



Financial Services and Markets Act 2000

2000 CHAPTER 8

PART XVIII

[^{F1}RECOGNISED INVESTMENT EXCHANGES, CLEARING HOUSES AND CSDS]

CHAPTER I

EXEMPTION

General

285 [^{F1}Exemption for recognised bodies etc.]

(1) In this Act—

(a) “recognised investment exchange” means an investment exchange in relation to which a recognition order is in force;

[^{F2}(b) “recognised clearing house” means—

(i) a central counterparty in relation to which a recognition order is in force (in this Part referred to as a “recognised central counterparty”),
or

(ii) a clearing house which provides clearing services in the United Kingdom without doing so as a central counterparty, and in relation to which a recognition order is in force;

(c) “EEA central counterparty” means a person established in an EEA State other than the United Kingdom who has been authorised by the competent authority of that State as a central counterparty pursuant to Article 17 of the EMIR regulation;^{F3}...

(d) “third country central counterparty” means a person established in a State which is not an EEA State who has been recognised by ESMA as a central counterparty pursuant to Article 25 of the EMIR regulation.]

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- [^{F4}(e) “recognised CSD” means a central securities depository in relation to which a recognition order is in force;
 - (f) “EEA CSD” means a person established in an EEA State other than the United Kingdom who has been authorised by the competent authority of that State as a central securities depository pursuant to Article 16 of the CSD regulation; and
 - (g) “third country CSD” means a central securities depository established in a State which is not an EEA State which has been recognised by ESMA pursuant to Article 25 of the CSD regulation.]
- (2) A recognised investment exchange is exempt from the general prohibition as respects any regulated activity—
- (a) which is carried on as a part of the exchange’s business as an investment exchange; or
 - [^{F5}(b) which is carried on for the purposes of, or in connection with, the provision by the exchange of services designed to facilitate the provision of clearing services by another person.]
- (3) [^{F6}A recognised clearing house which is not a recognised central counterparty] is exempt from the general prohibition as respects any regulated [^{F7}activity—
- (a) which is carried on for the purposes of, or in connection with, the provision of clearing services by the clearing house, or
 - (b) which is carried on for the purposes of, or in connection with, the provision by the clearing house of services designed to facilitate the provision of clearing services by another person.]
- [^{F8}(3A) A recognised central counterparty is exempt from the general prohibition as respects any regulated activity which is carried on for the purposes of, or in connection with, the services or activities specified in its recognition order.
- (3B) An EEA central counterparty is exempt from the general prohibition as respects any regulated activity which is carried on for the purposes of, or in connection with, the services or activities specified in its authorisation granted pursuant to Article 17 of the EMIR regulation.
- (3C) A third country central counterparty is exempt from the general prohibition as respects any regulated activity which is carried on for the purposes of, or in connection with, the services or activities specified in its recognition by ESMA pursuant to Article 25 of the EMIR regulation.]
- [^{F9}(3D) A recognised CSD is exempt from the general prohibition as respects any regulated activity which is carried on for the purposes of, or in connection with—
- (a) the core services listed in Section A of the Annex to the CSD regulation which the central securities depository is authorised to provide pursuant to Article 16 or 19(1)(a) or (c) of that regulation, or
 - (b) any non-banking-type ancillary services listed in or permitted under Section B of that Annex which the central securities depository is authorised to provide, including services notified under Article 19 of the CSD regulation.
- (3E) An EEA CSD is exempt from the general prohibition as respects any regulated activity which is carried on for the purposes of, or in connection with, the services and activities covered by its authorisation granted pursuant to Article 16 of the CSD regulation (including additional services authorised or notified under Article 19 of that regulation).

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- (3F) But where Article 23(2) of the CSD regulation applies to an EEA CSD, the EEA CSD is exempt from the general prohibition as mentioned in subsection (3E) only if Article 23(6) of that regulation is complied with.
- (3G) A third country CSD is exempt from the general prohibition as respects any regulated activity which is carried on for the purposes of, or in connection with, the services and activities covered by its recognition by ESMA pursuant to Article 25 of the CSD regulation.
- (3H) But a recognised CSD, an EEA CSD or a third country CSD is not exempt from the general prohibition as respects any regulated activity which is carried on for the purposes of, or in connection with, any banking-type ancillary service listed in or permitted under Section C of the Annex to the CSD regulation.]
- [^{F10}(4) The Treasury may by order amend paragraph (b) of subsection (2) or (3).]

Textual Amendments

- F1** S. 285 heading substituted (28.11.2017) by [The Central Securities Depositories Regulations 2017 \(S.I. 2017/1064\)](#), regs. 1, **2(9)(a)** (with regs. 7(4), 9(1))
- F2** S. 285(1)(b)-(d) substituted for s. 285(1)(b) and word (1.4.2013) by [The Financial Services and Markets Act 2000 \(Over the Counter Derivatives, Central Counterparties and Trade Repositories\) Regulations 2013 \(S.I. 2013/504\)](#), regs. 1(2), **3(3)(a)** (with regs. 52-58)
- F3** Word in s. 285(1) omitted (28.11.2017) by virtue of [The Central Securities Depositories Regulations 2017 \(S.I. 2017/1064\)](#), regs. 1, **2(9)(b)(i)** (with regs. 7(4), 9(1))
- F4** S. 285(1)(e)-(g) inserted (28.11.2017) by [The Central Securities Depositories Regulations 2017 \(S.I. 2017/1064\)](#), regs. 1, **2(9)(b)(ii)** (with regs. 7(4), 9(1))
- F5** S. 285(2)(b) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), ss. **28(2)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F6** Words in s. 285(3) substituted (1.4.2013) by [The Financial Services and Markets Act 2000 \(Over the Counter Derivatives, Central Counterparties and Trade Repositories\) Regulations 2013 \(S.I. 2013/504\)](#), regs. 1(2), **3(3)(b)** (with regs. 52-58)
- F7** Words in s. 285(3) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), ss. **28(3)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.
- F8** S. 285(3A)-(3C) inserted (1.4.2013) by [The Financial Services and Markets Act 2000 \(Over the Counter Derivatives, Central Counterparties and Trade Repositories\) Regulations 2013 \(S.I. 2013/504\)](#), regs. 1(2), **3(3)(c)** (with regs. 52-58)
- F9** S. 285(3D)-(3H) inserted (28.11.2017) by [The Central Securities Depositories Regulations 2017 \(S.I. 2017/1064\)](#), regs. 1, **2(9)(c)** (with regs. 7(4), 9(1))
- F10** S. 285(4) inserted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), ss. **28(4)**, 122(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

[^{F11}285A][^{F12}Powers exercisable in relation to recognised bodies]

- (1) For the purposes of this Part, the FCA is “the appropriate regulator” in relation to recognised investment exchanges.
- (2) For the purposes of this Part, the Bank of England is “the appropriate regulator” in relation to recognised clearing houses [^{F13}, recognised CSDs and EEA CSDs].
- (3) In Schedule 17A—

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- (a) Part 1 makes provision for a memorandum of understanding between the appropriate regulators [^{F14}, and between the FCA and the PRA,] with respect to the exercise of their functions in relation to recognised [^{F15}bodies];
- (b) Part 2 applies certain provisions of this Act in relation to the Bank of England in consequence of the conferring of functions on the Bank under this Part of this Act;
- (c) Part 3 makes provision relating to the winding up, administration or insolvency of [^{F16}recognised clearing houses][^{F17}and recognised CSDs]; and
- (d) Part 4 makes provision about fees.]

Textual Amendments

- F11** S. 285A inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\), ss. 29\(1\), 122\(3\) \(with Sch. 20\); S.I. 2013/113, art. 2\(1\)\(b\), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.](#)
- F12** S. 285A heading substituted (28.11.2017) by [The Central Securities Depositories Regulations 2017 \(S.I. 2017/1064\), regs. 1, 2\(10\)\(a\) \(with regs. 7\(4\), 9\(1\)\)](#)
- F13** Words in s. 285A(2) inserted (28.11.2017) by [The Central Securities Depositories Regulations 2017 \(S.I. 2017/1064\), regs. 1, 2\(10\)\(b\) \(with regs. 7\(4\), 9\(1\)\)](#)
- F14** Words in s. 285A(3)(a) substituted (1.3.2017) by [Bank of England and Financial Services Act 2016 \(c. 14\), s. 41\(3\), Sch. 2 para. 43 \(with Sch. 3\); S.I. 2017/43, reg. 2\(g\)](#)
- F15** Word in s. 285A(3)(a) substituted (28.11.2017) by [The Central Securities Depositories Regulations 2017 \(S.I. 2017/1064\), regs. 1, 2\(10\)\(c\)\(i\) \(with regs. 7\(4\), 9\(1\)\)](#)
- F16** Words in s. 285A(3)(c) substituted (1.4.2013) by [The Financial Services and Markets Act 2000 \(Over the Counter Derivatives, Central Counterparties and Trade Repositories\) Regulations 2013 \(S.I. 2013/504\), regs. 1\(2\), 3\(4\) \(with regs. 52-58\)](#)
- F17** Words in s. 285A(3)(c) inserted (28.11.2017) by [The Central Securities Depositories Regulations 2017 \(S.I. 2017/1064\), regs. 1, 2\(10\)\(c\)\(ii\) \(with regs. 7\(4\), 9\(1\)\)](#)

286 Qualification for recognition.

- (1) The Treasury may make regulations setting out the requirements—
 - (a) which must be satisfied by an investment exchange [^{F18}, clearing house or central securities depository] if it is to qualify as a body in respect of which [^{F19}the appropriate regulator] may make a recognition order under this Part; and
 - (b) which, if a recognition order is made, it must continue to satisfy if it is to remain a recognised body.
- (2) But if regulations contain provision as to the default rules of an investment exchange [^{F20}, clearing house or central securities depository], or as to proceedings taken under such rules by such a body, they require the approval of the Secretary of State.
- (3) “Default rules” means rules of an investment exchange [^{F21}, clearing house or central securities depository] which provide for the taking of action in the event of a person’s appearing to be unable, or likely to become unable, to meet his obligations in respect of one or more market contracts connected with the exchange [^{F21}, clearing house or central securities depository].
- (4) “Market contract” means—
 - (a) a contract to which Part VII of the ^{M1}Companies Act 1989 applies as a result of section 155 of that Act or a contract to which Part V of the ^{M2}Companies

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(No. 2)(Northern Ireland) Order 1990 applies as a result of Article 80 of that Order; and

(b) such other kind of contract as may be prescribed.

^{F22}(4A)

^{F22}(4B)

^{F22}(4C)

^{F22}(4D)

^{F22}(4E)

[^{F23}(4F) Regulations under subsection (1) may confer power on the appropriate regulator to make rules for the purposes of the regulations or of any specified provision made by the regulations.]

(5) Requirements resulting from this section are referred to in this Part as “recognition requirements”.

[^{F24}(6) In the case of an investment exchange, requirements resulting from this section are in addition to requirements which must be satisfied by the exchange as a result of section 290(1A) before [^{F25}the FCA] may make a recognition order declaring the exchange to be a recognised investment exchange.]

Textual Amendments

- F18** Words in s. 286(1)(a) substituted (28.11.2017) by [The Central Securities Depositories Regulations 2017 \(S.I. 2017/1064\)](#), regs. 1, **2(11)(a)** (with regs. 7(4), 9(1))
- F19** Words in s. 286(1)(a) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), **Sch. 8 para. 2(2)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.
- F20** Words in s. 286(2) substituted (28.11.2017) by [The Central Securities Depositories Regulations 2017 \(S.I. 2017/1064\)](#), regs. 1, **2(11)(b)** (with regs. 7(4), 9(1))
- F21** Words in s. 286(3) substituted (28.11.2017) by [The Central Securities Depositories Regulations 2017 \(S.I. 2017/1064\)](#), regs. 1, **2(11)(c)** (with regs. 7(4), 9(1))
- F22** S. 286(4A)-(4E) omitted (29.6.2017 for specified purposes, 3.7.2017 for specified purposes, 31.7.2017 for specified purposes, 3.1.2018 in so far as not already in force) by virtue of [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2017 \(S.I. 2017/701\)](#), reg. 1(2)(3)(4)(6), **Sch. 2 para. 29** (with reg. 7)
- F23** S. 286(4F) inserted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), **ss. 30**, 122(3) (with Sch. 20); S.I. 2013/113, art. 2(1)(b), Sch. Pt. 2; S.I. 2013/423, art. 3, Sch.
- F24** S. 286(6) inserted (1.4.2007 for certain purposes and 1.11.2007 otherwise) by [The Financial Services and Markets Act 2000 \(Markets in Financial Instruments\) Regulations 2007 \(S.I. 2007/126\)](#), regs. 1(2), 3(2), **Sch. 2 para. 2**
- F25** Words in s. 286(6) substituted (24.1.2013 for specified purposes, 1.4.2013 in so far as not already in force) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), **Sch. 8 para. 2(3)** (with Sch. 20); S.I. 2013/113, art. 2(1)(c), Sch. Pt. 3; S.I. 2013/423, art. 3, Sch.

Marginal Citations

- M1** 1989 c. 40.
M2 S.I. 1990/1504 (N.I. 10).

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