



Companies Act 1989

1989 CHAPTER 40

PART VII

FINANCIAL MARKETS AND INSOLVENCY

Recognised investment exchanges and clearing houses

155 Market contracts.

- (1) This Part applies to the following descriptions of contract connected with a recognised investment exchange or recognised clearing house.

The contracts are referred to in this Part as “market contracts”.

- [^{F1}(2) Except as provided in subsection (2A), in relation to a recognised investment exchange this Part applies to—

- (a) contracts entered into by a member or designated non-member of the exchange [^{F2}with a person other than the exchange] which are either
- (i) contracts made on the exchange or on an exchange to whose undertaking the exchange has succeeded whether by amalgamation, merger or otherwise; or
 - (ii) contracts in the making of which the member or designated non-member was subject to the rules of the exchange or of an exchange to whose undertaking the exchange has succeeded whether by amalgamation, merger or otherwise; ^{F3}...

- [^{F4}(b) contracts entered into by the exchange, in its capacity as such, with a member of the exchange or with a recognised clearing house or with another recognised investment exchange for the purpose of enabling the rights and liabilities of that member or clearing house or other investment exchange under a transaction to be settled; and

- (c) contracts entered into by the exchange with a member of the exchange or with a recognised clearing house or with another recognised investment exchange

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Changes to legislation: There are currently no known outstanding effects for the Companies Act 1989, Section 155. (See end of Document for details)

for the purpose of providing central counterparty clearing services to that member or clearing house or other investment exchange.]

A “designated non-member” means a person in respect of whom action may be taken under the default rules of the exchange but who is not a member of the exchange.

[^{F5}(2A) Where the exchange in question is a recognised overseas investment exchange, this Part does not apply to a contract that falls within paragraph (a) of subsection (2) (unless it also falls within subsection (3)).]

[^{F6}(3) In relation to a recognised clearing house this Part applies to—

- (a) contracts entered into by the clearing house, in its capacity as such, with a member of the clearing house or with a recognised investment exchange or with another recognised clearing house for the purpose of enabling the rights and liabilities of that member or investment exchange or other clearing house under a transaction to be settled; and
- (b) contracts entered into by the clearing house with a member of the clearing house or with a recognised investment exchange or with another recognised clearing house for the purpose of providing central counterparty clearing services to that member or investment exchange or other clearing house.]

[^{F7}(3A) In this section “central counterparty clearing services” means—

- (a) the services provided by a recognised investment exchange or a recognised clearing house to the parties to a transaction in connection with contracts between each of the parties and the investment exchange or clearing house (in place of, or as an alternative to, a contract directly between the parties),
 - (b) the services provided by a recognised clearing house to a recognised investment exchange or to another recognised clearing house in connection with contracts between them, or
 - (c) the services provided by a recognised investment exchange to a recognised clearing house or to another recognised investment exchange in connection with contracts between them.]
- (4) The Secretary of State may by regulations make further provision as to the contracts to be treated as “market contracts”, for the purposes of this Part, in relation to a recognised investment exchange or recognised clearing house.
- (5) The regulations may add to, amend or repeal the provisions of subsections (2) and (3) above.

Textual Amendments

- F1** S. 155(2)(2A) substituted for s. 155(2) by S.I. 1991/880, **reg. 3**
- F2** Words in s. 155(2)(a) inserted (11.8.1998) by S.I. 1998/1748, **reg. 3(a)**
- F3** Word in s. 155(2)(a) omitted (15.6.2009) by virtue of [The Financial Markets and Insolvency Regulations 2009 \(S.I. 2009/853\)](#), regs. 1(1), **2(3)(a)**
- F4** S. 155(2)(b)(c) substituted for s. 155(2)(b) (15.6.2009) by [The Financial Markets and Insolvency Regulations 2009 \(S.I. 2009/853\)](#), regs. 1(1), **2(3)(a)**
- F5** S. 155(2A) substituted (15.6.2009) by [The Financial Markets and Insolvency Regulations 2009 \(S.I. 2009/853\)](#), regs. 1(1), **2(3)(b)**
- F6** S. 155(3) substituted (15.6.2009) by [The Financial Markets and Insolvency Regulations 2009 \(S.I. 2009/853\)](#), regs. 1(1), **2(3)(c)**
- F7** S. 155(3A) inserted (15.6.2009) by [The Financial Markets and Insolvency Regulations 2009 \(S.I. 2009/853\)](#), regs. 1(1), **2(3)(d)**

Status: Point in time view as at 15/06/2009. This version of this provision has been superseded.

*Changes to legislation: There are currently no known outstanding effects
for the Companies Act 1989, Section 155. (See end of Document for details)*

Commencement Information

II S. 155 wholly in force at 25.4.1991. See s. 215 and [S.I. 1991/488, art. 2\(2\)](#); 1991/878, art. 2, Sch.

Status:

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Changes to legislation:

There are currently no known outstanding effects for the Companies Act 1989, Section 155.