

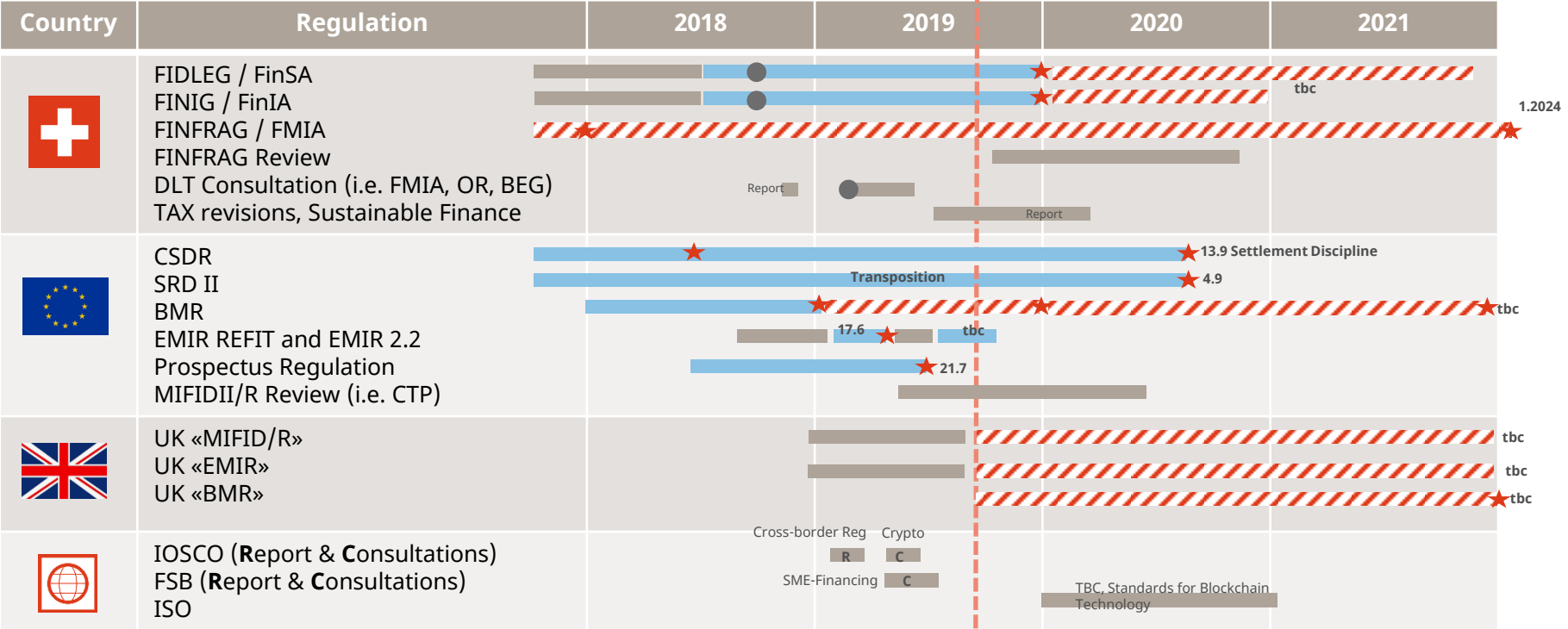
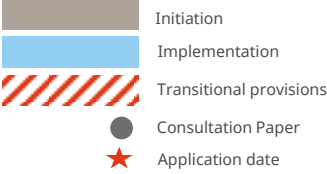


Swiss SPTC Meeting

Regulatory Developments

Simon Pabst, 10 September 2019

Regulatory Roadmap



Agenda

1. Recovery and Resolution
2. Third Country Application
3. EMIR 2.2 (Roger Storm)
4. Exchange Equivalence (Lutz Meyer)

1. Recovery and Resolution

SIX x-clear / SIX SIS Recovery Plans

- FMIA Art. 24 states that a **systemically important FMI shall draw up a recovery plan**. With this coming into force, **yearly approval** of the recovery plans of FMIs **moved from SNB to FINMA**
- Lately FINMA communicated its feedback regarding SIX x-clear's and SIX SIS's Recovery Plans. In general an **extensive list of improvement/change requests** was sent by FINMA regarding both Recovery Plans
- Some of the requests are **technical and relate to certain parameters**, while others lead to **questioning the current business model of the entities**

SIX x-clear / SIX SIS Recovery Plans

- Example: SIS and x-clear shall **establish new liquidity options / sources** as a recovery tool
- As FMIA is **regulated principleswise** FINMA relates to CPMI-IOSCO, FSAP (by IMF) and the International Crises Management Group for CCPs
- **Ongoing discussions** with the regulator now to follow referring to a **wide range of different scenarios** and requirements
- On the landscape: **FMI Access for systemically important banks in resolution**

2. CSDR Third Country Application

CSDR Third Country Application

- **Initial application** for equivalence of SIS for **Liechtenstein submitted 26 September 2017**
- Only hereafter **EU Commission and ESMA agreed on the process** for third country applications for recognition under Article 25(9) CSDR
 1. EU Commission first going to make a **determination at country level**
 2. If positive, requested recognition will be under **jurisdictional review by ESMA** hereafter

The original submission enables SIX SIS to **benefit from grandfathering for all services** it currently offers in the EU/EEA until a formal decision is taken

CSDR Third Country Application

Preconditions for ESMA decision remain

- a) **equivalence** of SWISS regulatory and supervisory framework
- b) **implementation** of CSDR into EEA (for LIE; estimated begin of 2020)
- c) **cooperation** agreement between ESMA and FINMA and
- d) **confirmation** by FMA that SIX SIS complies with FL law

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