

These notes refer to the Investment Exchanges and Clearing Houses Act 2006 (c.55) which received Royal Assent on 19 December 2006

INVESTMENT EXCHANGES AND CLEARING HOUSES ACT 2006

EXPLANATORY NOTES

SUMMARY

3. The Act:
- enables the Financial Services Authority (FSA) to prevent UK recognised investment exchanges (RIEs) and clearing houses (RCHs) (together referred to as recognised bodies) from making changes to their regulatory provisions (defined as their rules, guidance, arrangements, policy or practice) which are disproportionate to the end they are intended to achieve or which do not pursue a reasonable regulatory objective;
 - applies this restriction on disproportionate regulatory provision to persons applying to the FSA for recognition as an investment exchange or clearing house;
 - makes provision for the necessary processes to enable the FSA to carry out this role, such as the notification to the FSA of proposed changes, the calling in by the FSA of some proposals for detailed examination, and, if the proposal is called in, the making of representations to the FSA about the proposal, and for rules or directions to be made by the FSA to identify proposed changes or types of change in respect of which the notification obligation will not apply.