



BANK OF ENGLAND

Guidance on applications for settlement finality designation for non-UK law systems operated by private operators

After the end of the transition period, non-UK law systems wishing to receive UK settlement finality protections need to apply to the Bank of England ('the Bank') for designation under the [Financial Markets and Insolvency \(Settlement Finality\) Regulations](#) as amended (SFRs). Terms and expressions set out in the SFRs shall have the same meaning that is given to them in the SFRs when used in this guidance.

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Overview

This information on application applies to any non-UK law systems (in the context of this guidance, CCPs, CSDs or payment systems) seeking to apply for settlement finality designation in the UK. The information is not applicable to *UK law systems* seeking settlement finality designation. These systems should contact the Bank directly at SFD-Enquiries@bankofengland.co.uk.

Please note that this guidance represents the Bank's general approach to assessing applications. The Bank may consider other criteria or requirements as relevant to reaching its final decision on any application. The Bank will consider each application on a case-by-case basis.

Why might non-UK law systems want UK settlement finality designation?

A non-UK law system may wish to apply for UK settlement finality designation if it:

- has a participant or participants established in the UK; or
- has an indirect participant or indirect participants established in the UK that it wishes to be considered as participants, for the purposes of the SFRs.

It is not a requirement of UK law for a non-UK law system to have any form of UK settlement finality designation in order to have UK participants or indirect participants.

Submitting an application for UK settlement finality designation

To submit an application, non-UK law systems operated by private operators will need to download the [application form](#) for settlement finality designation for non-UK law systems.

The application must be submitted in English and accompanied by the information required by the Bank. For an application to be considered as complete, it will need to include a fully and correctly completed application form along with relevant supporting documentation. The information provided must be of sufficient quality and detail to allow the Bank to complete its assessment.

An applicant non-UK law system should send:

- An email with an electronic copy of their completed application and supporting documents to the Bank at the following mailbox: SFD-Enquiries@bankofengland.co.uk.

An applicant non-UK law system may complete the application form using Adobe Acrobat Reader DC's "Fill & Sign" tool.

Legal requirements

Part II and the Schedule of the SFRs set out the requirements for non-UK systems applying for UK settlement finality protections.

The Bank is taking a proportionate and risk-based approach to assessing applications for designation from non-UK law systems. The process seeks to achieve such proportionality while ensuring that the Bank meets its statutory responsibilities as designating authority. The Bank will use jurisdictional implementation of the [Principles for Financial Market Infrastructures](#) (PFMIs) to provide assistance in determining what is 'adequate' and to show that the statutory criteria are met. Where a Level two CPMI-IOSCO assessment has found a system's jurisdiction to be consistent, with the relevant Principles and Key Considerations for the relevant FMI type, systems may use reference to this CPMI –IOSCO assessment in

their application form. Available level two assessments can be found [here](#). If such material is not available then the Bank will require evidence from systems to show that they meet these requirements. Evidence should be provided for both the high level PFMI principles, and the relevant key considerations.

The Bank has a discretion to designate, and therefore may refuse to designate even if the various SFRs conditions are met.

Communication

The Bank will email you to confirm receipt of your application. We will contact you should we need any further information once your application and supporting documents have been processed.

Please note that the Bank reserves the right to ask for additional information at any stage of the process.

Fees

On 31 July 2019, the Bank [announced](#) that it does not intend, at this time, to charge fees to non-UK law FMIs for UK settlement finality designation.