

EDMA response

Improving the UK transaction reporting regime

EDMA submitted the following responses to FCA's discussion paper DP24/2.

Question 6: Should CPMI firms be subject to UK MiFIR transaction reporting requirements for MiFID activity they conduct? Please explain why

EDMA is generally sympathetic to the FCA's desire to have the ability to monitor activity by CPMI firms. We would like to highlight an unlevel execution playing field between trading on-venue or "OTC bilateral" (off-venue). When trading on-venue, these firms are currently required to provide the trading venue with personal identification information (PII) and (when trading in MTCH/AOTC capacity) with identification of their clients, be it legal entities or natural persons. When trading off-venue, no such requirement exists.

Question 8: 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.

Yes, EDMA members are impacted by the daily rolling ISIN, mainly for Interest Rate Swaps. In 2025, the combined ISIN¹ and UPI² DSB fees payable for "power users" will be €239,402 per annum. Based on the principle of "cost recovery", it is remarkable that the 2023 DSB³ "cost" of ISIN and UPI provision amounts to €14.9 million (utilising Etrading Software as the 'managed service provider' in a 'public-private partnership').

1 <https://www.anna-dsb.com/fees-rules-2025/>

2 <https://www.anna-dsb.com/upi-fees-rules-2025/>

3 <https://www.anna-dsb.com/download/dsb-statutory-accounts-2023/>

Question 9: Would reporting the UPI for instruments in scope under UK MiFIR Article 26(2)(b) and (c) require firms who would not otherwise have to obtain UPIs to do so?

We do not see a use case for that scenario.

Question 10: What would be your preferred identifier for OTC derivatives in the transaction reporting regime? Please indicate why and explain which types of OTC derivative it should be applied to.

While we generally support a gradual shift towards the UPI, we recommend the FCA considers this question more holistically. It is undesirable to make changes to transaction reporting only, excluding other reporting considerations. Now that the European Commission has published its Delegated Act regarding OTC derivatives identifying reference data, there is an opportunity to address a fundamental review and the proportionality of reporting requirements. We believe it is very important to acknowledge the different purposes of reporting regimes: transparency, market abuse and systemic risk. MiFIR requirements should get harmonised and simplified in conjunction with EMIR and SFTR. It is paramount to distinguish a) the scope of reportable trades/instruments, b) product vs instrument, c) the attributes required to obtain an identifier, d) reference data supporting the different regulatory objectives, e) providers of such reference data, f) its availability to the public and/or regulators (at commercial cost or free of charge) and g) single- vs dual-sided reporting. Where possible, divergence between global reporting regimes should be kept to a minimum. For example, while ISO 6166 is a global standard, its extension to identify derivatives with an ISIN is not adopted globally.

Question 13: Trading venues: Would you support making all instrument reference data reportable only the first time there is a reportable event and for any subsequent changes? Please explain why.

Yes. This would be a more operationally efficient approach for trading venues.

Question 22: Trading venues: are there fields or trading scenarios that are particularly challenging to report accurately under Article 26(5)? If so, please provide details.

Yes, there are fields that trading venues find particularly challenging to report under Article 26(5). EDMA believes that the current transaction reporting for trading venues under Article 26(5) of MiFIR puts a disproportionate burden on fixed income multilateral trading facilities (MTFs) to capture and report underlying client information for transactions executed by non-MiFID firms. This is due to the different market structure of fixed income MTFs whereby buy-side firms participate directly as members of the MTF. This then requires MTFs to retrieve and report information on the end clients of thousands of buy-side participants adding significant operational complexity and costs. This obligation does not extend in the same way to regulated markets (RMs), due to the differences in market structure, as the RM is only required to report the LEI of the exchange member or to collect the limited number of LEI(s) of the sell-side's underlying client(s). This forces fixed income venues to collect information from parties with whom they do not have a direct relationship (i.e., their clients' clients). Collecting and reporting underlying client data requires significant investment in operational infrastructure by MTF operators; a cost that is borne by market participants. Clients, particularly non-EU firms, are unwilling to share sensitive client data due to concerns over data protection laws, confidentiality, and potential misuse.

As a consequence, the current application of Article 26(5) acts as a barrier to entry for third-country firms, detracting from the depth and liquidity of UK markets and creating a competitive disadvantage for UK-regulated MTFs compared with third country platforms or OTC bilateral (off venue)/voice trading where no such requirement to share client details exist.

Therefore, EDMA would propose an amendment to limit reporting requirements for trading venues to the market-side leg of transactions only.

EDMA believes that, if transaction reports are limited to 'market-side only', this would level the playing field by aligning the reporting requirements for fixed income MTFs with those of OTC bilateral (off venue) /voice trading and make UK-regulated MTFs more accessible and attractive to third-country firms. This would also preserve regulatory oversight by ensuring regulators continue to receive critical transaction details for market abuse monitoring and surveillance.

EDMA believes the benefits of such a proposal would be simplified compliance, streamlining reporting processes, enhanced liquidity of UK MTFs by making them more attractive for third country firms to trade on and would maintain effective market abuse monitoring.

EDMA would further question the value of client-side transaction reports in facilitating market abuse investigations of firms subject to FCA rules, which we note do not include third-country firms, especially if it is considered likely that the FCA would approach a firm under investigation directly and receive transaction reports from the ultimate source.

Question 24: Would you support reporting under Article 26(5) for all UK branches of third country firms? Please explain why.

Yes, EDMA would support the FCA's proposals provided an amendment to limit reporting requirements for trading venues to the marketside leg of transactions only is introduced. It is operationally very challenging for trading venues to determine if a transaction was executed by the head office or UK branch of a third-country firm.

Question 25: Do you have a preferred option for improving the usefulness of the TVTIC? Are there other options we should consider?

EDMA believes current arrangements are satisfactory, supporting Option 1. All transactions executed under the rules of a trading venue are associated with a unique TVTIC (per day and MIC code).

There is no need to define a specific format for the generation of the TVTIC. This should be left to the operator of the trading venue to generate a proper TVTIC on the basis of the characteristics of its own trading system's architecture. The requirement that the TVTIC should be unique, consistent and persistent per MIC and trading day is sufficient to identify trading venues trades. EDMA believes that current active fixed income trading venues already operate a robust TVTIC approach, albeit specific to their own trading system architecture. Nevertheless, these venue TVTICs are sufficient for all regulatory purposes.

Question 26: Do you think changing the name and content of RTS 22 Field 5 would improve data quality?

Yes, it might be helpful to distinguish between the MiFID definition and if an investment firm is subject to MiFIR Article 26(1) obligations.

Question 33: 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?

Reporting of allocations remains a very operationally challenging activity for trading venues. The requirement to track additional data points, such as the INTC identifier, will increase the operational burden yet further.

We repeat our request (see answers to Q22 of this discussion paper) to limit transaction reporting by trading venues to the "market-side", i.e. without any allocations. This would level the playing field with OTC bilateral (off venue) trading, where MiFID counterparties of non-MiFID firms do not have to report their counterparties' allocations.

EDMA would highlight that if the executing investment firm is made responsible for generating the INTC identifier this will not cover the Article 26(5) scenario where the executing (3rd country) firm is under no obligation to adhere to MiFIR requirements. Unless or until Article 26(5) is limited to market side reports, as advocated by EDMA, this will remain the case.

Question 37: Would you support the inclusion of two price fields? Please explain why.

We do not believe a new field would be required. Instead, we would recommend lifting the requirement for a single price to be reported. Given the many types of trades that fall under the definition of Article 12 of RTS 22, the FCA should allow for component leg prices to be reported where appropriate. For example, in "all-or-nothing" contingent list trading of bonds (PT- Portfolio Trading), it does not make sense to publish a "complex trade price" (the only conceivable "price" being the aggregate net proceeds of all bonds in the list). Clearly, the publication of each bond's price will be more useful for monitoring such activity. Furthermore, this is an opportunity to harmonise the

definitions of RTS 22 “complex trades” with RTS 2 and EMIR “package” definitions and reporting requirements. For example, we recommend considering whether RTS 2 MEFRRROC requirement should apply across the board. It could be desirable to publish RTS 2 TPAC flag in synchronisation with “complex” trade requirement and EMIR package reporting.

Question 38: 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.

We do not support this proposal. We wonder about the likelihood and proportionality of how many individuals the FCA suspects share the same CONCAT. Once again, this proposal would put trading venues reporting under Art. 26(5) under increased requirements and structurally disadvantaging them from trading activity executed OTC bilateral (off venue).

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About EDMA

Electronic Debt Markets Association represents the common interests of companies whose primary business is the operation of regulated electronic fixed income trading venues (multilateral trading facilities and regulated markets) in Europe. EDMA seeks to foster and promote liquid, transparent, safe and fair markets and act as the voice and a source of consultation between the members in their roles as operators of such venues. EDMA projects collective views on regulatory matters and market structure topics to governments, policy makers and regulators for the benefit of the electronic fixed income markets. Our 6 members are: BGC Fenics, Bloomberg, BrokerTec, MarketAxess, MTS and Tradeweb. More information at www.edmae.org

