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## **EUROCLEAR BANK (EB) AS LONG-TERM CENTRAL SECURITIES DEPOSITORY (CSD) FOR IRELAND POST BREXIT**

### **Report of the Irish Working Group (WG) 7 Held on 11 APRIL 2019**

Below is a summary report of the main conclusions of the WG7 meeting. The meeting focussed on consideration of the draft White Paper.

- It was heard that the expectation of the Irish Authorities was that the market would move from EUI to EB as of March 2021 (in line with the timing in the emergency equivalence decision) and the current uncertainties around Brexit outcomes should not delay the implementation of the new CSD model for Ireland.
- In spite of the best efforts of all in the WG, details on some areas of the operating model remained outstanding mainly relating to stamp duty, nationality declaration mechanism, legislative changes needed for the migration mechanism. Euroclear would push to have more clarity on these aspects in the coming weeks. In addition, the market (in particular investors and registrars) had requested more granular detail from Euroclear on EB's operational processes. This would be addressed in the implementation phase of the project.
- The Authorities had started to analyse in detail the potential migration by bespoke legislation (as opposed to individual issuer schemes of arrangement which carry high operational and legal risk) but warned that this would not be straightforward or risk free. They had noted the unanimous preference of the market for legislation in view of minimising the risk associated with other mechanisms. The Authorities had stated that in the absence of any guarantee of legislation, they expected the individual issuers to examine their own alternative options for migration and have a solid contingency plan. Euroclear was leading the work with the Authorities to secure the legislative migration outcome and all WG members and other relevant players were invited to separately make their preference and rationale known to the Authorities so it could be factored into the decision.
- The timeline for migration of the market to EB by March 2021 was extremely tight and required focus and immediate work by market players.
- The WG agreed to request a meeting with the Authorities to outline their views and hear directly those of the Authorities.
- All further comments on the White Paper from each WG member's constituent groups were invited by the end of the following week with a view to finalising and publishing the White Paper shortly thereafter.