

Recognised Investment Exchanges

Chapter 2A

Recognised Auction Platforms



2A.3 **Guidance on RAP recognition requirements**

2A.3.1 **G** In assessing compliance with the *RAP recognition requirements*, the *FCA* will have regard to relevant guidance in ■ **REC 2** on the equivalent requirements set out in the *Recognition Requirement Regulations*. The *FCA* may also take into account compliance by the *RAP* or *RAP* applicant with the *recognition requirements* (see ■ **REC 2A.2.1UK**). The *FCA* will not make a separate assessment of compliance with the *recognition requirements* during the course of examining an application to become a *RAP* or as part of its ongoing supervision of a *RAP*, unless there is a specific reason to do so.

2A.3.2 **G** The *guidance* in relation to the *recognition requirements* in the sections of ■ **REC 2** listed in Column A of the table below applies to a *RAP* in relation to the equivalent *RAP recognition requirements* listed in Column C and (if shown) with the modifications in Column B.

Table: Guidance on RAP recognition requirements

Column A	Column B	Column C
REC 2 guidance which applies to a <i>RAP</i>	Modification to REC 2 guidance for a <i>RAP</i>	Relevant <i>RAP recognition requirement</i>
REC 2.2.2G to REC 2.2.7G (Relevant circumstances and Outsourcing)		Reg 13
REC 2.3.3G to REC 2.3.9G (Financial resources)		Reg 14
REC 2.4.3G to REC 2.4.6G (Suitability)	In addition to the matters set out in REC 2.4.3G to REC 2.4.6G, the <i>FCA</i> will have regard to whether a <i>key individual</i> has been allocated responsibility for overseeing the <i>auction platform</i> of the <i>UK recognised body</i> .	Reg 15
REC 2.5.3G to REC 2.5.20G (Systems and controls and conflicts) and REC 2.5A (Guidance on Public Interest Disclosure Act: Whistleblowing)		Reg 16 and 17(2)(f)
REC 2.6.26G to REC 2.6.34G (Safeguards for investors)		Reg 17

Column A	Column B	Column C
REC 2 guidance which applies to a RAP	Modification to REC 2 guidance for a RAP	Relevant RAP recognition requirement
REC 2.7.3G to REC 2.7.4G (Access to facilities)	The FCA shall have regard to whether a RAP provides access to bid at auctions only to those persons eligible to apply for admission to bid under regulation 16 of the UK auctioning regulations.	Reg 17(2)(a) and 20
REC 2.8.3G to REC 2.8.4G (Settlement and clearing services)		Reg 17(2)(d) and 21
REC 2.9.3G to REC 2.9.4G (Transaction recording)		Reg 17(2)(e)
REC 2.10.3G to REC 2.10.4G (Financial crime and market abuse)		Reg 17(2)(g)
REC 2.11.3G to REC 2.11.4G (Custody)	REC 2.11.4G is replaced with the following for a RAP: Where a RAP arranges for other persons to provide services for the safeguarding and administration services of assets belonging to users of its facilities, it will also need to satisfy the RAP recognition requirement in regulation 17(2)(h) of the RAP regulations (see REC 2A.2.1UK).	Reg 17(2)(h)
REC 2.12.1G to REC 2.12.2G (Availability of relevant information)	REC 2.12.1G to REC 2.12.2G are replaced with the following for a RAP: In determining whether appropriate arrangements have been made to make relevant information available to persons engaged in dealing in emissions auction products the FCA may have regard to: (1) the extent to which auction bidders are able to obtain information in a timely fashion about the terms of those emissions auction products and the terms on which they will be	Reg 17(2)(c)

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Column A REC 2 guidance which applies to a RAP	Column B Modification to REC 2 guidance for a RAP	Column C Relevant RAP recognition requirement
<p>REC 2.13.3G to REC 2.13.6G (Promotion and maintenance of standards)</p> <p>REC 2.14.3G to REC 2.14.6G (Rules and consultation)</p> <p>REC 2.15.3G to REC 2.15.6G (Discipline)</p> <p>REC 2.16.3G to REC 2.16.4G (Complaints)</p>	<p>auctioned, either through accepted channels for dissemination of information or through other regularly and widely accessible communication media;</p> <p>(2) what restrictions, if any, there are on the dissemination of <i>relevant information</i> to auction bidders; and</p> <p>(3) whether <i>relevant information</i> is, or can be, kept to restricted groups of persons in such a way as to facilitate or encourage <i>market abuse</i>.</p> <p>REC 2.12.2G</p> <p>A RAP does not need to maintain its own arrangements for providing information on the terms of <i>emissions auction products</i> to auction bidders where it has made adequate arrangements for other persons to do so on its behalf or there are other effective and reliable arrangements for this purpose.</p>	<p>Reg 18</p> <p>Reg 19</p> <p>Reg 22</p> <p>Reg 23</p>