

Statement by the AFM in relation to the publication of the Brexit peer review

The AFM shares the objectives of ESMA's "Peer review into the NCAs' handling of relocation to the EU in the context of the UK's withdrawal from the EU" and welcomes this important piece of supervisory convergence work.

Brexit was an unprecedented development and brought on a lot of uncertainty to the capital markets amidst political turmoil. Due to the collective, strenuous efforts of ESMA (through the Supervisory Coordination Network, SCN) and national competent authorities (NCAs), the Brexit transition went smoothly, with no significant impact on financial stability.

Robust and consistent authorisation standards are crucial for the protection of investors and the proper functioning of the single market. The AFM has endeavoured to meet all the supervisory requirements, while taking into account the input expressed by ESMA and other NCAs in the coordination up to Brexit.

The report has identified limitations to NCAs' supervisory processes at the time Brexit took place. This relates to areas such as outsourcing, delegation and adequate contractual staffing; topics that require further discussions and would benefit from a common European approach. The AFM would like to underline that the AFM met all supervisory expectations expressed by the SCN at the time of approval of licenses. The AFM continues to monitor and supervise the market activities on the ground.

We embrace this exercise first and foremost as a peer learning experience to further converge our supervisory approaches in pursuing a harmonised approach. In that light, the AFM finds it important to remain outcome-focused and pragmatic in our overall approach.

We deem it important that peer reviews apply the regulatory framework as is agreed upon by ESMA and the NCAs. Given that the outcomes of this peer review demonstrate there remain divergences in the interpretation or application of the rulebook, the AFM would very much welcome further convergence work on these important topics. We would appreciate ESMA taking a leading role in such further discussions.