

Nathaniel Lalone Comments on European Clearing Regulations

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Financial Services partner Nathaniel Lalone was quoted by *Risk.net* on continued disagreements over regulatory oversight for European clearing houses. The Council of the European Union has been unable to pass rules to determine whether the European Securities and Markets Authority (ESMA) should serve as lead supervisor over central counterparties (CCPs), creating uncertainty for cross-border clearing houses in the interim. Nate stated, "If there is a uniform regime for recovery and resolution that would displace domestic insolvency laws, then market participants would have much greater certainty as to what is going to happen in the event of an EU CCP getting into trouble." He added that the issue becomes even more stark in the event of a CCP failure. "There is not a common answer as to what happens in each jurisdiction. Your ordinary market participant might not know what happens to a CCP under the law of a given member state, and therefore will defer becoming a clearing member if they cannot quantify the risk of losses." ("[Stuck in Traffic: EU Turf War Holds Up CCP Resolution Rules](#)," October 11, 2018)

CONTACTS

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