

**Recognised Investment Exchanges**

# Chapter 1

## Introduction

## 1.1 Application

- 1.1.1** **G** (1) The *rules* and *guidance* in this sourcebook apply to *recognised bodies* and to applicants for recognition as *RIEs* under Part XVIII of the Act (Recognised Investment Exchanges and Clearing Houses) and (as *RAPs*) under the *RAP regulations*.
- (2) The *recognition requirements* and *guidance* in **■ REC 2** relate primarily to *UK RIEs* which are recognised, or applying to be recognised, to operate a *regulated market* in the *United Kingdom*.
- (3) While some *recognition requirements* in **■ REC 2** apply to other *trading venues* operated by *UK RIEs*, *guidance* in respect of those venues is set out in **■ MAR 5** and **■ MAR 5A**.
- 1.1.1A** **G** The *guidance* in **■ REC 6A** applies to *EEA market operators* exercising *passporting rights* in the *United Kingdom*.
- 1.1.2** **G** (1) *UK RIEs* are *exempt persons* under section 285 of the Act (Exemption for recognised investment exchanges and clearing houses).
- (2) *UK RIEs* must satisfy *recognition requirements* prescribed by the Treasury (in certain cases with the approval of the Secretary of State) in the *Recognition Requirements Regulations*. *UK RIEs* must also satisfy the *MIFID/MiFIR requirements*. *RAPs* must satisfy the *recognition requirements* prescribed by the Treasury in the *RAP regulations*, under the *auction regulation* and must also be *UK RIEs* and so are subject to requirements under the *MIFID/MiFIR requirements*. *ROIEs* must satisfy *recognition requirements* laid down in section 292 of the Act (Overseas investment exchanges and overseas clearing houses).
- (3) *UK RIEs* must also comply with the following:
- (a) notification requirements in, and *notification rules* made under, sections 293 (Notification requirements) and 295 (Notification: overseas investment exchanges and clearing houses) of the Act; and
- (b) any rules made under the FCA's rule-making power in regulation 11 of the *Recognition Requirements Regulations*.
- 1.1.3** **G** (1) The *recognition requirements* for *UK recognised bodies* are set out, with *guidance*, in **■ REC 2**. The *RAP recognition requirements* (other

than requirements under the *auction regulation* which are not reproduced in *REC*) are set out, with *guidance*, in ■ REC 2A.

- (1A) Key relevant *MiFIDiMiFIR requirements* directly applicable to *UK recognised bodies* are signposted as “**Notes**”.
- (2) The *notification rules* for *UK recognised bodies* are set out in ■ REC 3 together with *guidance* on those *rules*.
- (3) *Guidance* on the *FCA's* approach to the supervision of *recognised bodies* is given in ■ REC 4.
- (4) *Guidance* for applicants (and potential applicants) for *UK recognised body* status is given in ■ REC 5.
- (5) The *recognition requirements, notification rules, and guidance* for *ROIEs* and *guidance* for applicants (and potential applicants) for *ROIE* status are set out in ■ REC 6.
- (5A) *Guidance* for *EEA market operators* exercising their passporting rights in the *United Kingdom* is set out in ■ REC 6A.
- (6) The *fees rules* for *recognised bodies* and applicants are set out in ■ FEES 1, ■ 2, ■ 3 and ■ 4.

## 1.2 Purpose, status and quotations, notes or references

### Purpose

- 1.2.1 G The purpose of the *guidance* (other than in ■ REC 6A) in this sourcebook is to give information on the *recognised body requirements*. The purpose of the *guidance* in ■ REC 6A is to give *EEA market operators* information about their passporting rights in the *United Kingdom*. Explanations of the purposes of the *rules* in this sourcebook are given in the chapters concerned.

### Status

- 1.2.2 G
- (1) Most of the provisions in this sourcebook are marked with a G (to indicate *guidance*) or an R (to indicate a *rule*). Quotations from *UK* statute or statutory instruments are marked with the letters "UK" unless they form part of a piece of *guidance*. Other informative text regarding provisions of *EU* directives or directly applicable *EU regulations* which is meant to be for the convenience of readers but is not part of the legislative material is preceded by the word "**Note**". For a discussion of the status of provisions marked with a letter, see Chapter 6 of the Reader's Guide.
  - (2) Where the *guidance* states that the *FCA* may have regard to any factor in assessing or determining whether a *recognised body requirement* is satisfied, it means that the *FCA* will take that factor into account so far as it is relevant.
  - (3) In determining whether a *recognised body* satisfies the *recognised body requirements*, the *FCA* will have regard to any relevant factor, including, but not limited to, the factors specifically discussed in the *guidance*.

### Quotations

- 1.2.3 G
- (1) This sourcebook contains quotations from the *Act*, the *Recognition Requirements Regulations*, the *RAP regulations*, the *Companies Act 1989* and, where necessary, words have been added to, or substituted for, the text of these provisions to facilitate understanding.
  - (2) The additions and substitutions are enclosed in square brackets ([ ]). The omission of words within a quotation is indicated by three dots (...).

- (3) Any words in these quotations which have the same meaning as *Handbook* defined terms are shown in italics and their definitions may be found in the *Glossary*.
- (4) As these quotations contain provisions which impose obligations, they are printed in bold type. The use of bold type is not intended to indicate that these quotations are *rules* made by the *FCA*.
- (5) None of the editorial changes made by the *FCA* in these quotations can supersede or alter the meaning of the provision concerned.

