EBA urges continued progress in financial institutions’ preparations for the UK’s departure from the EU

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**The European Banking Authority (EBA) published today a communication on the remaining issues related to the preparation by financial institutions for the departure of the UK from the EU. In this communication, the EBA urges continued progress on contingency planning. Notably, to ensure that assets, appropriate staff and data are in place to support relevant authorisations and that customers are adequately informed.**

In its communication the EBA notes that whilst significant progress has been made in the implementation of contingency plans for the event that the UK withdraws from the EU without a ratified withdrawal agreement on 1 November 2019, financial entities and competent authorities must guard against complacency in their preparations.

The EBA previously communicated on preparations in its October 2017 and June 2018 Opinions. These communications focused on the risks posed by the seeming lack of adequate contingency preparations by financial institutions with a view to ensuring that they identified direct or indirect exposures to the UK, and considered the risks concerned, and put in place associated contingency plans.

The October 2017 Opinion contained detailed principles regarding: (i) authorisations; (ii) internal models (iii) internal governance, outsourcing, risk transfers and ‘empty shell’ companies (iv) resolution and deposit guarantee schemes. The EBA today advises financial institutions to adhere to those principles in their preparations. Notably, effective contingency planning efforts must continue, in particular to ensure that appropriate assets, staff and data are in place to support relevant authorisations.

The EBA also notes that, should any customers have concerns about whether they may be impacted by the UK withdrawal from the EU and have not yet been contacted by their financial service provider, they should contact their financial institutions directly.