



7 February 2025

FIA Response to FCA Discussion Paper (DP24/2) on Improving the UK transaction reporting regime

The Futures Industry Association (FIA)¹ welcomes the opportunity to respond to the FCA's [Discussion Paper](#) setting out potential changes relating to the UK transaction reporting regime.

FIA's feedback includes comments on several elements of the FCA's proposals. These are addressed in response to the FCA's questions below.

Q1: How should we balance alignment between international transaction reporting regimes with the benefits from a more streamlined UK regime? Are there particular areas where divergence would result in more significant operational challenges or costs? These could be specific to field content, trading scenarios, reporting arrangements or any other area.

FIA response:

FIA welcomes the opportunity to respond to the FCA's [Discussion Paper](#) which evaluates the existing UK transaction reporting regime under UK MiFIR and proposes changes in order to improve data quality, accuracy and usability while also addressing shortcomings of the existing reporting regime.

FIA members welcome the FCA's proactive engagement with industry participants, most recently through the UK MiFID Transaction Reporting Forum in January 2025. We encourage the FCA to retain open dialogue with stakeholders through forums, industry engagement groups, Market Watch publications and guidance notes.

We welcome the FCA's intention to improve the UK transaction reporting regime. Transaction reporting is a significant, and growing, burden on firms. The UK reporting regime has developed over time in piecemeal fashion, and we are confident that there is scope for streamlining requirements in order to remove duplication, reduce unnecessary burden, and reconsider areas where the cost of reporting exceeds the supervisory benefit.

The guiding principle of this review should be to limit reporting to information that is genuinely essential for regulatory authorities to perform their duties.

FIA members encourage the FCA to be ambitious in its review, giving due consideration to the major impact that reporting requirements have on firms' operating efficiency and international competitiveness.

In particular, we suggest three areas of focus for the review:

- **Back reporting:** This is a mounting burden on firms, and the value to supervisors is minimal in many instances. FIA members suggest limiting back reporting to only material changes and simplify back reporting requirements so that firms are only required to correct the impacted data point, rather than resubmitting the

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.



entire report. Additionally, we ask that, where back reporting is required on transactions predating any rule changes, the original format of the report should continue to be accepted.

- **Duplicative reporting:** Given the growth of reporting obligations over time, reporting requirements and data elements have become duplicative across reporting regimes, adding undue burden on firms. Where data points are reported in compliance with multiple reporting regimes, we recommend that these duplicative requirements are addressed and removed as part of this review.
- **Delegated reporting/RTO:** FIA members recommend establishing a single sided reporting model in order to improve efficiencies and limit the impact on firms having to report on behalf of others. We propose that the FCA work in collaboration with all stakeholders, including investment firms, Trading Venues, ARMs, Trade Repositories and CCPs in order to create a more efficient reporting model.

While there is value in achieving interoperable and/or harmonising requirements across jurisdictions, our members have established separate reporting systems for the UK reporting requirements. As a result, we encourage the FCA not to let the desire for harmonisation diminish the ambition of this exercise. Changes to the UK reporting regime inevitably involve a transitional cost, but a sufficiently meaningful burden reduction would justify this investment. If successful, this effort will position the UK to continue to attract capital markets activity as other jurisdictions make progress on their own streamlining efforts.

With UK competitiveness in mind, we hope that this review of the UK transaction reporting regime will be the first step of a wider re-assessment of the reporting burden within the FCA's regulation and supervision of firms.

Q2: What changes could we make to the UK's transaction reporting regime now to remove duplication or provide synergies with requirements in other UK wholesale market reporting regimes?

FIA response:

We welcome the opportunity to share ideas on how to improve the UK transaction reporting regime in an effort to streamline reporting requirements and remove duplication and/or provide synergies with other UK reporting regimes.

Although the FCA are of the view that the UK transaction reporting regime largely works well and produces high quality data which enables the FCA to detect, investigate and prevent market abuse, FIA members believe this review is an opportunity to address shortcomings of the regime. We welcome the opportunity to suggest changes below and we stand ready to engage with the FCA in our continued effort to reduce the regulatory cost and burden on stakeholders while ensuring that regulatory authorities receive high quality data in order to fulfil their regulatory duties.

Merge and adjust the reporting obligation under RTS 22 and RTS 24

Whilst standalone processes exist in order to comply with the reporting obligations under RTS 22 and RTS 24 and the FCA has established standalone teams to receive and scrutinise this data, the current reporting obligations



under MiFIR results in the FCA receiving data on executed trades twice, once in compliance with RTS 22 and again under RTS 24. This reporting mechanism is duplicative in nature, increases costs and forces duplication of effort by reporting entities and the FCA. Merging the reporting obligations under RTS 22 and RTS 24 would reduce the reporting burden without impacting the data received by the FCA.

In addition to merging the reporting requirements under RTS 22 and RTS 24, FIA members encourage the FCA to amend the reporting obligation so that Trading Venues are required to report all on-Venue trades rather than only reporting where the member of the Trading Venue is not required to do so.

The existing obligation on Venues to report only in instances where the member is not required to do so is cumbersome and requires expensive and complex controls at each Venue. This is especially true given that the Recognised Investment Exchange already possesses the data in order to comply with reporting obligations under RTS 24. As a result, amending the reporting obligation would help alleviate a sizable portion of firms' reporting burden without impacting the data received by the regulator.

Under the existing reporting regime, Trading Venues request data from investment firms in order to comply with the reporting obligation under RTS 24. Amending the reporting obligation so that Trading Venues report all on-Venue trades would not change this but has the potential to significantly reduce the RTS 22 burden on investment firms as they no longer need to report on-Venue trades.

Implement a report-once framework

FIA members encourage the FCA to consider adopting a report-once framework encompassing all UK reporting regimes. As noted in our response to Q.1 above, the UK reporting regime has developed over time in piecemeal fashion. This has resulted in reporting firms being tasked with complying with numerous reporting obligations which require a similar dataset. A report-once framework would enable firms to submit an agreed dataset and allow authorities to remove data extracts in order to fulfill their regulatory duties.

This would remove the duplicative nature of reporting a similar dataset multiple times in order to comply with various reporting regimes. Furthermore, this would enhance the attractiveness and competitiveness of UK markets by reducing the regulatory burden on firms.

Receipt and Transmission of Order (MiFID) and Delegated Reporting (EMIR / SFTR)

The FCA is encouraged to remove the transmission of order concept from the UK transaction reporting regime. Since its inception, this process has proven cumbersome and difficult to ensure accuracy and, as a result, has not been widely adopted by industry participants.

The requirement for reporting firms to submit reports on behalf of other market participants places an onerous burden on larger firms. We propose the removal of the mandatory aspect of this requirement as it places reporting firms at risk of non-compliance due to data submitted on behalf of a client.

The requirements for receipt and transmission of order (RTO) creates risk to a firm's own reporting, largely due to the dependency on clients to provide certain data attributes. This dependency and complexity results in reporting



accuracy issues, particularly where trading arrangements are broader than the jurisdiction covered by the regulation. We recommend the removal of the RTO requirement and suggest that an alternative service provision, by ARMs to market participants that supports direct report submission, be established.

With respect to similar obligations under EMIR and SFTR, reporting firms have little option other than to offer a delegated reporting service in order to maintain client relationships. This provision, alongside EMIR Refit rules that place greater accountability on the market participant, has placed increased costs on reporting firms given the need to provide clients with reporting information and feedback.

We recommend a number of proposals in relation to delegated reporting under EMIR:

- 1) For mandatory delegated reporting for “NFC-” entities, we suggest that the reporting obligation should be single-sided rather than having the obligation to report pass to the “FC” entity.
- 2) For delegated reporting, we suggest that the reporting obligation should be a service offered by the trade repository (TR) rather than the brokerage firm. This would create a level playing field between all market participants, from a risk and cost perspective. Alternatively, reporting should be single-sided similar in approach to mandatory delegated reporting, as set out above, to reduce the burden on firms.
- 3) Single-sided reporting of cleared transactions by CCPs would greatly reduce the reporting burden on firms without impacting the data received by regulators. Reporting firms are currently dependent on CCP data for their own reporting given the dual-sided pairing and matching requirement. Moving to single-sided reporting would remove the dependency on matching and copying CCP data and would allow market participants to focus on accurate, complete and timely reporting of non-cleared trading activity.

Remove EU ISINs in UK FIRDS

Post-Brexit, the EU removed UK ISINs from the EU FIRDS database. This action was not reciprocated by UK authorities which results in UK firms continuing to report EU instruments for which the FCA does not perform regulatory oversight. The cost and effort required to continue reporting EU ISINs within UK FIRDS should be abandoned.

Proportionality

The UK reporting regime has developed over time, and we are confident that there is scope for streamlining requirements in order to remove duplication of reported data. FIA members question the need to report certain fields, such as ‘country of the branch supervising the person responsible for the execution’. FIA members ask that the FCA consider how often data attributed to this field is used and whether it is deemed essential to meet the objectives of the reporting regime.



FX Derivatives

We propose to remove the requirement to report FX Derivatives from the scope of UK MiFID RTS 22. We believe there is limited value from a market abuse monitoring perspective that can be ascertained from the reporting of FX derivatives because the underlier to an FX derivative is not a financial instrument.

Complex instruments

We recommend that the FCA abandon the concept of reporting complex derivative products comprising of wrappers of other financial derivatives given that the reported data offers limited value for the purpose of market abuse monitoring, in its current format. The FCA may consider aligning with the reporting of package transactions as set out under EMIR.

Traded on a Trading Venue (TOTV)

FIA members recommend reducing the time limit for instruments to be classified as TOTV from the current seven-day window for transaction reports prior to them being rejected in order to allow for time to process and receive instrument reference data. Occurrences of delayed reporting of instrument reference data necessitates reporting firms to reconcile against historically reported data to ensure accurate reporting. A timebound limit on the period in which an instrument can be classified as TOTV, after which the instrument becomes non-reportable, would remove the risk to reporting firms and tighten the requirement on Venues to report timely and accurate reference data.

Standards and identifiers

Adopting new identifiers such as DTI identifier raises questions relating to the interplay between ISIN, UPI and DTI. Furthermore, implementing standards should lead to a reduction in the number of fields where underlying attributes can be sourced from the ISIN, UPI and/or DTI. More broadly, the interplay between identifiers set out under different reporting regimes such as the relationship between Report Tracking Number under EMIR and the TVTIC which provide similar functionality. Consolidating and simplifying identifiers would create synergies between UK reporting regimes and reduce silos which exist today.

Q3: Which areas of the transaction reporting regime do you find most challenging? Please explain why.
--

FIA response:

The volume of reports and data required to accurately comply with the reporting requirements cannot be overstated. With that being said, there are a number of critical areas of the transaction reporting regime that are especially challenging.

Trading Venue Transaction Identification Code (TVTIC)

Despite years of industry collaboration and efforts to establish consistent market practices, TVTIC continues to be plagued with issues which impact data quality. This would be avoided by establishing a defined format and a requirement for Venues to provide a fully formed TVTIC as a single data point to reporting firms.

FIA members recommend that the FCA work with stakeholders in order to agree on a consistent method of disseminating the TVTIC (e.g. via an end of day file) and a common syntax. A syntax creates a consistent construct



for the TVTIC and would enable investment firms to generate the TVTIC independently to enable real-time reporting and reduce the dependency on Trading Venues.

Back Reporting

Reporting firms must back report any errors made in reporting across MiFID, EMIR and SFTR, placing a significant cost burden on market participants. Of particular concern are changes to the regulations without a time limit on the period required for back reporting (e.g. 5 years for MiFID). Our proposals relating to back reporting, as set out below, would ensure that reports are corrected in a timely manner and are considerate of the cost benefit when back reporting is undertaken.

FIA members recommend that any instance of back reporting should be agreed with the regulator before submission in order to ensure that the back reporting represents a meaningful change to the data already submitted. For example, if the country of branch field for a head office was omitted from a report, correcting it would provide no meaningful improvement to the data available to the regulator. By partnering with reporting firms in pre-agreeing the scope of any identified back reporting with a consideration to the value of the back-reported data, regulators can improve the efficiency and lower the industry's cost of reporting.

Additionally, we propose that the FCA allows firms to only correct single data elements of a transaction report, rather than requiring a cancellation and the submission of a new report. This would allow firms to correct only the part of the report that was incorrect and reduce the costs associated with back-reporting. This would also allow firms to correct reports in a timely manner.

Challenges to back-reporting are further exacerbated in the scenario where new data points are implemented following changes to regulation that were not required at the time when the transaction was first executed. Where newly-required data points were not collected at the time of execution, it can be challenging to retrospectively provide them to comply with new validation rules. This is particularly problematic with the reporting of "dead" trades under EMIR, which is a significant challenge without providing meaningful benefit to the submitted transactions. We propose removing the need to report newly-required data points for transactions first reported prior to any regulation changes. Alternatively, an agreed set of default values should be allowed.

FIA members suggest that the current requirement on reporting firms to correct reports under EMIR and SFTR at event level rather than latest version of the report does not represent good value for the regulator, given the challenge to produce this data. The trade state report and latest version of the trade often provide substantial information to monitor for systemic risk purposes and would be a more efficient requirement for the industry.

Client Identifiers and types

Reporting of counterparty data should be limited to the LEI only, without the complexity of additional client data, (e.g. client classification/agreement type or branch locations). Additional counterparty data points can be determined via independent sources and the reporting of additional client data places a significant cost and risk burden on reporting firms.



Unique Trade Identifier (UTI)

EMIR requires a UTI to be reported, creating a dependency on third parties to provide the data. This creates similar challenges to those highlighted in relation to TVTIC. For UTI, we propose establishing a prescribed format and syntax, mandated by the FCA, to facilitate a single reliable data point to be used by all participants in their reporting.

Reporting chain

Reporting chains involving multiple entities within the same group creates distinct challenges for reporting firms. This is especially true in the scenario where a reporting entity is involved in a chain and the trade involves multiple legal entities within the same group. We recommend that the FCA does not adopt similar proposals to those suggested by ESMA relating to chain identifiers, as this would create a dependency on reporting firms to provide data points to counterparts prior to reporting. This dependency could lead to increased late or inaccurate reporting.

Complex trades

Determining the Price of complex trades is difficult where the complex trade contains multiple component legs made up of different instruments with distinct trading characteristics (e.g. a complex trade made up of an on-Venue government bond futures along with an OTC government bond trade).

3rd country branch reporting

Standard order and trade flow does not identify the executing branch and this is not information readily available to investment firms. Given the lack of controls governing 3rd country branch reporting, data accuracy can be impacted.

Reporting Scenarios

It is our view that certain reporting scenarios should be excluded from MiFID transaction reporting due to the complex and varying nature of the activity and the limited value from a supervisory perspective. For example, we recommend that corporate actions and novations be excluded from reporting given that the decision to execute the trade would have already been taken and an original report would have been submitted with the information of the individuals or algorithms that had made the decision to execute.

The processing of corporate actions or novations is often manual in nature and does not form part of the reporting firm's execution records, complicating the reporting process.

Standards and identifiers

Where there is a requirement to identify the derivative product via a product identifier (e.g. ISIN or UPI) and to populate further duplicative product related fields (e.g. Product Classification, Delivery Type, Option Type) there would be benefit in removing the requirement for each individual firm to report these product-related-fields in the submission to the ARM or Trade Repository, and instead these fields should be enriched post-submission from a reliable data source. This would reduce the complexity and reduce the risk of inconsistent reporting between similar reporting fields by reporting firms.



Proportionality

As the reporting regimes undergo a period of significant uplift and introduce additional reporting fields and requirements, we feel it is important that the fields required for each regime align clearly with the purpose and the spirit of the reporting obligation. In effect, this means that reporting regimes designed to monitor for market abuse and/or price transparency should only include fields that relate to the investment decision and execution of the trade (and therefore not include fields related to clearing and settlement). Equally, where a reporting regime is designed to monitor for systemic risk, the reporting obligation should include fields that relate to the open exposure of the contract between counterparties and not require fields that relate to the execution of the trade.

Representing information relating to the execution, clearing and settlement of the trade within a single regulatory report introduces dependencies on systems throughout the firm, increasing complexity and cost. The FCA is encouraged to maintain a clear alignment between the regime's objectives and the associated field requirements set out in the reporting obligation.

Q4: Could data quality be improved through new technologies or messaging standards? If so, how, and what can we do to support this?

FIA response:

Implementing new technologies or messaging standards is an expensive exercise for firms.

As the FCA is no doubt aware, ESMA has proposed moving to JSON for EU MiFIR. While there is preference to minimise divergence between the UK and EU MiFIR reporting obligations (content and formatting standards), FIA members acknowledge that UK EMIR is in XML format so retaining consistency across UK reporting regimes (MiFIR and EMIR) is beneficial.

FIA members caution against an overly prescriptive approach to new technologies and messaging standards. Given that new and evolving messaging formats are anticipated in the future, the FCA's rules should allow for a certain amount of flexibility in order to "future-proof" evolving non-equity market structure changes, its related technical developments and/or evolving digital reporting solutions.

In addition, if the FCA were to take forward some of the proposals relating to field content set out within the Discussion Paper, FIA members suggest introducing content and format changes on separate timeframes rather than adopting changes to the content and format at the same time. This would grant firms sufficient time for implementation and testing.

Another suggestion to improve data quality would be to adapt the reporting obligation. Rather than submitting a vast amounts of daily reports to the FCA, the FCA may consider the idea of accessing a portal, within a firm's/Venue's database which would allow the FCA to access data/reports. Firms are obliged to retain this data so the FCA can access as may be necessary in order to fulfill its regulatory duties.

Q5: Do you use FCA FIRDS? If so, do you access via the graphical user interface (GUI) or through file download and what is your predominant reason for using FCA FIRDS?



FIA response:

FIA members use FCA FIRDS and access the database via the GUI and file download feature available to firms. The predominant use of the FIRDS GUI is for daily controls and to download the full file version in order to improve product eligibility.

With that being said, FIA members have identified limitations of the FCA FIRDS database. Data quality within FIRDS is essential and FIA members have identified some data completeness issues.

Furthermore, while the full file download capability exists, and is used by firms, there are instances where a firm only needs to check a small volume of ISINs but is forced to download the full file. This is an overly cumbersome exercise.

Another issue arises when attempting to identify the uToTV of non-UK/non-EU ISINs. Unfortunately the current FCA FIRDS database does not assist firms in this task as the database relies on primary ISIN.

FIA members share the view that FCA FIRDS would benefit from the introduction of an API, thus creating a request and response mechanism between user and database rather than the 'one-or-all' mechanism that currently exists.

Q8: Does the daily rolling ISIN issue impact your firm? If so, please explain for which asset classes and sub-asset classes. We would welcome any data you can provide on associated costs.

FIA response:

The daily rolling ISIN has some impact on investment firms and creates additional minor costs associated with the creation of new ISINs. That said, this arguably brings greater transparency to trading/reporting of on-Venue activity.

Q19: Would you support the introduction of an opt-in register of UK investment firms willing to act as a receiving firm? Are there any other challenges associated with the transmission mechanism that limit the potential effectiveness of this solution?

FIA response:

FIA members acknowledge the disproportionate impact that the UK transaction reporting regime has on smaller firms given that, in many cases, the cost and operational burden required to comply with the reporting requirements outweighs the risk associated with certain entities and their accounts.

As noted in our response to Q.2 above, the requirements for receipt and transmission of order (RTO) creates risk to a firm's own reporting, largely due to the dependency on clients to provide certain data attributes. This dependency and complexity results in reporting accuracy issues, particularly where trading arrangements are



broader than the jurisdiction covered by the regulation. The RTO agreement has existed since 2018 however this option has seen limited uptake from industry participants.

FIA members are concerned by the FCA's proposals relating to a public register given that this is likely to create unintended consequences where larger firms would be put under pressure to provide the service to clients, increasing the risk of non-compliance for investment firms. In addition, the reporting obligation on smaller firms would not be removed entirely as they would be obliged to provide the larger institutions with certain data elements in order for the large firm to perform the reporting on their behalf.

This will create a huge dependency on both entities and will add complexity/accuracy issues to firms' reporting.

This option may be a solution for intragroup arrangements but FIA members do not see this as a viable option and this would not work across jurisdiction/regulators.

Q20: Do you have any other suggestions that could help reduce the reporting cost for smaller firms?

FIA response:

As noted in our response to Q.2 above, FIA members encourage the FCA to consider amending the reporting obligation so that the reporting obligation sits with the Trading Venue to report every on-Venue trade rather than having to report only where the member is not required to do so. Placing the obligation on Venues to report only where the member is not required to do so requires costly and challenging controls at each Venue. By adjusting the reporting obligation in this manner, smaller firms would no longer have a reporting obligation for their on-Venue activity.

Another option may be for smaller firms to have the option to go through the ARMs, using a GUI at the ARM to provide necessary information in order to construct their own reports. As noted in our response to Q.19 above, this option may reduce the reporting burden but will not remove it and may have unintended consequences depending on the set-up at the ARM.

The FCA appears to discount the idea of setting a threshold for small firms. While we acknowledge the FCA's reluctance to set a minimum threshold for the reporting obligation, one option may be to adjust the reporting requirement so that smaller firms are not obliged to submit reports but the FCA should retain the ability to request data on a periodic basis.

Q21: Would you support UK MiFID investment firms (including a UK branch of a third country investment firm) being able to act as a receiving firm for non-MiFID investment firms (which are not subject to transaction reporting obligations)?

FIA response:

FIA members are concerned by this proposal for the reasons set out in our response to Q.19.



As noted above, the main issue with the RTO reporting model is the additional dependency on clients to provide data in a timely manner which puts additional strain on firms' reporting processes. In addition, firms would need to establish the necessary agreements to govern this process. These efforts are both timely and costly.

Furthermore, in the scenario where DEA trading activity exists from non-UK/non-EU entities who are clients of overseas affiliates, this creates a blind spot as the on-Venue transaction is reported but does not give sufficient transparency as to the trading activity behind the member of the Venue. Allowing the Exchange member to be the receiver of the ultimate DEA client would allow for the identification of the client to be disclosed to the FCA, thus removing the blind spot.

Q24: Would you support reporting under Article 26(5) for all UK branches of third country firms? Please explain why.

FIA response:

Third country branch reporting has resulted in numerous errors by failing to clearly identify UK branch from non-UK branch activity accurately to the Trading Venues. Furthermore, it has also expanded the scope of firms who need to report TVTICs accurately. This is an ongoing challenge as noted in our response to Q.3.

An alternative solution is to amend the reporting obligation so that Trading Venue are obliged to report every on-Venue trade rather than having to report only where the member is not required to do so. Placing the current obligation on Venues to report only where the member is not required to do so requires costly and challenging controls at each Venue.

Under the current regime, Trading Venues are obliged to request data from firms for the purpose of reporting under RTS 24. Amending the reporting obligation to require Venues to report all on-Venue trades would reduce the RTS 22 burden as they no longer need to report on-Venue trades.

Q25: Do you have a preferred option for improving the usefulness of the TVTIC? Are there other options we should consider?

FIA response:

As noted in our response to Q.3 above, despite years of industry collaboration and efforts to establish consistent market practices, the TVTIC continues to be plagued with issues which impact data quality. The primary reason for these challenges is due to inconsistent generation and dissemination of the TVTIC by Trading Venues.

FIA members recommend that the FCA work with stakeholders in order to agree on a consistent method of disseminating the TVTIC (eg. end of day file) and a common syntax. A syntax would create a consistent construct for the TVTIC and would enable firms to generate the TVTIC independently in order to enable real-time reporting and reduce the dependency on Trading Venues.



Q26: Do you think changing the name and content of RTS 22 Field 5 would improve data quality?

FIA response:

FIA members agreed that this change would be helpful and would reduce inaccuracies of data for this field.

Q28: Would you support simplification of the requirements for the buyer and seller field when trading on a trading venue where the counterparties are not known at the point of execution?

FIA response:

FIA members are generally supportive of the proposal to report the segment MIC as buyer/seller ID code (field 7 and 16) in the scenario where the counterparty is unknown at the point of execution.

Q29: Do you have any suggestions for how data quality could be improved for transactions involving transmission?

FIA response:

As noted in our response to Q.2 above, FIA members encourage the FCA to remove the transmission of order element from the UK transaction reporting regime. Since its inception, this process has proven cumbersome and difficult to ensure accuracy and, as a result, has not been widely adopted by industry participants.

Q30: What challenges do you have reporting the quantity type and price type tags for particular asset classes, if any? What further guidance could we issue to help firms?

FIA response:

FIA members welcome clear guidance on quantity type and price type for reportable derivative products. A series of examples and illustrations would be most helpful in order to ensure data accuracy.

For example, consider Bond Future DE000C1T6JE8 the price is normally around 151.47. Should this be reported as a percentage or as monetary value?

For Interest Rate future: GB00H221MZ78 the price hovers around 98.49. Should this be reported as a percentage or as monetary value?



Q32: Would you support removal of the indicator fields from the transaction reporting regime? Please explain why.

FIA response:

FIA members agree with this proposal. This creates simplification of the reporting rules and reduces costs.

We encourage the FCA to continue conducting similar analysis for future reviews to regulatory reporting regimes in order to identify fields which are duplicative and/or of limited use to the regulator. As noted in our response to Q.2 above, FIA members question the need to report certain fields, such as ‘country of the branch supervising the person responsible for the execution’. FIA members ask that the FCA considers how often data attributed to this field is used and whether it is deemed essential to meet the objectives of the reporting regime.

Q33: What difficulties, if any, would you anticipate in being able to provide a linking code for aggregated transactions? Which of the options outlined would you prefer and why? Do you have alternate suggestions to improve data quality for transactions which use INTC?

FIA response:

Linking codes should be created by the firm generating the aggregated order which then executes into aggregated transactions. This would have the added benefit of improving the handling of aggregated orders as well as aggregated trades under the RTS.

FIA members suggest that the INTC code identifier should remain free-text and constructed by the firm generating the aggregated order, rather than an FCA-dictated syntax or number of characters. At most, the FCA may wish to consider setting a maximum number of characters and permissible character types. In order to ensure data accuracy, introducing this linking code as a new field would appear to be the most practical solution.

Q34: Do you anticipate any difficulties in reporting DTIs for an instrument or underlying? Are there other solutions that could allow us to identify when trading is in a tokenised security or has a tokenised security as an underlying?

FIA response:

FIA members support the adoption of standards and identifiers in order to improve efficiencies and usability of reporting data.

To ensure that the implementation of the ISO 24165 Digital Token Identifier (DTI) is successful, we encourage the FCA to share guidance to enable firms to identify the DLT “financial instrument code” and “underlying identification code” in transaction reports for financial instruments that are natively issued on a blockchain and for financial instruments that are re-issued in a tokenised form.



Given that a DLT financial instrument or underlying may be admitted to and/or traded on a regulated market, we anticipate that these products would, or at least should, have an ISIN.

It is our interpretation, therefore, that in such instances, the report would include an ISIN and a DTI. Furthermore, it is our interpretation that the ISIN remains essential in order to capture details of the security while the DTI capture details relating to the token. As such, in this instance, one identifier does not supersede the other. Clarification on these assumptions would be appreciated.

We understand that there may be instances where multiple DTIs may be linked to a specific ISIN. In this scenario, guidance from the FCA is necessary to understand expectations.

Q35: Do you support the inclusion of a new client category field? Please explain why.

FIA response:

With respect to the FCA's proposals relating to the inclusion of a new field relating to client categorization, FIA members share the view that while the proposal may help to accurately identify retail clients, for example, for the purpose of monitoring of the distribution of certain complex products to investors or to identify market trends when analysing the data on transaction reporting, we question whether reports submitted in compliance with RTS 22 are the most efficient means of obtaining this information and suggest that a register may be an alternative solution to remedy this oversight gap.

Is it correct to assume that this new field would only be applicable for the client-facing report? In addition, which category does this identifier apply? Should this refer to the buyer, or seller, or decision-maker?

Q36: Would you support either of the above options to enhance our oversight of DEA activity? If so, do you have a preference?

FIA response:

FIA members prefer option 2, where the providers signals whether a trade is through DEA activity as part of the decision maker's field. This option seems to be most straightforward and therefore provide the cleanest data whilst using an existing field instead of creating a new field.

Q37: Would you support the inclusion of two price fields? Please explain why.

FIA response:

FIA members support the inclusion of two price fields. RTS 22 requires the average price while RTS 24 uses the leg prices. As a result, both prices should be readily available.



Q38: Would you have concerns with providing full names and dates of birth for the individuals within the firm responsible for investment decision or execution decision? Please explain why

FIA response:

FIA members have concerns with providing full names and dates of birth (DoB) for individuals within the firm responsible for investment and execution decisions and feel that the sharing of this information may create undesirable challenges.

The UK national insurance number provides a greater level of granularity and unique identifying information compared to full name and DoB. Whilst we appreciate that concatenated information can in very rare occurrences lead to duplicate identities, similar results may occur by using full name and date of birth.

FIA members do not think that the small amount of extra visibility received by the FCA is proportionate to the cost and GDPR concerns of supplying this sensitive data.

In addition to the above, data security and the risk of cyber-attacks are heightened by the transfer of this data. One could argue that this information may be sought after by bad actors given the data would pertain to high net worth individuals. These risks are increased given that reporting entities cannot verify the data protection controls that might exist at ARMs (or beyond). As such, we share the view that the distribution of private information is kept to a minimum.

Q39: What difficulties, if any, do you encounter when submitting transaction reports for transactions in FX derivatives? Please provide details on how data quality could be improved in this area.

FIA response:

As noted in our response to Q.2 above, we propose removing the requirement to report FX Derivatives from the scope of UK MiFID RTS 22. We believe there is limited value from a market abuse monitoring perspective that can be ascertained from the reporting of FX derivatives given that the underlier to an FX derivative is not a financial instrument.

Difficulties in submitting transaction reports for FX derivatives primarily relate to the identification of the 'base' and 'quote' currencies. Many reporting fields rely on the correct classification of these currencies, yet inconsistencies arise due to the interpretation of major currency conventions across different booking systems. This can result in discrepancies in transaction reports which impacts data accuracy.

In addition to the above, internal systems can struggle to apply the correct logic in determining the base and quote currencies in alphabetical order, as required. This has led to inconsistent reporting outcomes, especially when integrating data from multiple internal booking platforms.



For FX swaps, there has been efforts to follow ESMA's Q&A guidance by reporting as single instruments. However, members continue to experience challenges in obtaining the correct ISINs for these transactions. This results in reporting errors or delays, ultimately impacting data quality.

To enhance data quality in FX derivative reporting, FIA members would appreciate guidance from the FCA on:

- Best practice for accurately identifying and reporting the base and quote currency.
- Recommended approaches to resolving inconsistencies in alphabetical ordering for currency pairs across different booking systems.
- Further clarification on the reporting requirements for FX swaps and forwards, including ISIN assignment and handling of complex trade structures.

Q40: For all parties involved in chains with intermediary brokers, please can you provide further information on the trade flows and your understanding of reporting obligations.

FIA response:

To effectivity address this question, it would be helpful if the FCA could provide clear and consistent definitions regarding what constitutes an intermediary broker. Based on discussions and feedback within industry groups, there appears to be significant variation in how firms interpret the reporting of transactions within a brokerage chain. Different entities approach this from different perspectives with some focusing on the legal clearing arrangements established with clients while others consider the entity originating the transaction at the desk level, or take an operational or systems-based view.

Reporting challenges exist in the scenario where a Direct Exchange Member (voice) trading model exists. In this setup, the firm arranges transactions between two clients and blocks them directly onto the Exchange in the name of the two clients. The clients clear their transactions through separate clearing arrangements and the Exchange member has the necessary permissions to submit trades directly into the clients' accounts. The Exchange confirms that the block trades are booked as two separate executions, directly into each client's account. Historically, the Exchange member has reported these transactions as two separate trades, aligning with the understanding that each execution is a separate transaction. There has been consideration as to whether these transactions may fall under the scope of a reception and transmission of orders (RTO) model, meaning the Exchange member should report a single transaction. Given the inconsistencies in reporting practices, clarification from the FCA on the correct approach to ensure compliance would be well received.

Q41: What guidance on reporting of chains with intermediary brokers can we provide to improve data quality?

FIA response:



Clear guidance from the FCA would help ensure a more uniform approach across the industry. This complexity increases further when, within the same entity group, the front-office, clearing functions, IT systems, and legal documentation are associated with different legal entities within the group. It would be beneficial if the FCA could provide a clear definition of what constitutes an executing broker's involvement in a transaction. Additionally, incorporating this definition across other MIFID streams would be helpful, as they are all affected by the same challenges and inconsistencies.

In addition, during the recent FCA Forum in January, it was noted that inconsistencies exist relating to how firms report such transactions. FIA members request the FCA's guidance on the following points:

- Should firms report these transactions as two separate reports, one for each leg of the execution, or as a single report under RTO principles?
- Does the brokers role as an arranging intermediary impact the reporting obligation?
- Are there specific factors that should be considered when determining the appropriate reporting structure for block trades executed via intermediary brokers?
- Will the FCA be issuing formal guidance or clarifications to promote consistency in industry reporting practices?

FIA members appreciate any further guidance the FCA can provide to improve data quality and ensure alignment with regulatory expectations.