Council of the
European Union

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NOTE

From:	General Secretariat of the Council
To:	Delegations
No. prev. doc.:	ST 9566/23 ST 9566/23 ADD 1 ST 9566/23 ADD 2
No. Cion doc.:	C(2023) 3364
Subject:	COMMISSION DECISION of 17.5.2023 on the approval of a Memorandum of Understanding establishing a framework for financial services regulatory cooperation between the European Union and the United Kingdom of Great Britain and Northern Ireland - Presidency compromise proposal

Delegations will find attached a Presidency proposal with changes marked as **<u>bold underline</u>** and ~~strikethrough~~ as compared to the original Commission proposal set out in documents ST 9566/23 INIT + ADD 1 + ADD 2. No changes are proposed for the INIT and ADD 1 document.

COMMISSION DECISION

of 17.5.2023

on the approval of a Memorandum of Understanding establishing a framework for financial services regulatory cooperation between the European Union and the United Kingdom of Great Britain and Northern Ireland

THE EUROPEAN COMMISSION,

Having regard to the Treaty on European Union and the Treaty on the Functioning of the European Union,

Whereas:

(1) Article 17(1) of the Treaty on European Union lists the powers of the Commission and provides in particular that the Commission is to ensure the Union's external representation, with the exception of the common foreign and security policy and other cases provided for in the Treaties.

(2) In the Joint Declaration on Financial Services Regulatory Cooperation made by the European Union and the United Kingdom (hereinafter "the Joint Declaration") and attached to Council Decision (EU) 2021/689[1], the European Union and the United Kingdom of Great Britain and Northern Ireland ('United Kingdom') agreed to establish structured regulatory cooperation on financial services with the aim of establishing a durable and stable relationship between autonomous jurisdictions. They also committed to agree on a Memorandum of Understanding establishing the framework for this cooperation.

(3) From January to March 2021, discussions took place between the Commission and the government of the United Kingdom, with a view to drawing up a non-binding instrument setting out political commitments with regard to the establishment of a voluntary framework for regulatory cooperation on financial services.

(4) The Memorandum of Understanding establishing a framework for financial services regulatory cooperation between the European Union and the United Kingdom (hereinafter "the Memorandum of Understanding") is the result of those discussions.

(5) The envisaged date for signature of the Memorandum of Understanding on behalf of the Union is June 2023.

[1] Council Decision (EU) 2021/689 of 29 April 2021 on the conclusion, on behalf of the Union, of the Trade and Cooperation Agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part, and of the Agreement between the European Union and the United Kingdom of Great Britain and Northern Ireland concerning security procedures for exchanging and protecting classified information, OJ L 444, 31.12.2020, p. 1475–1485

(6) The Council has been kept informed of the discussions and of the envisaged date for signature.

(7) The Memorandum of Understanding does not, nor is it intended to, create any legal obligations on either side under domestic or international law.

(8) Given the interest of the Union in setting-up structured regulatory cooperation with the United Kingdom in the area of financial services, with the aim of facilitating dialogue between autonomous jurisdictions, and ensuring consistency in regulatory responses to the main challenges for financial stability, which have a cross-border dimension by nature, it is appropriate to sign the Memorandum of Understanding.

(9) It is necessary to submit the Memorandum of Understanding to the Council for endorsement, prior to its signing by the Commission on behalf of the Union,

HAS DECIDED AS FOLLOWS:

Article 1

The Memorandum of Understanding establishing a framework for financial services regulatory cooperation between the European Union and the United Kingdom of Great Britain and Northern Ireland, as attached to this Decision, is approved.

The text of the Memorandum of Understanding establishing a framework for financial services regulatory cooperation between the European Union and the United Kingdom of Great Britain and Northern Ireland is submitted to the Council for endorsement.

Article 2

The Member of the Commissionresponsible for Financial Services, Financial Stability and Capital Markets Union or the person designated by her is authorised to sign the Memorandum of Understanding establishing a framework for financial services regulatory cooperation between the European Union and the United Kingdom of Great Britain and Northern Ireland on behalf of the Union, after its endorsement by the Council.

Done at Brussels, 17.5.2023

For the Commission
Mairead McGUINNESS
Member of the Commission