



Date: 9 September 2025

EPTA response to the FCA Consultation Paper on the SI regime for bonds and derivatives including Discussion Paper on equity markets (CP 25/20)

Introduction	<p>The European Principal Traders Association (EPTA) represents Europe’s leading Principal Trading Firms. Our members are independent market makers and providers of liquidity and risk-transfer for markets and end-investors across Europe. EPTA works constructively with policy-makers, regulators and other market stakeholders to ensure efficient, resilient and trusted financial markets in Europe.</p> <p>Please note that this submission represents the views of EPTA members and does not necessarily represent the views of FIA as a whole.</p>
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FCA Questions:

Question:	EPTA Response:
CP – SI regime for bonds and derivatives	
1. Do you agree with our proposal to remove the SI regime for bonds, derivatives, structured finance products and emission allowances?	<p>After further thought and discussion, whilst EPTA members understand why the FCA has proposed removing the SI regime for bonds, derivatives, structured finance products and emission allowances, we have a preference for retaining the construct for future use, particularly for bonds, provided that there is flexibility for firms to opt in and out of the regime.</p> <p>EPTA members are very supportive of the SI regime generally as the appropriate regulatory framework for provision of bilateral risk liquidity across all asset classes. EPTA members support a market structure where the trading of financial instruments takes place, to the greatest extent, in an organised trading environment. We consider it essential to optimise transparency to facilitate efficient price formation and</p>

	<p>enable best execution in a competitive execution market. All of this benefits end-investors by enabling trading interest to effectively interact, reducing search and trading costs.</p> <p>Our members see SIs as a positive construct which brings transparency, along with more formalized and democratic access, to bilateral risk facilitation. If the SI regime was removed for bonds and derivatives, firms would no longer be classified as SIs and all OTC trading will be marked with the 'XOFF' identifier. Our members see the removal of the distinction for bilateral risk-taking liquidity provision as a reduction and regression in the provision of transparency. The SINT flag is very informative from a post-trade transparency perspective in understanding where and how a trade was executed and to distinguish SI risk facilitation from other forms of bilateral execution. In addition, provision of this distinction will be valuable within the bond consolidated tape.</p> <p>Buy-side firms such as asset managers have grown accustomed to the inclusion of SIs as recognized execution venues and this provides a level of trust and regulatory comfort. In assessing the effectiveness of the regulatory framework concerning bilateral trading, it should be borne in mind that the SI regime was introduced to address a fundamentally different kind of liquidity provision to that which takes place on multilateral trading venues. In particular, the SI regime was introduced to formalize an existing construct and enhance transparency in relation to genuine bilateral risk facilitation. Accordingly, market structure regulation should continue to recognize this distinction.</p> <p>Dismantling the regime now would have cost implications related to changing fields in trade and transaction reporting systems, amongst other things, which are not outweighed by the benefits of removing it.</p>
2. Do you agree with our proposal to remove the prohibition on an SI operating an OTF?	EPTA members agree with this proposal provided the FCA takes measures to ensure there is consistent flagging of activity to clearly differentiate trades executed on an OTF from OTC trades, including equity SI activity undertaken by the same legal entity.
3. Do you agree with our proposed amendment to MAR 5.3.1AR(4) to remove the ban on matched principal trading by MTF operators?	EPTA members agree with this proposal.

<p>4. Do you agree with our proposal to allow trading venues operating under the reference price waiver to source the mid-price from a wider set of trading venues?</p>	<p>Our members agree with the proposal to source the mid-price from a wider range of trading venues, provided the relevant market operator can demonstrate its proposed reference price is transparent and offers robust execution quality.</p> <p>The accuracy and validity of this reference price could be assessed by reference to a relevant external benchmark, such as a consolidated tape (CT), if it includes comprehensive pre-trade data.</p>
<p>5. Do you agree with our proposal to reformulate the reference price waiver so that it is applicable to an order, rather than a system so that it would be possible to place mid-price, dark orders on lit order book?</p>	<p>The rationale behind this proposal is not clear to EPTA members. For example, it's not evident what kind of new order types it might support that would be materially different in function and objective to those already offered under the Order Management Facility Waiver or with dark-lit sweep functionality.</p> <p>Whilst we acknowledge it's possible this modification may encourage innovation in order types offering mid-point execution in a manner that could support continuous order book liquidity, it may also compromise the quality of CLOB liquidity by undermining transparency. We see a risk of CLOBs becoming more complicated than necessary. Allowing this functionality may also make it more difficult to assess execution quality on a given trade as there will be no separate MIC to trace where it was executed.</p> <p>In the event the FCA does adopt this proposal, it is essential that appropriate post-trade flags are applied indicating a trade resulted from a RPW order on a lit book.</p>
<p>Discussion paper: UK equity market structure and the transparency regime</p>	
<p>6. Do you believe that the declining share of trading via central limit order books (CLOBs) and corresponding increase in other execution services is impacting, or could impact in future, the effectiveness of price formation in UK equity</p>	<p>EPTA members recognize that the evolution of UK equity market structure has largely been in response to increasing levels of investor (particularly institutional buy-side) sophistication, access to data and demand for variety and choice in the way they access liquidity and the kind of liquidity they wish to access (benign passive liquidity, risk liquidity etc).</p> <p>In discussing the impact of this evolution and how to address the challenges (intended or unintended) that may have arisen, it is important that nuance is recognized. For example, not all activity taking place away from a Central Lit Order Book is "dark" nor should we undervalue the contribution of post-trade transparency to sound price formation and price discovery.</p>

<p>markets? If so, what are the key drivers of concern?</p>	<p>CLOBs remain fundamentally important as a reference price (but not necessarily the only reference price) and the anchor on which much equity market structure still relies. The integrity and representative nature of this reference price should be supported rather than undermined by regulation. However, prescriptive regulation that seeks to curtail dark trading or mandate where trading takes place will not effectively support healthy lit markets.</p> <p>EPTA members strongly support the application of pre-trade transparency as a key mechanism to ensure efficient price formation across execution venues. As such, pre-trade transparency is essential for ensuring effective liquidity aggregation that enables best execution for end-investors. For a balanced outcome, it is important that any exemptions from the pre-trade transparency regime are calibrated in a careful manner and that the ensuing waivers are used fairly and appropriately to their purpose. The MiFID II waiver regime is intended to protect market participants from undue adverse market movements following the execution of orders.</p> <p>However, in the interests of supporting ongoing choice and innovation, we recommend policy initiatives to support lit markets, and the growth of capital markets more broadly focus on exploring means of ensuring addressable liquidity is reported, accessible and readily identifiable.</p> <p>One means of achieving this is by expanding the universe of reportable trades to include internalised hedging activity connected to derivatives providing synthetic exposure to equities as described in our “Mind the Transparency Gap” paper, discussed below.</p> <p>Supporting the development of a comprehensive pre-trade consolidated tape with venue attribution will also contribute to attaining this goal as it will provide a means of advertising liquidity in an inclusive and independently verifiable manner.</p> <p>If investors are able to genuinely see where best price is, this will be a more thorough means of assessing best execution. A comprehensive pre-trade CT may also reverse the trend of activity concentrating in the primary market closing auction. Many market participants favour the closing auction to evidence best execution as they don’t have a complete view of the market enabling them to otherwise support their trading decisions. Availability of a reliable comprehensive reference to market activity will address this shortcoming. Implicit and explicit costs of trading may also be a factor driving choice of execution venue.</p>
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<p>7. Are there measures that should be taken to support the role of CLOBs?</p>	<p>EPTA members support a market structure where the trading of financial instruments takes place, to the greatest extent, in an organised trading environment which is subject to calibrated transparency requirements. EPTA members consider it essential to optimise transparency to facilitate efficient price formation and enable best execution in a competitive execution market. All of this benefits end-investors by enabling trading interest to effectively interact, reducing search and trading costs. However, we do not believe in adopting prescriptive rules to incentivize trading through a particular market structure or which privilege certain market infrastructures over others.</p>
<p>8. Do you believe that there are activities in the current liquidity landscape, such as those carried out by bilateral quote aggregators, that should be considered more closely? If yes, what are the risks that they pose?</p>	<p>EPTA members are not aware of any issues in this context that haven't already been dealt with under the FCA's current trading venue perimeter guidance. Generally, our members consider the existing rule set adequate to address issues and risks relevant to these activities.</p>
<p>9. Is the current regulatory framework a material factor in decisions to execute trades bilaterally, particularly when done outside the systematic internaliser regime? If so, which features of the framework are included in those factors?</p>	<p>EPTA members are very supportive of the systematic internaliser regime for all asset classes, particularly equities. Our members see SIs as a positive construct which brings transparency, along with more formalized and democratic access, to bilateral risk facilitation.</p> <p>This being the case, it is important that regulation doesn't make being an SI overly burdensome or relatively unattractive compared to other means of bilateral liquidity provision by imposing an expensive public quoting obligation on SIs that doesn't meaningfully contribute to transparency and makes genuine bilateral risk facilitation more difficult, for example by removing the liquidity provider's discretion over pricing at non-standard market sizes.</p> <p>To further support the SI regime, purely technical trades and riskless principal trades should be clearly flagged as such and not as SI trades (SINT) so that SIs are only printing trades that reflect true bilateral liquidity provision, contributing to price formation. We acknowledge and appreciate the positive steps the FCA has taken to improve post-trade flags and we emphasise the importance of ensuring these are applied consistently in practice. Data standardization is crucial for the success of the CT and the adoption of new technologies.</p>

	<p>In assessing the effectiveness of the regulatory framework concerning bilateral trading, it should be borne in mind that the SI regime was introduced to address a fundamentally different kind of liquidity provision to that which takes place on multilateral trading venues. In particular, the SI regime was introduced to formalise an existing construct and enhance transparency in relation to genuine bilateral risk facilitation. Accordingly, market structure regulation should continue to recognize this distinction. In this sense, bilateral and multilateral execution venues shouldn't be seen as per se in direct competition with each other. Instead, their different purposes and functions should continue to be recognized with measures taken to ensure multilateral venues genuinely support competitive price formation and fair access, whilst bilateral execution venues undertake genuine risk facilitation.</p>
Improving the identification of addressable liquidity	
10. Are there forms of off-book bilateral trading outside the SI regime that are relevant to price formation? Are additional trade flags needed to better differentiate trading scenarios?	<p>EPTA members believe that the FCA should mandate application of a flag similar or equivalent to FIX tag 2405 specifying how the transaction was executed (e.g. via an automated platform or otherwise) potentially used in conjunction with the MMT "off-book automated indicator". This would support consistent means of identifying automated SI activity that can be interacted with and would also support greater convergence in what's considered to be "addressable" liquidity.</p>
11. Are you aware of cases where the same trade scenario has been reported with different flags by different firms?	<p>EPTA members are aware that bilateral risk facilitation trades can currently be reported as either OTC, SI or MTF RFQ-to-one trades. We recommend development of guidance to facilitate consistent application of more granular post-trade flags to separately identify each of these scenarios.</p>
Reporting of addressable liquidity	
12. Should this type of scenario be treated as a form of RFMD for trade reporting purposes?	<p>EPTA thank the FCA for its consideration of and inviting broader industry comment on the policy proposal outlined in our Mind the Transparency Gap paper through its inclusion in the Discussion Paper on Equity Markets.</p> <p>UK and EU equity markets are perceived to be suffering a longstanding liquidity crisis. This is in part due to the way that traded equity volumes are reported. As noted in this discussion paper, there has been a notable reduction in the proportion of trades executed on CLOBs, which has impacted perceptions of equity market activity, and which has been blamed for declining capital allocation towards UK and EU markets and the migration of listings to other regions. In this context, we believe there is a convincing policy rationale for reporting this segment of addressable equity activity.</p>

	<p>That this activity is currently unreported is, in our view, an unintended consequence of the current logic of the MiFID II post-trade transparency reporting regime when certain trading styles interact. When an investor chooses to obtain economic exposure to shares via an equity derivative, the firm writing the derivative for the investor will ensure its hedge position matches the investor's exposure in order to effectively manage risk. The price established via the hedging trades will be used (amongst other factors) to price the derivative for the investor. Whether an investor chooses to get economic exposure to shares via this approach or through direct investment in shares, from the market's perspective, the effect on price formation is effectively the same and should therefore have equivalent post-trade transparency. The firm writing the derivative may choose to hedge their exposure by trading on a trading venue, trading on a third party SI or by sourcing the hedge internally. This latter category is currently unreported but would nevertheless contribute to a more accurate reflection of genuine economic interest in UK shares and provide information relevant to price formation, if it were to be reported.</p> <p>In many respects, this scenario is similar to the way the FCA has described RFMD, except what would have been the reported "market leg" if the hedging activity were conducted on an external execution venue (such as a Regulated Market, MTF or third-party SI) is not currently reported today. In addition, this scenario covers cases broader than just RFMD, including a range of equity derivatives (such as swaps and CFDs) which provide an investor with delta-1 exposure to an underlying UK TOTV share. Nevertheless, application of the RFMD flag would be useful identifier of these trading scenarios or alternatively a broader "trade hedging client risk" flag.</p> <p>Reporting the equity derivative may not give an accurate reflection of the price forming activity in the underlying share because the reported price of the derivative in some cases also incorporates other relevant factors such as the cost of financing etc. Furthermore, OTC equity derivatives are not currently subject to post-trade transparency unless they meet certain liquidity criteria, which these equity derivatives instruments are unlikely to. There is also a much broader window in which the derivative may be reported (if it were to be reportable), which would further erode the value of the information relevant to price formation.</p>
13. What percentage of all transfers of economic interest in shares do you	By definition, as this activity is currently not subject to any public reporting obligation, it is not capable of measurement in aggregate by market participants. However, by our estimation, making this change may result in reported equity volumes increasing by at least 10-15% and possibly more.

<p>estimate occur through the scenarios described? Do you believe these scenarios result in a material understatement of addressable liquidity?</p>	<p>We note this quote from the LSE’s April 2024 publication “A UK Consolidated Tape for Equities - The View from the London Stock Exchange”:</p> <p style="padding-left: 40px;">“Anecdotally, we believe that there could be an additional 20–50% turnover in single stocks through synthetic CFD trading and that around half of that is netted against another CFD.” (p7).</p> <p>The FCA is likely to have greater insight into the volume of this activity through reference to EMIR and Transaction Reporting data and via their supervisory relationships with firms.</p>
<p>14. If reporting rules were updated to reflect these transfers, how should this be implemented to best capture addressable liquidity?</p>	<p>We recommend that this activity be reported as a technical trade under RTS 1, similar to RFMD, but flagged as a “price formation event” to indicate how the information may be used and to distinguish from other technical trades.</p> <p>We acknowledge that this proposal introduces a scenario into the trade reporting framework that is not currently conceived of in the rule set, because it is premised on publishing a transfer of economic interest rather than a transfer of legal or beneficial interest. Nevertheless, as it is price forming activity expressing genuine supply and demand at specific price and volume points for UK shares, the market would benefit from its publication. Flagging can be applied to acknowledge this conceptual distinction from other price forming activity and technical trades.</p> <p>Ideally, this activity would be reported at the point in time at which the “internal hedge” occurs, to reflect it is substitutional for obtaining a hedge externally. Accordingly, it should be reported at child level price but with the technical designation indicating that the off-setting position was sourced internally rather than via an external execution venue and thus there was no transfer of legal or beneficial ownership. Similar to RFMD, the counterparty to whom a derivative may be written at the end of day, may not have an intention to trade at the point at which the price formation event occurred, but the inquiry or off-set undertaken by the firm engaging in risk management will ultimately inform the price of the end-of-day derivative, if written. Wherever a counterparty is communicating with another counterparty as to the current market price of a UK TOTV share for the purposes of or in anticipation of concluding a derivative (typically at end of day) then that should be transparent to the market.</p>

	<p>Alternatively, a report could be made at the end of the day, if and when a derivative is written to the counterparty, showing the trail of activity throughout the day informing the price of the derivative. This would be less informative to the market as it would not be real time publication of the price-forming activity, but it would still significantly improve the accuracy of reported volumes and provide the market with significantly more information relevant to price formation in UK TOTV shares than is currently the case.</p>
<p>15. Are there any other issues related to the quality of post-trade reporting for equities that you would like to bring to our attention?</p>	<p>EPTA members note that the FCA has previously acknowledged that it is necessary to amend RTS 1, article 13 to recognise when the BATS Europe Exchange Trade Report process is being used to send trades for central clearing purposes by expanding its application to “on-venue” trades as well as OTC trades. However, insofar as we are aware, no steps have been taken to reflect this in regulation. We would welcome this step being taken to formalize recognition.</p> <p>In addition, EU APAs should be recognized as valid for UK trade reporting purposes to alleviate double reporting of the same transaction chain in both the UK and the EU.</p>
<p>16. Do you consider that there are any aspects of the market transparency regime, beyond post-trade, which should change to recognise the growth, outside the systematic internaliser regime, of bilateral trading?</p>	<p>No comment</p>
<p>Equity SI regime</p>	
<p>17. Which classes of instrument should be included in the equity SI regime? Are the current methods for determining liquidity still appropriate? If not, how should liquid instruments be identified?</p>	<p>EPTA members believe that the SI regime is the right vehicle for provision of principal liquidity across all financial instruments. However, the regulation applicable to SIs should not be unduly burdensome so as to discourage liquidity provision via this medium. Accordingly, applicable regulation should be tailored so it is proportionate and relevant for a given instrument’s profile. On this basis, our members support retaining the SI regime for the set of “equity” instruments currently in scope, however suggest there be flexibility in investment firms’ discretion to opt in and out of the regime if it is no longer suitable for their business. In addition, liquidity assessments should be appropriately calibrated to balance transparency with risk exposure.</p>

18. Should the use of the SINT flag be limited to trades executed against a published quote or below SMS?	<p>No, we are firmly of the view that use of the SINT flag should not be limited to trades executed against a published quote or below SMS.</p> <p>The SINT flag is very informative from a post-trade transparency perspective in understanding where and how a trade was executed and to distinguish SI risk facilitation from other forms of bilateral execution. SI executions are still price forming even if not executed against a published quote, and there is still value in knowing a trade is “SINT” if above the public quoting threshold, noting a significant proportion of genuine bilateral risk facilitation by SIs that contributes to price formation occurs in sizes above the public quoting obligation.</p> <p>However, to make use of this flag more meaningful and informative, we recommend that the FCA provide guidance that an SI can only flag a trade as SINT if it is has been done on risk against a counterparty. This would more closely align flagging with the scope and purpose of the SI regime.</p>
19. Do you believe the way market data is presented by vendors affects perceptions of liquidity? Are you aware of any issues – beyond those already raised – that we should consider?	<p>If there is clarity in relation to use cases and greater granularity through consistent application of certain flags (such as NPFT and TNCP) , then we do not consider it necessary to impose additional requirements on vendors. The steps the FCA have taken to clarify and adjust post-trade transparency flags introduced under PS 23/4 have already significantly improved the quality of UK reported data.</p> <p>Whilst we acknowledge there are currently different interpretations adopted in respect of what activity comprises certain categories, such as Off-Book On-Exchange trades, ensuring clear guidance of what should be included in this category and addition of some suggested additional flags (such as a flag indicating whether a trade was automated or manual, as mentioned above), then this should drive common standards and approaches and ultimately improve data quality. Consumers of data vendor products can then choose to use the data vendors that apply flags in most consistent and meaningful way, supporting consumer choice and competition to drive innovation.</p> <p>Ultimately, we expect that the equities Consolidated Tape will provide a “golden source” view, which will further drive consistency and granularity in data flagging. In this respect, we welcome the work being done by the FIX Trading community to standardize and improve data quality.</p>

<p>20. Are you concerned that current trade reports do not show whether an SI has taken on market risk? If so, what changes should the FCA consider?</p>	<p>As discussed above, EPTA are very supportive of the SI regime as an appropriate construct for bilateral risk facilitation and of the FCA's supervisory approach reflected in ESMA Q&A 5.27. We believe that flagging of SI trades should reflect this purpose and approach.</p> <p>Accordingly, we recommend "SINT" be used when an SI executes a trade on risk against a counterparty. Other trades would then be reported as OTC. Alternatively, if additional granularity were desired, one possibility could be to make optional flags available indicating that the trade resulted in response to a quoted price and whether the trade was automated/systematic, such as the MMT automated trade indicator.</p> <p>To encourage consistent post-trade flagging practices by market participants, we would welcome additional clarity by way of guidance on what the FCA considers to be indicia of taking on market risk.</p>
<p>21. What metrics or indicators do you think are most informative to assess the quality and usefulness of SI quotes in contributing to price formation or liquidity assessment?</p>	<p>As indicated by the experience with RTS 27 and 28, mandating additional reporting/metrics may be burdensome for market participants without providing a corresponding level of useful insight. As the FCA noted in PS21/20 when announcing the decision to rescind RTS 27 and 28, these reports did not deliver on objectives as they were little used by investors or firms with best execution obligations and were costly to produce.</p> <p>Instead, EPTA members believe the FCA should focus on ensuring post-trade reporting and flagging is granular and consistent to support market participants in making their own assessment as to execution quality. The FCA's changes to post-trade reporting flags have materially contributed to the quality of post-trade information by improving identification of technical trades and adding the CLSE flag. Mandating application of flags distinguishing between systematic and manual trading activity and expanding use of the SINT flag as described above would further improve the quality of post-trade reporting data.</p>
<p>22. Should the conditions for offering price improvement remain in place? If so, should there be more clarity on what</p>	<p>EPTA members are of the view that the current conditions for offering price improvement are well understood and do not require additional clarity.</p>

<p>counts as a justified reason – either in our rules or in firms’ policies?</p>	
<p>23. Are there any other issues not clarified here that, under existing provisions, preclude an SI from publishing tighter quotes within the spread on the MRMTL?</p>	<p>EPTA members welcome the assurances of the FCA that SIs are not precluded from publishing quotes tighter than the spread on the MRMTL.</p> <p>We acknowledge there is a balance to be struck in defining a price reference for SIs between encouraging them to be competitive in their public quotes and ensuring public quotes are aligned with a reasonable and transparent external price that results in good execution outcomes for investors.</p> <p>Similar to our comments above regarding an appropriate reference for application of the Reference Price Waiver, SIs should be able to draw from a wider range of trading venues than just the primary listing market, provided it can demonstrate it is transparent and offers robust execution quality.</p> <p>Limiting public quotes to the spread on the MRMTL or a close approximation thereof means prices are effectively being set (pegged) by the regulator, to a market that may not be wholly representative of all relevant price forming activity in relation to a given instrument. Consequently, it is, by definition, less meaningful than a competitive price determined by an SI, having reference to a broader range of inputs than a single market. In addition, reliance on the MRMTL contributes to market disruption and weakens overall market resilience in the event of an outage.</p> <p>We acknowledge there needs to be some parameters around public quotes to ensure an SI does not use a wholly inappropriate benchmark or reference, to the detriment of investors. Accordingly, it may be that the Consolidated Tape provides an appropriate benchmark or reference, particularly if it includes suitable depth of pre-trade data.</p>
<p>24. Does the current method for calculating the minimum quote size – and the size up to which price improvement must be justified – strike the right balance between protecting liquidity and supporting meaningful price</p>	<p>The current method for calculating the minimum quote size effectively protects liquidity but does little to support meaningful price formation. However, EPTA members do not think the method recently adopted by the EU of merely increasing the minimum size improves outcomes. Instead, it just makes it more difficult for an SI to provide genuine risk facilitation.</p> <p>Overall, EPTA members have a preference for not changing the public quoting regime on the basis that increasing the minimum size for public quotes would likely result in SIs providing less competitive quotes to protect liquidity. When balanced against the cost of change if adjustments were made to the</p>

formation? If not, would the approaches set out above deliver a better outcome?	minimum quote size, we do not consider change worthwhile or justified by any incremental contribution to price formation.
25. If we were to change the rules on price improvement and quote sizes, what would be the best way to do this to improve the contribution of SI quotes to price formation?	As mentioned above, EPTA members would prefer to maintain the status quo regarding price improvement and quote sizes and instead focus on ensuring the quality and accuracy of post-trade transparency.
26. Would including SI quotes in a consolidated tape improve their contribution to price formation? If so, should all quotes be included, or only those above a certain size or quality threshold? If using a threshold, what should that be?	If the SI quoting regime is not changed (as preferred by EPTA members), we don't think SI quotes should be included in the Consolidated Tape.
27. Would greater disclosure of SI's quality of execution and of execution behaviour – such as the frequency and size of price improvements – support better outcomes for clients and more effective competition?	As mentioned above, the experience with RTS 27 and 28 has shown that mandating additional generalized reporting/metrics for the purposes of assessing execution quality may be burdensome for market participants without providing a corresponding level of useful insight.
28. Are there any additional concerns regarding equity market transparency or structure that you have not addressed in response to previous questions but would like to raise?	<p>As discussed above, EPTA members believe UK equity markets would benefit from the introduction of a comprehensive pre-trade CT. This will give a more accurate and complete picture of UK equities activity and support more informed execution choices and best execution analysis. It will also contribute to market resilience in the event of an outage. EPTA members support efforts towards more consistent use and interpretation of post-trade flags as a means of making the CT more useful.</p> <p>In addition, EPTA members would encourage the FCA to consider repealing RTS 8 concerning requirements on market making agreements and schemes. Given the size and sophistication of UK</p>

	<p>equity trading venues, we do not consider it necessary to have standardised parameters for market making schemes enshrined in regulation. The requirements set out in RTS 8 are generally looser and less effective at encouraging consistent liquidity provision than the commercial liquidity provider incentive schemes operated by UK trading venues. Furthermore, RTS 8 imposes burdensome operational and reporting obligations that do not contribute meaningfully to predictability or consistency of liquidity.</p> <p>So long as there is no interdependency with other UK regulation (such as the Market Maker Exemption under the Short Selling Regulation), EPTA members do not consider it necessary to retain RTS 8. Its repeal would be consistent with efforts to simplify regulation and reduce reporting and operational burden on market participants with a view to enhancing the competitiveness of UK capital markets.</p> <p>In addition, high market data costs create frictions in trading UK equities and hamper innovation in relation to new order types and trading mechanisms. Accordingly, we recommend the UK introduce more robust regulation of market data costs with enhanced scrutiny and accountability in terms of pricing practices and transparency to support UK equity market growth and competitiveness.</p>
29. Do you consent to the publication of your name as a respondent?	Yes