

## Chapter 6

# Overseas Investment Exchanges

## 6.6 Supervision

### 6.6.1

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An *ROIE* is required to notify the *FCA* of certain events and give information to it on a regular basis and when certain specified events occur. Section 295 of the *Act* (Notification: overseas investment exchanges and overseas clearing houses) requires each *ROIE* to provide the *FCA* with a report (at least once a year) which contains:

- (1) a statement as to whether any events have occurred which are likely to affect the *FCA*'s assessment of whether it is satisfied that the *ROIE* continues to satisfy the *recognition requirements* set out in the section 292(3) of the *Act* (Overseas investment exchanges and overseas clearing houses) (see ■ REC 6.3);
- (2) the information specified in the *FCA*'s *notification rules* for *ROIEs* (see ■ REC 6.7).

### 6.6.2

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The following events are examples of events likely to affect an assessment of whether an *ROIE* is continuing to satisfy the *recognition requirements*

- (1) significant changes to any relevant law or regulation in its *home territory*, including laws or regulations:
  - (a) governing exchanges or, if relevant to an *ROIE*'s satisfaction of the *recognition requirements*, *clearing houses*;
  - (b) designed to prevent insider dealing, market manipulation or other forms of market abuse or misconduct;
  - (c) designed to protect the interests of *clients* of *members* of the *ROIE*, or of a class of bodies which includes the *ROIE*;
  - (d) which affect:
    - (i) the ability of the *ROIE* to seek information (whether compulsorily or voluntarily) from its *members*, including information relating to the price and volume of transactions, the identity of parties to transactions, and the movement of funds associated with transactions;
    - (ii) the ability of the *ROIE* to pass such information, on request, to *UK* authorities;
- (2) significant changes to its internal organisation or structure;
- (3) significant changes to the practices of the *ROIE* applying to any *regulated activities* carried on by it in the *United Kingdom*;
- (4) any other event or series of events in relation to the body which:

- (a) affects or may significantly affect cooperation between the *ROIE*, or its supervisor in its *home territory*, and the *FCA*; or
- (b) has or may have a substantial effect on the structure of the markets in which the body operates; or
- (c) brings about or may bring about a substantial change in the nature and composition of its membership in the *United Kingdom*; or
- (d) brings about or may bring about a substantial change in the *regulated activities* undertaken by it in the *United Kingdom*.

- 6.6.3** G The period covered by a report submitted under section 295(1) of the *Act* starts on the day after the period covered by its last report or, if there is no such report, after the making of the *recognition order* recognising the *ROIE* as such, and ends on the date specified in the report or, if no date is specified, on the date of the report.
- 6.6.4** G If an *ROIE* changes the period covered by its report, it should ensure that the first day of the period covered by a report is the day immediately following the last day of the period covered by the previous report.
- 6.6.5** G The period covered by a report submitted under section 295(1) of the *Act* would most conveniently be one year.
- 6.6.6** G Copies of the report should be sent to the *FCA* within two months after the end of the period to which it relates.