
Recognised Investment Exchanges

REC TP 1 Transitional provisions

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|---|---|
| 1 | This schedule sets out the transitional provisions in <i>REC</i> . |
| 2 | The <i>Recognition Requirements Regulations</i> also contain transitional provisions applying to <i>recognised bodies</i> . |
| 3 | <i>GEN</i> also contains some technical transitional provisions that apply throughout the <i>Handbook</i> |

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Schedule 1 Record keeping requirements

Sch 1.1 G

There are no record keeping requirements as such in *REC*.

UK recognised bodies have obligations under the *Recognition Requirements Regulations* to ensure that satisfactory arrangements are made for recording transactions effected by, or cleared through, their *facilities*. See *REC 2.9* for *guidance* (in the case of *RAPs*, see *REC 2.9* as applied by *REC 2A.3.2G*).

RAPs also have separate record keeping obligations under the *UK auctioning regulations*.

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Schedule 2 Notification requirements

Sch 2.1 G

The following table summarises the notification requirements applicable to all *recognised bodies*. The *notification rules* are set out in detail in REC 3 (Notification rules for UK recognised bodies) and REC 6.7 and, to avoid unnecessary repetition, are not set out in detail here. The *notification rules* for RAPs differ in some respects from the *notification rules* for UK RIEs (for example, due to requirements contained in the *UK auctioning regulations*).

For completeness, summary details of the main notification requirements in the *Act* itself and the Companies Act 1989 are also included in the table. The summary of these statutory provisions here should not be taken to imply that these are obligations imposed by the FCA under its powers nor that the following summary supersedes or alters the meaning of these provisions.

Guidance on the statutory notification requirements for ROIEs is given in REC 6.6.

Sch 2.2 G

| Reference to legislation or Handbook | Matter to be notified | Contents of notification | Trigger event | Time allowed |
|--|---|----------------------------|--|------------------------------|
| <i>UK RIEs</i> | | | | |
| The Acts 293(5) | Changes to <i>rules</i> and <i>guidance</i> | Details of change | Change to rule or guidance | Without delay |
| Companies Act 1989 s157 | Proposed changes to <i>default rules</i> | Details of proposed change | Proposal to change <i>default rules</i> | 14 days in advance of change |
| The Act s293(6)(a) | Changes to arrangements for <i>clearing facilitation services</i> in respect of <i>on-exchange</i> transactions | Details of change | Change to arrangements | Without delay |
| The Act s293(6)(b) | Changes to criteria determining to whom it will provide <i>clearing facilitation services</i> | Details of change | Change to criteria | Without delay |
| The Act s300B(1) | Proposal to make <i>regulatory provision</i> | Details of proposal | Proposal to make <i>regulatory provision</i> | Without delay |
| <i>RAPs</i> | | | | |
| Regulation 7(4) and 7(6) of the <i>UK auc-</i> | Either a methodology or a modification to that meth- | See REC 3.27 | Event concerned | Without delay |

| Reference to legislation or Handbook | Matter to be notified | Contents of notification | Trigger event | Time allowed |
|--|--|--|--|--|
| <i>tioning regulations</i> | odology as specified by the <i>UK auctioning regulations</i> | | | |
| Regulation 10(2) of the <i>UK auctioning regulations</i> | Adjustment to the auction calendar where the modification manner is not already provided for in the <i>UK auctioning regulations</i> | See REC 3.27 | Event concerned | Without delay |
| Regulation 11 of the <i>UK auctioning regulations</i> | Cancellation of an auction in the circumstances set out in regulation 11 of the <i>UK auctioning regulations</i> | See REC 3.15 | Event concerned | Without delay |
| Regulation 23(3) of the <i>UK auctioning regulations</i> | Submission of exit strategy | See REC 3.14A | Date of appointment as a <i>RAP</i> | Within 3 months from the date of appointment |
| Regulation 40 of the <i>UK auctioning regulations</i> | Restriction on maximum bid size or other remedial measures | See REC 3.22.2 | Proposal to take action | Immediately |
| <i>Notification rules for UK recognised bodies (see REC 3 (Notification rules for UK recognised bodies))</i> | | | | |
| REC 3.4 | <i>Members of the management body and internal organisation</i> | Details of change | See REC 3.4 | See REC 3.4 |
| REC 3.5 | Disciplinary action and events relating to <i>members of the management body</i> | Details of disciplinary action or event | Disciplinary action or awareness of event | Immediately |
| REC 3.6 | Constitution and governance | Details of proposals to amend constitution, amendments to constitution and agreements relating to constitution | Communication of proposal to amend constitution, making amendment to constitution or awareness of agreement relating to constitution | Immediately |
| REC 3.7 | Auditors | Details of removal or appointment of auditors | Removal or appointment of auditors | Immediately |
| REC 3.8 | Financial and other information | See REC 3.8 | See REC 3.8 | See REC 3.8 |
| REC 3.9 | Fees and incentive schemes | Summary of proposals to change fees and charges and changes to fees and charges | Communication to <i>members</i> | Immediately |

| Reference to legislation or Handbook | Matter to be notified | Contents of notification | Trigger event | Time allowed |
|--------------------------------------|---|--|---|--|
| REC 3.10 | Complaints | Copy of adverse report and details of recommendations from <i>complaints investigator</i> | Availability of report or recommendations | Immediately |
| REC 3.11 | Insolvency events | Notice of insolvency event | Insolvency event | Immediately |
| REC 3.12 | Legal proceedings | Details of legal proceedings commenced against <i>UK recognised body</i> | Institution of proceedings | Immediately |
| REC 3.13 | Delegation of <i>relevant functions</i> | Details of offers or agreements to delegate <i>relevant functions</i> and offers or agreements to undertake relevant functions on behalf of another <i>recognised body</i> | Making offer or agreement to delegate | Immediately |
| REC 3.14 | Products, services and normal hours of operation or (for <i>RAPs</i>) the timing, frequency or duration of its bidding windows | See REC 3.14 | See REC 3.14 | Immediately |
| REC 3.14A | Operation of a <i>trading venue</i> or (for <i>RAPs</i>) their exit strategy | Details of proposal to operate a new <i>trading venue</i> or close an existing <i>trading venue</i> or (for <i>RAPs</i>) their exit strategy | Communication of proposal to <i>members</i> or shareholders or (for <i>RAPs</i>) date of appointment | Immediately or (for <i>RAPs</i>) within 3 months from the date of appointment |
| REC 3.15 | Suspension of services and inability to operate <i>facilities</i> or (for <i>RAPs</i>) the cancellation of an auction | See REC 3.15 | Event concerned | Immediately |
| REC 3.16 | Information technology systems | Details of business continuity plans and details of failure of reserve information technology system | Changes to business continuity plans and failure of reserve information technology system | Immediately |
| REC 3.17 | Inability to discharge <i>regulatory functions</i> | Details of inability to discharge a <i>regulatory functions</i> | Event concerned | Immediately |
| REC 3.18 | Membership | Information regarding new types of <i>member</i> and reasons for con- | Admission of new type of non- <i>authorised person</i> or <i>person</i> from new | Immediately |

| Reference to legislation or Handbook | Matter to be notified | Contents of notification | Trigger event | Time allowed |
|--------------------------------------|--|--|---|---------------|
| | | considering the <i>recognition requirements</i> or (for <i>RAPs</i>) the <i>RAP recognition requirement</i> in regulation 20 of the <i>RAP regulations</i> can still be met | non-UK jurisdiction to membership | |
| REC 3.19 | Investigations | Notice of appointment of person to investigate use of <i>facilities</i> or provision of services | Awareness of appointment | Immediately |
| REC 3.20 | Disciplinary action | Details of person against whom disciplinary action taken | Taking disciplinary action | Immediately |
| REC 3.21 | Criminal offences and civil prohibitions | Evidence tending to suggest contraventions of the <i>general prohibition</i> , certain criminal offences or <i>market abuse</i> | Having evidence concerned | Immediately |
| REC 3.22 | Restriction on open position or instruction to close out | Details of decision to restrict member's open position or instruction to close out position | Decision to take action | Immediately |
| REC 3.23 | Default | Notice of decision to put <i>member</i> into default | Communicating decision to <i>member</i> concerned or any other member | Immediately |
| REC 3.24 | Transfers of ownership | Details of transfer of ownership | When the <i>UK RIE</i> becomes aware of the transfer of ownership | Immediately |
| REC 3.25 | Significant breaches of rules and disorderly trading conditions | Significant breaches of rules and disorderly trading conditions | Significant breaches of rules and disorderly trading conditions | Immediately |
| REC 3.26 | Proposal to make <i>regulatory provision</i> | Details of proposal | Proposal to make <i>regulatory provision</i> | Without delay |
| REC 3.27 | For <i>RAPs</i> : Auction clearing price methodology and manner to modify auction calendar | See REC 3.27 | Event concerned | Immediately |
| <i>ROIEs</i> | | | | |
| The Act s295 | Report to <i>FCA</i> | Statement as to whether events have occurred which would affect | Not applicable | Once a year |

| Reference to legislation or Handbook | Matter to be notified | Contents of notification | Trigger event | Time allowed |
|---|--|--|---|--|
| | | the <i>FCA's</i> assessment of whether the <i>recognition requirements</i> are met | | |
| <i>Notification rules for ROIEs (see REC 6.7)</i> | | | | |
| REC 6.7.3 R | Events which might affect the <i>FCA's</i> assessment of whether the <i>recognition requirements</i> are met | Particulars of event | Not applicable | Include in report under s295 |
| REC 6.7.4 R | Inclusion of certain matters in report | See REC 6.7.4 R | Not applicable | Include in report under s295 |
| REC 6.7.5 R | First report | See REC 6.7.5 R | Not applicable | Include in report under s295 |
| REC 6.7.7 R | Changes of address | Details of new addresses | Decision to change address | 14 <i>days</i> in advance of change of address |
| REC 6.7.8 R and REC 6.7.9 R | Revocation or modification of home territory licence etc | Details of revocation or modification | Awareness of revocation or modification | Im- mediately |

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Schedule 5 Rights of action for damages

Sch 5.1 G

There are no rights of action under section 150 of the *Act* in respect of any contravention by a *recognised body* of any *rule* made under the *Act*.

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Schedule 6 Rules that can be waived

Sch 6.1 G

The *notification rules* in REC 3 and REC 6 can be *waived* by the FCA under section 294 of the Act (Modification or waiver of rules). (The statutory notification requirements, also summarised in Schedule 2 to REC, cannot be *waived* by the FCA.)

