

Nathaniel Lalone Shares Insight on Leaked Equivalence Proposal

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Financial Services Partner Nathaniel Lalone was interviewed by *Risk.net* on a draft legislative proposal regarding the EU's equivalence framework for third-country investment firms. The new proposal softens a complicated proposal by the French that would have restricted third-country equivalence dramatically. Nate stated, "The compromise proposal seems to be a step in the right direction, away from the French proposal, as there is no longer an overt restriction or limitation on the third-country [equivalence] regime. However, giving EU authorities the right to place conditions on third-country firms that use equivalence could be a stalking horse to bring back some of the most heavy-handed aspects of the French proposals." While there are several unknowns with this proposal, Nate added, "The key language in the article for the commission to place conditions on a third-country firm using equivalence is 'regulatory arbitrage.' A third-country firm could be forced to meet any number of EU requirements that the EU would impose on its own investment firms." (["Leaked EU Paper Softens French Blow to MiFIR Equivalence,"](#) December 10, 2018)

CONTACTS

For more information, contact your Katten attorney or any of the following attorneys.



Nathaniel Lalone

+44 (0) 20 7776 7629

nathaniel.lalone@katten.co.uk

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