Brexit - National Emergency Legislation

A Round-up of Major European Developments

February 2019

QuickTake: Possibly More Confusion than Coordinated Approach?

With the EU continuing to play its own Brexit "emergency" legislative cards close to its chest, various EU-27 Member States have stepped up national efforts and begun to publish their own principles and/or concrete draft proposals for "National Emergency Brexit Legislation" (**NEBL**s) which provide temporary emergency powers with narrowly defined fields of application.

While this is welcome, given that the clock is ticking towards March 29, 2019 (the **Exit Date**) and the date that the UK may actually leave the EU, the fact that individual states have started to prepare unilateral and often uncoordinated measures, could actually lead to more confusion in the interim until/unless the EU Commission acts and does so swiftly. With German legislative policymakers being first out the door in advancing two NEBL instruments through its parliamentary process, other Member States, notably France, Spain, Italy and the Netherlands have been quick to advance their own efforts. Additionally, Ireland has proposed its own "Withdrawal of the United Kingdom from the European Union (Consequential Provisions) Bill 2019[1] into the Irish legislative process"[2].

This Client Alert looks at the impact on financial services and market participants from the various stages of developments **on February 25, 2019**, the likely outlook ahead, common themes amongst the NEBLs from the relevant Member States and indicates where gaps exist.
An Annex to this Client Alert sets out these issues in further detail.

Timing is Key

While it is anticipated that there will be further legislative action at the EU-level, national Member States have focused on similar measures, such as proposing unilateral transition periods (21 months) for financial services as well as taking a leaf out of the UK's own unilateral proposals for a "temporary permissions regime" (**TPR**) that permits incoming firms to continue operations during the transition period.

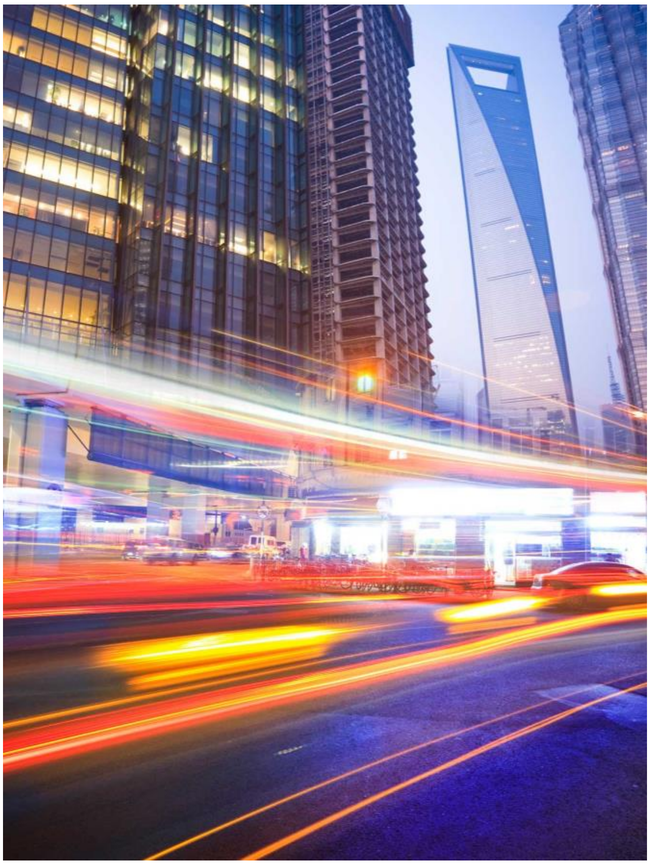
It should be noted that in some jurisdictions the national TPRs could run conceptually at a different (longer or shorter) period than the December 31, 2020 longstop date that is set in Art. 126 of the EU-UK Withdrawal Agreement (unless that EU level transition period itself is extended to end of 2022 at the latest). The national TPRs are generally aimed at giving UK firms time to amend their operations to comply fully with the new reality of being what the EU considers a third-country firm.

1 Weighing in at 74 pages, this is the most comprehensive of the NEBLs, but as opposed to other EU-27 Member States, this legislation covers a much broader reach of amendments or solutions that go well beyond NEBLs aimed at financial services. The Bill, in the form introduced to the Irish parliamentary process is available here: https://data.oireachtas.ie/ie/oireachtas/bill/2019/14/eng/initiated/b1419d.pdf

2 The Irish response is quite clear in Parts 7 and 8 in introducing measures to ensure that payment and securities settlements systems located in the UK, where one or more participants therein are Irish, can continue to be designated by the Irish Minster for Finance, subject to certain pre-conditions being fulfilled as an assessment by the Central Bank of Ireland, as being a "designated system" for up to nine months post the Exit Date for the purposes of how the EU's Settlement Finality Directive was transposed into Irish law and thus protecting the settlement finality as well as related netting and collateral arrangements in the event of the failure of a participant in that system or the system itself. This is an innovative if not legally interesting approach, especially as Ireland is reliant on UK domiciled financial market infrastructure providers in this field and it will remain to be seen how the EU Commission will treat this sensible proposal especially in light of its own proposals on temporary (up to 24 months) recognition of UK central securities depositaries (CSDs) to allow them to complete their registration as recognized third-country CSDs as well as similar EU relief in respect of certain central counterparties (CCPs).

They are thus a cushion to a negative impact for the EU-27 as opposed to a safe-harbor for the otherwise hard-landing that UK firms ought to have prepared for. As a result, they are expected to provide less market access than the EU passporting regime currently in place ahead of Brexit.

Equally, in some jurisdictions the NEBLs purport to grant decision-making authority to nationally competent authorities (**NCA**s). This however is an issue given that in a number of instances the ultimate decision-makers are at EU-level. This goes against much of the hierarchy that is present in EU-level existing legislation and/or the breadth of Supervisory Principles on Relocations (**SPoRs**)[3] published steadily by the European Central Bank (**ECB**), in its Single Supervisory Mechanism (**SSM**) lead in the Eurozone's Banking Union or that of the European Supervisory Authorities (**ESA**s), and this possible inter-institutional conflict, besides being an issue that could itself add to confusion, is largely attributable to possible self-interests of certain political parties at work, as well as a distance to the issues facing financial services, amongst specific policymakers leading the national legislative 'efforts'.



While this is a frustrating reality, and one that is not new, market participants will need to remain watchful and retain counsel to help navigate the various measures and chart an optimal course on compliance, including if the EU passes its own legislative measures that reduce this fragmentation and/or plug gaps. These considerations remain important even in the event that the EU and the UK do manage to achieve consensus on the existing Withdrawal Agreement, and an EU-wide transition period comes into effect—during which time EU and UK policymakers have pledged to progress a permanent arrangement on the future relationship of financial services.

1. Brexit-Related Legislative Developments in Germany

On Thursday, February 21, 2019, the German parliament, the Bundestag, voted to adopt two bills that provide additional certainty in the event of a No-Deal Brexit as well as Hard-Brexit.[4]

For financial services, the most recent set of national measures are contained in the (confusingly named) law "on tax and other provisions to accompany the withdrawal of the UK from the European Union" (Brexit-Steuerbegleitgesetz i.e. the German Brexit Tax Accompanying Act - or the ***Brexit-StBG***)[5].

As the name suggests, its primary focus remains on creating greater certainty on how the applicable German tax treatment to financial services would apply.

It also has a range of very welcome measures that aim to provide certainty and the concept of a unilateral TPR that could run to a maximum 21 months from Exit Date to allow for continuity and transition of services for banking and financial services as well as the running-off of legacy insurance services during this German TPR. The German Federal Government plans to review the efficacy of the Brexit- StBG 12 months after its entry into force on March 29, 2019.

4 It is important to note that the German Federal Government and the German media rather confusingly refer to a "Hard Brexit" the same as a "No Deal" Brexit.

5 See: https://www.bundesrat.de/SharedDocs/beratungsvorgaenge/2019/0001-0100/0084-19.html

On February 21, 2019, the Bundestag also voted in favor of a draft law on transitional arrangements in the areas of labor, education, health, social affairs and nationality introduced by the Federal Government following the withdrawal of the UK from the European Union (*Übergangsregelungen in den Bereichen Arbeit, Bildung, Gesundheit, Soziales und Staatsangehörigkeit nach dem Austritt des Vereinigten Königreichs Großbritannien und Nordirland aus der Europäischen Union*) (the ***Brexit-UG***).

a. The Brexit-StBG's Proposed Relief for Financial Services

The *Brexit-StBG* recitals make it clear that the withdrawal of the UK from the EU will have a variety of effects on companies in the financial sector and their business activities including the last of rights of market access (passporting) from the UK into the EU and thus Germany.

In order to safeguard the functioning and stability of the financial markets, the draft law therefore provides, *inter alia*, for the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – (**BaFin**)) to be given the option to allow certain companies from the UK to continue to use the European passport temporarily for a maximum of 21 months from the Exit Date and thus make use of pre-Exit Date passporting permissions.

The BaFin is required to adopt a proportionate risk-based approach to how it uses that TPR power, with whom and for how long – i.e., not all sectors or financial market participants may be able to get the same treatment under the TPR regime, and for some the period may be subject to a number of rolling extensions. That being said, granting these powers to BaFin, notably in respect of the Banking Union, puts it on a potential collision course with that of the ECB-SSM.

In the derivatives area, this could affect a large number of contracts with very large business volumes. The draft *Brexit-StBG* considers this issue quite poignantly by stating: "If all the UK financial firms in question were obliged, without exception, to settle their cross-border domestic contractual relations immediately after Brexit, this could in many cases foresee adverse effects not only for those firms but also for their domestic counterparts."

The *Brexit-StBG* also clarifies that UK payment and electronic money institutions may continue to operate for a transitional period (again unclear whether general or firm-specific TPR) as well as that:

- Securities trading will also be facilitated for German trading participants on British markets for a transitional period of 21 months – it is unclear whether this German unilateral period would be recognized automatically under the UK's own TPR.
- In German law-covered bond transactions pursuant to the *Pfandbriefgesetz*, the *Brexit-StBG* proposes that UK assets may continue as assets in the covered pool until maturity of the covered bond; it remains to be seen whether this will be followed/sanctioned by the ECB in its role of setting Eurosystem collateral asset eligibility.
- Changes that make it easier to dismiss material risk takers at significant institutions (*Risikoträger und Risikoträgerinnen bedeutender Institute*). The reference to significant institution means the concept within the meaning of CRD IV/CRR and not necessarily of significance for the Banking Union and thus direct ECB-SSM supervision purposes.

- "Other changes" include amendments to the German Investment Ordinance (*Anlageverordnung*) and the Pension Fund Supervision Ordinance (*Pensionsfonds-Aufsichtsverordnung*), which permit German domiciled insurers and pension funds to remain invested in assets located in the UK and that these may stand as security for obligations towards insured stakeholders. It remains to be seen whether and how EIOPA will respond to this.

Equally, in order to safeguard the interests of policyholders and beneficiaries under the insurance contracts, BaFin may authorize UK insurance undertakings concerned to continue their activities in Germany for the 21-month *Brexit-StBG* TPR period.

This aims to allow UK insurers to run-off their German book and terminate contracts with German counterparties or transfer them to a suitably licensed entity within the EU-27/EEA with relevant regulatory permissions into Germany. This German insurance focused TPR, which may also have firm specific conditions attached to it, will only be possible for insurance exposures/obligations that were concluded before the Exit Date and not for new business.

It remains to be seen whether the European Insurance and Occupational Pensions Authority (**EIOPA**) may have its own views on how this proposed legislative power fits with its own clear supervisory expectations set in SPoRs that are notably addressed to BaFin. EIOPA itself communicated further supervisory expectations as part of its SPoRs at the start of 2019 (see our dedicated coverage from our Eurozone Hub on this.) Other ambiguity in the original drafting that has now been resolved in the approved form of the *Brexit-StBG* relates to how payment services will be dealt with, including implementing similar TPRs for those firms to whom the German Payment Services Supervision Act applies when providing payment services and electronic money transactions from establishments from the UK.

As the *Brexit-StBG* is effectively a tax driven piece of legislation, it also has some specific regulations on how real estate transfer tax and inheritance tax are dealt with. This may impact certain transactions.

Further, there are regulations for companies incorporated under British law (in particular Limited companies, which may also be able to be converted into German limited companies – GmbH) so that Brexit does not trigger the disclosure and taxation of hidden reserves. The amendment states that it concerns the "renunciation of unwanted tax revenue".

b. Germany's Measures Regarding the European Investment Bank and Brexit

With the withdrawal of the UK from the European Union, the UK will no longer be a member of the European Investment Bank. The UK shall then no longer hold any interest in the subscribed capital of the Bank, shall no longer be entitled to nominate members and alternates of the Board of Directors, and the term of office of the members and alternates of the Board of Directors nominated by the UK shall end after the Brexit.

To enable the German representative to approve the planned amendment to the Articles of Association in the Council of the European Union, the German Federal Government has submitted a draft Act to grant approval pursuant to Section 7 (2) in conjunction with Section 1 of the Integration Responsibility Act (*Integrationsverantwortungsgesetz-(**IntVG**)*) for the European Investment Bank's proposal to amend the Articles of Association by October 15, 2018. It states that in order to maintain the capital of the European Investment Bank at the same level, the remaining Member States must increase their share of the subscribed capital. Furthermore, you can use the Amendment of the Articles of Association Measures to improve the internal organization of the Bank, in particular in the following areas: Risk management and regulatory supervision as well as to strengthen the Board of Directors.

2. Brexit-Related Legislative Developments in France

The French Ministry of Economy and Finance (*Ministère de l'économie et des finances)* published Ordinance (No 2019-75) on preparatory measures for the withdrawal of the UK from the EU in the field of financial services (*Ordonnance n° 2019-75 du 6 février 2019 relative aux mesures de préparation au retrait du Royaume-Uni de l'Union européenne en matière de services financiers*) on February 7, 2019. According to the ordinance, a number of measures are expected in relation to financial services, which will enter into force from the date of the UK's withdrawal from the EU in the case of hard Brexit. So far, the French government has not announced a temporary authorization scheme for incoming UK financial companies and funds. The measures of the ordinance are described below.

a. French Supervisory Powers

According to the Ordinance, the French Prudential Supervision and Resolution Authority *(Autorité de Contrôle Prudentiel et de Résolution* - **ACPR**) would also have the power to monitor compliance with French law with regard to the implementation of agreements concluded before Brexit on the basis of the cross-border passport or branch passport which the parties continue to implement after Brexit. It remains to be seen how the ACPR will discharge these powers in conjunction and/or cooperation with the ESAs as well as the ECB-SSM, as a result of either specific existing EU-level legislation and/or the SPoRs.

b. Protection for the French -Domiciled Insurance Policyholders

The Ordinance provides for the protection of French-Domiciled insurance policyholders who have concluded an insurance contract with a British domiciled risk carrier prior to Brexit. The British domiciled risk carriers are recommended to transfer their risk insurance business domiciled in France to an EU risk carrier.

This recommendation goes beyond, for example, what Germany's BaFin is proposing.

c. Interbank Settlement Systems and Delivery and Settlement Systems

One of the newly published measures is intended to recognize UK interbank settlement systems and delivery and settlement systems, as systems that would benefit from the provisions of Directive 98/26/EC on settlement finality in payment and securities settlement systems. The aim is to prevent French participants in such schemes from being excluded from the UK schemes because of the legal uncertainty that would result from the fact that the UK schemes would not be recognized (by the French authorities) as benefiting from the provisions of Directive 98/26/EC. This is a unilateral right imposed by French legislation, and it is not clear whether this would be compatible with EU-level law and/or the SPoRs or how it would upset measures of other legislative policymakers of those advancing NEBL instruments in "their" jurisdictions.

d. French Financial Markets Regulator as a Competent Authority to Supervise Activities Relating to Securitization

The French Financial Markets Regulator (*Autorité des marchés financiers*) (**AMF**) has been designated as the competent authority for the supervision of securitization-related activities. For the implementation of specific rules for the management of collective investment schemes whose assets correspond to certain investment ratios in European companies, the ordinance provides for a grandfathering clause in respect of investments in UK collective investment schemes. However, even after the Brexit (for a period to be determined by an order (*Arrêté*) of the French Minister for Economic Affairs, British firms will still be eligible for certain investment quotas in European firms for a maximum period of three years. As with the provisions proposed in Germany, this proposed empowerment of the AMF may collide with the regulatory perimeter either in existence with borders drawn by EU-level legislation or as sharpened by the SPoRs.

e. Ensuring the Continuity of the use of Framework Contracts for Financial Services

The French Government has taken measures to adapt French law with regard to the volume of netting transactions and the possibility of compound interest in order to allow framework contracts for financial services to be governed by French law. It also provides for a mechanism for the transfer of framework agreements on financial services (such as ISDA agreements) from UK domiciled firms to French domiciled firms in the same group. This is welcome, if as yet untested by the courts.

This transfer of framework agreements for financial services may be made based on the tacit consent of the French domiciled "client" counterparty to the group, unless the French counterparty has objected to such a transfer within five days of receipt of the transfer proposal. It is unclear how this provision would work in situations where there is no French domiciled but say a German domiciled client. The transfer of positions and legal agreements must also meet a number of other requirements. This transfer mechanism will only be available for 12 months from the date of entry into force of the ordinance - consequently from the Exit Date and in the absence of an EU-UK Withdrawal Agreement.

3. Brexit-Related Legislative Developments in Spain

Spain has (currently) more British citizens resident within its jurisdiction than any other EU country. Official figures indicate that there are more than 300,000 British nationals living in Spain—some estimates suggest that the actual number is closer to one million, a large amount of which are either pensioned and/or of pensionable age or working in Gibraltar—a contentious Brexit-related twist in its own right. As a result, a number of these British nationals are users of financial services from Spanish providers or reliant on UK financial services providers being able to provide retail financial services to them in Spain, including relating to health and other insurance products.

The Spanish government has sought to reassure British nationals living in Spain that they are working on agreements to ensure their right to life and work in the event of a No Deal Brexit and have set up a dedicated website. In January 2019, the Spanish government announced in Madrid that it was planning emergency measures to ensure medical care for British citizens living in Spain from the time the UK leaves the EU if no agreement is reached, provided it is based on the premise of reciprocity. A similar arrangement is proposed for electoral rights in local elections.

a. Preparation of a New 'No Deal' Brexit Law

The Spanish government is in the process of preparing a new law (*decreto ley*) outlining contingency plans for British residents after a No Deal Brexit, and it is anticipated that this new law could be in effect before the dissolution of parliament on March 5, before the parliamentary elections. The following key points are to be included in the new law (although the law is more focused on guaranteeing rights for current residents (not necessarily new residents) rather than creating a framework for financial services):

- **Registration as a third-country national:** In the event of a Hard Brexit, UK residents must register in Spain as third-country nationals.
- **Additional period for registration**: Spain guarantees that a "sufficient" transitional period will be granted (although this is not yet defined and depends on the date of entry into force of the UK's withdrawal from the EU).
- **Automatic registration as a third-country national**: From March 30, 2019, existing EU documents (registration certificate or residence card as a family member of an EU citizen) will remain valid until the end of the additional period. During the still undefined "grace period," the UK must apply for a new third-country passport (*Tarjeta de Identificación de Extranjeros (TIE)*).

However, the Spanish authorities assure that the procedure for granting this new status to British nationals legally residing in Spain will be "virtually automatic."

4. Brexit-Related Legislative Developments in Italy

a. Information for Italian Customers of UK-Based Financial Institutions Providing Services in Italy

Italy has also been quick to issue its own Brexit-planning updates even if it has yet to publish draft NEBL instruments. The Banca d'Italia (the **BdI**), which is an SSM NCA, has called on British financial institutions operating in Italy to inform their Italian clients about the measures adopted and the consequences for existing contractual relations, underlining the need to ensure full compliance with contractual obligations and the provisions governing their activities in Italy. This in part follows some of the principles communicated in the SPoRs.

This communication issued on February 19, 2019, which was sent by the BdI to banks, payment institutions and e-money institutions authorized to provide their products and services according to procedures under European law, gives clear indications as to which information has to be provided promptly to all customers to ensure an orderly, transparent and correct management of existing relationships following "Brexit". Communications must be written in clear and plain language and include the contact details for customers requiring clarification and assistance, and the same information must be published on banks' websites. If significant effects on contract continuity or on customers' rights are expected, financial institutions must promptly inform the BdI, using the dedicated email addresses.

5. Brexit-Related Legislative Developments in the Netherlands

On January 29, 2019, the draft "Dutch Brexit Act" was adopted by the Dutch Parliament (*Tweede Kamer*) and sent to the Dutch Senate (*Eerste Kamer*) for consideration.

The explanatory memorandum to the Dutch Brexit Act provides that the proposal is a product of an inventory carried out to see whether Dutch legislation needs to be amended as a result of Brexit.

This stocktaking was because the withdrawal of the UK will lead to the loss of its EU membership, irrespective of whether a consensus is reached on a withdrawal agreement or whether the UK leaves the EU without an agreement.

The existing legal frameworks provide sufficient flexibility to act quickly and appropriately in each of the scenarios currently foreseen - therefore, the Dutch Brexit Act only contains technical changes to Dutch legislation that are absolutely necessary and must come into force on March 30, 2019.

a. What does the Dutch Brexit Act cover?

Neither the Dutch Brexit Act nor the accompanying explanatory notes contain (or mention) changes or measures specifically addressed to the financial sector. However, this general provision may also serve as a basis for legislative measures to be taken in the financial sector.

Given the complexity and scope of the legislation that may be affected by Brexit, the Dutch legislator considers it important that rapid legislative action can be taken in cases of urgent unforeseen problems arising from Brexit. This is only necessary as far as it is necessary for the proper implementation of a Brexit-related binding EU act or to avoid unacceptable consequences.

Therefore, the Dutch Brexit Act contains a general provision that allows necessary legislative measures to be taken rapidly through a general administrative order or ministerial decree instead of amending the law. These emergency measures are in principle of a transitional nature, i.e. they are usually temporary and/or are replaced by a more structured/formal legislative measure.

Moreover, the Dutch government announced in its letter to the Dutch Parliament that British citizens with a valid right of residence in the Netherlands could reside in the Netherlands even after a 'no deal' Brexit on January 7, 2019. The Dutch government has decided that British citizens and their families legally residing in the Netherlands before March 29, may live, work and study in the Netherlands for at least another 15 months in the event of a Brexit through no fault of their own. This transitional system also applies to family members of British citizens who do not hold EU citizenship themselves. During this 15-month period, the Dutch Immigration and Naturalization Service (*Immigratie en Naturalisatiedienst - (**IND**)*) will ask the approximately 45,000 British citizens legally residing in the Netherlands to apply for a permanent residence permit, which will be required after the transition period. The IND will spread the invitations beyond the transitional period so that all those concerned can organize their future stay in the Netherlands properly. British citizens are entitled to the permit if they fulfil the same residence conditions as EU citizens.

Outlook and Next Steps

While the efforts of individual EU Member States and their now passed and/or proposed NEBLs may be welcome, even if they have gaps amongst them, and it is not clear when and how the EU will fill them, affected firms in the UK as well as those in the EU-27 will want to take quick action to ensure the provisions and opportunities are appropriately reflected in their strategic planning but also in terms of how they document engagement with their respective counterparties and/or end-users of respective financial services.

In many instances, the TPRs may lead to more of a false sense of security than a robust fallback as that, plus concerns of EU supervisory policymakers say on the over-use of reverse solicitation for certain business models, may cause the EU authorities to act in a similar fashion as for example how it has sharpened its supervisory expectations on the permitted use of back-branching by EU domiciled entities in third-countries (see standalone coverage on this from our Eurozone Hub).

If you would like to discuss any of the items mentioned above, in particular how to forward-plan any impacts on operationalizing compliance across documentation and non-documentation workstreams or how these priorities may affect your business or your clients more generally, please contact our Eurozone Hub key contacts.

Annex 1 - Overview

Country	National Brexit Act	Key Points
Germany	+	• In order to safeguard the functioning and stability of the financial markets, the draft law provides for the Federal Financial Supervisory Authority (BaFin) to be given the option of temporarily allowing certain companies from the United Kingdom to continue to use the European passport. • In order to safeguard the interests of policyholders and beneficiaries under the insurance contracts, BaFin may authorize the United Kingdom insurance undertakings concerned to continue their activities in Germany for a transitional period. With inheritance tax, the Brexit should not subsequently result in the loss of tax exemptions. In addition, there are regulations for companies under British law (Ltd.) so that Brexit does not trigger the disclosure and taxation of hidden reserves. The amendment states that it concerns the 'renunciation of unwanted tax revenue'.
France (I)	+	• The French Prudential Supervision and Resolution Authority would have the power to monitor compliance with French law with regard to the implementation of agreements concluded before Brexit based on the cross-border passport or branch passport, which the parties continue to implement after Brexit. • Provides for the protection of French policyholders who have concluded an insurance contract with a British risk carrier prior to Brexit. • The British risk carriers are recommended to transfer their risk insurance business domiciled in France to an EU risk carrier. • One of the newly published measures is intended to recognize UK interbank settlement systems and delivery and settlement systems as systems, that would benefit from the provisions of Directive 98/26/EC on settlement finality in payment and securities settlement systems. • The French Financial Markets Regulator as the competent authority for the supervision of securitization-related activities. • For the implementation of specific rules for the management of collective investment schemes whose assets correspond to certain investment ratios in European companies, the ordinance provides for a grandfathering clause in respect of investments in UK collective investment schemes. • Even after the Brexit (for a period to be determined by an order (Arrêté), British firms will still be eligible for certain investment quotas in European firms for a maximum period of three years. • Measures to adapt French law with regard to the volume of netting transactions and the possibility of compound interest in order to allow framework contracts for financial services to be governed by French law. • It also provides for a mechanism for the transfer of framework agreements on financial services (such as ISDA agreements) from UK companies to French companies in the same group.

Annex 1 - Overview

Country	National Brexit Act	Key Points
France (II)	+	• The transfer of framework agreements for financial services may be made based on the tacit consent of the French counterparty, unless the French counterparty has objected to such a transfer within five days of receipt of the takeover bid. • This transfer mechanism will only be available for 12 months from the date of entry into force of the ordinance.
Spain	+ **Should be in effect before the dissolution of parliament on March 5 before the parliamentary elections.**	• In the event of a hard Brexit, UK residents must register in Spain as third-country nationals. • Spain guarantees that a "sufficient" transitional period will be granted (although this is not yet defined and depends on the date of entry into force of the United Kingdom's withdrawal from the EU). • From 30 March 30, existing EU documents (registration certificate or residence card as a family member of an EU citizen) will remain valid until the end of the additional period. During the still undefined "grace period," Great Britain must apply for a new third-country passport (Tarjeta de Identificación de Extranjeros (TIE)).
Italy	+ **No draft act published yet.**	• Details have not yet been determined; the Italian government has guaranteed that UK residents can retain their right to live in the country even without an agreement (at least for a while). • Even with a hard Brexit, there will be a transitional period during which British residents can stay in Italy while they apply for the necessary new visas or permits. • During this period (which is expected to last between six and nine months), they will continue to benefit from their current rights to work, health care and education.
The Netherlands	+	• Neither the Dutch Brexit Act nor the accompanying explanatory notes contain (or mention) changes or measures specifically addressed to the financial sector. • Given the complexity and scope of the legislation that may be affected by Brexit, the Dutch legislator considers it important that rapid legislative action can be taken in case of urgent unforeseen problems arising from Brexit. • This is only necessary as far as it is necessary for the proper implementation of a Brexit-related binding EU act or to avoid unacceptable consequences. • The Dutch Brexit Act contains a general provision that allows necessary legislative measures to be taken rapidly through a general administrative order or ministerial decree instead of amending the law. • These emergency measures are in principle of a transitional nature, i.e. they are usually temporary and/or are replaced by a more structured/formal legislative measure.

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