



PAYMENTS
COMPLIANCE

SAMPLE
REPORT

Regulatory Analysis: UK-EU Trade and Cooperation Agreement

What does it mean for the payments sector?

On December 24, 2020, the EU and the UK agreed on the terms of the Trade and Cooperation Agreement between the European Atomic Energy Community and the United Kingdom of Great Britain and Northern Ireland ([UK-EU TCA](#)). The agreement contains provisions addressing a number of sectors, including financial services in Section 5, which has been covered as other free trade agreements concluded between the EU and third countries on market access for financial services.

The UK-EU TCA does not directly address implications for financial services, such as any equivalence deal for payment services providers and electronic money issuers. However, as the European Commission has not yet finalised its assessment of the UK's equivalence areas, which include banking and payments services, there may be an opportunity for more discussion to take place.

Along with the conclusion of the UK's withdrawal from the EU, some initiatives have already taken place that, to different degrees, may affect regulatory equivalence. At the moment, it is unclear how significantly the UK regulatory regime applicable to payment services may deviate from the EU regime. As of the date of this analysis, the UK's Financial Conduct Authority had unveiled a number of relevant initiatives included in the report.

The full version of this analysis by VIXIO includes frequently asked questions on what the UK-EU TCA means in practice for the payments industry, as well as domestic initiatives.

- Have UK financial services firms lost their “passporting” rights?
- Can EU firms continue providing services in the UK following the UK-EU TCA coming into effect?
- What about future equivalence decisions?
- How are the UK's anti-money laundering provisions affected by Brexit?
- What are the agreements on beneficial ownership registers?
- What are the agreements on cooperation with Europol and Eurojust?
- What are the changes to UK financial sanctions?
- What does the agreement mean for data flow between the UK and EU member states?
- Access to payment and clearing systems?

Get in touch for the full analysis on these frequently asked questions.

Conclusion

The [UK-EU TCA](#) operates as a protocol of intentions, where the effectiveness of its provisions are subject to further action points from both the UK and EU. Developments are expected regarding an equivalence and regulatory cooperation framework in relation to financial services in the first quarter of 2021. Equivalence decisions have also addressed access to payment and clearing systems.

Read our previous analysis on [Brexit Preparations by Financial Institutions for End of Transition Period Between the EU and UK](#).

This sample report is an excerpt taken from the VIXIO Payments Compliance regulatory analysis, “UK-EU Trade and Cooperation Agreement - What Does it Mean for the Payments Sector?” (published on February 1, 2021). To access the full report and other world-class insights and analysis from our expert team, get in touch.

Request more information by clicking [here](#) or emailing pcteam@vixio.com.

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In addition, our regulatory intelligence team has created timelines. These allow users to immediately understand chains of regulatory events and identify interdependencies.

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