



**Ms Caroline NAGTEGAAL**  
Member of the European Parliament  
European Parliament  
Rue Wiertz 60  
B-1047 Brussels  
BELGIUM

1 December 2020

Dear Member of the European Parliament,

## **EU Benchmarks Regulation**

I write to you regarding current discussions regarding the review of the EU Benchmarks Regulation and the potential expiry of the transitional period for third country benchmarks under Article 51 of the Benchmarks Regulation at the end of 2021.

We are concerned that important benchmarks on interest rates, currencies, equities and commodity prices in financial instruments will be prohibited for banks and investment firms as of 1 January 2022. Consequently, non-financial companies which are doing importing or exporting business outside of the EU, and use these financial instruments to hedge against interest rate, exchange rate or commodity prices risks related to their operative business, will no longer be able to do so. This affects contracts, not only related to more distant markets like China, India, and South America but also neighboring ones like Turkey and Russia, and, possibly, also business with the UK.

Authorisation of non-compliant benchmarks is based on very stringent requirements which make the regime practically unusable for a significant number of non-EU benchmarks. In order to counter the risk that non-financial companies will no longer be able to hedge certain risks related to these countries, it is important that the transitional provisions in the Benchmarks Regulation are extended to the end of 2025 so that market participants get more time to adjust. This will not only safeguard non-financial companies' ability to manage financial risks but also their overall competitiveness when non-EU competitors face less constraints to use benchmark-related hedging instruments.

We hope that you share these concerns and remain at your disposal should you wish to discuss this further.

Yours sincerely,

Markus J. Beyrer