20 February 2026

FIA Response FCA Consultation CP25/32 on Improving the UK Transaction Reporting Regime

FIA[1] welcomes the opportunity to respond to the FCA's public consultation setting out changes relating to the UK transaction reporting regime.

Our feedback includes comments on several elements of the proposals. These are addressed in response to the questions below.

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

FIA response: Members support the FCA's proposal to streamline and harmonise existing transaction and post-trade reporting regimes.

We strongly support the need for an ambitious, holistic review of the current reporting framework. Fragmentation across regimes has led to unnecessary complexity, duplicative reporting, and reduced data quality. A comprehensive review is essential to ensure that any reforms address root causes rather than layering incremental fixes onto an existing complex system.

At the same time, FIA members are conscious of ongoing and short-term changes currently being implemented across UK reporting regimes, with the possibility of further amendments once a holistic review is completed. Each round of change creates additional cost, operational burden, and strain on resources, particularly where systems, controls, and governance must be repeatedly updated. It is therefore important that reforms are sequenced carefully, with a clear end-state in mind, to minimise rework and avoid change fatigue.

While acknowledging the post-Brexit regulatory landscape and FCA's primary and secondary objectives, FIA members emphasise that there should be no divergence for divergence's sake. Any departure from international standards should be clearly justified by demonstrable benefits, as unnecessary divergence risks increasing costs for cross-border firms, reducing comparability of data, and undermining the UK's competitiveness as a global financial centre.

Data standards should be a core pillar of harmonisation. Greater consistency in the use of globally recognised standards is critical to improving data quality, interoperability, and supervisory effectiveness. Alignment on these standards would significantly enhance the usability of reported data while reducing complexity for reporting firms.

[1] FIA is the leading global trade organization for the futures, options and centrally cleared derivatives markets, with offices in Brussels, London, Singapore and Washington, DC. Our membership includes clearing firms, exchanges, clearinghouses, trading firms and commodities specialists from about 50 countries as well as technology vendors, law firms and other professional service providers.

Finally, to support more effective planning and reduce the operational strain associated with repeated, uncoordinated updates, FIA members support a regular, predictable change cycle across reporting regimes. A structured approach provides firms with the clarity and stability needed to manage system upgrades, allocate resources, and coordinate internal governance processes.

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

FIA response: Members agree with the three principles for the long-term collection of transaction and post-trade data.

In particular, we support the objective of simplifying and rationalising data requirements, including, for example, the reduction in contract specifications where an ISIN is used. Where a globally recognised identifier such as an ISIN uniquely and reliably defines the instrument, duplicative or overlapping contract-level fields should be removed. This would reduce reporting complexity, lower the risk of inconsistencies, and improve overall data quality while easing the operational burden on firms.

While the three principles provide a strong foundation, FIA members believe there is merit in considering additional principles to support their effective implementation over the long term. These include:

- **Technology-enabled reporting**: Reporting frameworks should be designed to leverage modern technology and automation, enabling straight-through processing and reducing reliance on manual interpretation or intervention. This will be critical to achieving scalability, resilience, and cost efficiency.

- **Machine-readable rules and specifications**: Wherever possible, reporting requirements should be expressed in machine-readable formats (for example, structured taxonomies, digital rulebooks, or executable reporting logic). This would support consistent interpretation, faster implementation, and more reliable compliance, while also facilitating supervisory use of the data.

Together, these additional principles would help ensure that the long-term collection of transaction and post-trade data is not only simpler and more harmonised, but will also future-proof objectives, capable of adapting to evolving markets and technologies.

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

FIA response: Members support an 18-month implementation period for the changes proposed in this Consultation Paper and support the early release of the Policy Statement to commence the 18-month implementation period. An 18-month timeframe is appropriate given the scale and complexity of the proposed changes and the system, process, and governance updates that firms will need to undertake.

To maximise the effectiveness of this period, we strongly encourage final rules, technical schemas, and validation rules to be published in full and in advance of the implementation period commencing. Early certainty on the final requirements is critical to enable accurate planning, build, testing, and resource allocation, and to avoid rework and inefficiencies. Furthermore, we request that the FCA establishes clear, pre-defined milestones for the publication of all subsequent guidance. We also stipulate that if these guidance publication milestones are not met, the FCA should grant supervisory flexibility from Day 1 of the implementation period until all necessary guidance is provided.

Furthermore, we recommend that the FCA utilise its supervisory flexibility to enable the implementation of certain changes at the point that the rules are published, particularly concerning back-reporting obligations. This would encompass, but not be limited to, a reduced back-reporting time period, the removal of requirements to back-report fields that are being eliminated, and the cessation of back-reporting for instruments no longer within the scope of reporting. Crucially, we advocate for the default back-reporting period to apply effective immediately upon publication of the revised regulations, as this particular change does not necessitate an extended implementation period. Firms should also be permitted to discontinue reporting instruments at any point subsequent to the rule changes, rather than being mandated to await the conclusion of the 18-month implementation period.

We also encourage the FCA to actively facilitate ongoing industry engagement throughout the 18-month implementation period. Regular dialogue, industry working groups, and clear channels for raising and resolving interpretative or technical issues would help identify challenges early, promote consistent implementation, and support a smooth transition to the new framework.

Finally, while supporting the proposed 18-month implementation period, we recommend that the go-live date falls on a Monday and is carefully scheduled to avoid impacting periods of code freezes or major holiday seasons.. This would reduce operational risk by allowing firms to deploy changes following a full weekend cutover, ensure appropriate staffing and support during initial live operation, and provide greater stability during the critical first days of implementation.

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?

FIA response: Generally speaking, Members welcome the proposal to apply a reduced default back reporting period of 3 years, while retaining the option to require back reporting of up to 5 years where necessary.

While acknowledging the merits of the proposed reduction, our members request that the FCA explores a more ambitious reduction of the default back reporting period to a default back reporting period of 2 years. 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 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.

However, we welcome further clarity on the scope and application of the revised back reporting period, in particular:

- **Pre- and post–go-live application**: We seek confirmation on whether transactions executed prior to go-live would continue to be subject to a 5-year back reporting requirement, and whether the 3-year obligation applies only to transactions executed after go-live under the new framework.
- **Types of reporting errors covered**: Clarification would also be helpful on whether the reduced 3-year period applies consistently across over-reporting, under-reporting, and missed reporting, or whether different expectations apply depending on the nature of the reporting issue.
- **Interaction with reporting schemas**: From an operational perspective, the reduced back reporting period can realistically only apply to the new reporting schema. 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 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, FIA members 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 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.

Overall, while we support the proposal in principle, clear guidance on these points will be essential to ensure the approach is practical, proportionate, and capable of being implemented in a controlled and efficient manner.

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

FIA response: Agreed.

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

FIA response: Agreed.

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

FIA response: While we recognise and welcome the FCA's proposal to reduce the volume of information required to support single-sided reporting from 10 data points to 4, we consider that meeting the conditions for conditional single-sided reporting will remain difficult in practice, which may limit market uptake.

Even with the reduced dataset, the proposed information still requires a high degree of certainty and alignment between counterparties, particularly in relation to:

- Client designation and details, and
- Decision-maker identification under a power of representation.

These data points are often subject to differences in interpretation, client onboarding structures, delegated arrangements, and internal data models. Firms may not always have full visibility or confidence in the accuracy of this information when relying on another party's reporting, increasing legal, operational, and compliance risk.

In addition, the requirement to correctly identify and agree on the transmitting firm code and trading capacity introduces further dependency on consistent counterparty processes and controls. Where firms remain accountable for the completeness and accuracy of reporting, many may conclude that the residual risk of relying on conditional single-sided reporting outweighs the operational benefit.

Firms also face material challenges where conditional single-sided reporting requires the sharing of personal information (PII), including data relating to natural-person clients or decision-makers. PII is subject to stringent governance, privacy, and retention requirements under firms' internal policies as well as UK data protection and KYC frameworks, which can limit how such data is stored, accessed, and transmitted between counterparties. Sensitivities and legal obligations surrounding PII may further reduce the practicality and attractiveness of conditional single-sided reporting, even where the technical data requirements have been streamlined.

As a result, although the proposal represents a positive step toward simplification, the remaining complexity and liability considerations may continue to discourage firms from adopting conditional single-sided reporting at scale. Without further simplification, standardisation, or additional supervisory comfort around reliance on counterparties, uptake may remain limited despite the reduced data requirements.

Beyond this, FIA members are concerned that proposals for single-sided reporting will significantly increase the reporting burden for sell-side firms and provide no cost saving benefits. Conditional reporting, as proposed in CP25/32, would transfer the burden of reporting from the buy-side to the sell-side, and at the same time would create additional complexity and ambiguity as to who is ultimately responsible for failure to report, errors and omissions. FIA members note that whilst the transmitting firms would no longer be required to carry out a transaction report, receiving firms will face an increased reporting burden as well as an increased burden due to reconciliations required on behalf of clients which is the opposite of what CP25/32 sets out to achieve.

Members highlight the difference between delegated reporting for EMIR which is a single-sided reporting model without the need for any conditional transfer of data, compared with MiFID/MiFIR, where there is a requirement for data transfer between firms to allow for the transaction reporting to occur.

FIA members urge the FCA to pursue a single-sided reporting model where the determination of the reporting party is clearly defined by a waterfall logic, based on a series of agreed attributes. This would provide significant cost saving benefit to both the buy-side and the sell-side whilst reducing the complexity and ambiguity that would inevitably arise from a conditional single-sided model.

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

FIA response: Members agree with the proposed allocation of responsibility for data quality in transactions involving conditional single-sided reporting.

In principle, it is appropriate that the sending firm is responsible for the completeness and accuracy of the information it provides to the receiving firm, while the receiving firm remains responsible for all other data points included in its transaction report. This division aligns accountability with data ownership and control, and provides a clear framework for supervisory expectations.

However, there are significant practical and operational challenges that must be acknowledged which lead us to not support the proposal despite the logical responsibility model:

- Residual liability and reliance risk: Even where responsibility is clearly allocated, the receiving firm may remain exposed to supervisory risk if inaccuracies in the transmitted data impact the overall quality of the report. This puts requirements on reporting firms to carry out reconciliation for counterparties who send the information and may drive firms to implement additional validation and reconciliation controls, reducing the intended efficiency benefits of single-sided reporting.
- Data consistency and interpretation: Differences in interpretation of reporting fields, client classifications, or delegated decision-making structures can result in misalignment between sending and receiving firms, despite each acting in good faith within their respective responsibilities.
- Operational complexity and controls: Firms will need robust governance, contractual arrangements, and operational processes to evidence the provenance of transmitted data and demonstrate compliance with the responsibility split. This adds complexity and substantially increases the cost burden for receiving firms, , particularly for firms operating across multiple counterparties.
- Impact on adoption: Taken together, these challenges may continue to limit uptake of conditional single-sided reporting, as some firms may prefer to retain full control over their reporting rather than rely on externally sourced data.

Overall, while the proposed responsibility model is logical and proportionate in principle, **we do not support the proposal** for conditional single-sided reporting due to the significant practical and operational challenges outlined in response to Q7 above. The inherent need for receiving firms to undertake extensive reconciliation of externally sourced data substantially increases the cost burden for receiving firms and negates the intended efficiency benefits. Without fundamental changes to address these issues, broader and confident adoption by industry participants will not be achieved.

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

FIA response: While expanding conditional single-sided reporting to all trading capacities may appear consistent with the objective of reducing reporting duplication, DEAL and MTCH scenarios raise distinct practical and conceptual challenges:

- **Absence of an order transmission chain:** In DEAL and MTCH trading capacities, there is often no underlying client order being transmitted between firms. This weakens the rationale for a transmission-based reporting model and makes it more difficult to clearly identify which firm is the "sending" firm and which data can appropriately be relied upon.
- **Data ownership and accountability:** In principal and matched principal trading, firms typically generate and control the majority of the reportable data themselves. Introducing conditional reliance on another firm's data in these cases may blur accountability and complicate firms' ability to evidence compliance with data quality requirements.

As a result, while we understand the FCA's objective of broadening applicability, we believe that conditional single-sided reporting is most effective and operationally viable in agency-based order transmission models. Further clarification, safeguards, or scope limitations may be necessary to ensure that extending the regime to DEAL and MTCH trading capacities does not inadvertently increase complexity or reduce data quality.

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?

FIA response: Members agree with the proposal to remove instruments from the scope of the UK transaction reporting regime where they can only be traded on EU trading venues.

We support this approach as it promotes regulatory clarity and proportionality, ensuring that the UK transaction reporting regime is appropriately focused on activity that is genuinely relevant to UK markets and UK supervisory objectives.

Removing these instruments from scope will help to reduce duplicative and inefficient reporting. We seek supervisory flexibility from the FCA, specifically that firms will no longer need to back report these instruments, particularly where firms are already subject to EU transaction reporting obligations for the same activity. This is consistent with the broader objective of streamlining reporting regimes and improving data quality by focusing resources on the most relevant datasets.

To support a smooth and unambiguous implementation, members assume that the FCA intends to remove EU-only instruments from FCA FIRDS in parallel with their removal from the scope of the UK transaction reporting regime. Ensuring that such instruments no longer appear in FIRDS is essential, as firms routinely rely on FIRDS when conducting "traded on a trading venue" (TOTV) assessments to determine reportability. If EU-only instruments remain listed, firms risk inconsistent outcomes or having to maintain additional interpretive controls to override FIRDS results. The same principle should apply to underlying instruments, which should also be excluded to ensure that TOTV checks produce clear and accurate results aligned with the revised scope.

As noted in 4.4.9 of CP 25/32, derivatives which are only tradeable on EU trading venues will still be reportable where one or more underlying financial instrument(s) is admitted to trading or traded on a UK trading venue. A subset of EU listed derivatives have an underlyer, or multiple underlyers, traded on a UK trading venue. Based on the proposals set out in the consultation paper, these derivatives would transition from being 'in scope ToTV' to 'in scope uToTV'. As a consequence, the volume of reportable listed derivatives transactions reportable under UK MiFID is unlikely to decrease substantially, and instead, reporting firms may need to report EU listed derivative with an underlying financial instrument admitted to trading or traded on a UK trading venue in the more burdensome "long-form" format with fields 42-56 instead of the ISIN value in field 41 today.

Members also request clarity on the impact of the proposed change on back-reporting obligations. Where firms have previously reported transactions in EU-only instruments on the basis of the existing UK scope, it is important to confirm whether any retrospective amendments, cancellations, or clean-up activity will be required once these instruments are removed. Imposing back-reporting expectations could create unnecessary operational burden and introduce avoidable complexity, particularly given that firms may have already reported the same activity under EU requirements. Clear guidance from the FCA that no retrospective adjustments are expected would support a smooth and efficient transition, avoiding duplicative work and ensuring industry efforts remain focused on future-state compliance.

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?

FIA response: Members agree with the proposal to remove the reference to "Union" in MAR 14 Annex 2 and to retain the current approach to national identifiers.

We support this change as it provides clarity and continuity within the UK market abuse reporting framework following the UK's departure from the EU. Removing the reference to "Union" ensures that the regulation accurately reflects the UK legal and supervisory context, reducing the risk of ambiguity or misinterpretation.

Retaining the current approach to national identifiers is also appropriate and proportionate. It avoids unnecessary operational change, system re-engineering, and data remediation for firms, while continuing to support effective identification of individuals and entities for supervisory and enforcement purposes. Introducing alternative identifier requirements would add cost and complexity without delivering a clear regulatory benefit.

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?

FIA response: Potential issues may arise with the requirement to report transactions executed in instruments that are not themselves derivatives but are brought into scope solely due to their underlying.

In particular:

- **Scope clarity and identification:** It may be difficult for firms to clearly and consistently determine when a non-derivative instrument is reportable purely because of its underlying. This is especially challenging where reference data is incomplete, ambiguous, or changes over time, increasing the risk of inconsistent reporting across firms.

- **Operational complexity:** Systems and controls are typically designed to identify reportable instruments based on their own characteristics rather than indirect links to an underlying. Extending scope in this way would require additional logic, data sourcing, and ongoing maintenance, adding cost and operational burden.

- **Data quality risks:** Where the link to the underlying is not transparent or standardised, there is an increased risk of misclassification, over-reporting, or under-reporting, which may ultimately reduce the usefulness of the reported data.

- **Limited supervisory benefit:** In cases where the instrument is not a derivative and is already subject to other reporting or transparency regimes, the incremental supervisory value of transaction reporting based solely on the underlying may be limited when weighed against the additional complexity imposed on firms.

Overall, while we understand the intent, we believe that bringing instruments into scope solely due to their underlying raises practical challenges.

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?

FIA response: Members agree with the proposal to allow firms to report derivatives based on indices on a voluntary basis, regardless of whether the derivative is formally in scope of the transaction reporting regime.

This approach provides flexibility for firms that wish to report additional data to enhance transparency or meet internal monitoring, client reporting, or risk management objectives. Voluntary reporting of index derivatives can also support supervisory oversight by providing FCA with richer data on market activity without imposing mandatory obligations on firms.

However, there are some practical challenges to consider:

- **Data consistency and standardisation:** Voluntary reporting may result in inconsistent coverage across firms, which could limit comparability and reduce the utility of the data for supervisory purposes. Firms may report different indices, use different conventions, or apply different interpretations to similar instruments.

- **Operational and resource burden:** Even voluntary reporting requires systems, controls, and governance to ensure accuracy. Smaller firms in particular may find it resource-intensive to implement reporting for instruments not formally in scope.

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- **Integration with mandatory reporting:** Challenges may arise when reconciling voluntary reports with mandatory transaction reporting. We assume that voluntary reporting must satisfy schema requirements and comply with validation rules.

Overall, while voluntary reporting is a positive and flexible step, firms will need clear guidance on expectations, formats, and data standards to ensure the exercise delivers meaningful benefits and does not inadvertently create operational complexity.

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

FIA response: Members agree with the proposed changes to allow all ISINs in a basket to be included in the underlying instrument field and to relax validation rules so that transaction reports are only rejected if none of the reported ISINs are in FCA FIRDS.

We support this proposal because it simplifies reporting for basket trades, reduces operational friction, and removes the need for firms to pre-check each ISIN against FIRDS before submission. This change should improve reporting efficiency, reduce errors, and lower operational burden, particularly for complex or large baskets where validating each constituent ISIN in advance can be time-consuming.

However, there are some challenges to note:

- **Data accuracy and completeness:** Allowing all ISINs to be submitted without pre-validation may lead to increased reporting of incorrect or obsolete ISINs, especially if reference data is outdated or inconsistent across systems. Firms will need robust internal controls to ensure the ISINs they report are correct.
- **Impact on supervisory use of data:** Regulators relying on underlying ISINs for analytics may need to account for potential discrepancies or errors, which could complicate data aggregation and interpretation.
- **System and reconciliation requirements:** Firms may need to adapt systems to handle multiple ISINs per underlying instrument field, including mapping, aggregation, and reconciliation processes, particularly for basket trades spanning numerous constituents.

Overall, the proposal is a positive step toward reducing reporting complexity, but firms will need to implement strong internal validation and governance to maintain data quality and ensure the benefits are realised without creating downstream operational or supervisory issues.

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

FIA response: Members agree with the proposal to provide clarity on the scope of reporting obligations for fractional instruments.

Providing explicit guidance on how fractional instruments should be treated is welcome, as this has been an area of uncertainty for firms. Clear rules will help ensure consistent reporting across the industry, reduce the risk of misinterpretation, and improve data quality for supervisory purposes. It also supports firms in implementing appropriate systems and controls to capture and report fractional trades accurately.

However, there are practical challenges with reporting fractional instruments:

- **System and data limitations:** Many legacy reporting and trade capture systems are designed around whole units of an instrument. Handling fractional quantities may require system upgrades or additional reconciliation logic, which can be complex and costly.
- **Rounding and aggregation issues:** Fractional reporting introduces potential rounding errors or discrepancies when aggregating trades, especially across multiple counterparties or across different trading venues.
- **Operational complexity:** Firms will need robust processes to capture, validate, and reconcile fractional trades accurately, particularly in high-volume environments or where fractional instruments are combined with other derivative or basket trades.
- **Interaction with other reporting requirements:** Care will be needed to ensure fractional reporting aligns with other obligations, such as transaction and post-trade reporting, without creating inconsistencies.

Overall, while we support the proposal for clarity and consistency, firms will need careful implementation planning and potentially system enhancements to manage the operational and technical challenges associated with reporting fractional instruments.

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

FIA response: Members support the proposal to remove FX derivatives from the scope of the UK transaction reporting regime.

20. Do you agree with the updated definition for 'acquisition' and 'disposal'?

FIA response: Members agree with the updated definitions for 'acquisition' and 'disposal'.

The updated definitions provide clarity and consistency by explicitly linking acquisitions and disposals not only to purchases and sales of financial instruments, but also to increases or decreases in the notional amount of derivatives. This aligns reporting obligations with economic exposures rather than just outright transactions, which is a logical and proportionate approach. The guidance in MAR 14.3.1G further helps by clarifying the treatment of entering or closing long and short derivatives, ensuring that firms have a consistent interpretation when reporting complex derivative positions.

However, there are some practical challenges to note:

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- **Operational complexity for derivatives:** Determining whether a transaction constitutes an acquisition or disposal, particularly for complex structured derivatives or multi-legged trades, can be operationally challenging. Systems and processes must accurately track notional changes and the direction of the derivative position.
- **Reconciliation and reporting risk:** Accurate classification is essential to avoid misreporting, which could occur if notional adjustments are misinterpreted as acquisitions or disposals, especially in high-volume trading environments.
- **Education and system updates:** Firms may need to update reporting systems, templates, and staff guidance to ensure that all derivative transactions are captured correctly in line with the revised definitions.

Overall, the updated definitions are helpful and improve clarity, but careful implementation, robust governance, and system adjustments will be required to manage the operational challenges and maintain high-quality, accurate transaction reporting.

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

FIA response: Members agree with the proposed guidance on the meaning of "execution of a transaction" in MAR 14.4.2G–14.4.6G. The guidance is helpful because it:

- **Broadens the definition appropriately:** Execution includes not just finalising trades but also reception and transmission of orders, dealing on own account, discretionary decisions, and transfers of instruments.
- **Clarifies reporting responsibility:** It defines the client as the immediate client of the executing firm and emphasises reporting in all stages of the chain, avoiding gaps.
- **Recognises supervisory control as execution:** Firms with control over investment decisions are correctly included.
- **Supports compliance and consistency:** Aligns with existing transaction reporting rules, reducing ambiguity and helping firms comply effectively.

Minor improvements could include practical examples of borderline cases and clearer guidance for complex third-party execution platforms.

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

FIA response: Members generally agree with the proposed new rules and guidance for branch execution, as they provide clearer definitions and responsibilities, which should improve consistency and compliance across branches operating in multiple jurisdictions. The guidance rightly clarifies when a branch is considered to have executed a transaction and aligns with the broader MAR and MiFID frameworks, helping firms understand their reporting and supervisory obligations.

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

FIA response: Members agree with the proposal to maintain the current framework as it provides stability and consistency until such time that authorities conducts a holistic review of UK reporting rules. While we agree that the FCA has not sought to expand TVTIC use, it is important to highlight the complexities and issues inherent in accurately reporting TVTIC. As such, FIA members recommend that the FCA prioritises the need for action in an effort to simplify the creation, dissemination and reporting of this field.

Maintaining the status quo is sensible in the short term, but the FCA's holistic review should address current ambiguities and operational challenges to ensure TVTIC reporting remains effective and proportionate in the long term.

As noted, we continue to see complexities and inconsistencies in the structure of TVTICs across trading venues, which hinder accurate reporting and create ongoing operational burdens for market participants. Reporting entities must manage multiple formats and monitor venue-specific structural changes, each requiring its own set of controls and update processes. FIA sees strong merit in mandating a consistent TVTIC format across all UK trading venues. However, we note that if such standardisation were introduced solely in the UK, it could present challenges should international regimes move toward greater alignment in the future. As an alternative approach, the FCA could establish and maintain a central register where trading venues disclose their TVTIC format and notify any changes, enabling market participants to more easily identify and manage the variations in use across venues.

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

FIA response: Members support the proposal to limit reporting of TVTICs to transactions executed on UK trading venues only. This approach is practical and proportionate, focusing regulatory attention on transactions that are directly within the FCA's supervisory scope and relevant to UK market transparency objectives. Limiting reporting in this way reduces unnecessary operational and compliance burdens on firms, particularly for transactions executed on non-UK venues, which are subject to other local reporting requirements.

Focusing on UK trading venues also enhances data quality and comparability, ensuring regulators have clear and actionable information on market activity that is directly relevant to the UK financial system.

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

FIA response: Members agree with the proposed definition of a transaction reporting firm. The definition provides clarity and consistency by clearly specifying which entities are responsible for reporting. This helps reduce ambiguity, particularly for complex corporate structures or firms operating across multiple jurisdictions.

However, some practical challenges remain:

- **Group and branch structures:** Determining the reporting entity in large corporate groups with multiple branches or subsidiaries may still require careful internal interpretation.
- **Cross-border activity:** Firms operating in multiple jurisdictions may face differing expectations, which could complicate compliance and operational processes.

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

FIA response: Members agree with the proposal to require branches to be identified using the LEI of their head office or registered office. This approach provides clarity and consistency in transaction reporting, ensuring that all activity within a corporate group is correctly attributed and easily traceable. Using a single LEI for the head office reduces operational complexity and avoids the need for branches to obtain separate identifiers, which can be burdensome, especially for international firms.

However, firms may face practical challenges in some cases, such as:

- Internal reporting systems needing updates to ensure branch transactions are correctly linked to the head office LEI.
- Cross-border differences in local reporting requirements that could complicate harmonisation of LEI use across jurisdictions.

27. Do you agree with the proposed changes to RTS 22 Field 5?

FIA response: Members support the FCA's proposals relating to RTS 22 Field 5. Renaming the field to "Executing entity is a transaction reporting firm" and clarifying how it should be populated provides much-needed clarity and consistency.

The proposed changes should reduce misreporting, improve data quality, and align the reporting framework with the FCA's UK-centric transaction reporting regime. While firms may need minor system updates to reflect the new field name and values, these should be manageable and proportionate given the benefits in transparency and regulatory oversight.

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?

FIA response: Members generally agree with the FCA's proposal to require firms to obtain national identifiers for natural persons before providing a service that triggers a transaction reporting obligation. This approach seems to be practical and consistent with the broader goal of improving the accuracy and completeness of transaction reporting. By ensuring that the client's identifier is captured upfront, firms can populate the relevant fields correctly, reducing errors and the need for subsequent corrections.

However, there are some practical challenges to consider:

- **Operational adjustments –** Firms may need to update onboarding processes, internal systems, and client verification procedures to collect and validate national identifiers prior to service provision.

- **Client engagement and data availability –** Some clients may not have readily available identifiers, or may be reluctant to provide them, which could slow onboarding or require alternative verification processes.

- **Cross-border considerations –** For non-UK clients, firms will need clear guidance on acceptable identifiers and how to treat cases where national identifiers do not exist or differ in format.

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

FIA response: Members agree with the FCA's proposal that firms should report the segment MIC of the trading venue in the buyer or seller identification code fields (RTS 22 Field 7 or Field 16) when counterparties are unknown at the point of execution. This approach provides a practical and consistent solution that ensures transaction reports remain complete and usable for regulatory purposes, even when the identity of the counterparty cannot be immediately determined. It also aligns with the broader objective of improving data quality and transparency in UK transaction reporting.

However, there are practical challenges to consider:

- **System updates** – Firms will need to configure reporting systems to automatically populate Field 7 or Field 16 with the trading venue segment MIC in cases of unknown counterparties.

- **Complex execution chains** – For transactions executed via multiple venues, determining the correct segment MIC may be operationally challenging.

- **Consistency and staff training** – Front-office and reporting teams must understand when to apply this approach to avoid inconsistent reporting or errors.

- **Data reconciliation** – Once the counterparty is known, does the FCA expect that firms reconcile or amend reports? This which could create additional operational work.

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

FIA response: Members agree with the FCA's proposed rules for generating CONCATs under MAR 14.13.6R–14.13.7R. By standardising CONCAT generation, the proposals improve data quality, market transparency, and regulatory oversight, making transaction reports more accurate.

Furthermore, FIA members recommend the introduction of a universal "CONCAT" identifier for scenarios where first priority is passport. Particularly for individuals from 'all other countries'. The current reliance on passports for these individuals presents several operational challenges, most notably the issue of passport expiry. Passport expiry necessitates frequent updates to reporting systems, leading to administrative burdens for firms and potential gaps or inaccuracies in reported data if updates are not timely. A universal, persistent identifier would mitigate these issues, providing a more stable and reliable identification mechanism, thereby streamlining the reporting process and enhancing the overall quality of regulatory data. This would also reduce the operational risk associated with managing expiring documents for identification purposes.

Additionally, it would be highly beneficial if the FCA provided clearer and more comprehensive guidance on name change policies. This includes scenarios such as changes due to marriage (maiden name updates), legal name changes, or instances where an individual's professional name differs from their legal name. The absence of explicit policies can lead to inconsistencies in how firms report identifiers over time, potentially creating discrepancies in regulatory databases. Such discrepancies can complicate the FCA's ability to accurately link individuals across different transactions and datasets, impacting market surveillance and enforcement capabilities. Clarification from the FCA on preferred identifier usage in cases of discrepancy, the process for updating identifiers following a name change, and the acceptable timelines for such updates would ensure greater accuracy and consistency in reported identifiers, ultimately supporting the integrity of the regulatory reporting framework.

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'?

FIA response: Members agree with the FCA's proposal to require natural persons from the Isle of Man, Gibraltar, Channel Islands, and other British Overseas Territories (BOTs) to be identified in accordance with the requirements for "all other countries." This approach is practical, consistent, and proportionate. Applying the "all other countries" rules ensures clarity and consistency in transaction reporting and avoids ambiguity for firms when onboarding clients from these territories.

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?

FIA response: Members support the proposal to clarify that the country code of the first nationality, when sorted alphabetically by its ISO 3166-1 alpha-2 code, should be used. This provides a clear, objective, and easily implementable rule for firms when reporting clients with multiple non-EEA nationalities. By removing ambiguity about which nationality to select, it reduces the risk of inconsistent reporting and simplifies internal procedures.

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

FIA response: Members agree with the FCA's proposal to remove RTS 22 Field 25 (Transmission of Order Indicator). The field has become largely redundant under the current UK transaction reporting framework, and its removal simplifies reporting requirements without reducing the quality or usefulness of transaction data for regulatory oversight.

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

FIA response: Members generally agree with the FCA's proposed guidance on reporting trading capacity as it helps improve consistency and proportionality by aligning reporting requirements with actual trading activity and market impact.

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

FIA response: Members agree with the proposed changes to RTS 22 Field 36 (Venue), as they provide greater clarity on how trading venues should be reported and improve consistency across firms. The updated guidance helps ensure that post-trade transparency reporting reflects the actual execution venue, which supports market monitoring and regulatory oversight.

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

FIA response: Members support the removal of fields 50 (Option type), 53 (Option exercise style) and 56 (Delivery type).

These fields provide limited additional regulatory or supervisory value beyond information already available to through instrument reference data, CFI codes and other transaction reporting fields. In most cases, the characteristics captured by these fields can be reliably inferred from existing data sources, meaning their inclusion in transaction reports results in duplication rather than enhanced transparency.

These fields have been a recurring source of data quality issues. Differences in interpretation across firms, particularly for complex or non-standard derivatives, have led to inconsistent reporting outcomes. This undermines the usefulness of the data while increasing the risk of errors and supervisory follow-up without delivering commensurate benefits.

Removing these fields would materially simplify firms' reporting processes. It would reduce the need for complex system logic and manual enrichment, lower implementation and ongoing compliance costs, and allow firms to focus resources on improving the accuracy of higher-value data elements. We consider this to be consistent with the FCA's objectives of proportionality and efficiency in regulatory reporting.

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We further agree that the removal of these fields would not adversely affect the FCA's ability to monitor markets or detect market abuse.

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

FIA response: Members agree with the proposal to remove Field 54 (Maturity date).

In our view, the maturity date of an instrument can be reliably obtained through existing instrument reference data and other identifiers already reported under MiFIR. As such, Field 54 provides limited incremental supervisory value when included at the transaction level, while duplicating information that is more appropriately maintained within reference data systems.

Removing Field 54 would simplify transaction reporting processes and reduce operational complexity for firms, especially where maturity information is not readily available at the point of trade execution and must be manually enriched. This would lower ongoing compliance costs and allow firms to focus on improving the accuracy of higher-value transaction reporting fields.

We do not consider that the removal of Field 54 would materially affect the FCA's ability to monitor markets or identify potential market abuse.

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

FIA response: Members agree with the proposal to make 'NOAP' a reportable value in the strike price field.

Allowing 'NOAP' to be reported where a strike price is not applicable provides greater clarity and accuracy in transaction reporting. For certain derivatives, including instruments with variable, contingent or non-standard payoff structures, the concept of a strike price is either undefined at execution or not economically meaningful. Requiring a numeric value in such cases can lead to artificial or inconsistent reporting outcomes.

We consider that the use of 'NOAP' would improve data quality by enabling firms to explicitly indicate the absence of a strike price, rather than relying on proxy values or inconsistent interpretations. This would enhance the interpretability of transaction reports for supervisory and surveillance purposes and reduce the incidence of reporting errors.

The proposal would also simplify reporting processes and validation rules for firms, particularly where front-office systems do not generate a strike price at trade capture. This is consistent with a proportionate approach to transaction reporting and supports the FCA's objective of reducing unnecessary operational complexity while maintaining effective oversight.

Provided that clear guidance is issued on the circumstances in which 'NOAP' is appropriate, we do not consider that this change would impair market monitoring or enforcement activity. Instead, it would result in more accurate and consistent reporting across firms and product types.

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

FIA response: Members agree with the proposal to remove fields 61–65.

These fields provide limited additional supervisory value and, in practice, duplicate information that can be obtained more reliably through instrument reference data, trading venue data and other transaction reporting fields. Experience with MiFIR transaction reporting indicates that fields 61–65 have not materially enhanced market surveillance outcomes, while contributing to reporting complexity and data quality challenges.

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

FIA response: Members agree with the proposal to remove fields 37, 58 and 60.

These fields provide limited incremental supervisory value and largely duplicate information that is already available to the FCA through other transaction reporting fields, instrument reference data, and venue-published contract specifications. Their inclusion at the transaction level has not materially enhanced market surveillance or enforcement outcomes.

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?

FIA response: Members agree with the proposal to remove fields 8 and 17 (Country of the branch for the buyer and seller) and replace them with a new client indicator field.

Fields 8 and 17 have limited supervisory value on their own and are often inconsistently populated, particularly where firms operate multiple branches or cross-border trading entities. Differences in interpretation of "branch country" have led to data quality issues, which reduce the reliability of these fields for market monitoring and surveillance purposes.

Replacing these fields with a new client indicator field represents a more proportionate and practical approach. The client indicator provides a clearer, standardised method to identify the type of client involved in a transaction, which is more relevant for supervisory and analytical purposes than the geographical location of the branch. This change should improve the consistency and comparability of transaction data across firms, reducing errors and remediation requirements.

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?

FIA response: Members generally agree with the proposal to add a new reporting value to Field 59 (Execution within firm) to identify where a firm is providing DEA services.

Adding a dedicated value for DEA enhances the clarity and usefulness of transaction reports. Currently, firms providing DEA services may struggle to accurately reflect this, leading to inconsistent reporting and reduced data quality. Explicitly capturing DEA execution allows the FCA to better monitor the types of execution arrangements in the market and supports more accurate analysis of order handling practices.

This change is also expected to improve consistency across firms, reduce the need for manual remediation, and provide clearer insight into transactions executed on behalf of clients under DEA arrangements, without imposing disproportionate operational burden.

Clear regulatory guidance may be required on what constitutes DEA for reporting purposes, including whether it applies to partial execution or aggregated orders. Ambiguity could lead to inconsistent application and reduce the intended improvement in data quality.

Introducing a new value may initially lead to validation errors or inconsistent reporting if firms' systems are not fully aligned. The FCA may need to provide transitional guidance to mitigate early reporting issues.

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

FIA response: Members generally agree with the proposed definition of a package transaction.

The clarified definition provides much-needed consistency and certainty for firms when reporting complex trades that involve multiple legs executed as part of a single economic strategy. By explicitly defining what constitutes a package transaction, FCA helps ensure that firms apply the same criteria when identifying and reporting these trades, reducing variability in reporting practices and improving the quality and comparability of transaction data.

We also consider that the proposed definition strikes an appropriate balance between supervisory needs and operational practicality.

While the definition provides clear guidance, firms may still face difficulties when determining whether trades are sufficiently linked to constitute a package, particularly for complex or partially executed strategies. Clear examples and guidance from the FCA will help mitigate inconsistencies.

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?

FIA response: Members agree with the proposal to capture the single leg prices of a package transaction.

Capturing the prices of individual legs enhances the transparency and analytical value of transaction reports. It allows the FCA to accurately reconstruct the economics of complex trades, monitor market activity more effectively, and detect potential market abuse, while maintaining oversight of both the overall package and the individual components.

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

FIA response: Members agree with the proposal to maintain the existing requirements for the aggregate client linking code.

Retaining the current approach avoids unnecessary disruption and additional implementation costs at this time while ensuring a holistic review is carried out in due course.

53. Do you agree with our proposal to remove the requirement for trading venues to report the IDM/EDM in the transaction reports they submit?

FIA response: Members agree with the proposal to remove the requirement for trading venues to report the IDM/EDM in the transaction reports they submit.

The IDM and EDM fields duplicate information already captured elsewhere in the reporting chain, particularly in reports submitted by investment firms. Removing these fields is expected to simplify reporting requirements for venues, reduce operational burden, and help improve overall data quality. This change aligns with a proportionate, outcomes-focused approach to transaction reporting.

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

FIA response: Members support the inclusion of negotiated transactions in the reporting scope for qualifying trading venues. Explicitly capturing these trades enhances market transparency and ensures comprehensive oversight of all reportable transactions, including those executed off-book or bilaterally through the venue's systems.

While this introduces some operational considerations—such as identifying negotiated trades, handling non-standard terms, and ensuring timely and accurate reporting—we consider these manageable. Clear guidance from the FCA and sufficient implementation time will help venues adapt their systems effectively. Overall, we view this change as a proportionate and sensible enhancement to transaction reporting.

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

FIA response: Members agree with the proposal to treat FCA FIRDS as a 'golden source' for determining the reportability of financial instruments. Using a single, authoritative source reduces ambiguity and ensures consistency in identifying which instruments fall within the scope of transaction reporting. This approach also simplifies operational processes for firms, reduces the risk of inconsistent interpretation, and supports higher-quality, more reliable reporting data.

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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?

FIA response: Members agree with the proposal not to take action against firms where they would reasonably assume that a financial instrument is in scope, even if it is not yet available on FCA FIRDS. This approach is proportionate and practical, recognising that firms rely on publicly available information when determining reportability and that FIRDS updates may not be immediate.

We consider this stance to be consistent with a principles-based approach to supervision: it encourages firms to exercise due diligence and good-faith judgment, without creating unnecessary enforcement risk for situations beyond their control.

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?

FIA response: Members agree with the proposal to limit the obligation to report instrument reference data to the first time a reportable event occurs, and thereafter only when there are subsequent changes.

This approach is sensible and proportionate. It reduces unnecessary duplication of data, lowers operational and reporting burden for firms, and allows resources to be focused on maintaining accurate and up-to-date information for meaningful changes. Reporting reference data only when it changes also improves data quality by reducing the risk of errors from repeated submissions of unchanged information.

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?

FIA response: Members agree with the proposal to amend the time standard for the daily reference data file trading cut-off from 18:00 CET to 17:00 UTC.

This change improves clarity and consistency by aligning the cut-off with a universal, non-daylight-saving time standard (UTC), reducing the risk of confusion or errors that can arise from CET's seasonal adjustments. Using UTC ensures firms can reliably reconcile trading and reporting deadlines across multiple jurisdictions and systems, particularly for firms operating across Europe and globally.

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

FIA response: Members agree with the proposed change to enable overreporting of transactions executed before a financial instrument is formally admitted to trading. Allowing firms to report trades executed in advance of admission provides greater transparency and ensures that all market activity related to a new instrument is captured for supervisory purposes. It helps prevent gaps in reporting and supports the FCA's objectives of monitoring market integrity and investor protection.

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

FIA response: Members support the proposal to remove these fields.

These fields provide limited additional supervisory value and are either duplicative of other reference data and/or have often been a source of inconsistent reporting, interpretation challenges, and remediation activity, without materially enhancing the FCA's ability to monitor markets or detect potential abuse.

Removing these fields will simplify reporting requirements, reduce operational complexity, and allow firms to focus resources on higher-value reporting elements that are more meaningful for supervision. Where relevant, the information contained in these fields can continue to be obtained through instrument reference data or venue-published contract specifications, ensuring that regulatory oversight is not compromised.

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'?

FIA response: Members agree with the proposal to add 'Retired' as a valid status for LEIs in Field 5.

Including 'Retired' improves clarity and completeness in reporting by explicitly capturing entities whose LEIs are no longer active but were previously valid. This reduces ambiguity for firms when populating Field 5, enhances data quality, and supports accurate analysis and supervision by the FCA.

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?

FIA response: FIA agrees with this proposal and would extend this to remove the requirement for trading venues to record the natural persons on investment decisions and execution for orders submitted regardless of the transaction reporting status of the firm.