

**RECOGNISED INVESTMENT EXCHANGES SOURCEBOOK (COMPETITION)
INSTRUMENT 2014**

Powers exercised

- A. The Financial Conduct Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 1E (The Competition objective);
 - (2) section 139A (FCA’s power to give guidance);
 - (3) section 290 (Recognition orders);
 - (4) section 292 (Overseas investment exchanges);
 - (5) section 293 (Notification requirements);
 - (6) section 295 (Notification: overseas investment exchanges); and
 - (7) section 300B (Duty to notify proposal to make regulatory provision).
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. (1) Part 2 of the Annex to this instrument comes into force on 2 June 2014.
(2) The remainder of this instrument comes into force on 2 May 2014.

Amendments to the FCA Handbook

- D. The Recognised Investment Exchanges sourcebook (REC) is amended in accordance with the Annex to this instrument.

Citation

- E. This instrument may be cited as the Recognised Investment Exchanges Sourcebook (Competition) Instrument 2014.

By order of the Board of the Financial Conduct Authority
1 May 2014

Annex

Amendments to the Recognised Investment Exchanges sourcebook (REC)

In this Annex, underlining indicates new text and striking through indicates deleted text.

Part 1: Comes into force on 2 May 2014

2.2 Method of satisfying the recognition requirements

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Relevant circumstances

2.2.2 G The FCA will usually expect:

...

(4) the nature and status of the types of investor who use the *UK recognised body's* or applicant's *facilities* or have an interest in the market supported by the *UK recognised body's* or applicant's *facilities*; ~~and~~

(4A) competition in the markets for services provided, or proposed to be provided, by the *UK recognised body* or applicant in its capacity as such; and

(5) the nature and scale of the risks to the *statutory objectives* associated with the matters described in (1) to (4A);

to be among the relevant circumstances which it will take into account in considering whether a *UK recognised body* or applicant satisfied the *recognition requirements*.

...

6.7 Notification rules for overseas recognised bodies

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Reports under section 295

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6.7.4 R An *ROIE* must include in its report submitted in compliance with section 295(1) of the *Act*:

...

- (2) particulars of any disciplinary action (or any similar or analogous action) taken against it by any supervisory authority in its *home territory*, whether or not that action has been made public in that territory; ~~and~~
- (3) a copy of its *annual report and accounts*; and
- (4) a statement as to whether any events have occurred which are likely to have any material effect on competition;

where those events occurred, or the period covered by that *annual report and accounts* ended, in the period covered by that report.

Part 2: Comes into force on 2 June 2014

3.26 Proposals to make regulatory provision

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Disapplication of duty to notify proposal to make regulatory provision

3.26.4 R The duty in section 300B(1) of the *Act* does not apply to any of the following:

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- (5) any other *regulatory provision* which has not been excluded under (1), (2), (3) or (4) other than any such provision which (taken together with any other *regulatory provision* not otherwise the subject of a notice under section 300B(1) of the *Act*):

...

- (c) materially limits access to, or use by, any *person* (whether directly or indirectly including, without limitation, through an amendment to fees or charges) of the *facilities* operated by the *UK recognised body* proposing to make the *regulatory provision*; or
- (d) materially limits or restricts the ability of any *person* to supply services (including, without limitation, trading, clearing, settlement or information services) to *persons* who are users of the *facilities* operated by the *UK RIE* proposing to make the *regulatory provision* (whether directly or indirectly, including by the imposition of an obligation or burden on the supplier or on a user of the *UK RIE*); or
- (e) materially adds to the circumstances in which any *person* (whether directly or indirectly) may be liable to penalties or

other sanctions or have liability in damages.

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