

16 June 2016

Updating the Exchange on changes to a member firm's profile and its compliance officer(s) contacts

It is important for the Exchange to ensure that its member firm records remain up-to-date so that it has access to the correct information in the event of queries and problems.

Changes in authorisation

Exchange Rule 1010 and LSEDM Rule 1.1.2 state that *"A member firm must at all times be authorised under relevant United Kingdom, or appropriate overseas legislation, or in the view of the Exchange be otherwise sufficiently regulated, in respect of capital adequacy, and fitness and probity"*. Therefore, any changes to a member firm's authorisation, such as a loss of authorisation or related permissions, must be notified to the Exchange. This notification should be immediate in accordance with Exchange Rule 1050 and LSEDM Rule 1.1.20 which state, that *"A member firm shall, immediately upon becoming aware of any circumstances which have, will or may lead to a contravention of any of the rules...notify the Exchange of such circumstances in as much detail as is available to it"*. Failure of a member firm to notify the Exchange in such circumstances may result in a breach of this rule by the member firm.

Membership profile changes

Member firms wishing to change their membership profile have a notification requirement to the Exchange. Exchange Rule 1051 and LSEDM Rule 1.1.21 state that *"A member firm shall notify the Exchange in writing, at least 21 calendar days in advance of the proposed effective date, of any proposed changes to its membership profile"*. The Exchange would expect notification of, at a minimum, the following profile changes:

- name and address of the member firm;
- senior executive officer or compliance officer of the member firm;
- scope of trading activity in relation to on Exchange business, including trading codes;
- access to the trading system; and
- scope of settlement and clearing arrangements in relation to on Exchange business, including settlement and clearing codes.

Advance notification enables the Exchange to manage the associated change in conjunction with the member firm, third party suppliers, central counterparties and central securities depositories. The Exchange also has a responsibility to ensure that sufficient notice is given to other member firms, where appropriate, by publishing a Member Firm Information Sheet. A member firm can update its profile by emailing the Membership Team at membership@lseg.com. For queries or matters which require direct assistance, please contact Membership on (020)7 797 1900.

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Compliance contacts

The Exchange also wishes to reiterate the importance of member firms informing it of any changes to their compliance staff and contact details. Exchange Rule 1020.4 and LSEDM Rule 1.1.9 (iv) state that *“A member firm must, to ensure compliance with these rules, at all times have ... one or more compliance officers who shall be identified to the Exchange and be competent to advise the member firm and its employees on the application of these rules”*. Correct information is essential to enable the Exchange to contact firms in relation to trading issues and also in relation to other matters such as the completion of MCOP systems and controls questionnaires. Member firms are therefore requested to ensure that they have provided the Exchange with up-to-date compliance contact details. This can be done by contacting the Exchange’s Market Supervision team at msu@lseg.com or on (020) 7797 3666, option 2.