HMRC - STSM123030 - Recognised Investment Exchange

Under the Financial Services and Markets Act 2000 (FSMA) (Part XVIII) the Financial Conduct Authority (FCA) ‘recognises’ a number of investment exchanges (RIEs). To be recognised, an RIE must comply with the requirements laid down in the Financial Services and Markets Act 2000 (Recognition Requirement for Investment Exchanges and Clearing Houses) Regulations 2001. RIEs are exempt from the need to be authorised to carry on regulated activities in the United Kingdom. (See STSM123080 for details regulated activities)

RIEs, in their capacity as market operators, may operate both regulated markets and multilateral trading facilities (see STSM123040 and STSM123050).

There are currently six RIEs in the UK recognised by the FCA:

ICE Futures Europe

BATS Trading Limited

ICAP Securities and Derivatives Exchange Limited

LIFFE Administration and Management

The London Metal Exchange plc

The London Stock Exchange Limited

Recognised overseas investment exchanges (ROIEs)

The FCA has also recognised and supervises a number of ROIEs. In order to be recognised, ROIEs must satisfy the requirements laid down in FSMA.

Overseas investment exchanges recognised by the FCA include:

Australian Securities Exchange Limited

EUREX (Switzerland)

ICE Futures U.S., Inc

NASDAQ (National Association of Securities Dealers Automated Quotations)

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Designated investment exchanges

Investment exchanges which do not carry on regulated activities in the United Kingdom and are not regulated markets may apply to the FCA to be included on its list of designated investment exchanges. Before adding an exchange to the list the FCA will consider whether the exchange provides an adequate degree of protection for consumer and undertake a public consultation.

Designation allows firms to treat transactions undertaken on a designated investment exchange as if they had been undertaken on a RIE. Exchanges designated by the FCA include the New York and Tokyo Stock Exchanges.

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