

**PRA RULEBOOK: CRR FIRMS: RECOGNISED EXCHANGES INSTRUMENT 2026****Powers exercised**

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137G (The PRA’s general rules);
  - (2) section 137T (General supplementary powers);
  - (3) section 144H(1) (Relationship with CRR);
  - (4) section 192XA (Rules applying to holding companies); and
  - (5) any other relevant rulemaking powers or related provisions.
- B. The PRA makes the instrument in the exercise of Article 4(1)(72)(c) of the assimilated Capital Requirements Regulation No 575/2013 in respect of matters falling within that paragraph.
- C. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instrument) of the Act.

**PRA Rulebook: CRR Firms: Recognised Exchanges Instrument 2026**

- D. The PRA makes the rules in the Annex to this instrument.

**Notes**

- E. In the Annex to this instrument, the notes (indicated by “[Note:]”) are included for the convenience of readers but do not form part of the legislative text.

**Commencement**

- F. This instrument comes into force on 1 July 2026.

**Citation**

- G. This instrument may be cited as the PRA Rulebook: CRR Firms: Recognised Exchanges Instrument 2026.

**By order of the Prudential Regulation Committee**

24 February 2026

**Annex**

**Recognised Exchanges (CRR) Part**

In this Annex the text is all new and is not underlined.

**Part**

# **RECOGNISED EXCHANGES (CRR)**

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**Chapter Content**

- 1. APPLICATION**
- 2. CONDITIONS FOR IDENTIFYING RECOGNISED EXCHANGES OR ASSETS TRADED ON SUCH EXCHANGES**

## 1 APPLICATION

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- 1.1 This Part applies to:
- (1) a *firm* that is a *CRR firm*; and
  - (2) a *CRR consolidation entity*.

## 2 CONDITIONS FOR IDENTIFYING RECOGNISED EXCHANGES OR ASSETS TRADED ON SUCH EXCHANGES

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- 2.1 A recognised exchange includes an investment exchange (other than a UK regulated market or a recognised overseas investment exchange) where:
- (1) the market structure condition; and
  - (2) in respect of the relevant asset that is traded or listed on that exchange, the asset liquidity condition;
- are both satisfied.
- (a) the market structure condition is that the investment exchange:
    - (i) brings together or facilitates the bringing together of parties for the purpose of buying and selling interests in financial instruments;
    - (ii) is authorised (or otherwise recognised) and subject to ongoing supervision by a regulator or other public authority;
    - (iii) functions regularly on every *business day* in the relevant jurisdiction;
    - (iv) functions based on non-discretionary rules defining:
      - (1) the conditions for the operation of the investment exchange;
      - (2) access to or membership of the investment exchange;
      - (3) admission of financial instruments to trading; and
      - (4) suspension or removal of financial instruments from trading;
    - (v) has a robust clearing and settlement mechanism, including operational robustness, consistent with international standards; and
    - (vi) applies margining practices consistent with international standards to contracts listed in Annex II of *CRR*;
  - (b) the asset liquidity condition is:
    - (i) the value of the relevant asset that is traded or listed on the investment exchange must be capable of being determined on the basis of widely disseminated and easily available market prices, and in the absence of market-based prices, the value of the relevant asset must be capable of being determined on the basis of an easy-to-calculate formula that uses publicly available inputs and is not significantly dependent upon strong assumptions; and
    - (ii) the investment exchange provides for an active and sizable market for outright sales of the relevant asset, taking into account:
      - (1) historical evidence of market breadth and depth as proven by low bid-ask spreads, high trading volume and a large and diverse number of market participants; and

(2) the presence of a robust market infrastructure.

[Note: This rule specifies conditions for the purpose of paragraph (c) of Article 4(1)(72) of *CRR*]