
**UK TELLS EU - GIVE THE CITY ACCESS TO EU OR YOUR FINANCIAL FIRMS COULD SUFFER:
GUARDIAN**

-

31.07.2018

Reuters (30 July 2018)

LONDON (Reuters) - Britain has warned the European Union negotiators that EU financial firms will face obstacles to working in the country after Brexit unless the City of London is allowed to operate in the bloc as it does currently, the Guardian reported on Monday.

The Guardian said that about 7,000 European based investment funds could be hit by regulators, citing a section of a presentation, seen by the newspaper, which made by Britain to EU negotiators during talks last week.

A spokeswoman for Britains Department for Exiting the European Union declined to comment on the report.

Last week, EU chief negotiator Michel Barnier said that he had agreed with Brexit minister Dominic Raab that future financial market access would be governed by autonomous decisions on both sides, but questions remain on how the relationship will work.

Many had pinned hopes on a bid for mutual recognition for the financial sector - whereby Britain and the EU would accept each others rules in exchange for broad two-way market access - as the best way to protect financial contracts and activity worth trillions of euros once Britain exits the EU on March 29.

Prime Minister Theresa May has instead chosen to build trading ties on a legal mechanism known as equivalence, whereby the EU deems a countrys rules to be as robust as its own.

But critics said the regime exposed firms to sudden loss of EU market access, and Barclays chairman told Reuters last week the government should act fast to negotiate expanded equivalence.

Reporting by Alistair Smout; editing by Guy Faulconbridge

Kaynak/Source: