



WFE Response to PRA CP3/25 – Recognised exchanges policy and transfer of main indices

12th June 2025

Response

The World Federation of Exchanges (WFE) welcomes the PRA's proposals on the definition of recognised exchanges outlined in Consultation Paper CP3/25.

As the PRA notes, regulators can have confidence that the listing and trading environment on exchanges is orderly, transparent, and supervised. Therefore, the WFE supports moves to empower banks to identify recognised exchanges and hold them to account where they fail to meet these obligations.

The WFE also supports the PRA's subsequent thematic reviews which should help provide guidance. This approach promotes proactive risk management and ensures that firms remain vigilant in monitoring the liquidity profiles of their exposures whilst ensuring UK banks have more access to overseas investments.

These enhancements underline the value of principles-based regulations over strict rules-based regulations.

In summary, the WFE endorses the PRA's proposed amendments, recognising their potential to enhance the resilience of the financial system while maintaining the UK's position as a leading global financial centre.

Background

Established in 1961, the WFE is the global industry association for exchanges and clearing houses. Headquartered in London, it represents the providers of over 250 pieces of market infrastructure, including standalone CCPs that are not part of exchange groups. Of our members, 36% are in Asia Pacific, 43% in EMEA and 21% in the Americas. The WFE's 87 member CCPs and clearing services collectively ensure that risk takers post some \$1.3 trillion (equivalent) of resources to back their positions, in the form of initial margin and default fund requirements. The exchanges covered by WFE data are home to over 55,000 listed companies, and the market capitalization of these entities is over \$111tr; around \$124tr in trading annually passes through WFE members (at end-2023).

The WFE is the definitive source for exchange-traded statistics and publishes over 350 market data indicators. Its free statistics database stretches back more than 40 years and provides information and insight into developments on global exchanges. The WFE works with standard-setters, policy makers, regulators and government organisations around the world to support and promote the development of fair, transparent, stable and efficient markets. The WFE shares regulatory authorities' goals of ensuring the safety and soundness of the global financial system.

With extensive experience of developing and enforcing high standards of conduct, the WFE and its members support an orderly, secure, fair and transparent environment for investors; for companies that raise capital; and for all who deal with financial risk. We seek outcomes that maximise the common good, consumer confidence and economic growth. And we engage with policy makers and regulators in an open, collaborative way, reflecting the central, public role that exchanges and CCPs play in a globally integrated financial system.

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If you have any further questions, or wish to follow-up on our contribution, the WFE remains at your disposal. Please contact:

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