

Christina Segal-Knowles  
Executive Director  
Financial Market Infrastructure

30 November 2020

Dear Chief Executive Officer

1. I am writing regarding UK settlement finality protection for your system(s) following the end of the transition period. The transition period, which began when the UK left the EU on Friday 31 January 2020, is due to end at 11pm on 31 December 2020.
2. To maintain continued UK settlement finality protection while the designation process is underway, the UK's Temporary Designation Regime (TDR) will be in operation at 11pm on Thursday 31 December 2020.

#### What to do now

3. Systems that have submitted a valid notification will be in the TDR and the temporary designation lasts for a period of 3 years beginning on the day after the end of transition period (unless extended by HM Treasury). Details of systems which have notified the Bank of their intention to enter the TDR can be found [here](#). If you have already notified, you do not need to do anything further. **If you are no longer eligible for the TDR, or if your system's details are not correctly noted, please inform us as soon as practicable.**

#### During the temporary designation regime

4. Importantly, the conditions of the TDR require that you must apply for 'steady state' designation within the period of 6 months beginning on the day after the end of the transition period or your system will cease to be a temporarily designated system. During your time in the TDR, you must also notify us if you cease to be eligible for the TDR.

#### Permanent designation

5. The Bank wrote to EEA systems designated under SFD on [24 July 2018](#) to outline how we envisage the process for offering UK settlement finality protection to such systems would take place following the UK's withdrawal from the EU. The Bank's letter of [6 November 2018](#) provided further detail on the future regime.
6. Systems that have submitted a notification to the Bank to enter the TDR before the end of the transition period can download and fill in the application form for settlement finality designation available [here](#) using the guidance note available [here](#). Central Banks should contact the Bank directly for application forms and guidance at [SFD-Enquiries@bankofengland.co.uk](mailto:SFD-Enquiries@bankofengland.co.uk).

7. The Bank stands ready to provide assistance if you have any questions. Please direct your enquiries, to [SFD-Enquiries@bankofengland.co.uk](mailto:SFD-Enquiries@bankofengland.co.uk), along with a contact name and details for further discussions.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'C. Segal-Knowles', written in a cursive style.

Christina Segal-Knowles

Executive Director, Financial Market Infrastructure Directorate