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EU gives banks 18-months to cut “excessive” reliance on UK clearers

Banks and other financial market participants in the European Union will have until mid-2022 to cut their “excessive reliance” on derivatives clearing houses in Britain, the bloc’s executive European Commission said yesterday.

Britain, which hosts Europe’s biggest financial hub in London, left the EU

in January and its unfettered access to the bloc ends in December.

EU financial services chief Valdis Dombrovskis said he has approved a proposal to allow clearing houses or central counterparties (CCPs) in Britain to continue serving EU customers for 18 months from January 2021.

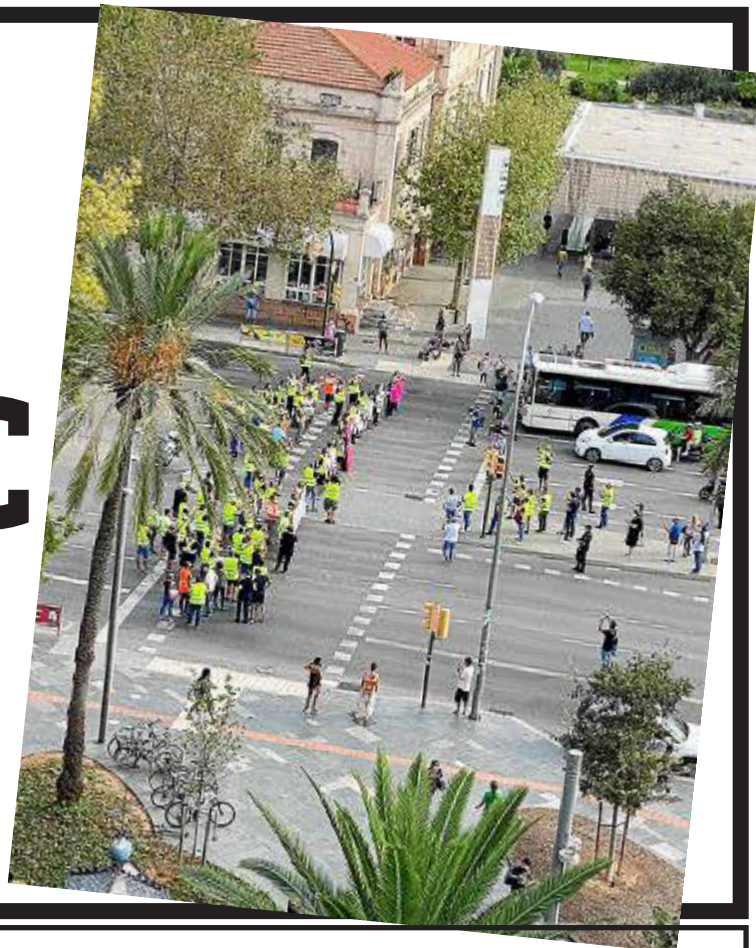
“This time-limited decision has a very practical ra-

tionale, because it gives EU market participants the time they need to reduce their excessive exposures to UK-based CCPs, and EU CCPs the time to build up their clearing capability,” Dombrovskis said in a statement.

Clearers stand between the two sides of a trade, ensuring its orderly completion even if one side goes bust.

STRIKING BUS DRIVERS BLOCK TRAFFIC IN CENTRE OF PALMA

● See Page Four Inside Today.



Hard-hit Madrid calls in the army

The regional chief of Madrid requested yesterday the help from the army to fight the coronavirus surge in and around the Spanish capital where local authorities have ordered a partial lockdown of

some poorer areas, prompting protests during the weekend. “We need help from the army for disinfection ... and to strengthen local police and law enforcement,” Isabel Diaz Ayuso told a news briefing after meeting Prime Minister

Pedro Sanchez in an attempt to reduce contagion in Spain’s worst-hit region.

She also requested makeshift hospitals to be set up in the capital again, about three months after they were decommissioned when Spain emerged from its

strict lockdown having reduced the number of infections.

At the height of the first wave of the epidemic in March-April, Spain deployed thousands of troops to help with the anti-coronavirus effort.

103 new positive cases of the coronavirus in Balearics: Inside

Spain faces unusual problem how to spend billions in crisis funds

Madrid.—After securing a generous portion of European Union recovery funds for the coronavirus crisis, Spain faces an unlikely problem -- how to make use of all the money, government sources told Reuters. “This is not a crisis of dough (money), it is a crisis of ideas,” one of the sources said, referring to concrete investment projects to help the economy out of a record recession. In a coun-

try that has not managed to approve a full-year budget since 2016 because of a prolonged political paralysis, the need to suddenly absorb extra cash is a challenge, said the sources. Spain has been hit particularly badly by the pandemic. It has recorded more than 640,000 COVID-19 cases, the highest number in Western Europe. The economy slumped 18.5% in the second quarter.