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Mr Rishi Sunak
HM Treasury
1 Horse Guards Road
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Brussels, **13 MARS 2020**
AB/mp (2020)s-1689081

Dear Chancellor,

Thank you for your letter of 27 February 2020. I look forward to further exchanges on topics of mutual interest, such as ensuring the stability of the financial system and financing the transition to a climate neutral economy.

On equivalence, as per the Political Declaration agreed in October 2019, we should both start assessing equivalence as soon as possible, endeavouring to conclude these assessments before the end of June 2020. As agreed in the Political Declaration, this means proceeding with the assessments, not taking equivalence decisions by that date.

We are mapping the equivalence areas internally, and my teams will reach out to yours soon to collect evidence about the UK frameworks applying after the transition period, in line with our existing practice on equivalence assessments. I note that equivalence assessment will have to be forward-looking, taking into account of overall developments, including any divergences of UK rules from EU rules.

I look forward to our continued cooperation.

Yours sincerely,

Valdis Dombrovskis