

Recognised Investment Exchanges

Chapter 6

Overseas Investment Exchanges

6.1 Introduction and legal background

- 6.1.1** **G** The Act prohibits any *person* from carrying on, or purporting to carry on, *regulated activities* in the *United Kingdom* unless that *person* is an *authorised person* or an *exempt person*. If an *overseas investment exchange* wishes to undertake *regulated activities* in the *United Kingdom*, it will need to:
- (1) obtain a *Part 4A permission* from the *FCA*;
 - (2) (in the case of an *EEA firm* or a *Treaty firm*) qualify for *authorisation* under Schedule 3 (EEA Passport Rights) or Schedule 4 (Treaty rights) to the *Act*, respectively; or
 - (3) (in the case of an *EEA market operator*) obtain *exempt person* status by exercising its passport rights under article 34(6) of *MiFID* (in the case of arrangements relating to a *multilateral trading facility*) or *organised trading facility*) or article 53(6) of *MiFID* (in the case of arrangements relating to a *regulated market*); or
 - (4) obtain *exempt person* status by being declared by the *FCA* to be an *ROIE*.
- 6.1.2** **G** Having the status of an *ROIE* facilitates the participation of *overseas investment exchanges* in *UK markets*. In comparison with *authorisation*, it reduces the involvement which *UK* authorities need to have in the day-to-day affairs of an *overseas recognised body* because they are able to rely substantially on the supervisory and regulatory arrangements in the country where the applicant's head office is situated.