

# Nathaniel Lalone Shares Insight With *Risk.net* on Post-Brexit Clearing Rules

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Financial Markets and Funds partner Nathaniel Lalone spoke with *Risk.net* on the Bank of England (BoE)'s plans to codify the regulatory framework for central counterparties in a single post-Brexit rulebook. With international coordination among regulators being critical for compliance, it is not likely that the UK rules will differ from EU regulations. Nate stated that the BoE's approach should be "celebrated," as the UK will be able to respond to ongoing market events more nimbly. Using the 2022 energy market crisis following Russia's invasion of Ukraine as an example, Nate noted that the lengthy EU legislative process for expanding eligible collateral led to prolonged uncertainty and liquidity pressures.

Reactions to the BoE's announcement unsurprisingly are mixed. He noted, "There was a slightly defensive tone around the merits of the BoE looking after a CCP (central counterparty) and the FCA looking after an exchange." BoE leadership also indicated that there will be remedies in place in the event of a CCP creditor being treated unfairly. Nate agreed that this is standard practice, that the no creditor worse off (NCWO) concept has "been baked into the EU's CCP resolution and recovery regulation" and is "something that has been generally used in the banking resolution context."

"New UK clearing rules: same as the old rules?," *Risk.net*, November 16, 2023

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