

Chapter 2

Recognition requirements

2.1 Introduction

- 2.1.1
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- (1) This chapter contains the *recognition requirements* for *UK RIEs* (other than *RAPs*) and sets out *guidance* on those requirements.

(2) This chapter also contains “**Notes**” with informative text in relation to *MiFID/MiFIR requirements* applicable directly to *UK RIEs* operating *trading venues*.

(3) This chapter directs *UK RIEs* to certain *recognition requirements* and *guidance* on those requirements found in other parts of the *Handbook*.

2.1.1A

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Guidance on the *RAP recognition requirements* which apply to *RAPs* is set out in ■ **REC 2A** (Recognised Auction Platforms). *Guidance* on the *recognition requirements* for *ROIEs* is set out in ■ **REC 6** (Overseas Investment Exchanges).

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These *recognition requirements* must be satisfied by applicants for *UK RIE* status before recognition is granted and by all *UK RIEs* at all times while they are recognised. In addition the *MiFID implementing requirements* must be satisfied by applicants for *UK RIE* status before recognition is granted and by all *UK RIEs* at all times while they are recognised. The same standards apply both on initial recognition and throughout the period *recognised body* status is held. The term *UK RIE* in the *guidance* should be taken, therefore, to refer also to an applicant when appropriate.

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- (1) The paragraphs in the Schedule to the *Recognition Requirements Regulations* are grouped in this sourcebook in sections which give *guidance* on the same subject for *UK RIEs*.

(2) The table in ■ **REC 2.1.4 G** indicates in which section each of those paragraphs (and the associated *guidance*) can be found.

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Location of recognition requirements and guidance

Recognition Requirements Regulations	Subject	Section in REC 2/ other parts of the Handbook
Regulation 6	Method of satisfying recognition requirements	2.2

Recognition Requirements Regulations	Subject	Section in REC 2/ other parts of the Handbook
Part I of the Schedule	UK RIE recognition requirements	
Paragraph 1	Financial resources	2.3
Paragraph 2	Suitability	2.4
Paragraphs 2A and 2B	Management Body	2.4A
Paragraphs 3, 3A, 3B, 3C, 3D, 3E, 3G and 3H	Systems and controls, market making agreements, halting trading, direct electronic access, co-location services, fee structures, algorithmic trading, tick size regimes, synchronisation of business clocks	2.5
Paragraphs 4(1), 4(2)(aa) and 4C	General safeguards for investors and publication of data regarding execution of transactions	2.6
Paragraph 4(2)(a)	Access to facilities	2.7
Paragraph 4(2)(c)	Availability of relevant information	2.12
Paragraph 4(2)(d)	Settlement	2.8
Paragraph 4(2)(e)	Transaction recording	2.9
Paragraph 4(2)(ea)	Conflicts	2.5
Paragraph 4(2)(f) and 4(2)(fa)	Financial crime and market abuse	2.10
Paragraph 4(2)(g)	Custody	2.11
Paragraph 4(3)	Definition of relevant information	2.12
Paragraph 6	Promotion and maintenance of standards	2.13
Paragraph 7	Rules and consultation	2.14
Paragraphs 7A and 9ZB (regulated markets only)	Admission of financial instruments to trading	2.12
Paragraphs 7B, 7C and 9ZC (regulated markets only)	Access to facilities	2.7
Paragraphs 7BA & 7BB	Position management and position reporting re commodity derivatives	2.7A
Paragraph 7D	Settlement and clearing facilitation services	2.8
Paragraphs 7E and 7F	Suspension and removal of financial instruments from trading	2.6

Recognition Requirements Regulations	Subject	Section in REC 2/ other parts of the Handbook
Paragraph 8	Discipline	2.15
Paragraph 9	Complaints	2.16
Paragraphs 9A, 9B, 9C, 9D, 9E, 9F, 9G, 9H and 9ZD	Operation of a multilateral trading facility or an organised trading facility	2.16A/ MAR 5 and MAR 5A
Paragraph 9ZA (regulated markets only)	Order execution	2.6
Paragraph 9K	Provision of data reporting services	2.16B/ MAR 9
Part II of the Schedule	UK RIE default rules in respect of market contracts	2.17

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