On 10 July 2018, the **CSSF** echoed a publication from the EBA (European Banking Authority) to call for a true and active preparation for Brexit.

Beyond all the political developments, discussions, and negotiations, reality is going to hit soon—in about seven months the UK will leave the EU (pending a transition period). The CSSF invites all stakeholders to prepare for the event. This preparation should focus on:

1. **Identifying the potential impacts**
2. Preparing an **action plan** that should consider a new or an extension of the current licence, mitigating risks to business continuity, and identifying new suppliers
3. **Activating** the plan
4. Preparing and **communicating with clients**

These steps have to be prepared and ready at the latest by year-end. The authority might do some sounding checks to enquire about the stage of preparation within each institution to ensure that the market place is moving ahead.

The CSSF states that given the uncertainty, the plans should be designed to **take the worst-case scenario as the core scenario**, which translates into no plan, no agreement and the UK becoming a full-fledged third country, hence leading to a collapse of the current intra-EU legal system between the UK and remaining Member States. Even if that scenario might not be the most realistic in the long term, any longer term solutions might have to go through a hard Brexit first.

The **warning call from the CSSF** is targeting not only the institutions that have a physical presence in the UK, but also all the institutions that are solely in the remaining EU Member States, as there might be a handful of indirect effects of Brexit on their structures, such as contracts, services, or products. Knowing the current situation will help institutions move toward the post-exit scenario.
How Deloitte can help

Deloitte has developed a systematic approach: a Brexit health check to assess potential Brexit impacts on your structure and organization. From there, based on both business development plans and legal realities, Deloitte can help you implement operational changes for your robust post-Brexit environment strategy.

With Deloitte RegWatch, stay on top of regulatory news and prepare your organization to address future regulatory developments.
Your contacts

Simon Ramos
Partner – Brexit Coordinator
Tel : +352 45145 2702
siramos@deloitte.lu

Pascal Martino
Partner – Banking Leader
Tel : +352 45145 2119
pamartino@deloitte.lu

Marco Lichtfous
Partner – Brexit Banking
Tel : +352 45145 4876
mlichtfous@deloitte.lu

Francesca Messini
Director – Brexit Banking
Tel : +352 45145 2791
fmessini@deloitte.lu

Julie Van Cleemput
Director – Strategy & Regulatory Consulting
Tel : +352 45145 2989
jvancleemput@deloitte.lu

Benoit Sauvage
Senior Manager – RegWatch, Strategy & Consulting
Tel: +352 45145 4220
bsauvage@deloitte.lu

Deloitte Luxembourg
560, rue de Neudorf
L-2220 Luxembourg
Tel: +352 451 451
Fax: +352 451 452 401
www.deloitte.lu

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