

**Recognised Investment Exchanges**

## Chapter 6

# Overseas Investment Exchanges

## 6.3 Recognition requirements

**6.3.1** **G** Before making a *recognition order*, the *FCA* will need to be satisfied that the *recognition requirements* in section 292(3) of the *Act* (Overseas investment exchanges) have been met. These requirements are the only *recognition requirements* applicable to *ROIEs*.

**6.3.2** **UK** Sections 292(3) and 292(4) state:

### Section 292(3)

The requirements are that-

- (a) investors are afforded protection equivalent to that which they would be afforded if the body concerned were required to comply with -
  - (i) *recognition requirements*, other than any such requirements which are expressed in regulations under section 286 not to apply for the purposes of this paragraph; and
  - (ii) requirements contained in any directly applicable Community regulation made under the markets in financial instruments directive or markets in financial instruments regulation;
- (b) there are adequate procedures for dealing with a *person who is unable, or likely to become unable, to meet his obligations in respect of one or more market contracts connected with the [ROIE]*
- (c) the applicant is able and willing to co-operate with the *[FCA]* by the sharing of information and in other ways; and
- (d) adequate arrangements exist for co-operation between the *[FCA]* and those responsible for the supervision of the applicant in the country or territory in which the applicant's head office is situated.

### Section 292(4)

In considering whether it is satisfied as to the requirements mentioned in subsections (3)(a) and (b), the *[FCA]* is to have regard to-

- (a) the relevant law and practice of the country or territory in which the applicant's head office is situated;
- (b) the rules and practices of the applicant.

**6.3.3** **G** The reference to *recognition requirements* in section 292(3)(a) of the *Act* is a reference to the requirements applicable to *UK RIEs* in the *Recognition Requirements Regulations*. These requirements are set out, together with *guidance*, in ■ REC 2.