



Commission de Surveillance
du Secteur Financier

PRESS RELEASE 19/33

MANDATORY NOTIFICATION FOR UK FIRMS IN THE CONTEXT OF BREXIT

Following the [press release 19/18](#) regarding the publication of the laws of 8 April 2019 on Brexit (the “**Brexit Laws**”), the CSSF would like to remind that firms that are currently authorised under CRD, MiFID II, PSD 2 or EMD in the UK (“**UK firms**”) will be considered as “third-country firms” and will lose the benefit from their existing passporting rights under the relevant EU Directives from the date the UK leaves the EU without concluding a withdrawal agreement based on Article 50(2) of the Treaty on European Union (“**hard Brexit**”). The CSSF would like to stress that the provision of regulated services in Luxembourg without a proper authorisation is illegal and thus subject to sanctions.

UK firms should by now have taken the necessary steps to prepare and anticipate the consequences of a possible hard Brexit.

UK firms that intend to continue their business and conclude **new contracts** in Luxembourg following a hard Brexit are required to submit an application for an authorisation to the CSSF **as soon as possible**. UK firms should be mindful that the granting of an authorisation can take up to 12 months following the reception of a complete application file and that UK firms that have not received the necessary authorisation are required to cease all business as of the date of a hard Brexit.

With respect to **existing activities**, to ensure the orderly functioning and the stability of the financial markets or the protection of depositors, investors and consumers, the Brexit laws empower the CSSF to allow UK firms that are currently providing financial services in Luxembourg under the EU passport to continue their activities for a limited period after the occurrence of a hard Brexit (the “**transitional regime**”). The transitional regime is limited in scope as it applies only to the scenario of a hard Brexit and only to contracts that have entered into force before Brexit (“**existing contracts**”) as well as to contracts concluded after Brexit with close links to existing contracts (“**closely-related contracts**”).

The CSSF has decided to set the transitional period at 12-months following the date of a hard Brexit. UK firms that are planning to continue to serve existing contracts in Luxembourg under the transitional regime will be **required to notify** the CSSF accordingly. A dedicated notification portal will be opened on the CSSF website in the coming weeks. The CSSF will inform the public in due course. Notifications will have to be made **no later than 15 September 2019**.

The CSSF will assess each notification received and inform UK firms individually as to whether they can benefit or not from the transitional regime. For the purpose of the assessment, the CSSF will verify that the conditions of the Brexit laws are met, in particular, that a UK firm has duly passported its services to Luxembourg in the past and that the information on their activities is coherent and sufficiently detailed.

Any additional questions can be addressed to brexit@cssf.lu.

Luxembourg, 15 July 2019