

**ECB Money Market
Contact Group
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**Implications of Brexit for
the Euro money market**

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➤ **BREXIT Planning**

**“Hoping for the best; Preparing
for the worst”**

EBA Opinion on Brexit Preparations

On 25 June 2018, the EBA published an Opinion on the status of Brexit planning and made a number of recommendations principally around preparing for Brexit;

The essence of the EBA opinion is that existing preparations (by financial institution) for Brexit with no withdrawal agreement are inadequate and that institutions should commence preparations for this scenario “without delay”.

The EBA opinion set out a range of actions that institutions should consider. These actions can be broadly categorised into the five elements outlined below .

Category	Description
1. Direct Financial Exposure	➤ Institutions should monitor Direct financial exposures to UK counterparties.
2. Contractual Continuity	➤ Institutions should assess implications of existing financial contracts between EU regulated activities with UK counterparties where performance of the contract requires authorisation in an EU member state.
3. Access to Financial Market Infrastructure (FMI)	➤ Institutions should consider reliance on UK financial market infrastructures (FMIs), including central counterparties (CCPs).
4. Data Storage	➤ Institutions should consider any implications regarding the storage of data in, and transfer of data to, the UK by EU27 financial institutions.
5. MREL	➤ Institutions should consider any reliance on issuances of instruments eligible for minimum requirement for own funds and eligible liabilities (MREL) under UK law.

Treasury & Liquidity Risks

- ▶ **ECB/BOE Access**
- ▶ **RWA Impact**
- ▶ **Money Market Liquidity**
- ▶ **Volatility**

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