



UK Financial Conduct Authority and Australian Securities and Investments Commission agree to strengthen cooperation post-Brexit

Press Releases | Published: 08/04/2019 | Last updated: 08/04/2019

The UK Financial Conduct Authority (FCA) and the Australian Securities and Investments Commission (ASIC) today announced they have agreed two Memoranda of Understanding to ensure there is continuity once the UK leaves the European Union. The MoUs cover trade repositories and alternative investment funds (AIFs).

These agreements will provide reassurance by ensuring arrangements are in place for cross-border cooperation between the FCA and ASIC. The FCA and ASIC also support the continuity of existing equivalence decisions to provide certainty to businesses post-Brexit.

Andrew Bailey, Chief Executive, FCA said:

“The FCA and ASIC have always had a strong relationship, which will continue after Brexit. The MoUs we have agreed today will ensure the FCA and ASIC have uninterrupted exchange of information and can supervise cross-border activity of firms. They provide a strong signal to the markets that the UK will continue to play an important role after Brexit. The MoUs will also provide much-needed assurance to our regulated stakeholders.

“We also support the continuity of existing equivalence decisions which will minimise disruption for firms in the UK and Australia.”

James Shipton, Chair, ASIC said:

“ASIC is pleased to have cooperation arrangements in place with the FCA on trade repositories and alternative investment funds. While the FCA and ASIC have always maintained a very close relationship on supervisory and enforcement matters, these two MOUs will enhance cooperation and information sharing between the authorities. Our commitment to ensuring the continuity of equivalence decisions will provide certainty to businesses and consumers and contribute to a fair, strong and efficient financial system.”

These MoUs will enter into force on the date EU legislation ceases to have direct effect in the UK. This will occur when the UK leaves the EU, or at the end of the transition period if a Withdrawal Agreement is in place.

MoU on trade repositories

A new MoU on trade repositories is required because the FCA will acquire functions and supervisory powers in relation to trade repositories, which are currently supervised at the European level by the European Securities and Markets Authority (ESMA).

The MoU on trade repositories will ensure that ASIC can continue to access data on derivatives contracts held in UK trade repositories, where the information is needed for ASIC to fulfil its responsibilities and mandates. The MoU is established under Article 76(2) of the UK's onshored European Market Infrastructure Regulation (UK EMIR). This provision aims at ensuring that third-country authorities such as ASIC, that do not have any trade repository in their jurisdiction, may access the information on derivatives contracts held in UK trade repositories which is relevant for their mandates.

MoU on AIFs

The MoU on AIFs has been updated to reflect the regulatory regime that will apply in relation to AIFs in the UK post-Brexit. The MoU on AIFs provides a framework for the FCA and ASIC to work together to ensure alternative investment fund managers (AIFMs) and AIFs that operate on a cross-border basis are properly supervised in the UK and Australia. The MoU will cover Australian managers that manage or market AIFs in the UK and UK managers that manage or market AIFs in Australia, as well as their delegates and depositaries. The existence of an MoU between ASIC and the FCA is a precondition of the UK's AIFM regime, for allowing managers from third countries access to the UK market.

Equivalence Decisions

HM Treasury has confirmed that existing equivalence decisions granted in respect of Australia by the European Commission (EC) before exit day, will generally be incorporated into UK law and will continue to apply post-Brexit. The UK will adopt existing EU equivalence decisions that relate to Australia's supervisory and regulatory regime for trading venues, OTC derivatives markets and credit rating agencies.

Similarly, ASIC remains committed to take steps to provide, where appropriate, for continuing recognition post-Brexit of the equivalence of the UK's regulatory and supervisory regime in relation to UK-based foreign financial services providers and market operators that operate in Australia under licences and exemptions or are otherwise recognised for the purposes of the Australian regulatory regime.

Notes to Editors

1. A new MoU on credit rating agencies (CRAs) will no longer be required between the FCA and ASIC because the requirement to have an 'appropriate cooperation' agreement in place, for the purpose of both endorsement and certification of CRAs located in a third country jurisdiction that has been deemed equivalent, has been removed from the UK's onshored Credit Rating Agencies Regulation. The FCA and ASIC will continue to rely on our 2002 MoU to cooperate and share information in relation to CRAs.
2. Find out more information from the FCA about preparing for [Brexit](#).
3. On 1 April 2013, the FCA became responsible for the conduct supervision of all regulated financial firms and the prudential supervision of those not supervised by the Prudential Regulation Authority (PRA).
4. The FCA has an overarching strategic objective of ensuring the relevant markets function well. To support this it has three operational objectives: to secure an appropriate degree of protection for consumers; to protect and enhance the integrity of the UK financial system; and to promote effective competition in the interests of consumers.
5. Find out more information [about the FCA](#) and [ASIC](#)

UK Financial Conduct Authority and Australian Securities and Investments Commission agree to strengthen cooperation post-Brexit

Media Centre

Media centre