

## Chapter 2

# Recognition requirements

2.7 Access to facilities

2.7.1 UK Schedule to the Recognition Requirements Regulations, Paragraph 4(2)(a)

Without prejudice to the generality of sub-paragraph [4(1)], the [UK RIE] must ensure that -  
access to the [UK RIE's] facilities is subject to criteria designed to protect the orderly functioning of the market and the interests of investors and is in accordance with paragraph 7B;

2.7.1A UK Schedule to the Recognition Requirements Regulations, Paragraph 7B

- (1)

The [UK RIE] must make transparent and non-discriminatory rules, based on objective criteria, governing access to, or membership of, its facilities.
- (2)

In particular those rules must specify the obligations for users or members of its facilities arising from -

(a)

the constitution and administration of the [UK RIE] ;

(b)

rules relating to transactions on its trading venues;

(c)

its professional standards for staff of any investment firm or qualifying credit institution having access to or membership of a financial market operated by the [UK RIE];

(d)

conditions established under sub-paragraph (3)(c) for access to or membership of a trading venue operated by the [UK RIE] by persons other than investment firms or qualifying credit institutions; and

(e)

the rules and procedures for clearing and settlement of transactions concluded on a trading venue operated by the [UK RIE].
- (3)

[Note: see paragraph 9ZC below, replacing paragraph 7B(3)]
- (4)

[deleted]  
  
by the competent authority of another EEA State (including a branch established in the United Kingdom of such a firm or institution) to have direct or remote access to or membership of, any trading venue operated by the [UK RIE] on the same terms as a UK firm.
- (5)

The [UK RIE] must make arrangements regularly to provide the [FCA] with a list of users or members of its facilities.

## 2.7.1B

UK

### Schedule to the Recognition Requirements Regulations, Paragraph 7C

(6) This paragraph is without prejudice to the generality of paragraph 4.

- (1) This paragraph applies to [a *UK RIE*] which provides central counterparty, clearing or settlement *facilities*.
- (2) The [*UK RIE*] must make transparent and non-discriminatory rules based on objective criteria, governing access to those *facilities*.
- (3) [deleted]
- (4) The [*UK RIE*] may refuse access to those *facilities* on legitimate commercial grounds.

## 2.7.1C

UK

### Schedule to the Recognition Requirements Regulations, Paragraph 9ZC

[**Note:** this sub-paragraph is relevant to *regulated markets* only. See ■ REC 2.16A regarding *MTFs* or *OTFs*.]

- (1) The rules of the [*UK RIE*] about access to, or membership of, a regulated market operated by it must permit the [*UK RIE*] to give access to or admit membership to (as the case may be) only -
  - (a) an investment firm which has permission under Part 4A of the Act to carry on a regulated activity which is an investment service or activity;
  - (b) a qualifying credit institution that has Part 4A permission to carry on the regulated activity of accepting deposits;
  - (c) a person who –
    - (i) is of sufficient good repute;
    - (ii) has a sufficient level of trading ability, competence and experience;
    - (iii) where applicable has adequate organisational arrangements; and
    - (iv) has sufficient resources for the role it is to perform, taking account of the [*UK RIE*’s] arrangements under paragraph 4(2)(d).

## 2.7.2

UK

[deleted]

## 2.7.2A

UK

[deleted]

## 2.7.3

G

In assessing whether access to a *UK recognised body's facilities* is subject to criteria designed to protect the orderly functioning of the market, or of those *facilities*, and the interests of investors, the *FCA* may have regard to whether:

- (1) the *UK recognised body* limits access as a *member to persons*:
  - (a) over whom it can with reasonable certainty enforce its rules contractually;
  - (b) who have sufficient technical competence to use its *facilities*;

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- (c) whom it is appropriate to admit to membership having regard to the size and sophistication of users of its *facilities* and the nature of the business effected by means of, or cleared through, its *facilities*; and
- (d) (if appropriate) who have adequate financial resources in relation to their exposure to the *UK recognised body* or its central counterparty; and

(2) [deleted]

(3) [deleted]

- (4) where access is granted to *members* outside the *United Kingdom*, there are adequate safeguards against *financial crime* (see also ■ REC 2.10).

2.7.3A    G    ■ REC 2.7.3 G does not apply to a *UK RIE's* arrangements to grant access to *investment firms* or *credit institutions*.

2.7.4    G    [deleted]