

Binary Options

1. After article 85(3) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, insert—

“(3A) Subject to paragraph (4), a derivative contract of a binary nature—

- (a) to which paragraph (1) does not apply;
- (b) which is settled in cash; and
- (c) which is a financial instrument within—
 - (i) paragraphs 4 to 7 and 10 of Section C to Annex I to the markets in financial instruments directive; or
 - (ii) Article 38 of the Commission Regulation.”.