legislation on (i) 1 January 2021; (ii) on exit from the TPR (where relevant) and (iii) on the expiration of the applicable transitional relief. It also contains key “Day 1” action items to assist firms with operational and compliance implementation.



Practical Changes Required:

The Toolkit details practical changes firms will be required to make as a result of onshoring, itemising steps required by the January 1 2021, steps required on exit from the TPR and steps required on the expiry of the transitional relief.



Sources of Law:

The Sources of Law section of the Toolkit contains a comprehensive bibliography of the relevant sources of legislation in one place. This includes primary texts, SIs, technical and implementing standards and transitional directions.

Availability and updates as the onshoring process is finalised

Access to our online Toolkit is by subscription only. Each subscription costs a one-off fee and is provided on a group basis, with each group being permitted an unlimited number of logins to our online Toolkit from which you can download our Executive Summary, Onshored Legislation – Practical Changes section and Sources of Law section. We will be updating clients on updates resulting from the finalisation of the onshoring process as part of our webinar series, and will update the Toolkit should that prove necessary once the final legislation and transitional directions are issued in October.

Benefits of using the Toolkit

Our Toolkit provides firms with a valuable resource on which to base their Brexit implementation projects. We consider that our Toolkit has the following benefits:



Assurance:

The Toolkit has been generated by a team of highly qualified regulatory lawyers – lending assurance that it offers a thorough analysis of the law.



Audit trail:

Using our Toolkit generates an audit trail which identifies key changes to the obligations applicable to EEA firms.



Cost effective:

A subscription to our online Toolkit is priced competitively given that analysis of the significant changes to the UK legislative rule-set rule set would otherwise be a time consuming exercise.



Practical:

We have structured the Toolkit to provide a succinct summary of the changes firms need to make.

KEY CONTACTS

If you would like to discuss our Toolkit further, would like us to provide you with a demonstration or would like further advice in relation to your firm's Brexit planning, please get in touch with your usual Allen & Overy contact.

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