ISDA Safe, Efficient Markets

Financial Conduct Authority
12 Endeavour Square
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6 November 2026

Sent via email: cp26-34@fca.org.uk

Dear Priya,

Response to FCA CP26/34: 'Preparing for the new transaction reporting regime'

The International Swaps and Derivatives Association, Inc. (**ISDA**) welcomes the opportunity to respond to the FCA's consultation paper CP26/34.

Question 1

Do you agree with our proposed treatment of EU non-legislative materials for transaction reporting? If not, please explain why.

We are broadly in agreement with the proposed treatment of EU non-legislative materials for the purpose of UK MiFIR transaction reporting.

It must be ensured that all existing regulatory guidelines, Q&A's and other relevant material have been fully assessed and captured accordingly within the new Transaction Reporting User Pack (TRUP). It would be inefficient, unclear and unduly complex if market participants were to look back to previously articulated reporting guidance that is not reflected in the new TRUP. To provide full traceability and consistent implementation of the non-legislative materials, it would be beneficial to provide a 'red-line' version of the ESMA reporting Guidelines, Q&As and any other source material to easily compare what has been carried across, amended or withdrawn. Similarly, we request clear traceability of any existing FCA guidance previously published in Market Watch that will be captured within the TRUP.

In addition to a single consolidated TRUP incorporating all existing guidance, our preference is for future changes to guidance to be reflected within an updated and fully versioned TRUP document as opposed to publishing separate Q&A's. This will keep all reporting guidance in a single location, and thereby easier to use and comply with.

About ISDA
Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 1,000 member institutions from 78 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association's website: www.isda.org. Follow us on LinkedIn and YouTube.

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Question 2

Do you make use of the XML representations in existing EU non-legislative materials? If so, what value do they provide?

We support the retention of XML representations.

Many market participants utilise these representations to help ensure compliance with the rules when developing and testing reporting logic. While the implementation of reporting rules is arguably driven principally by the formal schema, validation rules and associated technical materials, the XML representations are at the least a useful point of reference, but for some firms have become a central resource for implementing reporting changes and are not simply a 'nice to have' point of reference.

Where XML representations are published for the MiFIR transaction reporting changes, we propose these are not simply extracts of selected examples (as is the case within the existing ESMA Guidelines), but instead a full suite of comprehensive XML examples are provided.

Publishing a machine readable representation of the reporting rules will support test-driven development for market participants, provide a clear and unambiguous representation of reporting rules, and lead to improved reporting consistency and accuracy across the industry.

ISDA have developed a machine readable, machine executable representation of reporting rules across several global regimes via it's Digital Regulatory Reporting (DRR) initiative. This is a proven example of representing reporting rule sets as code that can be adopted and applied consistently across the industry. ISDA stands read to assist the FCA in the development of a comprehensive set of machine readable MiFIR transaction reporting rules.

Question 3

Do you agree with our proposed guidance in the 'Client indicator field' section of Appendix 2? If not, please explain why.

A long-standing challenge within the industry has been the consistent definition of 'client' verses 'broker' with market participants applying different interpretations. While the proposed guidance is welcomed, it would be beneficial for the FCA to clarify the full purpose and intended application of the Client Indicator field, including whether the determination should be made by reference to the individual transaction or the clients categorisation. We would encourage the FCA to consider the benefits client categorisation could provide for determining the reportable value, with such an approach providing a clearer and more consistent framework compared to a transaction-by-

transaction determination. With there being historic challenges surrounding a common application of methodology, market participants may have implemented different approaches for determining the client indicator. As such, a move towards an approach based on client categorisation should take into account existing operational models and any costs and impacts to a revised methodology. Nonetheless, in the long-term this should deliver greater clarity on how client status is determined and improve the consistency of reported data,

If however, the client indicator field is determined on a transaction-by-transaction basis, additional reporting scenarios should be included. For example, Appendix 2 focuses on investment firms reporting under Article 26(1), but firms with venue obligations reporting under Article 26(5) are not well covered. Examples we believe will provide some additional clarification are provided below. This is not necessary an exhaustive list, and we would be willing to work with the FCA to build out the different scenarios to be covered in the guidelines.

Regarding the examples already in Appendix 2, while we agree with Examples 1 and 2, there is less clarity with Example 3 and the relationship between Firm X and Firm Y. Confirmation on whether the client indicator fields are transactional based, or client categorisation based is required.

Additional examples:

Example 3a: Client order received through an outsourced dealing desk

- *Client A, an asset manager, is a client of Investment Firm X. Client A has outsourced its dealing to Investment Firm Y.*
- *Acting in any other capacity for Client A, Investment Firm Y sends an order to Investment Firm X to buy a financial instrument.*
- *Investment Firm X, acting in a matched principal capacity, executes the order on Trading Venue M.*
- *The transaction settles between Investment Firm X and Client A. However, Investment Firm X received the order from Investment Firm Y and cannot see Client A on the order.*

Comment: Expect Investment Firm X fills Field 8 as TRUE because it is facing Investment Firm Y and has no way of identifying Client A. Is this correct and how should the actual client be identified and passed along the execution chain, given the trade settles with Client A?

N	*Field*	*Values reported by Investment Firm Y*	*Values reported by Investment Firm X*
4	Executing entity identification code	{LEI} of Investment Firm Y	{LEI} of Investment Firm X
7	Buyer identification code	{LEI} of Client A	{LEI} of Investment Firm Y
8	Client indicator for the buyer	TRUE	TRUE
16	Seller identification code	{LEI} of Investment Firm X	{LEI} of CCP for Trading Venue M
17	Client indicator for the seller	FALSE	FALSE
28	Trading capacity	AOTC	MTCH
34	Venue	XOFF	{MIC} of Trading Venue M

Example 3b: Client order routed by a non-UK group entity

- *Client A, a US client, is a client of Investment Firm Z.*
- *Investment Firm Z is a US group affiliate of Investment Firm X and is not a transaction reporting firm.*
- *Investment Firm Z, acting in a matched principal capacity, sends Client A's order to Investment Firm X.*
- *Investment Firm X then executes it on Trading Venue M, a UK trading venue, also in a matched principal capacity.*
- *The leg between Client A and Investment Firm Z is not reportable.*

Comment: Investment Firm X populates Field 8 as FALSE because Investment Firm Z is not the actual buyer. As a result, the FCA cannot see Client A. Is this assumption correct and can the FCA clarify whether a group affiliate that routes a client order counts as a client of the executing entity, and what definition of client applies for MAR 14?

N	Field	Investment Firm Z (not reported, shown for illustration)	Values reported by Investment Firm X
4	Executing entity identification code	{LEI} of Investment Firm Z	{LEI} of Investment Firm X
7	Buyer identification code	{LEI} of Client A	{LEI} of Investment Firm Z
8	Client indicator for the buyer	TRUE	FALSE
16	Seller identification code	{LEI} of Investment Firm X	{LEI} of CCP for Trading Venue M
17	Client indicator for the seller	FALSE	FALSE
28	Trading capacity	MTCH	MTCH
34	Venue	XOFF	{MIC} of Trading Venue M

Example 3c: Market making against a market counterparty

- Investment Firm X, a market maker dealing on its own account, sells a financial instrument over the counter to Investment Firm W.
- For this flow, Investment Firm X treats Investment Firm W as a market counterparty, not a client.
- Investment Firm W may also be a client of Investment Firm X for other business, and Investment Firm X has no order-level flag that tells the two relationships apart.

Comment: We request the FCA confirm whether Field 8 should be TRUE or FALSE, and whether client status is decided per transaction or by how the counterparty is categorised?

N	Field	Values reported by Investment Firm X
4	Executing entity identification code	{LEI} of Investment Firm X
7	Buyer identification code	{LEI} of Investment Firm W
8	Client indicator for the buyer	TBC
16	Seller identification code	{LEI} of Investment Firm X
17	Client indicator for the seller	FALSE
28	Trading capacity	DEAL
34	Venue	XOFF

Finally, an additional example to be considered for inclusion in this section relates to the Trading Capacity field. To give a scenario for this additional example:

An FX Prime Broker and Executing Broker are the same legal entity but operate through different branches, with the Prime Broker acting solely as agent and not assuming market risk. In this case, would be correct to report Trading Capacity as "MTCH", notwithstanding that the same legal entity LEI may appear in the Executing Entity Identification and Buyer/Seller Identification fields?

Question 4

Do you agree with our proposed guidance on CSSR as provided in Appendix 2? If not, please explain why.

Although we are not in favour of CSSR, with our concerns set out in our response to CP25/32, we acknowledge clear guidance will be required now that CSSR has been specified within PS26/15.

We broadly agree with the proposed guidance on conditional single-sided reporting (CSSR) and welcome the practical examples illustrating the allocation of reporting responsibilities between sending and receiving firms. However, we believe that an additional clarification is required to address circumstances where the sending firm fails to provide the information required under MAR 14.10.2R within the time limit specified in the written agreement, thereby meaning the receiving firm cannot submit a report within T+1.

The proposed guidance states that CSSR is conditional upon, among other things, a written agreement specifying the time limit for the provision of the relevant information, and the examples included assume that the sending firm provides that information within the agreed timeframe. It is not currently clear how firms should proceed where the information is provided late, including where it is received only after the receiving firm has submitted its transaction report.

We recommend that the guidance explicitly clarify that, where the sending firm does not provide the required information within the agreed time limit, the conditions for CSSR have not been satisfied in respect of that transaction. Consequently, each transaction reporting firm should remain independently responsible for meeting its own transaction reporting obligations.

We would also welcome confirmation that subsequent late receipt of the information should not require the receiving firm to report on behalf of the sending firm, nor should there be a need to cancel and re-submit an otherwise accurate transaction report in order to retrospectively apply CSSR. Requiring cancellation and re-reporting in these

circumstances would create unnecessary reporting activity and data noise without improving the substantive accuracy of the transaction data.

This additional clarification would provide greater certainty over the point at which CSSR ceases to be available and would help avoid inconsistent approaches to late transmission across the industry.

The Examples 6 and 7 provide practical CSSR guidance, but we request additional examples and guidance to be included that cover additional scenarios. Specially:

- Further guidance would be beneficial for a scenario in which one firm acts as both a receiving firm and a sending firm in a multi-firm chain, particularly in relation to how the final receiving firm identifies the direct transmitter and any underlying firm. We understand from Example 6 that, where an order passes through multiple investment firms under conditional single-sided reporting, Fields 25 and 26 are intended to identify the original sending investment firm, rather than necessarily the firm that transmitted the order directly to the final receiving firm. We would welcome confirmation that this interpretation is correct and is intended to apply generally to all multi-firm CSSR chains.
- We would also welcome further guidance on the information that must pass through the chain to enable the final receiving firm to identify and report the original sending firm correctly, particularly where one or more intermediate investment firms sit between the original sender and final receiving firm.
- In addition, it would be helpful for the FCA to clarify the intended regulatory treatment of the intermediate investment firms (Investment Firm X in Example 6) where those firms are not represented in the buyer, seller or sending-firm identification fields of the final report. In particular, the question is whether the FCA is comfortable that the reporting scenario outlined in Example 6 sufficiently evidences that the applicable reporting obligations have been fulfilled by all investment firms involved in the multi-firm chain, given that in Example 6, the reporting outcome does not evidence the involvement of an intermediary firm (Investment Firm X) in the multi-firm chain.
- Furthermore, we would welcome an additional worked example based on the same multi-firm chain, but where the relevant firm is acting on behalf of a client, including a MTCH or AOTC scenario, showing the appropriate population of the buyer, seller, client-indicator, trading-capacity and sending-firm identification fields.
- Finally, for Example 7, Reports 1 and 2 have the Trading Capacity field set to “DEAL”, while showing “INTC” in the Seller Identification Code field and the National ID of a retail client in the Buyer Identification Code field. Our understanding is that this may be inconsistent with draft updated validation rule CON-280, under which either the buyer or seller must be identical to the

executing entity when a Trading Capacity of DEAL is reported. We would welcome clarification from the FCA on this point, with a view to ensuring that any guidance included within the TRUP can be fully reconciled with the published validation rules.

Question 5

Do you agree with our proposed examples in Appendix 2 to support MAR 14.3.1G(7) on 'Meaning of a transaction'? If not, please explain why.

We agree with the proposed examples supporting MAR 14.3.1G(7) on the meaning of a transaction. The four examples provide a logical and helpful illustration of how the concepts of notional increase, and partial and full early terminations should be applied to derivative lifecycle events. The guidance would, however, benefit from further detail on the Price field (field #31).

For Examples 8a, 8b and 8c, it would be helpful if the FCA could clarify the price to be reported for each scenario. We believe that adding Field 31 to the worked example could reduce the risk of inconsistent approaches. We also request field 27 'Trading date time' is included for Example 8c for completeness (as this field is shown for the other examples).

In particular, we would welcome clarification as to whether the firm should report (i) the price of the original transaction; (ii) the price agreed for the increase or decrease; or (iii) another reference price determined under the product-specific reporting methodology.

It would also be helpful if the treatment of the Price field could be explained for lifecycle events where the relevant price has changed since the original transaction.

Additional clarification regarding the territorial scope could also be included. In particular, it should be made explicit that the meaning of "execution of a transaction" does not bring additional UK-linked transactions into reporting scope where execution and booking occur outside the UK. Our understanding is that the examples in Appendix 2 are not intended to modify or expand the circumstances in which a transaction becomes subject to the reporting obligation.

We recommend the FCA make this distinction explicit in the TRUP, for example by clarifying that the examples concerning derivative lifecycle events do not alter the territorial scope of the transaction reporting requirements or cause an otherwise out-of-scope transaction to become reportable. This clarification would provide greater certainty and help avoid any unintended interpretation that the MiFIR changes expands the territorial scope of the reporting regime.

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Question 6

Do you agree with our proposed guidance in the 'Branch execution' section of Appendix 2? If not, please explain why.

We agree in principle with the proposed approach outlined in the consultation, however we have significant concerns regarding the practical application of Example 9 and believe that further consideration is required.

Example 9 concerns a US firm with branches in Paris and London, where the investment decision is made by a trader in the Paris branch and the execution decision is made by a trader supervised by the London branch.

We question whether it is appropriate for a UK reporting obligation arising through a UK branch to require the reporting of personal identifiers and client information relating to activities undertaken through an overseas branch. This creates significant practical challenges, including where local data protection or other legal requirements restrict the transfer of personal or client information across jurisdictions. It is also unclear on the need for reporting information relating to activities undertaken within an overseas branch, where those activities are outside the UK's supervisory scope.

It also would be helpful if other examples could be provided that clarifies how the population of the Client Indicator field from the executing-entity perspective applies where client relationships are managed through different branches of the same legal entity. Example 9 concerning Branch Executions demonstrates an example of a direct client relationship, but additional examples would be beneficial in distinguishing between (i) a direct client of the executing entity; and (ii) a client relationship maintained by another branch of the same legal entity. We believe this would support the consistent population of Fields 8 and 17.

For on-venue trading, the determination of whether a trade is executed by a head office or branch needs to be made pre-trade and cannot be a two step process. Examples to address this determination, potentially from the perspective of trading venues, should help to address this item.

We recognise that branch execution is complicated by the legal structure of branches, but nonetheless believe the guidance should consider whether a more proportionate approach and recommend that the FCA reconsider Example 9. To that end, ISDA and its members are working to develop additional examples to address the various branch execution scenarios. This work will not be completed ahead of submission of the consultation response, but we hope the FCA will be open to considering these examples as and when they are provided. More broadly, we encourage collaborative engagement between the FCA and the industry on the treatment of cross-border branch arrangements.

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Question 7

Do you agree with our proposed guidance in the 'Equity swaps' section of Appendix 2? If not, please explain why.

We broadly welcome the additional guidance on the reporting of equity swaps, however we believe that further clarification is required regarding the identification of the buyer and seller in equity swap transactions.

The proposed guidance states that, for swaps relating to securities, the buyer is the counterparty that receives the risk of price movement of the underlying security and receives the security amount, while the seller is the counterparty paying the security amount.

We consider that this description does not adequately distinguish between long and short economic exposure to the underlying security and may not accurately describe all equity swap structures. In particular, describing the seller as the counterparty "paying the security amount" may be misleading, as depending on the structure and performance of the underlying, that counterparty may ultimately receive an amount.

We recommend instead that the identification of buyer and seller should be based on the direction of economic exposure to the underlying security. The party obtaining long exposure to the underlying should be identified as the buyer and the party obtaining short exposure should be identified as the seller, consistent with the economic position that would arise from a corresponding cash equity transaction.

We also recommend that the final guidance include a separate example for (i) portfolio swaps and (ii) cross-currency equity swaps.

Portfolio swaps can have characteristics that differ materially from the single-equity and index-based examples currently provided in Appendix 2, and a dedicated example would help ensure consistent treatment across firms.

Cross-currency are where the underlying trades in a different currency from the notional leg and we seek clarification on how to populate Price (field 31) and Price currency (field 32). To assist, we provide the following example.

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Example: cross-currency equity swap

Investment Firm X trades an OTC equity swap with Investment Firm Y. Both firms are dealing on their own account. The underlying equity is admitted to trading on a qualifying trading venue and trades in USD, at a reference price of USD 10. The notional leg is in GBP: 100 shares at an FX rate of 1.5, giving a notional of GBP 1,500. Investment Firm X receives the total return of the underlying and pays the financing leg.

The assumption is to report Field 31 as "10" and Field 32 as "USD", as opposed to the GBP-converted price of "15". Is this assumption correct?

N	**Field**	**Values reported by Investment Firm X**
4	Executing entity identification code	{LEI} of Investment Firm X
7	Buyer identification code	{LEI} of Investment Firm X
16	Seller identification code	{LEI} of Investment Firm Y
29	Quantity	1500
30	Quantity currency	GBP
31	Price	10
32	Price currency	USD
43	Notional currency	GBP
44	Price multiplier	1
45	Underlying instrument code	{ISIN} of underlying equity

Finally, we would welcome an example addressing circumstances in which the price of the underlying is zero, including clarification of the appropriate population of the associated quantity and price fields where application of the reporting methodology could otherwise result in a zero quantity. This would address an existing implementation uncertainty, given that "0" (zero) is not a permissible value for MiFIR transaction reporting.

In regards to the examples included within Appendix 2, there are two points we would like clarification on.

Example 10a is for the decrease in notional value. The scenario description specifies that "[t]he reference price of the underlying stock remains GBP 16.33." What would be reported if the price of the underlying stock differs from the original execution, i.e. is it the FCA's expectation that firms persist the original reference price at the point of execution, or should firms reflect the price applicable for the lifecycle event being reported?

As an example, an equity swap is executed with a price of GBP 16.33 (as per example 10). There is a decrease in the notional value, but the price of the underlying stock is now at GBP 18.55. Should firms (i) persist the price of the opening transaction (the initial price) and populate the Price field with "16.33", or (ii) report the executed price of the lifecycle event and populate the Price field with "18.55"?

Our preference is option ii – report the price relevant to the lifecycle event – as this is a more accurate reflection of what has been executed.

Example 11 shows the reference price underlying index reported as a monetary amount, (field Price is populated with "3500"). In the ESMA Guidelines document for MiFIR transaction reporting, Example 101 shows the underlying reference price reported as basis points. While these may not be exact like-for-like examples, the reporting of the underlying reference price appears to be inconsistent and so we request clarification on whether the FCA expect firms to populate the Price field with a monetary amount or in basis points.

Also under this example, it would be helpful to understand why the underlying index name is not populated and how the report enables the FCA to distinguish an index from a directly reportable underlying instrument.

We would also welcome clarification as to whether the financing or floating leg, including any associated index, is outside the reporting requirement.

Question 8

Do you have any feedback on an approach to reporting equity swap transactions where both legs comprise underlying equity instruments? Please provide details of any scenarios for which additional guidance would be helpful.

We believe that additional guidance is required for equity swap transactions where both legs comprise underlying equity instruments.

Existing terminology of the buyer being the party receiving the risk of price movement and the seller being the party "paying the security amount" does not provide a sufficiently clear basis for determining buyer and seller across all structures, and we would therefore welcome additional examples. We also request examples of portfolio swaps are included within the TRUP given their distinct characteristics.

Given the potential complexity of these structures, ISDA stands ready should the FCA engage further with industry when developing the additional guidance to ensure that the reporting methodology both accurately reflects the economics of the transaction and produces data that is meaningful for regulatory surveillance.

Question 9

Do you agree with our proposed guidance in the 'Strike price' section of Appendix 2? If not, please explain why.

We broadly agree with the proposed guidance on the use of 'NOAP' where the strike price cannot be determined at the point of execution. However, we believe further clarification is required on the distinction between 'NOAP' and 'PNDG', and on whether firms are expected to update a transaction report where a strike price subsequently becomes known.

The proposed guidance uses an average strike option as an example of when 'NOAP' should be reported because the strike price cannot be determined at the point of execution. However, Strike Price field also permits 'PNDG' where the strike price is not available. We consider that the guidance should distinguish between:

- PNDG, where the strike price has effectively been established but is not yet available to the reporting firm at the time the report is submitted; and
- NOAP, where the strike price is inherently not determinable at execution because it depends on a future observation(s) or calculation(s), such as would be the case for an average strike option.

Importantly, we would welcome clarification on the subsequent reporting obligation in each case. The guidance should specify for a report populated with 'NOAP', when the strike price subsequently becomes determinable, it is **not** expected to be updated with the newly calculated strike price.

We therefore recommend that the FCA include additional examples illustrating the appropriate use of PNDG and NOAP, together with an explicit explanation of the circumstances in which subsequent updates may or may not be required. This would promote consistent application across firms and reduce the risk of different interpretations as to whether the later determination of a strike price creates an obligation to update the original report.

Question 10

Do you agree with our proposed guidance on 'Package transactions' in Appendix 2? If not, please explain why.

We broadly agree with the proposed guidance on package transactions, and welcome the distinction between package transactions and the previous concept of complex trades, including the clarification that package transactions do not require a single price or simultaneous execution.

We believe however, the guidance would benefit from additional examples.

Firstly, the guidance should specify that a single transaction is not to be artificially decomposed into separate transactions and identified as a package simply for the purpose of reporting. This concept of artificial decomposition exists under UK EMIR for the reporting of Commodity Basis Swaps, but the resulting reported package transactions are not representative of the actual executed transaction, lead to arguably non-relevant data being included in reports, and creates an overly complex reporting process. By avoiding artificial decomposition of complex trades into package products, the intended purpose of the package transaction concept and MiFIR transaction reporting in general, will be maintained.

Secondly, we recommend additional examples are provided. These include:

- An example involving a package where some legs are executed on a trading venue and others are executed off-venue. The guidance explains that Field 3 (Trading venue transaction identification code) should contain the TVTIC for a leg executed on a trading venue, while this field should not be populated for an off-venue leg. However, none of the proposed examples demonstrates this within a single package. A worked example would help firms apply the requirements

consistently where execution methods differ between the individual legs while maintaining the common package identifier.

- The inverse of Example 15. Example 15 illustrates a portfolio trade where prices are available for the individual legs but a single package price cannot be derived, resulting in 'NOAP' being reported in Field 38 (Package transaction price). It would be helpful to include an example where the overall package price is known, but individual leg prices are not available. The example should confirm that the package price is reported in Field 38, while a value of 'NOAP' is reported in Field 31 (Price) for the relevant individual legs.
- A notional increase / decrease on only one instrument within a package, including whether Package identifier (field 37) and Package transaction price (field 38) change, i.e. although the change in notional only impacts one instrument within the package, should it still be considered to be part of the original package products. Other lifecycle events that impact just one instrument within a package should also be considered.

Subject to these additional examples, we consider that the proposed guidance provides a clear and practical basis for the reporting of package transactions.

Question 11

Are there any scenarios that are not currently covered in sufficient detail? If so, please explain the scenario, the relevant product or transaction type, the reporting issue that arises and what additional guidance or examples would help firms report consistently.

Point of execution

We understand that the 'point of execution' is the point in time at which the transaction arises and the parties are committed to that transaction, rather than the time of any subsequent confirmation. We would welcome the inclusion of this definition within the TRUP.

Anonymous transactions

We request clarification of what the FCA expects when a trading venue operates through a market facilitator or broker model, where the investment firm does not know the identity of the underlying market participant on the other side of the transaction, either at the point of execution or subsequently, but does know that it will face an identifiable market facilitator/broker entity for every trade as part of the trading venue's execution model. The market facilitator acts solely as an intermediary between market participants,

rather than taking principal market risk, with separate bilateral transactions resulting in each market participant facing the facilitator.

In these circumstances, we would like clarification on whether the transaction should be regarded as "anonymous" or "non-anonymous" for the purposes of populating the Buyer/Seller identification fields (Fields 7 and 16)?

In particular, we would welcome confirmation whether:

- the transaction should be treated as anonymous, because the investment firm does not know the identity of the underlying market participant at the point of execution, in which case the relevant segment MIC should be reported where there is no CCP; or
- the transaction should be treated as non-anonymous, because the investment firm knows that its direct bilateral counterparty will be the identifiable market facilitator/broker, in which case the LEI of that market facilitator/broker should be reported in Fields 7/16.

Prime brokerage involving branches of the same legal entity

This has been previously touched on in an earlier response, but to reiterate, it would be helpful if the TRUP were to include a specific example covering a transaction where the prime broker and executing broker are different branches of the same legal entity.

In such a scenario, the executing entity LEI may appear in a buyer or seller field while the firm reports in matched-principal capacity.

We would welcome clarification regarding the interaction between this reporting scenario and draft validation rule CON-280 for the Trading Capacity field, which appears to prevent such a report from being submitted without rejection.

Negotiated transactions

We would welcome the FCA's consideration of retaining or adapting for the UK TRUP a negotiated trade example based on section 5.16.1.3, Example 38 of the ESMA Guidelines.

It would be helpful if the guidance could explain the appropriate trading capacity and the population of the buyer, seller and executing-entity fields where the executing entity may appear on one side of a transaction reported in matched-principal capacity.

Structured finance products with a market-index underlying

Guidance would be beneficial for structured finance products with an Instrument Classification, or CFI code, beginning EY**** where the ISIN is not listed on a UK

qualifying venue but the underlying is a market index containing at least one constituent admitted to trading on a UK qualifying venue, or where the firm elects to report voluntarily.

Current UK validation rules appear to prevent the underlying index information from being populated for these instruments, resulting in a rejection. The equivalent EU validation framework appears to permit the reporting of an underlying market index for such instruments.

To support consistent reporting, we would welcome the FCA's consideration of providing:

- an example showing the appropriate fields for this scenario;
- clarification regarding how Field 48 or the relevant underlying-index fields should be populated;
- clarification as to whether any amendment to the validation rules may be required; and
- an explanation of the expected treatment where reporting is voluntary.

Criteria for identification of FX derivatives

To provide a solid foundation for market participants to clearly and consistently identify FX derivative transactions (given these are out of scope for transaction reporting), we suggest utilising the CFI Code. We do not propose the FCA publish a full and comprehensive list of CFI Codes (as this will be unduly complex and arduous), but instead, guidance could be provided whereby if the second character of the CFI code is "F" (Foreign Exchange), the transaction is considered to be FX asset class and therefore out of scope for reporting. A full review would be required to identify any other potential CFI code characters that depict an FX derivative, but this could provide a simple solution to consistently identify such products.

Guidance on non-reporting

Examples could be included for when reporting is not required. The proposed guidelines refer to 'transaction' but not 'execution', and there are scenarios where the execution of a trade will not result in a MiFIR transaction report, e.g. option exercise or SFTs involving central banks. The FCA may want to consider including guidelines on where execution will not result in a transaction report.

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Question 12

Do you agree with our proposed transitional provisions contained in the draft legal instrument in Appendix 1?

We broadly agree with the proposed transitional provisions. However, we believe that additional guidance is required regarding the treatment of corrections and late reports submitted after 3 April 2028 in respect of transactions executed before that date.

It is our understanding that where a correction to a pre-implementation date transaction is submitted after 3 April 2028, firms will be required to submit the correction using the new reporting format, rather than the reporting format applicable when the original transaction was executed.

If this understanding is correct, a transaction originally executed and reported before 3 April 2028 will not necessarily contain all of the information required by the new reporting format. Applying the post-implementation validation requirements in full to such transactions could therefore prevent firms from correcting historic reports, or require firms to populate information that was not required when the transaction was originally executed.

We therefore recommend that the FCA provide a field-level specification for corrections and late reports relating to pre-3 April 2028 transactions. In particular, the guidance should clearly identify:

- which fields must be populated when correcting a pre-implementation transaction;
- which new or amended fields may be left blank where the relevant information was not required under the reporting regime applicable at the time of execution;
- whether specific validation rules will be relaxed or modified for these transactions; and
- how firms should report where historical information required by the new format is not available.

This clarification is important to ensure that firms can continue to make necessary corrections to historic transaction reports without being prevented from doing so by requirements that did not exist at the time of the original transaction.

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Question 13

Would you have concerns with us removing EU-only financial instruments from FCA FIRDS ahead of 3 April 2028?

We do not have concerns with the principle of removing EU-only financial instruments from FCA FIRDS ahead of 3 April 2028. However, the timing and manner in which this is implemented will be important.

We encourage the FCA to provide as much advance notice as possible of any changes. Market participants will have different technology and implementation timelines, and changes to instrument reference data ahead of the implementation date could have operational consequences that need to be investigated and managed.

We would therefore welcome an approach that, to the extent practicable, provides firms with flexibility to transition according to their own implementation timelines, rather than requiring all firms to adjust to a single early removal date.

We also understand it is the FCA's intention that relevant instruments would be terminated within FCA FIRDS rather than being removed outright. We consider this a preferable approach, as retaining the historical instrument record should support firms in managing reporting and corrections during the transition.

Question 14

Do you agree with our proposed changes to the Glossary of definitions, COBS, MAR, REC, SYSC and Technical Standards as set out in Appendix 1?

We agree with the proposed changes set out in Appendix 1.

Thank you for the opportunity to comment, and we remain at your disposal if you require any additional information.

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