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Euroclear UK & Ireland

Consultation Paper

Potential Brexit Impacts: Irish Securities Settlement and Euro Settlement

August 2018

IMPORTANT INFORMATION

The purpose of this Consultation Paper is to further inform stakeholders and seek their views in relation to the potential impact of Brexit upon Irish Securities Settlement and Euro Settlement. EUI is unable, however, to guarantee that the information, proposals, statements, suggestions, conclusions and opinions contained in this Consultation Paper (the **Content**) are, or will remain, complete or correct. There remains considerable uncertainty around the detail and likely outcome of Brexit in both the short and long term and EUI's discussions with relevant authorities are ongoing.

Accordingly, the Content remains subject to a number of factors, including factors outside EUI's control, including: the terms of any final Withdrawal Agreement; the terms of the UK's future relationship with the EU and the EEA; discussions with, and the views and actions of, relevant authorities; regulatory analysis and clarification; Euroclear governance process and the views or actions of stakeholders.

Furthermore, the Content includes various suggestions as to: (i) potential outcomes, effects or impacts (**Results**); and (ii) actions or steps which could be taken by third parties to mitigate such Results, in each case relating to any withdrawal of Irish Securities Settlement or Euro Settlement. However, such suggestions do not constitute advice or recommendations by EUI and there may be other Results or other more appropriate courses of action or inaction depending upon specific circumstances. Affected parties should make their own assessments and consult with their professional advisers as they see fit.

The Content does not constitute any commitment on the part of EUI or any other person to implement, or take any steps to implement, in whole or in part, any proposal or action or take any steps considered or mentioned in this Consultation Paper. In particular, any action or inaction on the part of EUI remains subject to internal governance process. To the maximum extent permitted by law, neither EUI or its group companies nor any of their directors, employees, consultants or group companies makes any warranty or representation (express or implied) in relation to the Content. The Content contains, by its nature, proposals or statements as to potential future action or Results and may include forward-looking statements. Such proposals and statements contain inherent risks and uncertainties and actual action taken or Results may differ materially from those expressed or implied or may not be achieved at all.

In this Consultation Paper any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the preceding words.

We may share Consultation Responses with relevant authorities (including the Bank of England, Central Bank of Ireland, HM Treasury, the Irish Department of Finance, the European Central Bank, the European Securities and Markets Authority and the European Commission), other Euroclear group companies and our or their directors, employees, consultants and professional advisers and otherwise as we consider necessary or desirable.

Title	Potential Brexit Impacts: Irish Securities Settlement and Euro Settlement
Version number	1
Date of publication	16 August 2018

Table of contents

1 Introduction	4
1.1 Background.....	4
1.2 Brexit scenarios.....	4
1.3 Long term options for Irish Securities Settlement	5
2 Irish Securities Settlement	6
2.1 Background.....	6
2.2 Continuity of Irish Securities Settlement	6
2.3 Withdrawal of Irish Securities Settlement services by EUI	7
3 Euro Settlement	10
3.1 Background.....	10
3.2 Continuity of Euro Settlement	10
3.3 Withdrawal of Euro Settlement by EUI	11
4 Conclusion	13
5 Glossary of terms and abbreviations	14

1 Introduction

1.1 Background

On 29 March 2019 the UK intends to leave the European Union (*Brexit*).

Euroclear UK & Ireland Limited (*EUI*) has produced this consultation paper (*Consultation Paper*) in order to provide further information to, and seek the views of, stakeholders in relation to EUI's ability to continue to offer settlement of Irish securities (*Irish Securities Settlement*) and settlement of euros (*Euro Settlement*) after Brexit.

Euroclear had previously intended to establish a new CSD in Ireland, Euroclear Ireland (*the EIR Project*). However, following discussions with the Bank of England (*BoE*) and Central Bank of Ireland (*CBoI*) all work on the EIR Project ceased in March 2018.

It is EUI's current intention to continue to provide Irish Securities Settlement and Euro Settlement for as long as it is permitted to do so. However, this remains subject to dependencies, some of which are outside of EUI's control.

Given the uncertainty surrounding many of the issues discussed in this Consultation Paper, EUI intends to issue further updates on this topic. In this regard your attention is drawn to the Important Information on page 2.

You are encouraged to respond as set out below. In particular, we are interested to hear about **any potential action stakeholders may be considering** in relation to the potential impacts of Brexit upon Irish Securities Settlement or Euro Settlement or **any support that stakeholders may wish to receive** from EUI (or the wider Euroclear group) in connection with the potential impacts of Brexit upon Irish Securities Settlement or Euro Settlement. It is envisaged that such information will assist our own planning and resourcing. EUI also intends, to the extent it is able, to give a reasonable period of notice before taking action if it assesses that continued provision of Irish Securities Settlement and/or Euro Settlement is not viable.

In particular, stakeholders are asked to respond to the following questions:

- 1. What actions are you considering as a result of the potential impact of Brexit upon Irish Securities Settlement?**
- 2. Does such action require the support of EUI (or another member of the Euroclear Group)? Please provide details.**
- 3. If Irish Securities Settlement ceased to be available after Brexit what would be the impacts for you?**
- 4. Is there any other information which could be relevant to an assessment by EUI of the viability of continued provision of Irish Securities Settlement?**
- 5. What actions are you considering as a result the potential impact of Brexit upon Euro Settlement?**
- 6. Does such action require the support of EUI (or another member of the Euroclear Group)? Please provide details.**
- 7. If Euro Settlement ceased to be available after Brexit what would be the impacts for you?**
- 8. Is there any other information which could be relevant to an assessment by EUI of the viability of continued provision of Euro Settlement?**

This consultation will close on 27 September 2018. Responses should be sent by email to consultationfeedback@euroclear.com quoting "EUI Potential Brexit Impacts" or to your relationship manager.

1.2 Brexit scenarios

In the context of Brexit, the EU and the UK are in the process of negotiating a Withdrawal Treaty (the *Withdrawal Agreement*) which includes provisions relating to a transition period (*Transition*

Period)¹.

The conclusion of a Withdrawal Agreement and the implementation of a Transition Period is not certain as, among other things, it relies upon other issues in connection with Brexit being agreed and the Withdrawal Agreement being ratified by a number of bodies. It is therefore possible that the UK will face a 'hard Brexit' scenario.

This Consultation Paper therefore considers two broad scenarios:

- **soft Brexit** where there is a Transition Period broadly in line with the current draft Withdrawal Agreement; and
- **hard Brexit** where there is no Withdrawal Agreement and no Transition Period.

1.3 Long term options for Irish Securities Settlement

Euroclear Group also continues to engage actively with clients and the Irish authorities with the aim of supporting stakeholders in defining a potential alternative long-term solution for the settlement of Irish corporate securities.

Such a solution is likely to differ from the current CREST settlement arrangements and could necessitate changes to the practices and structure of settlement of Irish corporate securities. The Euroclear Group is supporting this discussion through the Euroclear Irish User Committee, which is composed of representatives from different stakeholder segments who will need to align on any changes, as well as holding a broader range of bilateral discussions with stakeholders in support of this Irish stakeholder-led process.

This Consultation Paper will not deal further with these discussions about potential long term solutions and will focus on continuity of service delivery by EUI immediately after Brexit.

¹ It should be noted that the text of the draft Withdrawal Agreement in so far as it relates to the Transition Period has been agreed at negotiators' level but remains subject to technical legal revision. The final text relating to the Transitional Period is not, therefore, currently available and the conclusions reached in this Consultation Paper may alter if the text relating to the Transition Period is amended.

2 Irish Securities Settlement

2.1 Background

Euroclear has provided post-trade services for Irish securities for over 20 years. Irish corporate securities and ETFs are currently settled in the CREST system operated by EUI². Irish government securities are settled in Euroclear Bank, a CSD incorporated in Belgium.

The CREST system provides a single harmonised service in respect of both UK securities and Irish securities. EUI operates two legally distinct securities settlement systems (the CREST UK system and the CREST Irish system) in one technical infrastructure known as 'the CREST system'. The CREST system settles transactions against a choice of three currencies: pounds sterling and euro (in central bank money) and US dollars (currently in commercial bank money but with a planned move to central bank money). It provides 'name on register' legal title ownership, integrated Irish and UK stamp duty/SDRT assessment, a full range of corporate action functions and a paper interface.

EUI had intended that when authorised as an EU CSD in accordance with the EU CSD Regulation (**CSDR**) that it would 'passport' its services in respect of Irish corporate securities into Ireland from the UK, under Article 23 of CSDR³.

2.2 Continuity of Irish Securities Settlement

2.2.1. Soft Brexit

On the basis of the current draft of the Withdrawal Agreement, EUI expects to be able to continue to provide Irish Securities Settlement during the proposed Transition Period (the Transition Period is currently intended to operate from Brexit to 31 December 2020).

This is on the assumption that the Withdrawal Agreement means that EUI would be treated as an EU CSD for the purposes of CSDR⁴ and would be permitted to passport services in respect of Irish corporate securities into Ireland from the UK⁵.

2.2.2. Hard Brexit

In the absence of a Transition Period, currently EUI's objective would be to continue to provide Irish Securities Settlement after Brexit on an interim basis as a 'third country' CSD in accordance with the third country equivalence provisions of CSDR⁶. These provisions of CSDR enable a non-EU CSD that has been recognised as 'equivalent' to provide issuer CSD services in respect of certain EU securities.

EUI currently intends to make an application for equivalence recognition in accordance with the timeframes set out in CSDR⁷. If an application by EUI for equivalence recognition were rejected or if such recognition once granted were withdrawn (for example, because the UK were no longer considered to be equivalent to the EU due to a divergence of laws), EUI would have to cease provision of Irish Securities Settlement. Other external factors beyond EUI's control

² Some Irish securities such as ETFs are also issued into another CSD and held in the CREST system as investor CSD by way of the CREST International Service. Such securities are not affected by the considerations set out in section 2 of this Consultation Paper. The considerations in section 2 relate only to Irish securities (including ETFs) for which CREST is the issuer CSD.

³ EUI is in the process of applying to the Bank of England for authorisation in accordance with EU CSDR. The application for authorisation includes an application for passporting services in respect of Irish securities.

⁴ We believe that, on the basis of the current draft Withdrawal Agreement, that this is the case.

⁵ Until EUI becomes an "authorised CSD" for the purposes of CSDR, EUI would continue to offer Irish Securities Settlement under existing national laws.

⁶ CSDR Article 25 enables 'third country' (ie non EU) CSDs to seek recognition to provide certain issuer CSD services in respect of securities constituted under the laws of an EU member state.

⁷ Article 69(3) CSDR requires that a third country CSD which intends to provide certain issuer CSD services applies for recognition from ESMA within six months from the later of the entry into force of CSDR technical standards or the Commission adopting an implementing decision pursuant to Article 25(9) CSDR that, among other things, the legal and supervisory arrangements of the relevant third country are in effect equivalent to the requirements of CSDR. A determination pursuant to Article 25(9) CSDR is not within the control of EUI.

conceivably could also cause EUI to cease provision of Irish Securities Settlement post Brexit.

It should be noted that equivalence recognition, including the timing of any application, is subject to matters outside EUI's control⁸. Accordingly, EUI cannot guarantee that any application for equivalence recognition would be successful.

Until EUI's application for equivalence recognition is determined, EUI would currently intend to rely on an interim basis on the 'grandfathering' provisions of CSDR⁹. These provide that existing national laws apply until a recognition decision under CSDR is made. We believe this would enable EUI to continue to provide Irish Securities Settlement under existing Irish law arrangements.

Continued provision of Irish Securities Settlement by EUI pursuant to the grandfathering provisions and equivalence provisions of CSDR is however, dependent upon European regulatory clarifications and confirmations. Our discussions with relevant authorities are ongoing. EUI envisages updating stakeholders in due course.

2.3 Withdrawal of Irish Securities Settlement services by EUI

2.3.1. Introduction

As stated in the introduction, it is EUI's current intention to continue to provide Irish Securities Settlement for as long as it is permitted to do so.

In the event that EUI has to withdraw its provision of Irish Securities Settlement, it would take the necessary operational steps to prevent Irish Securities Settlement from occurring in the CREST system.

EUI continues to develop its operational plans for the withdrawal of Irish Securities Settlement and invites engagement from stakeholders, particularly registrars, issuers and participants. EUI's planning for this scenario is dependent, to some extent, upon the subsequent holding/settlement model available and chosen by each Issuer/participant; varying lead times could be required to effect withdrawal in the manner desired by such stakeholder.

As a backstop, if EUI withdraws Irish Securities Settlement and a relevant issuer has not put in place alternative arrangements, EUI envisages that it would need to take steps to disable, expire and delete from the CREST system securities constituted under Irish law. This would lead to their rematerialisation into certificated form. No further transactions in Irish securities would settle or be otherwise processed in the CREST system. EUI envisages providing more detail at a later date if necessary regarding this securities expiry process and its effects on "inflight" transactions and other processes.

Consequential changes would be required to some of EUI's contractual arrangements such as the CREST Manual and CREST Terms and Conditions (or other equivalent terms of participation). EUI would intend to provide further information in due course should circumstances make this necessary.

2.3.2. Potential options and mitigating actions

As highlighted in the preceding paragraphs, Irish Issuers, their Registrars and CREST participants may wish to consider contingency plans for alternative arrangements for the issuance, holding and transfer of Irish securities in the event that EUI ceases to provide Irish Securities Settlement post-Brexit. We would welcome information and further engagement with stakeholders relating to any contemplated action.

⁸ Such dependencies include those set out in Article 25 CSDR, for example: (1) the Commission adopting a decision that the legal and supervisory arrangements of a third country ensure that CSDs authorised in that third country comply with legally binding requirements which are in effect equivalent to the requirements laid down in CSDR that those CSDs are subject to effective supervision, oversight and enforcement in that third country on an ongoing basis and that the legal framework of that third country provides for an effective equivalent system for the recognition of CSDs authorised under third country legal regimes; (2) EUI being subject to effective authorisation, supervision and oversight; (3) cooperation arrangements between ESMA and the UK responsible authorities have been established pursuant to Article 25(10) CSDR; and (4) the CBOI having confirmed that EUI takes the necessary measures to allow its users to comply with Irish law. It is also dependent upon ESMA's determination of EUI's application for equivalence recognition.

⁹ CSDR Article 69(4).

We briefly set out some potential (non-exhaustive) options below.

Stakeholders should note that:

- different stakeholders might face differing issues/consequences and make use of different options or combinations of options;
- not all of these options are likely to be appropriate to, or available in, every circumstance or to every stakeholder and there may be other options which could be more appropriate;
- implementation of such options may require legal, regulatory or other corporate actions being taken or third party action, including regulatory or other approvals. These have not been considered below and may impact timing and suitability;
- potential consequences for consideration might include tax, as well as the mechanism (scheme of arrangement or otherwise), timeframe and conditions regarding migration;
- some of the options discussed below involve intermediated holding structures. This means that participants would not hold the relevant Irish security directly. Consideration should therefore be given to any associated risks and impacts of intermediation;
- the ability of EUI to process or facilitate these options may be subject to system, operational or other capacity and processing time constraints, including legal and regulatory approvals. Stakeholders should take this into account and are encouraged to discuss with EUI their plans as early as possible; and
- they should make their own assessment of the issues faced and options available to them and take their own professional advice. Nothing in the Consultation Paper should be considered as advice or guidance in respect of issues/consequences or particular actions stakeholders may or should take.

A. Alternative issuer CSD

Some issuers may choose to move issuer CSD from EUI to another CSD.

Issuers may need to consider if their security is eligible for issuance into the CSD of their choice and if that CSD is ready, willing and able to accept it.

It is possible that other CSDs would not be 'operators' under the Irish USRs and would not therefore provide 'name on register' holding as is currently the case in the CREST system. Other facilities, such as stamp duty, paper interface and corporate actions handling, may be different from current CREST arrangements.

Current holders of Irish securities within the CREST system would need to consider whether or not they meet the eligibility criteria of the new CSD in question. If holders do not meet the required criteria or do not wish to open an account within the CSD then there may be the option of using an agent to hold the securities on their behalf.

EUI has existing CSD links (the CREST International Settlement Links Service, using CREST Depository Interests) with Euroclear Bank, DTC and SIS¹⁰. Through these links EUI is able to provide settlement services in the CREST system in respect of non-UK securities. Depending on which CSD an existing Irish issuer chooses to issue its securities into, it may therefore be possible for CREST participants to continue to hold and settle Irish securities in the CREST system as investor CSD CDI balances. The CDIs are merely regarded as a settlement mechanic, without separate trading or ISIN, and a transaction in the underlying security can be settled by the delivery of CDIs through the CREST system. The CREST services available to holders of CDIs when compared to those available to holders of directly held UK or Irish securities are generally similar although certain services and functions are not available (for example there is no paper interface and other custody services are subject to the functions available through the relevant CSD links).

¹⁰ Stakeholders may wish to make their own investigations as to the onward links that these CSDs provide. It may be possible to hold Irish securities through a series of CSD links in order to maintain a CDI holding in CREST.

B. Depository Interest in the CREST system

Currently some CREST Registrars provide Registrar depository interest (**DI**) facilities. Registrar DIs usually involve a member of the registrar's group acting as depository and (either itself or through a nominee or custodian on its behalf) holding the underlying non-UK securities on behalf of the holders. They then issue DIs (constituted under English law) representing the underlying securities in uncertificated form in the CREST system to those holders. The DIs are merely regarded as a settlement mechanic, without separate trading or ISIN, and a transaction in the underlying security can be settled by the delivery of DIs through the CREST system.

A DI mechanism may enable Irish securities to continue to be held and transferred in the CREST system. In general the range of services available to holders of DIs when compared to those available to holders of directly held UK or Irish securities are similar although certain services and functions are not available (and are also subject to the services provided by the relevant registrar).

C. Change of law of constitution of the security

If the issuer were to change the law of constitution of the security to a law of the United Kingdom then, as the legal and regulatory framework currently stands, the security should continue to be eligible for admission, holding and settlement in the CREST system (subject to meeting the other admission criteria).

D. Rematerialise security

In the absence of other action being taken, upon EUI withdrawing Irish Securities Settlement any Irish securities still held in the CREST system would be rematerialised. This would mean share certificates being issued to holders and subsequent transfers would need to take place by paper instrument of transfer.

Depending on the security concerned, such an outcome may cause significant disruption to issuers and holders of securities. Stakeholders may also wish to consider any dematerialisation or settlement requirements relating to relevant trading venues.

3 Euro Settlement

3.1 Background

EUI offers Euro Settlement through its status in the EuroSystem's TARGET2 system as an 'ancillary system' and pursuant to arrangements between EUI and the Central Bank of Ireland. In order to continue offering Euro Settlement after Brexit, EUI requires to maintain this access as an ancillary system to TARGET2. Accordingly, it is relevant to note that the requirements as set out in the 'TARGET2 Guideline' define an ancillary system as, among other things, being managed by an entity established in the EEA.

The table below shows the split of settlement against EUR, GBP and USD for Irish securities, including corporate action activity, for 2017.

SETTLEMENT ACTIVITY – IRISH SECURITIES (2017)				
Currency	GBP equivalent value	% (of GBP value)	No settled txns	%
EUR	~177bn	36.5%	~1,033,000	35.6%
GBP	~144bn	29.4%	~1,314,000	45.2%
USD	~165bn	34.1%	~557,000	19.2%

In respect of Irish securities, approximately one third by value of Irish Securities Settlement takes place against euro.

The table below shows the split of settlement against EUR, GBP and USD for UK securities, including corporate action activity, for 2017.

SETTLEMENT ACTIVITY – UK SECURITIES (2017)				
Currency	GBP equivalent value	% (of GBP value)	No settled txns	%
EUR	~48bn	0.03%	~37,800	0.08%
GBP	~153,600bn	99.88%	~44,611,000	98.7%
USD	~146bn	0.09%	~548,400	1.21%

In respect of UK securities, by value euro settlement is a very small proportion of total settlement. There may be particular UK securities, for example UK securities (including CDIs representing underlying foreign securities) in respect of which distributions are typically paid in EUR, for which the impact of a loss of Euro Settlement may be more significant.

3.2 Continuity of Euro Settlement

3.2.1. Soft Brexit

Our working assumption is that the UK will remain, or be treated as remaining, a member of the EEA during the Transition Period. In such circumstances we envisage that EUI will continue to be permitted to act as an ancillary system and therefore continue to offer Euro Settlement.

Continued access is subject to a number of factors beyond EUI's control, including the agreement and scope of the Withdrawal Agreement. EUI is in discussions with relevant authorities regarding continuity of access to TARGET2. EUI envisages updating stakeholders

following conclusion of such discussions.

3.2.2. Hard Brexit

Our working assumption is that the UK will not remain a member of the EEA in the absence of a Transition Period.

Continued Euro Settlement would require a special arrangement or exemption to be agreed. We are not currently able to provide additional information on the likelihood of such an arrangement being in place, or the possible conditions (such as a limitation on duration) to which such an arrangement may be subject.

Continued access is therefore subject to a number of factors beyond EUI's control. EUI is in discussions with relevant authorities regarding continuity of access to TARGET2. EUI envisages updating stakeholders.

3.3 Withdrawal of Euro Settlement by EUI

3.3.1. Introduction

As noted in the introduction it is EUI's current intention to continue to provide Euro Settlement for as long as it is permitted to do so.

If EUI is obliged to withdraw Euro Settlement then EUI will carry out the necessary steps to prevent settlement, for all securities and all other services, against euro payments from occurring in the CREST system.

EUI continues to develop its operational plans for the withdrawal of Euro Settlement and invites engagement from stakeholders, particularly issuers, registrars, settlement banks and participants. Accordingly, EUI anticipates providing more detail as to the actions that would be taken to withdraw Euro Settlement at a later date if necessary.

Consequential changes would be required to some of EUI's contractual arrangements such as the CREST Manual and CREST Terms and Conditions (or other equivalent terms of participation). EUI would intend to provide further information in due course should circumstances make this necessary.

We set out below our understanding of some consequences of Euro Settlement being withdrawn and some options which might be available to stakeholders. There may be other consequences or options.

However stakeholders should note that:

- different stakeholders might face differing issues/consequences and make use of different options or combinations of options.
- not all of these options are likely to be appropriate to, or available in, every circumstance or to every stakeholder and there may be other options which could be more appropriate;
- implementation of such options may require legal, regulatory or other corporate actions being taken or third party action; and
- they should make their own assessment of the issues faced and options available to them and take their own professional advice. Nothing in the Consultation Paper should be considered as advice or guidance in respect of issues/consequences or particular actions stakeholders may or should take.

3.3.2. Consequences of withdrawal

As noted above, EUI believes that the withdrawal of Euro Settlement will, overall, have a more significant impact upon the settlement of Irish securities than UK securities. Withdrawal of Euro Settlement may also particularly impact some international securities (held in CREST as CDIs).

We currently believe the main consequences of Euro Settlement being withdrawn may include the outcomes outlined below.

1. *Trading and Clearing*

It is our understanding that participants tend to settle transactions in the same currency as

they trade and/or clear in order not to introduce the costs and risks associated with currency conversion. It is therefore likely that loss of Euro Settlement would impact those transactions in which trading and/or clearing (including cross platform netting) is undertaken in euros. Obvious security types which might be affected include Irish securities and securities such as ETFs that track euro indices or baskets and are quoted and traded in euro.

2. *MMI (eligible debt securities) issuance*

It would still be possible to issue MMIs denominated in euro in the CREST system. However it would not be possible:

- to settle transactions in such MMIs against euro consideration;
- to settle interest payments in euro; or
- to redeem in Euros.

3. *Settlement and asset servicing*

It would not be possible to input or settle transactions in respect of:

- settlement (or free of delivery) against euro; or
- elections and/or distributions on securities involving euros.

Claims and transformations that involve euros would also not be possible.

As noted above, certain international securities held through the CREST International Service may be impacted in particular as euros may be the default currency for certain European securities (for example for dividend distributions).

3.3.3. Potential options and mitigating actions

Stakeholders, including issuers, their registrars, trading venues, CCPs and CREST participants may wish to consider alternative arrangements for the settlement of transactions involving euros. We would welcome information relating to any contemplated action.

We have briefly set out some (non-exhaustive) potential options or mitigating actions below.

In the event that Euro Settlement has been withdrawn, it may be possible in some circumstances to transfer a security against euros by:

- transferring the security on a free of payment (FOP) basis in the CREST System with the payment taking place outside the CREST System. As stakeholders will be aware, this may introduce additional counterparty, operational and other risks;
- transferring the security on a delivery versus payment basis in the CREST system against the equivalent amount in another CREST currency. As stakeholders will be aware, this may introduce additional counterparty and currency exchange risk and cost; or
- issuers and registrars may consider other mechanisms for cash distributions outside the CREST system.

4 Conclusion

You are encouraged to respond to this Consultation Paper as set out below. In particular, we are interested to hear about any potential action stakeholders may be considering in relation to the potential impact of Brexit upon Irish Securities Settlement or Euro Settlement or any support that stakeholders may wish to receive from EUI (or the wider Euroclear group) in connection with the potential impact of Brexit upon Irish Securities Settlement or Euro Settlement.

In particular, stakeholders are asked to respond to the following questions:

- 1. What actions are you considering as a result of the potential impact of Brexit upon Irish Securities Settlement?**
- 2. Does such action require the support of EUI (or another member of the Euroclear Group)? Please provide details.**
- 3. If Irish Securities Settlement ceased to be available after Brexit what would be the impacts for you?**
- 4. Is there any other information which could be relevant to an assessment by EUI of the viability of continued provision of Irish Securities Settlement?**
- 5. What actions are you considering as a result the potential impact of Brexit upon Euro Settlement?**
- 6. Does such action require the support of EUI (or another member of the Euroclear Group)? Please provide details.**
- 7. If Euro Settlement ceased to be available after Brexit what would be the impacts for you?**
- 8. Is there any other information which could be relevant to an assessment by EUI of the viability of continued provision of Euro Settlement?**

This consultation will close on 27 September 2018. Responses should be sent by email to consultationfeedback@euroclear.com quoting "EUI Potential Brexit Impacts" or to your relationship manager.

5 Glossary of terms and abbreviations

NAME	ABBREVIATION	MEANING
Bank of England	BoE	-
Brexit	-	The UK's withdrawal from the European Union.
CREST Depository Interest	CDI	A CREST depository interest representing an international security, as described in Section 2 of Chapter 2 of the CREST International Manual.
Central Bank of Ireland	CBol	-
Central Counterparties	CCPs	-
CREST system	-	The technical system currently operated by EUI to provide CSD services in respect of UK and Irish securities.
Central Securities Depository	CSD	-
Consultation Paper		This consultation paper.
CSD Regulation	CSDR	Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories.
Depository Interest	DI	A depository interest representing an international security.
EIR Project		The former project regarding the establishment of Euroclear Ireland, work on which has now ceased.
European Central Bank	ECB	-
European Economic Area	EEA	-
European Union	EU	-
Euroclear SA/NV	ESA	The immediate parent company of Euroclear group CSDs.
European Securities and Markets Authority	ESMA	-
Euroclear UK & Ireland Limited	EUI	The UK incorporated CSD currently operating the CREST system.
Euro Settlement		The availability of Euro as a settlement currency in the CREST system.
Exchange Traded Funds	ETF	-
Irish securities	-	Securities constituted under the law of Ireland.
Irish Securities Settlement		The settlement of Irish corporate securities by way of the CREST system.
TARGET2	T2	The real-time gross settlement (RTGS) system for the Eurozone.
The United Kingdom of Great Britain and Northern Ireland	UK	-

NAME	ABBREVIATION	MEANING
Transition Period		The transition period currently provided for in the Withdrawal Agreement.
Withdrawal Agreement		The draft Withdrawal Agreement currently being negotiated between the UK and the EU.