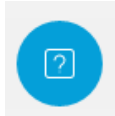
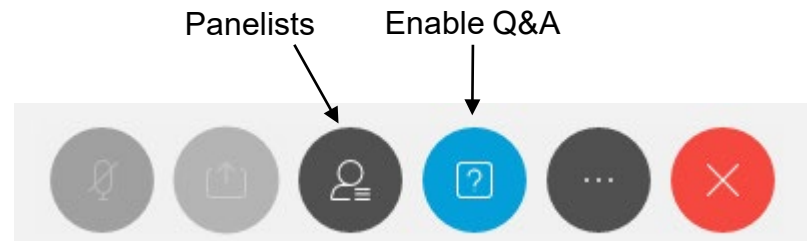
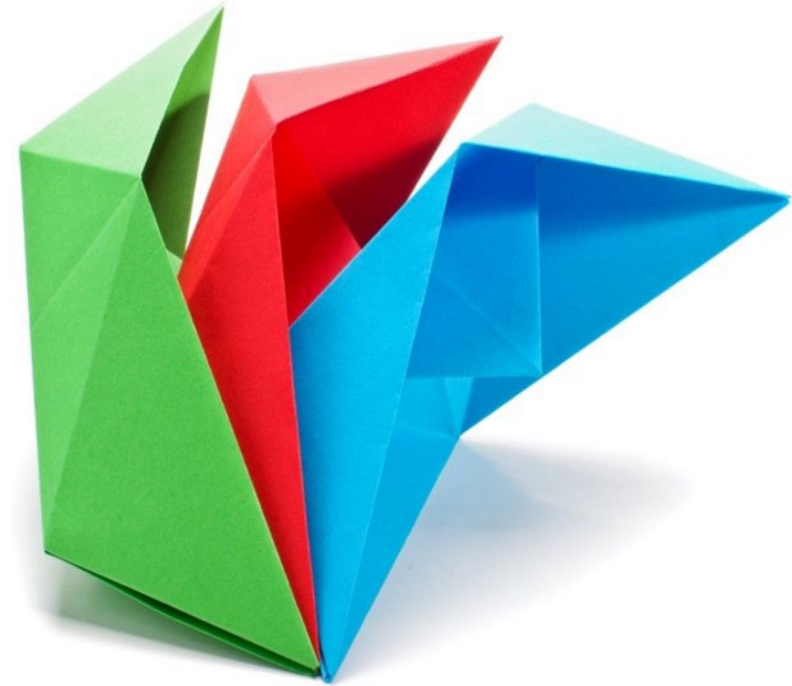


# Housekeeping

- On joining the session your microphone will be muted and your video will be turned off
- You will not be able to enable your video or un-mute your microphone during the session
- To activate the Q&A function click  the Q&A box will appear on the right hand panel
- To submit a question use the Q&A function, send your question to “**All Panellists**”
- If you experience any technical issues and cannot submit these via Q&A please call +44 203 088 7196 or +44 203 088 7450





## Fog in Channel: the repapering edition

Bob Penn, Kirsty Taylor, Tom Roberts, Emma Dwyer, Greg Brown, Karen Birch

24 September 2020

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# What we are going to discuss today

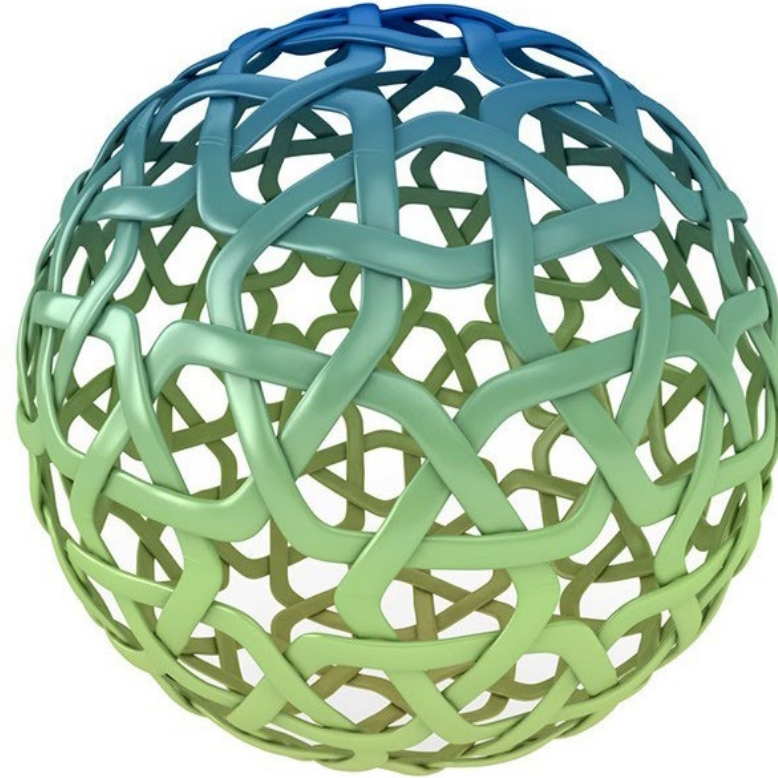
**1. General update**

**2. Repapering: Mitigation, Onshoring and Exit**

**3. Legal issues: Panel discussion**

**4. Q&A**

# ALLEN & OVERY



General update

# Good news!

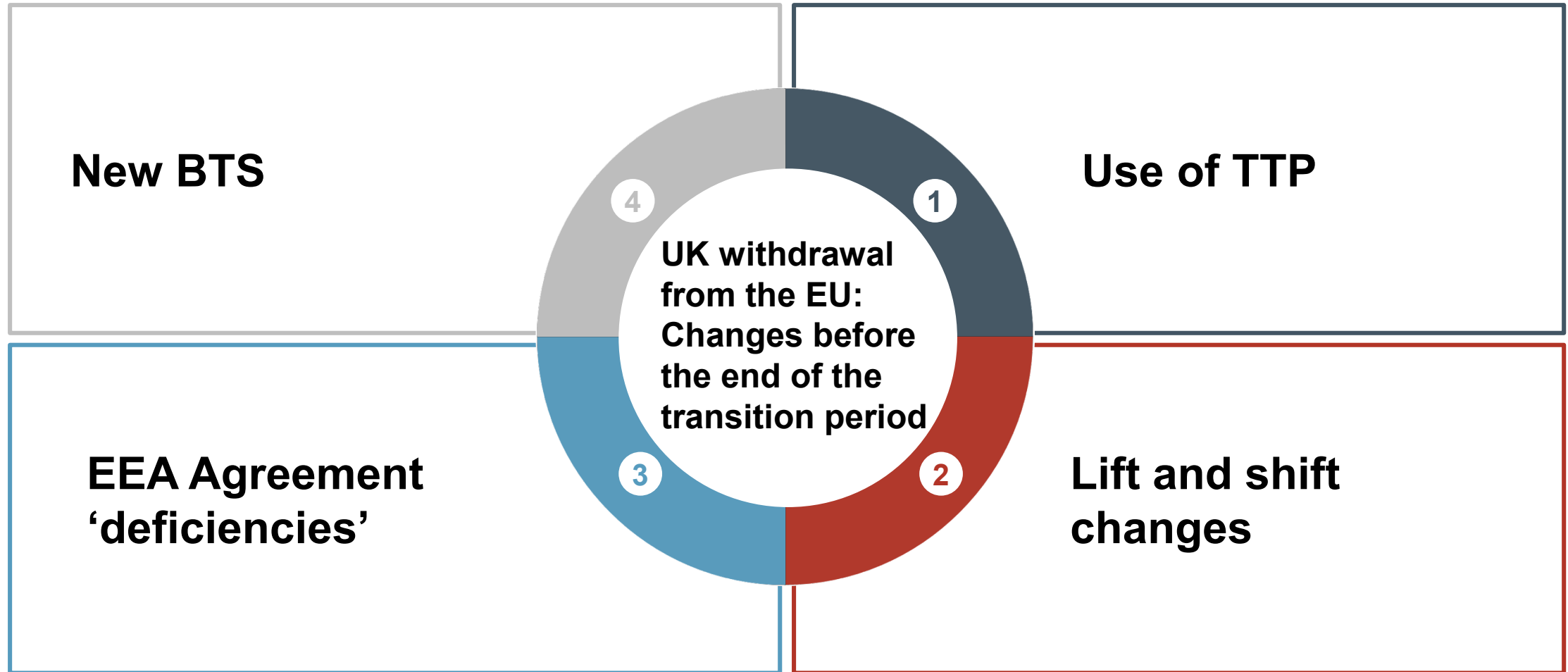
## Commission Implementing Decision 2020/1308

- UK CCP temporary equivalence
- Expires 30 June 2022

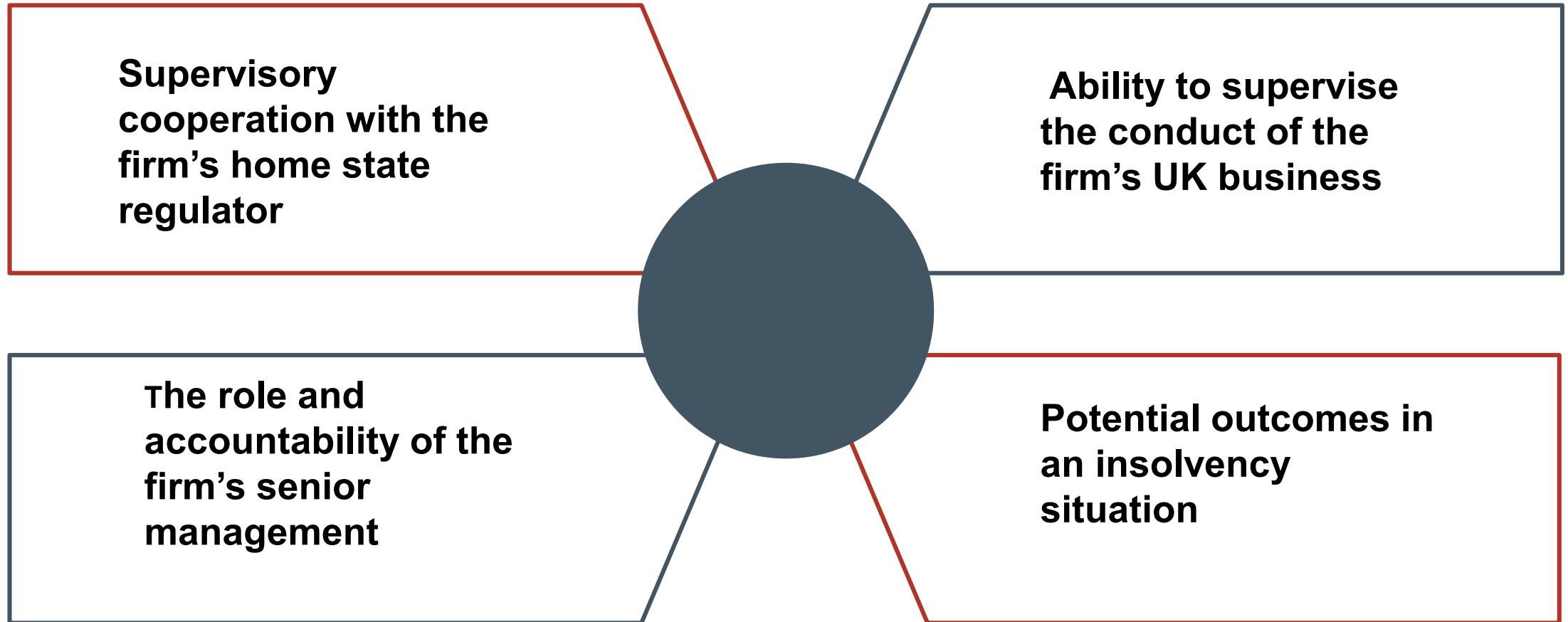
## **The Central Counterparties (Amendment, etc., and transitional provision) (EU Exit) Regulations 2018**

- Temporary Recognition Regime for non UK CCPs
- Up to three years (extendable by HMT)

# BoE/PRA Consultation Paper 13/20



# FCA CP 20/20 – Approach to International Firms



## FCA messaging

“

continue to prepare – indeed to ramp up  
preparations – for a range of scenarios

Christopher Woolard, FCA interim chief executive, at the 10th annual International Financial Services Forum>

”



# New SIs

## **Draft Consumer Protection (Enforcement) (Amendment etc) (EU Exit) Regulations 2019**

Amend the Consumer Protection (Enforcement) (Amendment etc.) (EU Exit) Regulations 2019, other Exit Regulations in the consumer protection area and Part 8 of the Enterprise Act 2002

## **Draft Sanctions (EU Exit) (Consequential Provisions) (Amendment) Regulations 2020**

Amend the ISIL (Da'esh) and Al-Qaida (United Nations Sanctions) (EU Exit) Regulations 2019, the Counter-Terrorism (International Sanctions) (EU Exit) Regulations 2019 and the Counter Terrorism (Sanctions) (EU Exit) Regulations 2019

## **The Money Laundering and Terrorist Financing (Amendment) (EU Exit) Regulations 2020**

Amend the MLRs to implement amendments made by MLD5

## **The Electricity and Gas etc. (Amendment) (EU Exit) Regulations 2020**

Amend six EU Exit SIs to reflect transitional period and update references to recast EU legislation.

# In the pipeline

1	BRRD2 SI
2	CRD5 SI
3	SFTR, Securitisation and Miscellaneous SI
4	BRRDII and additional CRD5 Exit Instruments

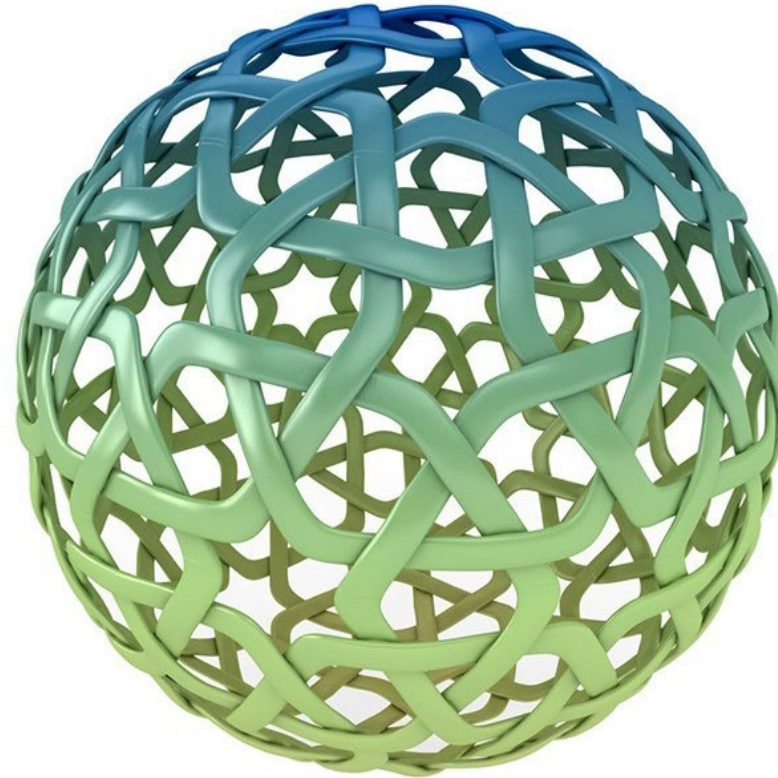
# In other news



## **UK / Japan Free Trade Agreement**

- UK's first major trade deal as an independent trading nation
  - improved market access for UK financial services
  - greater transparency and streamlined application processes for UK firms seeking licences to operate in Japan
  - annual dialogue between HMT, FCA, PRA, BoE and the Japanese FSA to explore ways to further reduce regulatory friction

Financial services are our biggest export to Japan, accounting for 28% of all UK exports.



## Repapering: Migration, Onshoring and Exit

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## Introduction

- All firms affected by Brexit will need to consider whether, how and when to amend contracts
- We will discuss:
  - Regulatory disclosure and repapering requirements
  - Outstanding legal issues - in particular arising from onshoring
  - What we are seeing in the market

# A reminder - drivers for repapering

1

**Migration (EU clients moving from UK firm or branch to EU firm or branch)** – moving from UK provider to EU provider.

2

**Onshoring – UK legal and UK regulatory (clients of UK firm or branch)** – changes to FCA and PRA rules as a result of Brexit.

3

**Onshoring – UK legal (clients of UK firm or branch)** – changes arising from legislative changes as a result of Brexit.

4

**Exit – EU legal (relationships involving UK nexus)** – changes derived from the UK becoming a third country under EU law.

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## Migration – progress and remaining work

- Into the tail-end of master agreements and related documents
- In some cases a second wave due to evolution in Brexit plans
- Are the amendments I planned so long ago still correct?
- Back in fashion:
  - Client migration and testing
  - The problem of the legacy portfolio – novations, cross-affiliate netting and lifecycle events
  - Industry opinions

## Onshoring – UK regulatory requirements

Area	UK firm		EU firm	
	Existing contracts	New contracts	Existing contracts	New contracts
Status disclosure				
CASS			[Branch]	[Branch]
FSCS			[Branch]	[Branch]
DISP			[Services]	[Services]
Consumer credit				
Regulated mortgages				
Payment services				

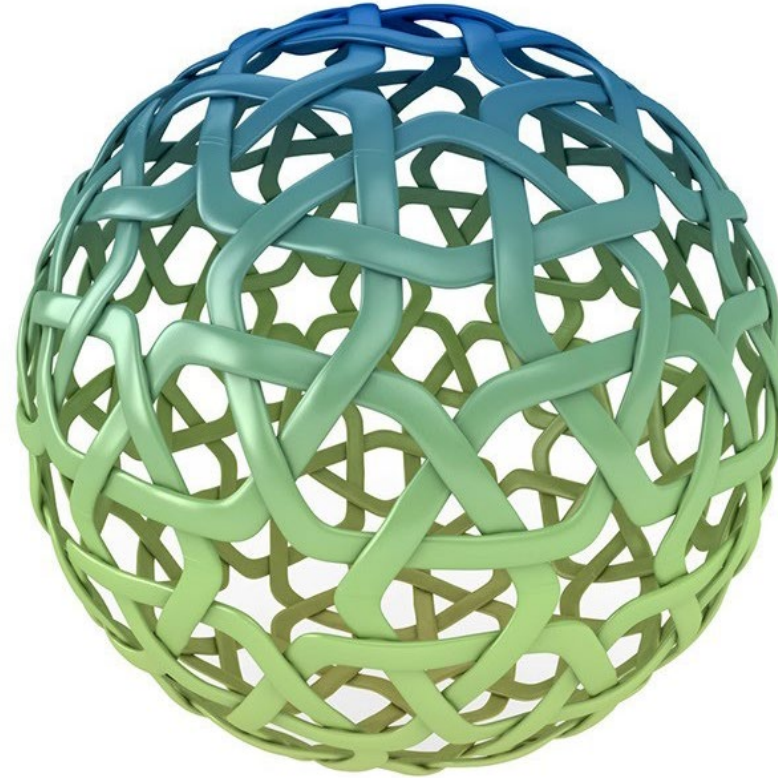
Key	
	No change required
	Disclosure required
	Client consent required



## Onshoring – UK legal requirements

Area	UK firm		EU firm	
	Existing contracts	New contracts	Existing contracts	New contracts
UK EMIR	Yellow	Yellow	Yellow	Yellow
UK MiFIR	Green	Green	Green	Green
UK BRRD	Green	[EU law contracts]	Green	Green
UK CSDR	Green	Yellow	Green	Yellow

Key	
Green	No change required
Yellow	Disclosure required
Red	Client consent required



## Repapering: Legal issues

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