

Financial Services Regulatory: EU/Rest of the World Equivalence Decisions

EU financial services law includes approximately 40 provisions that permit the Commission to adopt equivalence decisions, although not all of these have been used to date. These provisions require the Commission to evaluate whether the rules applied in the non-EU country are equivalent to those applied in the EU and to verify that they are legally binding, guarantee effective supervision and achieve the same results as the corresponding EU rules. The Commission typically carries out these assessments on the basis of technical advice from the European Supervisory Authorities. The below table sets out the equivalence decisions made by the Commission as of February 2021*.

EU Equivalence Decisions	Abu Dhabi	Argentina	Australia	Bermuda	Brazil	Canada	Cayman	Chile	China	DIFC	Egypt	Faroe Islands	Greenland	Guernsey	Hong Kong	India	Indonesia	Isle of Man	Japan	Jersey	Malaysia	Mauritius	Mexico	Monaco	New Zealand	Russia	Saudi Arabia	Serbia	Singapore	South Africa	South Korea	Switzerland	Taiwan	Thailand	Turkey	USA	UAE	
Accounting Directive (2013/34/EU)																																						
Art. 47 – Country-by-Country Reporting						✓																																
Solvency II Directive (2009/138/EC)																																						
Art.172 - Title I-for third country reinsurers in the EU: equivalent treatment of their activities				✓																																		✓
Art.227 - Chapter VI of Title I-for EU insurers in third countries: solvency rules for calculation of Capital Requirements and Own Funds			✓	✓	✓	✓													✓					✓														✓
Art.260 - Title III-for third country insurers in the EU: equivalence of group supervision by third country supervisory authorities				✓																																		✓
MiFIR ((EU) No. 600/2014)																																						
Art.1(9) - Exemption central banks			✓		✓	✓			✓						✓	✓			✓					✓						✓		✓	✓		✓	✓		
Art.28(4) - Trading venues for the purposes of trading obligation for derivatives																																						✓
MiFID 2 (2014/65/EU)																																						
Art.25(4)(a) - Trading venues for the purposes of trading obligation for shares, in conjunction with Art. 23 of Regulation (EU) N° 600/2014 on markets in financial instruments (MIFIR)			✓													✓																						✓
Statutory Audit Directive (2006/43/EC)																																						
Art.46(2) - Equivalence of audit framework ¹	✓		✓		✓	✓			✓	✓				✓			✓	✓	✓	✓	✓	✓	✓		✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Art.47(3) - Adequacy of competent authorities ²			✓		✓	✓			✓	✓				✓				✓	✓	✓	✓	✓								✓	✓	✓	✓	✓	✓	✓		✓

* Also available at this link: https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/overview-table-equivalence-decisions_en.pdf

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Prospectus Directive (2003/71/EC)																																					
Art.7(1) - Third country GAAP with IFRS						✓			✓										✓																		✓
Credit Rating Agencies Regulation ((EC) No. 1060/2009 as amended by Regulation (EU) No. 462/2013))																																					
Art.5(6) - Legal and supervisory framework															✓				✓				✓														✓
Capital Requirements Regulation ((EU) No. 575/2013)																																					
Art. 107(4) – Credit Institutions		✓	✓		✓	✓			✓			✓	✓	✓	✓	✓		✓	✓	✓			✓	✓	✓		✓	✓	✓	✓	✓	✓			✓	✓	
Art. 107(4) – Exchanges			✓		✓	✓			✓							✓	✓		✓				✓				✓		✓	✓	✓					✓	
Art. 107(4) – Investment Firms			✓		✓	✓			✓						✓		✓		✓ ³				✓				✓		✓	✓	✓					✓	
Art. 114(7) - Exposures - Credit Institutions		✓	✓		✓	✓			✓			✓	✓	✓	✓	✓		✓	✓	✓			✓	✓	✓		✓	✓	✓	✓	✓	✓			✓	✓	
Art. 115(4) - Exposures - Credit Institutions		✓	✓		✓	✓			✓			✓	✓	✓	✓	✓		✓	✓	✓			✓	✓	✓		✓	✓	✓	✓	✓	✓			✓	✓	
Art. 116(5) - Exposures - Credit Institutions		✓	✓		✓	✓			✓			✓	✓	✓	✓	✓		✓	✓	✓			✓	✓	✓		✓	✓	✓	✓	✓	✓			✓	✓	
Art. 142(2) – Credit Institutions		✓	✓		✓	✓			✓			✓	✓	✓	✓	✓		✓	✓	✓			✓	✓	✓		✓	✓	✓	✓	✓	✓			✓	✓	
Art. 142(2) - Investment Firms			✓		✓	✓			✓			✓	✓	✓	✓		✓	✓	✓				✓		✓		✓		✓	✓	✓					✓	
EMIR ((EU) No. 648/2012)																																					
Art.13(2) - Transaction requirements																			✓																	✓	
Art.25(6) - CCPs			✓		✓	✓				✓					✓	✓			✓				✓	✓				✓	✓	✓	✓				✓ ⁴	✓	
Art.2a - Regulated markets			✓			✓													✓									✓								✓	
Market Abuse Regulation ((EU) No. 596/2014)																																					
Art.6(5) - Exemption public bodies and central banks			✓		✓	✓			✓						✓	✓			✓				✓					✓		✓	✓			✓	✓		
Transparency Directive (2004/109/EC)																																					
Art.23(4)[third] - Third country GAAP/ Transitory regime																✓ ⁵																					
Art.23(4)[third] - Third country GAAP with IFRS						✓			✓										✓																	✓	
EU Benchmarks Regulation ((EU) 2016/1011)																																					
Art.30(3) - Specific administrators or benchmarks			✓																										✓								

1 Argentina, Australia, Brazil, Canada, Singapore and South Africa don't benefit from CRA equivalence but benefit from the endorsement regime.
 2 Argentina, Australia, Brazil, Canada, Singapore and South Africa don't benefit from CRA equivalence but benefit from the endorsement regime.
 3 CRR equivalence of Japan's investment firms' regime limited to Type I Financial Instruments Business Operators.
 4 EMIR Equivalence of the US CCP regime covers the respective frameworks of the US Commodity Futures Trading Commission and US Securities Exchange Commission
 5 Transitional regime for India only valid for reports on financial years starting before 1/4/2016