UK Finance

UK Finance response to FCA CP25/32

Improving the UK transaction reporting regime

February | 2026

FCA CP25/32: Improving the UK transaction reporting regime

UK Finance response | **February 2026**

Submitted via email to: cp25-32@fca.org.uk

Dear Tom,

Please find enclosed the collective response of the member firms of UK Finance to Financial Conduct Authority (FCA) CP 25/32 – Improving the UK transaction reporting regime, produced with advisory support from Norton Rose Fulbright LLP.

UK Finance and its members would like to congratulate the FCA on what should be considered an ambitious and positive step towards improving the UK's transaction reporting regime. Reforming the UK's transaction reporting regime, by ensuring that requirements are proportionate, efficient and straightforward, will significantly help the chancellor in her goal of reducing the business administrative burden by 25% by the end of this parliament.

The UK has a real opportunity to be an international trend setter in this area. The UK must, therefore, continue to take a bold approach to reform, not only to boost the competitiveness of our own economy and reap the associated benefits but to encourage other jurisdictions to follow suit. To this end, we were pleased to see a commitment to reviewing not just the UK's Markets in Financial Instruments Regulation (MiFIR) transaction reporting regime, but also UK European Markets Infrastructure Reporting (EMIR) and Securities Financing Transactions Regulation (SFTR) reporting regimes.

Transaction reporting is a critical component of the UK's capital markets ecosystem, and we recognise the importance of high-quality data in operating safe, well-functioning markets. However, our members have long been of the view that this can be achieved through more proportionate requirements and processes. Current reporting requirements reduce the competitiveness of the UK and place a huge administrative burden on firms. The proposals in this Consultation Paper are a clear step away from duplicative, costly and redundant requirements, and have the potential to bring significant cost-savings across industry.

While the majority of this paper signifies a positive step in the streamlining of the UK's transaction reporting regime, our members have concerns around several proposals that could dilute the benefits of these proposals. These can be found in our executive summary and our response, but we would like to highlight here the damaging impact that conditional single-sided reporting will have on the industry as a whole.

Once you have had the opportunity to consider this document, we would be pleased to facilitate further discussions with our members and to work with you and your team to support the development of future consultation proposals.

If you have any questions in relation to the information within our document, please do not hesitate to get in touch.

Kind regards,

Yvonne Deane Harte
Director of Secondary Markets & Post-Trade Policy
UK Finance

Executive summary

Improving the UK's transaction reporting regime will lead to significant cost saving across industry, as identified by the FCA. UK Finance therefore strongly welcomes the FCA's ambition to bring about a more streamlined regime. The FCA has done a good job in identifying areas where disproportionate burdens exist and making pragmatic changes that ensure the core objectives of transaction reporting – market monitoring and surveillance – are met, whilst strengthening the competitive position of UK capital markets.

The reduction in the default back-reporting period, removal of FX derivatives, and the overall reduction of transaction reporting fields from the MiFIR reporting regime are all examples of positive steps taken by the FCA. Additionally, its three principles for the long-term collection of transaction and post-trade data:

- Data should only be collected where needed
- A firm should only report data once
- Data should be shared where appropriate

are a useful reference point to the wider reforms to come in the UK's transaction reporting regime.

Nevertheless, our members would like to raise concern around certain proposals which risk diluting this otherwise ambitious and positive package of reforms. The FCA's proposals for conditional single-sided reporting are of particular concern, as they have no cost-saving benefits. The proposals as they stand will simply shift the burden of reporting from the buy-side to the sell-side, while creating additional complexity and ambiguity around which party is subject to the obligation to report when a report is erroneous. This will lead to an increase in regulatory risk for our members and industry.

Our members look forward to continuing to work closely with the FCA, building on the close and successful collaboration seen to-date, to further develop these proposals, to ensure that they bring maximum benefit to industry and the UK economy.

Question 1. Do you agree with the proposal to streamline and harmonise existing transaction and post-trade reporting regimes?

UK Finance members strongly welcome the FCA's goal to create a streamlined and harmonised framework for transaction reporting across the existing reporting regimes which is free from unnecessary duplication, and it fully recognises that this will necessarily be a long-term approach. Our members would appreciate clarity from the FCA on the proposed timelines for the implementation of such approach and continue to encourage the regulators to be ambitious in pursuing this goal.

Our members are also supportive of the FCA's decision not to pursue the creation of a single-template reporting regime which would add new layers of complexity, create additional costs and require investment in resources that would add to the burden of financial reporting. Consequently, our members stress the importance of maintaining distinct reporting regimes, which serve the original policy intention for which they were created.

Question 2. Do you agree with the 3 principles for the long-term collection of transaction and post-trade data?

UK Finance members support the FCA's three principles that: (1) data should only be collected where needed; (2) a firm should only report data once; and (3) data should be shared, where appropriate. (together the "Guiding Principles"). UK Finance members agree that these Guiding Principles should underpin the FCA's move towards a more streamlined framework across the reporting regimes.

Question 3. Would you support an 18-month implementation period for the changes proposed in this Consultation Paper?

UK Finance members are supportive of the FCA's suggested 18-month implementation period for the changes proposed in this Consultation Paper. However, our members would urge the FCA to select a timeline for go-live which does not impact periods of code freezes or holiday seasons, and that the go-live date falls on a Monday, in order to ensure as smooth a transition as possible.

Our members also urge the FCA to ensure that adequate guidance is published far enough ahead of the go-live date to give firms sufficient time to prepare for, implement and test the necessary internal changes. To this end we ask that the FCA establishes clear, pre-defined milestones for the publication of all subsequent guidance.

UK Finance members would also request that the FCA looks to identify changes that could be implemented ahead of the 18-month implementation period, and which would lead to significant cost-saving benefits to the wider industry. Our members have so far highlighted the following "low hanging fruit", which they would be prepared to discuss further with the FCA:

- flags;
- instrument scope; and
- back reporting reduction.

Our members would strongly encourage the FCA to exercise "soft go-live" when it comes to changes that could be made ahead of the 18-month implementation period – i.e. the FCA could permit firms that are ready to implement changes in FCA Rules once the new rules have been finalised and ahead of the formal implementation deadline to do so, without risk of the

FCA taking action against firms on the grounds that they do not meet the requirements as they apply during that period before formal go-live and without firms being required to implement ahead of the end of that date. There are also certain rules where our members would welcome supervisory flexibility in the sense of scenarios where the FCA forbears on taking action against a firm if it fails to satisfy the rule in a particular specified way once the amended rules come into effect and ongoing. Our members will highlight, throughout this response, those areas where they consider that "supervisory flexibility" or "soft go live" could be applied by the FCA.

Question 4. Do you agree with the proposal to apply a reduced default back reporting period of 3 years, whilst keeping the choice to require back reporting up to 5 years where needed?

UK Finance members continue to take the view that back reporting places a significant cost and operational burden on market participants (with an increased risk of human error where a manual process has to be deployed to meet the backloading obligation). In some cases, our members submit that the cost of making the back reports is disproportionate when seen against the value and usefulness to the regulator of such back reports.

International alignment – 2-year default back reporting period

Against that backdrop, UK Finance members welcome this proposal as a positive development and appreciate the FCA's attempts to strike a balance between the costs and burdens to firms and the regulatory benefits that it obtains through back reporting.

Nevertheless, our members respectively suggest the FCA explore a more extensive reduction of the default back reporting period to a 2-year timeframe. This would establish parity with the Commodity Futures Trading Commission's (CFTC) recent No-Action Letter No.25-43, which similarly caps back reporting at two years. Such a harmonisation would not only cultivate international uniformity but also materially advance the FCA's secondary mandate of enhancing global competitiveness, by yielding considerable operational efficiencies and cost reductions for firms, enabling strategic reinvestment. Moreover, we propose the application of this consistent methodology across other pertinent reporting frameworks, notably SFTR and EMIR, thereby fostering wider coherence and further optimising current transaction and post-trade reporting frameworks.

Ad-hoc back reporting

UK Finance members are concerned about the ad hoc nature of requiring back reporting for a period of up to 5 years. Firstly, the circumstances in which the FCA would require up to 5 years of data rather than 3 years remains unclear. Secondly, and perhaps more concerningly, maintaining the ability to require 5 years' worth of data significantly diminishes the cost saving benefit of reducing the default back reporting period, as firms will have to maintain the data for these reports in any event. Such approach would be extremely costly for firms.

We therefore ask the FCA to either: (1) consider removing this ad hoc back reporting requirement; or (2) provide further clarity on the circumstances in which it would require 5 years' worth of data.

Immediate introduction

Given the instant cost saving benefits of reducing the default back-reporting period in the UK, our members propose implementing these changes with immediate effect. Any reduction in the default back reporting period could be promptly carried out by firms and would go a long

way towards helping the Chancellor achieve her target of reducing the administrative cost of regulation by 25% over the course of the Parliament.

UK Finance members also call for the FCA to apply its changes in respect of back reporting to EMIR and SFTR transaction reporting. Applying such consistency would again result in fundamental savings for our members, allowing them to reinvest elsewhere and enhance their competitiveness.

Challenges of back-reporting data points that have subsequently been removed

Our members would like to highlight the significant challenges firms would face if they are required to back report data points that have subsequently been removed as a result of this consultation.

Requiring firms to back report under multiple schemas would be highly complex and resource-intensive, increasing operational risk and the likelihood of errors. This is particularly pertinent given the requirement to keep two schemas of transaction reporting infrastructure running (old and new), which would inevitably increase maintenance costs, especially for testing purposes, to ensure that with every release both schemas function correctly. Running parallel schemas over extended periods presents significant challenges and undermines the objective of simplification. Due to these inherent difficulties, we respectfully request that the FCA mandate firms to only maintain the new schema for back reporting purposes, thereby rendering any historic schema no longer required.

Furthermore, we seek broader supervisory flexibility (as described in our response to Question 3) for back-reporting all fields that have been changed, added, or removed due to the consultation, specifically for transactions executed prior to the consultation implementation, ensuring the FCA validation rules are appropriately adapted

Question 5. Do you agree with our proposed changes to the exclusions from reporting in MAR 14.2.4R?

We welcome the FCA's decision to exclude corporate events and actions from the transaction reporting requirements. However, our members are of the view that the FCA's proposed MAR wording is not as clear as it could be in these exclusions and therefore ask the FCA to further simplify the wording to better reflect the principle of the proposal. Our members have suggested the below possible rewording but would be keen to work with the FCA to ensure the update achieves its true intention.

> ***14.2.4 (R) A transaction for the purposes of MAR 14 does not include:***
>
> *"(9) the creation, expiration or redemption of a reportable financial instrument or an exchange and tender offer of a reportable financial instrument, which occurs as a result of pre-determined contractual terms, or is triggered by events which are beyond the control of the investor and regardless of whether an investment decision on the part of the investor is required.*
>
> *This wording as is will leave open the determination as to whether the terms are pre contractual or whether an investment decision is required. There is often a fine line between the two. This may be intentional, but it also means that firms will over report as the path of least risk. If FCA are clear that corporate events and actions are to be excluded regardless of whether an investment decision was made then the additional wording in red may clarify.*

Our members also urge the FCA to consider turning off all corporate actions, citing that it is still a very manual process across industry.

Our members suggest a clearer exclusion of all types of all corporate actions.

Question 6. Do you agree with the proposed guidance on exclusions from reporting in MAR 14.3.1G?

UK Finance members agree with the proposed guidance on exclusions from reporting in MAR 14.3.1G but ask that this includes all bilateral advice the FCA has given reporting firms since MiFID II reporting began, and provide detailed, scenario and instrument specific guidance. Our members would also be supportive of a regular consultation on updates to the guidelines.

Our members also point out that the wording in MAR is not as clear as it could be and therefore ask the FCA to further simplify the wording to better reflect the principle of the proposal and in support of our response to Question 5, for example:

> *"(5) In relation to MAR 14.2.4R(9), this exclusion is intended to cover corporate actions that might otherwise be seen as reportable and includes the termination of reportable financial instruments at their maturity or expiry date."*

Question 7. Do you agree with the proposed information a firm should provide to meet the conditions for single-sided reporting?

UK Finance members are strongly opposed to the FCA's proposals for conditional single-sided reporting, highlighting that it will significantly increase the reporting burden for sell-side firms and provide no cost saving benefits, which could become a commercial issue for member firms.

Conditional reporting, as proposed in this Consultation Paper, would simply shift the burden of reporting from the buy-side to the sell-side, and at the same time, would create additional complexity and ambiguity around which party is subject to the obligation to report when a report is erroneous. Our members note that, while transmitting firms would no longer be required to carry out a transaction report, receiving firms will, as a result, face an increased reporting burden due to reconciliations required on behalf of clients which is the opposite of what the Consultation Paper sets out to achieve.

Our members highlight the difference between delegated reporting for UK EMIR, which is a single sided reporting model without the need for any conditional transfer of data as all the data is equivalent compared with UK MiFID, where there is a requirement still to transfer data between firms to allow for transaction reporting to occur.

Consequently, UK Finance members urge the FCA to either pursue a true single-sided reporting model which does not involve any type of data transfer or transferred regulatory obligation on behalf of other parties, or to simply maintain the status quo. This would prevent the unintended consequences of this proposal which will lead to a transfer of obligation, which will not only increase the regulatory risk for our members, but also for their clients, thus bringing benefits to neither.

Our members understand that the FCA is intending to help smaller firms who submit fewer transaction reports, however, they are strongly of the view that this proposal is a disproportionate way of trying to bring cost-saving benefits to these smaller firms as it would lead to significant cost increases for the vast majority of industry.

Our members are keen to work with the FCA to establish an alternative solution to their proposal.

Question 8. Do you agree with the proposed responsibility for data quality for transactions involving conditional single-sided reporting?

Our members refer to our response in Question 7 and note their strong opposition to the proposal despite the logical responsibility model. Our members reiterate that these proposals:

- put requirements on reporting firms to do reconciliation for counterparties who send the information; and
- increase the cost burden substantially for receiving firms.

Our members are of the view that without fundamental changes to address these issues, broader and confident adoption by industry participants will not be achieved, regardless of further clarity or guidance.

Question 9. Do you envisage any issues in conditional single-sided reporting applying to transactions executed in a DEAL or MTCH trading capacity?

Our members refer to our response in Question 7.

Question 10. Do you agree with our proposal to remove instruments from the scope of the UK transaction reporting regime that can only be traded on EU trading venues?

In line with previous responses, our members are fully supportive of the proposal to limit the scope of the transaction reporting regime to financial instruments tradeable on UK trading venues only.

Ad hoc reporting

However, UK Finance members note that the FCA states that it may need to make more targeted requests for data in the future for those firms that are active in EU markets to enhance its oversight of such activities. Our members are cautious about such a statement and the imposition of "ad hoc" reporting requirements, which are a common theme throughout the Consultation Paper. Our members would be grateful if the FCA could please provide more clarity on the circumstances in which it would be making these types of targeted requests. Our members are generally against the imposition of any form of ad hoc reporting requirements, as they would still need to maintain the reporting infrastructure to fulfil such requirements and therefore, they do not achieve the cost saving that is intended.

"Soft go live"

Our members point to this change as an example of where the FCA could introduce a "soft go live" (as described in our response to Question 3) for firms, allowing those firms that are ready to implement these changes sooner to do so.

"Supervisory flexibility"

UK Finance members call for the FCA to provide "supervisory flexibility" (as described in our response to Question 3) by not requiring firms to back report EU instruments that are no longer

within the scope of MiFIR reporting once the new rules come into effect, as they do not consider that this data is of benefit to the FCA.

Further clarity

Our members would like further clarity on admission to trading and more generally around instrument scope with regard to what is and is not reportable from the FCA.

Question 11. Do you agree with our proposal to remove reference to 'Union' in MAR 14 Annex 2 and retain the current approach to national identifiers?

UK Finance members agree and have suggested that the FCA should consider using "supervisory flexibility" (as described in our response to Question 3) and allow firms the choice to report using a CONCAT code for third country transaction reports instead of a passport number. This would significantly reduce complexity and ambiguity.

Question 12. Do you agree with the proposed guidance to clarify in our rules an equivalent regulatory concept to ESMA's TOTV opinion?

UK Finance members very much welcome the FCA's proposal to issue new guidance in MAR 14.5.4G to support the definition of a reportable financial instrument, meaning that firms will no longer need to refer to ESMA's TOTV opinion. However, our members highlight current ambiguity over glossary definitions and therefore ask the FCA to provide greater clarity on definitions, and urge the FCA to have them all in one place (for example, in the UK regulatory rulebooks).

UK Finance members also are of the view that the MAR wording which excludes FX is not as clear as it could be, for example, they note potential ambiguity over the reportability of cross-currency swaps. We therefore ask the FCA to further simplify the wording to better reflect the principle of the proposal.

Question 13. Do you see any issues having to report transactions executed in instruments which are not derivatives but are brought into scope by the underlying?

UK Finance members consider that these proposals are at odds with the FCA's and the Consultation Paper's goal of simplifying the UK's transaction reporting regime. In their view, this proposal would not lead to any cost saving benefit and will instead likely lead to increased cost and additional reporting burdens for firms.

If the FCA is of the view that this data is necessary for it to prevent market abuse and is in line with its first principle that "data should only be collected where needed", then our members would suggest implementing "supervisory flexibility" (as described in our response to Question 3) to this proposal. While some members have suggested that this proposal may not be problematic, a clear majority have made it evident that it would significantly increase reporting burdens for them. Therefore, UK Finance suggests that the FCA allows for "supervisory flexibility" (as described in our response to Question 3) by allowing firms to report the underlying instrument name as an alternative. Additionally, as another potential alternative, our members would be happy to overreport this data to the FCA.

UK Finance members also wish to make clear their view that the introduction of CFI codes does not fit with the FCA's stated goal of streamlining the UK's transaction reporting regime. They would like to highlight that this code would be complicated to implement and, in their

view, require legislative changes to the scope of reportable instruments under UK MiFIR. It is also a code from which, in their experience, many other jurisdictions/regulators are moving away from.

Question 14. Do you agree with our proposal to allow firms to report derivatives based on indices on a voluntary basis, irrespective of whether the derivative is in scope of the transaction reporting regime?

Our members agree with the proposal but would suggest that the FCA goes further and removes the requirement to report indices altogether. Our members believe, in their experience, that it is not an avenue for market abuse and therefore the reporting of this data would go against the first and second of the Guiding Principles (*"data should only be collected where needed"* and *"data should be shared where appropriate"*).

Furthermore, our members would also highlight that voluntary reporting may create additional ambiguity for firms and may not actually lead to any significant cost-saving benefits.

Question 15. Do you agree with the proposed changes to allow all ISINs in a basket to be included in the underlying instrument field?

UK Finance members agree with the proposed changes but would like the FCA to provide further clarity regarding the meaning of "allow" that is used in the penultimate line of paragraph 4.68 of the Consultation Paper. Our members take this to mean that they can continue their current practices of reporting ISINs should they prefer to do so.

Question 16. Do you agree with the proposal to provide clarity on the scope of reporting obligations for fractional instruments?

UK Finance members are of the view that this proposal does not significantly impact sell-side firms and it will therefore be a question for retail firms to consider.

However, our members would like to raise concerns about the complexity of using Article 89 of RAO within the definition of a 'reportable financial instrument'.

Question 17. Do you agree with our proposal to remove FX derivatives from the scope of the UK transaction reporting regime?

UK Finance members very much welcome the FCA's proposal to remove FX derivatives from the scope of the UK transaction reporting regime.

Our members would also encourage the FCA to remove the back reporting of FX derivatives from the scope of UK MiFIR transaction reporting, given that it would no longer serve any purpose.

Our members would also like to take this opportunity to suggest that the FCA looks to extend this disapplication more widely than FX derivatives, and that it uses the Guiding Principles as a driver to achieve further simplification and burden reduction. Our members would suggest the exclusion of interest rate derivatives, given that the FCA already receives this data under UK EMIR, but also all other derivatives where the underlying is not a financial instrument. Not only would this approach be in line with the Guiding Principles, but it would also lead to significant cost savings for firms that are operating in the UK.

Our members would also like to highlight to the FCA a drafting error. Our members have noticed that the MiFID definition from annex 2 is incorrect and includes forward rate agreements which needs to be taken out.

Question 18. For UK branches of third country firms: how could we address the data gap created for FX derivatives?

UK Finance members would highlight that, in the pursuit of a more simplified and streamlined regime, the FCA may have to accept a change in the scope of the data it collects. Nevertheless, given that our members understand that the FCA is in talks with other jurisdictions in relation to entering data sharing agreements, our members suggest that memoranda of understanding could be put in place that would allow the FCA to access data reports in other jurisdictions that are equivalent. Taking this approach would greatly reduce the burden on firms and lead to significant cost savings for firms, whilst allowing the FCA to receive this data.

Our members would also note that it is unclear what the data gap is that the FCA wishes to address here. The stated intention of the UK MiFIR reporting regime is to assist in the identification of market abuse, while the UK EMIR reporting regime addresses market risk. Our members note that the FCA states in paragraphs 4.93 and 4.94 that 'our market abuse enquiries into FX derivatives rely on a range of information' and that 'removing FX derivatives from the scope of transaction reporting will not affect our ability to detect, investigate and prevent market abuse in this asset class.'

UK Finance members would also reiterate in this context that the imposition of ad hoc reporting requirements would be inefficient and costly and therefore, they would urge the FCA to avoid any sort of reliance on these types of requests. To this end, further clarification on when these requests might be made would be greatly appreciated by our members.

Question 19. Do you agree with our proposed approach for identifying OTC derivatives?

UK Finance members consider that there is significant complexity associated with reporting product reference data across UK MiFIR and would therefore suggest that the FCA look to de-scope more ISINs from UK MiFIR with the eventual goal of removing all ISINs from the reporting regime.

Question 20. Do you agree with the updated definition for ‘acquisition’ and ‘disposal’?

UK Finance members agree, in principle, with the FCA’s updated definitions for 'acquisition’ and ‘disposal’. However, they would request further guidance and/or practical examples to illustrate point 7, in MAR 14.3.1G as it is unclear, for example, what the definition of a “short derivative” is.

Question 21. Do you agree with the proposed guidance to the meaning of ‘execution of a transaction’ in MAR 14.4.2G-14.4.6G?

UK Finance believe that the proposed guidance to the meaning of ‘execution of a transaction’ in MAR 14.4.2G-14.4.6G is problematic and lacks sufficient clarity. We would like to better understand the FCA’s reasoning behind changing the meaning of ‘execution of a transaction’.

Our members want to emphasise that they understand that the FCA does not intend to expand the scope of reporting with this new definition of 'execution of a transaction'.

Our members are of the view that the proposed guidance adds complexity to a standard that has been used by industry for a long time and was deemed to be working well. We believe that this additional complexity will lead to additional costs for firms. Members specifically point to the term "finalisation of transaction" as an example of this lack of clarity, highlighting that this term is not commonly used by industry.
Our members have issues around the scope of this new proposed guidance but would like to and look forward to working with the FCA on the development of its Transaction Reporting User Pack (TRUP).

Question 22. Do you agree with our proposed new rules and guidance for branch execution?

UK Finance members believe there is a lack of clarity with the proposed new rules and guidance for branch execution. Our members ask that the FCA provide further clarity on these proposed new rules and guidance for branch executions. For example, our members ask that example scenarios be included in the TRUP. To this end, our members would like to and look forward to working with the FCA on the development of its TRUP and would like to highlight scenarios of concerns, along with potential solutions to these issues.

Question 23. Do you agree with our proposal to maintain the status quo for reporting TVTICs?

While our members recognise that the FCA has not sought to expand the usage of TVTIC, in line with our suggested approach, our members continue to observe significant complexities and challenges with accurate reporting in respect of the TVTIC. A report can be incorrect if a TV's (trading venue's) logic has changed but a firm's has not, leading to instances of investment firms having to undertake back reporting or ultimately misreporting the TVTIC. UK Finance members continue to believe that the FCA could achieve significant improvements to the UK's transaction reporting regime by simplifying the TVTIC field and providing additional guidance for TVs to simplify reporting of this field for firms, rather than maintaining the status quo.

In this regard, our members encourage the FCA to ensure that TVs send TVTICs to firms as a single consolidated data point that requires no TV logic on the side of reporting firms. Such approach would ensure consistency of this data point in the future. This would significantly help in reducing complexities and challenges with reporting TVTICs.

Question 24. Do you agree with our proposal to limit reporting of the TVTIC to transactions executed on UK trading venues only?

Our members are not opposed to this proposal. However, they strongly suggest that the FCA considers the removal of TVTICs completely from the scope, should it want to make a significant improvement in streamlining the UK's transaction reporting regime.

Question 25. Do you agree with the proposed definition of a transaction reporting firm?

UK Finance members agree with the proposed definition of a transaction reporting firm.

Question 26. Do you agree with our proposal to require branches to be identified with the LEI of its head office or registered office?

UK Finance members agree with the proposal to require branches to be identified with the LEI of its head office or registered office.

Question 27. Do you agree with the proposed changes to RTS Field 5?

UK Finance members agree with the proposed changes to RTS Field 5.

Question 28. Do you agree that investment firms should be allowed to report either a trust LEI or national identifier of the beneficiary when executing a transaction for a trust?

UK Finance members agree that investment firms should be allowed to report either a trust LEI or national identifier of the beneficiary when executing a transaction for a trust.

However, some members would like to raise some potential areas of concern. Some of our members are of the view that this additional flexibility could in reality lead to increased build-in costs. There may also be cases where a trust decides to report just the LEI or national identifier at short notice; if the reporting firm does not have the internal controls in place for this switch then it could again result in significant build-in costs.

Question 29. Do you agree with our proposal to require firms to obtain national identifiers for natural persons before a service is provided for that client which triggers the obligation to submit a transaction report?

UK Finance members agree with the proposal to require firms to obtain national identifiers for natural persons before a service is provided for that client which triggers the obligation to submit a transaction report.

Question 30. Do you agree with this proposal to report the segment MIC in these scenarios?

In line with our previous responses, our members fully support the FCA's proposal for the segment MIC of the TV to be reported in the buyer and seller fields for all trading scenarios where the firm does not know the counterparty at the point of execution.

Question 31. Do you agree with our proposed rules for generating CONCATs in MAR 14.13.6R-14.13.7R?

Our members agree with the proposed rules for generating CONCATs in MAR 14.13.6R-14.13.7R. However, they would ask the FCA to provide more clarification on the use of "last name" vs "surname".

Question 32. Do you agree with the proposal to require natural persons from the Isle of Man, Gibraltar, Channel Islands and other BOTs to be identified in accordance with the requirements of 'all other countries'?

UK Finance members are not opposed with the proposal to require natural persons from the Isle of Man, Gibraltar, Channel Islands and other BOTs to be identified in accordance with the requirements of 'all other countries', but would again suggest using the CONCAT code instead.

Question 33. Do you agree with the proposed rule in MAR 14.13.5R(6) where a person is a national of more than 1 non-EEA country?

Our members agree with the proposals in respect of this question and believe the updated wording in MAR has provided extensive detail which is well received.

Question 34. Do you agree with the proposal to remove RTS 22 Field 25 (transmission of order indicator)?

In line with our previous responses, our members fully support the FCA's proposal to remove the transmission of order indicator field. However, our members would also urge the FCA to remove article 3 from UK MiFID given it would be the only field that differentiates the transmission of order indicator.

Question 35. Do you agree with the proposed guidance for reporting the trading capacity?

UK Finance members agree, in principle, with the proposed guidance for reporting the trading capacity but would urge the FCA to provide more clarity. In particular, members highlight confusion as to why only MTCH is referred to in point (c) and not AOTC. There is also confusion around how to differentiate between the two and therefore, our members would urge the FCA to establish what additional information it gets from distinguishing between the two. Members consider that this data is duplicative and therefore contradicts the Guiding Principles.

Question 36. Do you agree with our proposal to require the price of the underlying instrument to be reported in the price field for equity swaps with a single underlying?

UK Finance members question the benefits of this proposal, highlighting that they already report the spread which causes no issues.

Question 37. Do you agree with our proposal to require the price of the underlying instrument to be reported in the price field for equity swaps with more than one underlying where available, and the spread of the financing rate in other cases?

Our members are not opposed to the proposals set out by the FCA but would caution against inconsistencies that may arise as a consequence. Our members would urge the FCA to ensure that the reporting of the price is consistent with the approach that is taken in UK EMIR in order to reduce the chance of potential inconsistencies.

Our members also ask the FCA to provide more clarity on cases where firms may be hedging and cases where there might be multiple underlyings.

Question 38. Do you agree with our proposal to remove the concept of SwpIn (+) and SwpOut (-) tags?

In line with our previous responses, our members fully support the FCA's proposal for the removal of these tags.

Our members would also ask the FCA to provide "supervisory flexibility" (as described in our response to Question 3) when applying this proposal by leaving the concept of SwpIn (+) and SwpOut (-) tags in the regime, but letting firms choose whether to use them. This would allow for maximum cost saving benefits to be felt across the whole of industry.

Question 39. Do you agree with our proposal to remove RTS 22 Field 32 (Derivative notional increase/decrease)?

UK Finance members agree with the FCA's proposal to remove RTS 22 Field 32 but again would call for the FCA to implement "supervisory flexibility" (as described in our response to Question 3) to allow for maximum cost saving benefits to be felt across the whole of industry.

Our members also urge the FCA to retire this field, as well as all fields which it plans to remove given that firms have dependencies on those fields and realigning would be very costly. Such approach would also align with ESMA's proposals at the European level.

Question 40. Do you agree with the proposed changes to RTS 22 Field 36 (Venue)?

Our members agree with the proposed changes but they share the concern that is highlighted in the Consultation Paper that they may not always know whether a firm that they are dealing with is acting as an SI for a transaction. Our members understand that the transaction report should be made based purely on the information that is presented at the time of execution, and if it is subsequently shown to be an SI, then there is no need to re-submit the report.

Question 41. Do you agree with the proposal to remove RTS 22 fields 50 (Option type), 53 (Option exercise style) and 56 (Delivery type)?

UK Finance members agree with the proposal to remove these fields but again would ask the FCA to incorporate "supervisory flexibility" (as described in our response to Question 3) for firms and their implementation, and also to retire these fields altogether instead of replacing them.

Question 42. Do you agree with the proposal to remove RTS 22 Field 54 (Maturity date)?

UK Finance members agree with the proposal to remove RTS 22 Field 54 (Maturity date).

Question 43. Do you agree with the proposal to remove RTS 22 Field 45 (Notional currency 2)?

UK Finance members agree with the proposal to remove these fields but again would ask the FCA to incorporate supervisory flexibility (as described in our response to Question 3) for firms and their implementation, and also to retire these fields altogether instead of replacing them.

Question 44. Do you agree with our proposal to make 'NOAP' a reportable value in the strike price field?

UK Finance members agree with the proposal to remove these fields but again would ask the FCA to incorporate supervisory flexibility (as described in our response to Question 3) for firms and their implementation, and also to retire these fields altogether instead of replacing them.

Question 45. Do you agree with the proposal to remove RTS 22 fields 61-65?

UK Finance members agree with the proposal to remove these fields but again would ask the FCA to incorporate supervisory flexibility (as described in our response to Question 3) for firms and their implementation, and also to retire these fields altogether instead of replacing them.

Question 46. Do you agree with the proposal to remove RTS 22 fields 37, 58 and 60?

UK Finance members agree with the proposal to remove these fields but again would ask the FCA to incorporate supervisory flexibility (as described in our response to Question 3) for firms and their implementation, and also to retire these fields altogether instead of replacing them.

Question 47. Do you agree with the proposal to remove RTS 22 fields 8 and 17 (Country of the branch for the buyer/seller) and replace them with a new client indicator field?

UK Finance members agree with the proposal to remove these fields but again would ask the FCA to incorporate supervisory flexibility (as described in our response to Question 3) for firms and their implementation, and also to retire these fields altogether instead of replacing them.

Our members would also like to ask for further clarification from the FCA on the definition of a "client" in the context of the proposed client indicator field. For example, our members consider that it is unclear when a broker or affiliate is or is not a client for these purposes.

Question 48. Do you agree with the proposal to add a new reporting value to RTS 22 Field 59 (Execution within firm) to identify where a firm is providing DEA?

In line with our previous responses, our members are supportive of the FCA's proposal to add a new reporting value to RTS 22 Field 59. However, our members emphasise the need for further examples to be provided by the FCA given that these are new fields. We would like to see the FCA provide as many examples as possible via its Q&As or in its transaction reporting user pack.

Our members also highlight that there is confusion in the market around DEA and DMA, which are often used interchangeably. as concepts.

Question 49. Do you agree with the proposed definition of a package transaction?

UK Finance members note that there is some confusion around the proposal to replace the concept of a "complex trade" with the concept of a "package transaction". Our members note that the definition of a complex trade had specific references to single price, but this is not the case for the proposed definition for package transactions.

Therefore, our members would urge the FCA to provide clearer definitions for a “complex trade” and a “package transaction”. Coupled with this, our members would find it valuable to see further examples of package transactions and how agreements should be reported as the current guidelines are not realistic business scenarios. Our members would again like to see as many examples of package transactions as possible via the FCA’s Q&As or posted in its upcoming transaction reporting user pack and would like to see specific clarification in the TRUP on the following:

- Whether the new definition for ‘package transaction’ under UK RTS 22 specifically relates to component transactions being executed with the same client, for one single price?

- Whether the new definition for ‘package transaction’ under UK RTS 22 does not specifically require for the component transactions being executed simultaneously?

- EMIR has dedicated separate price and price currency fields to address the use case where the price for the package transaction is expressed as a spread (i.e. the difference between two reference prices). The UK RTS 22 proposal for package transactions does not offer delineate a package spread fields. Hence, can the FCA clarify whether under the revised RTS 22 the spread be populated in field ‘Package transaction price’ and field ‘Package transaction price currency’ be left blank where this spread is not monetary?

- What treatment should follow if the package price is not known at the point in time of conclusion of the package transaction? EMIR allows for the reporting of a default value until the price can be updated later when it becomes known.

Our members are keen to work with the FCA to in the development of examples for package transactions in its soon to be published TRUP.

Question 50. Do you agree with the proposal to capture the single leg prices of a package transaction? Are there any changes we should make to the proposed fields?

UK Finance members are not opposed to the proposal but again note concern around replacing the current concept of a “complex trade” with that of a “package transaction”. Our members are supportive of harmonisation with UK EMIR in this regard, but note that there are transactions that are executed as single components with a single price, which could be difficult for firms to report with these proposals. If the FCA is expecting reports to contain a different price on each component of a package report, our members think this might prove impossible for firms to report.

Our members, also want to highlight cases where a complex price does not exist but leg level prices for package components do, notably when a venue is also an APA (Approved Publication Arrangement). Separately, there may be scenarios where the legs of a package may be variably executed on- and off-venue. Leaving firms to ‘manufacture’ a package price under these circumstances is not desirable as this introduces possible divergence in venue / counterparty versus member transaction reports for the same transaction.

Question 51. Do you agree with the proposal to maintain existing requirements for the aggregate client linking code?

UK Finance are supportive of the proposal to maintain the existing requirements for use of the "INTC" in MiFID transaction reporting. Preserving the existing requirements avoids the significant costs and operational risks associated with re-engineering reporting systems. Additionally, the use of the "INTC" reporting convention is well-understood and this reporting convention effectively supports the FCA's surveillance objectives as it ensures there is a clear audit trail between the market side execution and the resulting client allocations. We welcome the FCA's intention to provide further guidance on the use of the "INTC" reporting convention. While the core principles relating to the use of "INTC" is well-established, we believe the industry would nonetheless benefit significantly from greater clarity on the use of the "INTC" in MiFID transaction reporting.

Question 52. Do you have any other feedback on the proposed changes in MAR 14?

UK Finance members do not have any concerns about the proposed changes in MAR 14 but would welcome greater clarity from the FCA around DTIs (Digital token identifier).

Question 53. Do you agree with our proposal to remove the requirement for trading venues to report the IDM (investment decision maker) / EDM (execution decision maker) in the transaction reports they submit?

UK Finance members do not have any major concerns with the FCA's proposal, but would like to take this opportunity to reiterate their call for a switch to a true single-sided reporting regime as seen in UK EMIR. Our members note that this would remove the need for this field to be reported at all, leading to major cost savings across industry. Our members also question whether the data collected is of sufficient value to the FCA, and therefore, whether it fits with the Guiding Principles.

Question 54. Do you agree with the updated text in MAR 14.8 to clarify that negotiated transactions are in scope?

Our members are of the view that this proposal is only relevant to TVs.

Question 55. Do you foresee any difficulties with our suggested approach of reporting transactions where a natural person is the executing entity?

Our members are broadly of the view that this approach should be non-problematic. However, our members wish to highlight that this approach could become a problem if there were an expectation of transparency on TVs given that there would be a blanket approach. Our members would have concerns around scenarios where firms would have to provide reports on individual clients, which could lead to scope creep.

Question 56. Do you agree with our proposal to treat FCA FIRDS as a 'golden source' for determining the reportability of financial instruments?

UK Finance members are, in principle, not opposed to the proposal to treat FCA FIRDS as a 'golden source' for determining the reportability of financial instruments. However, our members would like to highlight certain concerns regarding this proposal.

Firstly, our members would like to highlight what they perceive to be a contradiction in branch reporting rules under MAR 14.13.31 (Question 21), particularly regarding transactions that are executed on venues outside the UK for non-UK listed instruments, which they consider will cause significant issues in identifying clients of a parent company or other branches.

Secondly, our members would ask the FCA to be more specific in its expectations around the timing of a response (i.e. *"firms to determine whether it is reportable using FCA FIRDS up to and including T+7 days following execution"*), noting that there are many cases where firms do not receive the relevant data in time due to delayed TV publications. We are concerned that this would lead to an increase in rejections and would therefore be extremely costly for our member firms, diluting the FCA's otherwise bold reforms. Our members firmly believe that there should not be an expectation for firms to re-submit transaction reports in these scenarios and therefore, the onus should be on the TVs.

Question 57. Do you agree with our proposal not to take action against firms where they would reasonably assume an instrument is in-scope despite not being available on FCA FIRDS?

Our members agree with this proposal, but would urge the FCA to enhance the clarity of its language in order to provide firms with greater certainty and clarity. Our members would like to reiterate their view that it would be helpful if the FCA could please confirm that, if a firm does not receive the necessary data from TVs within the T+7 time limit, then such firm should not be subject to any action against them. Action should instead be taken against the TVs. Our members believe this to be the case based on MAR 14.5.3(G) which sets out that: *"A transaction reporting firm should use the financial instrument reference data published by the FCA to determine whether an instrument is a reportable financial instrument. Where an instrument or any underlying instrument is not present in the financial instrument reference data within 7 days of the execution of a transaction, a transaction reporting firm may conclude that the instrument is not a reportable financial instrument"*.

UK Finance members would also like it confirmed that if a transaction is traded on a trading venue that firms can correctly assume it is TOTV, and therefore should have the option to continue to report in this way.

Lastly, our members are of the view that FIRDS should be a 'golden source' at the point of execution.

Question 58. Do you agree with the proposal to limit the obligation to report instrument reference data to the first time there is a reportable event and for any subsequent changes only?

Our members are of the view that this proposal is only relevant to TVs.

Question 59. Do you agree with our proposal to amend the time standard used for the daily reference data file trading cut-off time from 18.00 CET to 17.00 UTC?

UK Finance members understand that the Consultation Paper states that transactions that are traded on UK TVs will be reported regardless, and are of the view that this proposal is more relevant to TVs. However, while our members are not against the switch from CET to UTC, they would suggest implementing a later cut-off time such as 20.00 UTC instead of 17.00 UTC which would reduce the risk of issues with processing times and market closures.

Question 60. Do you agree with the proposal to expand the concept of admission to MTFs which undertake primary market activities, such as initial public offerings, secondary public offerings, placings, or debt issuance?

UK Finance members do not have strong views regarding this proposal, but would like to understand in more detail what the FCA is trying to achieve in respect of potential "savings" or simplification in this context.

Question 61. Do you agree with the proposal to remove derivative instruments from the scope of concept of admission to trading where a trading venue is the issuer?

Our members would like to highlight potential confusion about the FCA's wording for this proposal. As above, they would like to understand in more detail what the FCA is trying to achieve with regard to "savings" or simplification in this context, noting that it is unclear where the reporting burden lies under RTS23 and whether certain fields under RTS23 become standardised (i.e. Fields 8, 9 and 10).

Our members believe that the wording around the 'concept of admission to trading' is not as clear as it needs to be and therefore would ask the FCA to clarify it and provide additional guidance.

Question 62. Do you agree with the proposed change to enable overreporting of transactions executed before the financial instrument is admitted to trading?

UK Finance members would like to understand further the intention of this proposal. They would ask that the FCA provides additional clarity on the scenario that it is contemplating here.

Our members are of the view that these proposals mean that the TOTV eligibility check would be removed, but are unsure whether this would lead to simplified eligibility or to an increase in volumes or a combination of the two. Our members are unsure of how this would change the content of a transaction report where an ISIN does not exist and in the case that the TOTV check is removed.

UK Finance members believe that additional clarity on how FCA FIRDS would act as a golden source would help determine the value of this proposal.

Question 63. Do you agree with our proposal to maintain the current obligation to report instrument reference data when a request for admission is made?

Our members are of the view that this proposal is only relevant to TVs.

Question 64. Do you agree with our proposal to clarify when we expect trading venues to populate RTS 23 fields (Date of approval of the admission to trading) and 10 (Date of request for admission to trading)?

Our members are of the view that this proposal is only relevant to TVs.

Question 65. Do you agree with our above proposal to clarify what is meant by 'Date of request for admission to trading'?

We understand that this proposal supports record keeping and clarity and does not change the eligibility of how instruments are reported. Our members are also of the view that this proposal is only relevant to TVs.

Question 66. Do you agree with our proposal to remove the obligations for SIs to submit reference data?

UK Finance members are supportive of this proposal.

As a general observation, UK Finance members commend the steps that have been taken by the FCA in respect of the removal of the SI regime for bonds and derivatives, structured finance products and emissions allowances, and reiterate their support for such approach, which has brought simplification and a reduction in the use of FIRDs.

Question 67. Do you agree with the proposal to remove the above fields from RTS 23?

In line with our previous responses, UK Finance members fully support the FCA's proposal to remove the following fields from RTS 23:

- Commodities or emission allowance derivative indicator (Field 4).
- Financial instrument short name (Field 7).
- Nominal value per unit/minimum traded value (Field 17).
- Seniority of the bond (Field 23).
- Option type (Field 30).
- Option exercise style (Field 33).
- Delivery type (Field 34).
- Fixed rate of leg 1 (Field 43).
- Fixed rate of leg 2 (Field 44).
- Notional currency 2 (Field 47).
- FX Type (Field 48).

However, our members note that the removal of these fields would mainly impact TVs and therefore would suggest that the FCA looks beyond RTS23.

Lastly, UK Finance members also want to make clear their view that the introduction of CFI codes does not fit with the FCA's stated goal of streamlining the UK's transaction reporting regime. They would like to highlight that this code would be complicated to implement and require legislative changes to the scope of reportable instruments under UK MiFIR. It is also a code from which many other jurisdictions/regulations are moving away.

Question 68. Do you agree with the proposal to add 'Retired' as a valid status for LEIs used in Field 5, alongside 'Issued', 'Lapsed', 'Pending transfer' and 'Pending archival'?

Our members are of the view that this proposal is only relevant to TVs.

Question 69. Do you have any other feedback on the proposed changes in MAR 15?

Our members are of the view that this proposal is only relevant to TVs.

Question 70. Do you agree with our proposal to remove the requirement for trading venues to identify natural person investment and execution decision makers for orders submitted by firms that are not transaction reporting firms?

UK Finance notes the FCA's proposal to add the RTS 24 requirements (the technical standards for TVs to maintain records of relevant data for orders in financial instruments) to MAR 13. However, we question how the FCA proposes to use MAR 13 more generally. For example, the FCA has stated that having **investment decision maker (IDM) and execution decision maker (EDM)** is essential on order data and transaction reports to prevent insider trading. However, our members are unsure of the validity of such stance and would therefore like to encourage the FCA to undertake further analysis on this, including a cost benefit analysis.
In any event, our members suggest the removal of IDM as it is a low quality and duplicative field, and the simplification of the EDM field. Our members believe that such approach would lead to significant cost savings for firms and would greatly help to achieve the FCA's goal of streamlining the UK's transaction reporting regime in line with the Guiding Principles.

In addition, our members have concerns around the potential knock-on impact of this proposal for non-MiFID firms. Our members also note that this will not help third country entities that have to report a transaction. Therefore, they question the value of this proposition, especially given the fact that this data is already collected, and such duplication would be in contradiction to the Guiding Principles.

Question 71. Do you agree with our proposal to amend the definitions for the acronyms of SESR and VFCR?

Our members are of the view that this proposal is only relevant to TVs.

Question 72. Do you have any other feedback on the proposed changes in MAR 13?

Our members do not have any other feedback on the proposed changes in MAR 13.

About UK Finance

UK Finance is the collective voice for the banking and finance industry. Representing more than 300 firms across the industry, it seeks to enhance competitiveness, support customers and facilitate innovation. Our primary role is to help our members ensure that the UK retains its position as a global leader in financial services. To do this, we facilitate industry-wide collaboration, provide data and evidence-backed representation with policy makers and regulators, and promote the actions necessary to protect the financial system. UK Finance's operational activity enhances members' own services in situations where collective industry action adds value. Our members include both large and small firms, national and regional, domestic and international, corporate and mutual, retail and wholesale, physical and virtual, banks and non-banks. More information is available on our website.

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