ISDA Safe, Efficient Markets

ISDA response to FCA CP25/32 Improving the UK transaction reporting regime

20 February 2026

Executive Summary

The International Swaps and Derivatives Association ("ISDA") welcomes the Financial Conduct Authority ("FCA") consultation CP25/32 on improving the UK transaction reporting regime and strongly supports the overarching objective to streamline, simplify and modernise transaction reporting while maintaining data quality. The proposed direction aligns with long-standing ISDA and industry objectives to reduce unnecessary complexity and cost, and to improve the accuracy, consistency and usability of reported data.

ISDA is encouraged by the FCA's core long-term principles for data collection – as outlined in Chapter 2 – including realigning scope to collect only relevant data, a 'report once' methodology, and maximise data sharing and reuse. If implemented effectively and supported by appropriate technology, these principles will materially improve reporting outcomes. ISDA stands ready to assist the FCA to achieve these long-term objectives.

ISDA strongly supported the extension of the exemption for portfolio compressions from transparency, the derivatives trading obligation and best execution obligations to the wider universe of post-trade risk reduction services (PTRRS). We strongly believe that the exemption for portfolio compressions from transaction reporting should likewise be extended to MiFIR transaction reporting. Just as transactions resulting from portfolio compressions are manifestly not relevant for market abuse and serve no purpose for market monitoring, the same is true of transactions resulting from other PTRRS. The revisions to MiFIR transaction reporting from this consultation present an opportunity to correct this discrepancy.

While we are in favour of many of the proposed changes within CP25/32, as these will simplify and improve upon the current the Markets in Financial Instruments Regulation (MiFIR) transaction reporting rules, there are several proposals where we disagree, urge caution, or request addition clarification. These include:

- Implementation period: An 18-month implementation period is supported, but ISDA emphasises that market participants will also require timely access to supporting materials, including XML schemas, validation rules and guidance. These should be published as soon as practicable following the Policy Statement to enable effective planning and delivery. Where changes are operationally simpler to implement and deliver immediate benefits – such as reducing the back-reporting period (see Question 4) – ISDA believes earlier implementation should be considered.
- Back reporting: ISDA welcomes the proposed reduction in the default back-reporting period from five to three years but encourages the FCA to consider a further reduction

to two years to align with recent CFTC action. Furthermore, ISDA recommends that post-implementation back reporting should apply only to products, transactions and data fields that remain in scope under the new rules, avoiding the need for firms and regulators to maintain parallel legacy reporting frameworks.

- Conditional single-sided reporting: ISDA does not support the introduction of conditional single-sided reporting. We do not believe this approach will materially increase adoption or reduce costs, and instead risks adding complexity, operational burden and data-sharing concerns without delivering meaningful benefits.
- UPI and OTC ISIN: ISDA reiterates its position that the OTC ISIN is not a suitable identifier for OTC derivatives and supports a transition to the UPI, supplemented by a limited set of additional reference data where necessary. This approach would significantly reduce OTC ISIN proliferation, align the UK more closely with global reporting standards, and improve long-term efficiency.

Overall, ISDA supports the majority of the FCA's proposals and welcomes the regulator's commitment to engaging with industry to refine implementation. ISDA and its members stand ready to continue working collaboratively with the FCA to ensure the revised UK transaction reporting framework is proportionate, internationally coherent, and operationally effective while meeting the FCA's market integrity and supervisory objectives.

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

Yes. We believe significant efficiencies can be achieved towards streamlining the reporting rules and processes, while also improving the accuracy and completeness of the data provided. ISDA have started carrying out analysis to identify how streamlining of reporting can most effectively be achieved and we encourage the Financial Conduct Authority (FCA) to work with the industry to achieve these efficiencies.

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

Yes. The principles identified – only collect relevant data, report once, and share / reuse data where possible – are good foundations to develop more streamlined and comprehensive reporting regimes. Implemented effectively, these principles should lead to improved accuracy levels of data being reported.

We also encourage a greater use of technology across these principles. As noted in paragraph 3.59, regulations must be able to keep up with developments in technology so future changes should consider how to be sufficiently 'future proof' and agile.

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

We support an 18-month implementation period.

However, we take the opportunity to identify that to fully implement the new rules, market participants also require sight of supporting documentation such as the validation rules, XML schemas and guidelines. Therefore, while we do not want the publication of the Policy Statement to be unduly delayed, we urge the FCA to publish any supplementary documents relevant to comply with the new rules as soon as practicable afterwards, and ideally within three months of publication of the Policy Statement.

There may also be the possibility to implement some elements of the changes sooner than 18-months after publication of the Policy Statement. See our answer to Question 4 for more details.

Finally, we request that the publication of the Policy Statement is timed so that the implementation date itself will fall on a Monday and avoids periods of code freeze and major holidays, e.g. avoid the implementation date being over the year-end period.

Question 4: Do you agree with the proposal to apply a reduced default back reporting period of 3 years, whilst keeping the choice to require back reporting up to 5 years where needed?

Decreasing the back reporting period from five years to three years will be a relatively easy way reduce the burden for market participants, while still enabling the FCA to request data from older transactions if required.

While acknowledging the merits of the proposed reduction, our members respectfully advocate for the FCA to explore a more extensive reduction of the default back reporting period to a **2 year timeframe**. This would establish parity with the Commodity Futures Trading Commission's (CFTC) recent No-Action Letter No.25-43, which similarly caps back reporting at two years. Such a harmonization would not only cultivate international uniformity but also materially advance the FCA's secondary mandate of enhancing global competitiveness, by yielding considerable operational efficiencies and cost reductions for firms, enabling strategic reinvestment. Moreover, we propose the application of this consistent methodology across other pertinent reporting frameworks, notably SFTR and EMIR, thereby fostering wider coherence and further optimizing current transaction and post-trade reporting frameworks.

Regardless of whether the back reporting period is 3 years or 2 years, we believe this change could be introduced sooner than the 18-month implementation period (as referred to in Question 3). While we agree the majority of changes should follow the 18-month implementation period, a reduction to the back reporting period would be comparatively simple for market participants to implement and so the benefits could be realised sooner.

The consultation paper (CP) is not clear on the back reporting of fields, products, and EU instruments that are to be removed as part of the UK MiFIR scope changes. The CP proposes that FX transactions and transactions on EU instruments will be out of scope for transaction reporting, so clarification is also sought on whether back reporting would apply to such transactions. Similarly, the CP proposes to remove several fields, but if a transaction reported prior to the implementation data contained an error on such fields, but is only identified post-implementation, would market participants (i) need to correct the field using the pre-implementation (current) message format, or (ii) not need to back report at all due to that field no longer being required under the new rules?

Out strong recommendation is that following the implementation of the new rules, back reporting will only apply to the products, transactions and fields that remain in scope to be reported. That is to say that post-implementation, back reporting would not be required for FX transactions, transactions traded on an EU trading venue, or fields that are no longer within the transaction reporting message. The alternative to this would require both reporting firms and the FCA to maintain two sets of templates (i.e. pre- and post-implementation templates). This would be both costly and complex, and arguably provide limited value given such fields are being removed.

This point on the cost and complexity of maintaining two message templates also applies to whether there will be a strict cut-over from using the existing message template to the new message template, i.e. whether the two templates will be maintained in parallel for a period or time or whether the existing template will stop being accepted by ARMs as of the implementation date. We strongly recommend a clean cut-over to the new template, thereby meaning market participants will only need to maintain one message format post-implementation. This would result in a cleaner transition to the new template and make back reporting more efficient.

As part of the FCA's longer-term vision, ISDA maintains that the proposal put forward in our response to the Discussion Paper DP24/2 ('Improving the UK transaction reporting regime') may ultimately be a more efficient process. This would allow market participants to submit reports that only update the field(s) containing an error, i.e. with no need to submit a full transaction report. The CP identifies in paragraphs 3.37-3.40 that such an 'amend' function / report would be more complex to implement and manage compared to submitting a full transaction message for back reporting. We acknowledge such a process would have challenges that would need to be fully assessed and understood, for example where interdependencies between fields may need to be taken into consideration, but on the assumption that these can be overcome, we believe there is the potential for this approach to reduce the burden to reporting entities.

We note that that the FCA intends to retain the power to request data that goes back further than the three year back reporting period on an ad hoc basis. References to ad hoc requests are made within other sections of the CP, and it is our understanding that these will be

exceptional requests only, as and when a specific event may merit it, rather than being requested on a regular basis. Even if ad hoc requests are expected to be infrequent, when they do occur, they will generally be costly and burdensome to firms, reducing many of the efficiency benefits achieved through other changes being proposed.

Therefore, we encourage the FCA to utilise data already available via other regimes to the greatest extent possible prior to approaching a firm, and when an ad hoc request is made, we recommend that entities are able to leverage the data they submit for existing G20 reporting obligations (or a combination of these data sets) in order to fulfil the ad hoc obligations, as opposed to compiling all the data otherwise expected for a UK MiFIR transaction message. To produce such transaction messages for transactions that would ordinarily be considered out of scope would be costly and complex to manage.

Question 5: Do you agree with our proposed changes to the exclusions from reporting in MAR 14.2.4R?
We support the proposal.

Question 6: Do you agree with the proposed guidance on exclusions from reporting in MAR 14.3.1G?
We support the proposal.

Question 7: Do you agree with the proposed information a firm should provide to meet the conditions for single-sided reporting?
We do not believe reducing the number of data points will lead to an industry move towards conditional single-side reporting. The proposal reframes transmission of orders but does not address the core complexities or the costs that have discouraged the uptake of conditional single sided reporting.

While the changes may make conditional single-sided reporting easier under some specific circumstances, the likelihood is that a firm will either want to utilise conditional single-sided reporting for **all** transactions or not at all. A construct that would only prove workable / beneficial for a sub-set of transactions will have limited (if any) cost benefits.

Furthermore, there will remain a requirement to exchange data between the client and transmitting entity, which will likely be a deterrent to all parties to a transaction due to concerns over the sharing of such data, as well as requiring additional steps and costs to be implemented and managed. While there may be some small cost saving for firms that would no longer need to report (client firms), we expect such savings will be easily outweighed by the increased burden, complexity and costs that conditional single-sided reporting rules would introduce to the transmitting firm still required to report.

We acknowledge the FCA may be reluctant to move to full single-sided reporting due to the perceived loss of information, (such as the decision maker for the counterparty), but the conditional single-sided proposal is unlikely to result in any significant increase in the number of firms using this mechanism, and may in fact increase the overall cost of reporting.

Therefore, we strongly encourage the FCA **does not introduce** conditional single-sided reporting, as we do not believe this will achieve its intended results, and if it were used by market participants, it will add cost and complexity.

Question 8: Do you agree with the proposed responsibility for data quality for transactions involving conditional single-sided reporting?
See our answer to Question 7.

Question 9: Do you envisage any issues in conditional single-sided reporting applying to transactions executed in a DEAL or MTCH trading capacity?
See our answer to Question 7.

Question 10: Do you agree with our proposal to remove instruments from the scope of the UK transaction reporting regime that can only be traded on EU trading venues?
We agree with the proposal. This is a positive and proportionate change that removes duplicative reporting to both UK and EU.

We seek clarification on back reporting expectations where a legacy transaction was traded on an EU trading venue, i.e. would such transactions need to be back reported despite them being out of scope under the updated rules? See our answer to Question 4 for more details.

Question 11: Do you agree with our proposal to remove reference to 'Union' in MAR 14 Annex 2 and retain the current approach to national identifiers?
We support the proposal.

Question 12: Do you agree with the proposed guidance to clarify in our rules an equivalent regulatory concept to ESMA's TOTV opinion?
We agree that it is beneficial to produce guidance that clarifies reporting requirements, and encourage the FCA to work with the industry to develop such guidance.

Question 13: Do you see any issues having to report transactions executed in instruments which are not derivatives but are brought into scope by the underlying?
We do not see any issues with this.

Question 14: Do you agree with our proposal to allow firms to report derivatives based on indices on a voluntary basis, irrespective of whether the derivative is in scope of the transaction reporting regime?
We support the proposal.

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

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

Question 17: Do you agree with our proposal to remove FX derivatives from the scope of the UK transaction reporting regime?
ISDA supports the response submitted by the Global Financial Markets Association's (GFMA) Global Foreign Exchange Division (GFXD) for this question.

However, we additionally note that withing Annex A 'Amendments to the Glossary of definitions', the definition of "reportable financial instrument" has been updated to exclude FX derivatives by adding the wording "excluding options, futures, swaps, forward rate agreements and any other derivative contracts relating to currencies which may be settled physically or in cash."
This wording could inadvertently be interpreted to exclude Cross Currency Swaps. We do not believe this is intended to be the case, so to avoid potential confusion, this wording should perhaps be clarified.

Question 18: For UK branches of third country firms: how could we address the data gap created for FX derivatives?
ISDA supports the response submitted by the GFXD, where they set out different options to address the gaps for FX that will provide the FCA with access to the necessary information while also simplifying reporting requirements and reducing costs to the industry.

Question 19: Do you agree with our proposed approach for identifying OTC derivatives?
ISDA notes that in its assessment of potential OTC derivative identifiers, the FCA identifies two key impediments to the adoption of the UPI as the identifier:

1. An inadvertent expansion of the scope of MiFIR transaction reporting should the UPI alone be used (paragraphs 4.112 -4.116); or
2. An increase in the complexity of the due diligence required to determine whether the reference data details of a given derivative match those of a TOTV derivative (paragraph 4.110).

ISDA agrees that, were the UPI alone to be reported to FIRDS to serve as the sole identifying characteristic against which a derivative traded away from a trading venue was assessed to determine if it was in scope for MiFIR transaction reporting, that would indeed result in an increase in scope. As CP25/32 identifies, derivatives that share a UPI with that of a TOTV

derivative, but with other reference data details differentiating them from the TOTV derivative, would nonetheless be captured.

However, ISDA does not propose that the UPI should be the sole identifying characteristic against which to assess scope. Instead, we consider that additional reference data should be reported into FIRDS by trading venues along with the UPI, and that an investment firm wishing to assess whether a derivative it has traded is in scope for MiFIR transaction reporting should query FIRDS by a combination of the UPI and the relevant additional reference data.

We acknowledge that this would increase the number of fields needed to be reported by venues and investment firms in their MiFIR transaction reports for TOTV instruments, as fewer data fields are included in the UPI. However, this is already the case for investment firms reporting uTOTV instruments.

There would also be some changes to the data submitted to FIRDS by trading venues, although trading venues already provide all the requisite data points to ANNA-DSB to obtain an OTC ISIN, before then reporting most of those data points, plus the ISIN, into FIRDS. Finally, investment firms would need to query FIRDS for a small number of additional data points.

We address the impact on reporting to and interrogation of FIRDS by trading venues and investment firms respectively below.

As identified in ISDA's paper UPI as the Foundation for OTC Derivatives Reporting: The Case for UPI, the delta between the data elements that form the attributes of a UPI and those of an ISIN which rolls up to that UPI is in fact very small.

We examine this below for two examples known to cause high levels of ISIN proliferation: fixed-to-float interest rate swaps, and single name equity options.

Fixed-to-float interest rate swaps: Discounting the UPI itself, there are only four attributes of an ISIN that are not attributes of the corresponding UPI as well:

Attribute	**Currently reported to FIRDS**
Expiry date*	Yes
Term of contract value	Yes
Term of contract unit	No
Price multiplier*	Yes

Single name equity options: Discounting the UPI itself, there are only five attributes of an ISIN that are not attributes of the corresponding UPI as well:

Attribute	Currently reported to FIRDS
Notional currency	Yes
Expiry date	Yes
Strike price	Yes
Strike price type	No
Price multiplier	Yes

ISDA proposes that for each instrument it offers for trading, a trading venue would submit the following additional data to FIRDS: the UPI, plus the additional attributes of that instrument from an ISIN, where those attributes are not already reported to FIRDS. The UPI would form the primary key.

As seen in the tables above, in both the examples given (which are entirely representative of TOTV instruments), only one additional data element would need to be submitted to FIRDS by a trading venue.

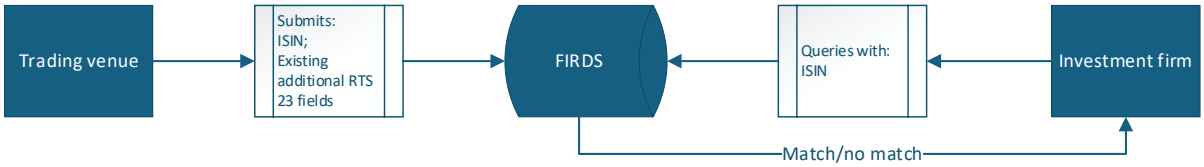
[In fact, we note that for the most liquid instruments such as fixed-to-float interest rate swaps there would also be no need to include the*

- *Expiry date – Trading venues list a 10yr GBP SONIA swap regardless of expiry date which changes every day; therefore, this field could be dropped and not be reported and that would not lead to an expansion of scope*
- *Price multiplier – Vanilla Fixed-to-float interest rate swaps almost never have a price multiplier; therefore, this field could be dropped and not be reported and that would not lead to an expansion of scope, or it would lead to an infinitesimal expansion of scope.*

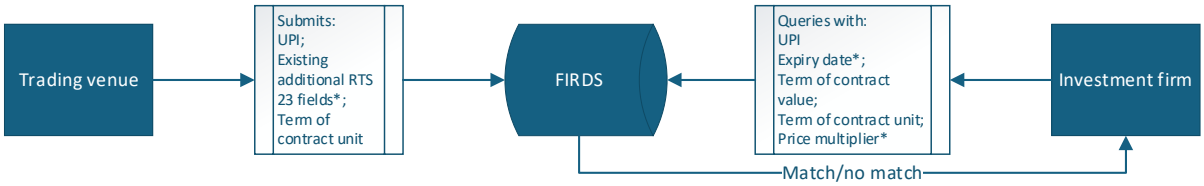
We recommend that as part of the formulation of the final rules, analysis should be carried out to determine which other effectively redundant data elements can be removed from the input data for RTS 23. ISDA stands ready to assist in any such analysis.]

An investment firm would then perform a multi-factor query of FIRDS, searching for the combination of UPI plus the additional attributes specific to the instrument it is trading.

Fixed-to-float IRS – current FIRDS submission and query flows



Fixed-to-float IRS – proposed FIRDS submission and query flows



**As outlined in our response, some fields are effectively redundant for the most liquid instruments, and could be excluded from both submission and queries*

Logically, this query could not return a positive match for a derivative that is not also traded on a trading venue.

This would require minor changes to the FIRDS schema, as well as to trading venues' FIRDS submission mechanisms and investment firms' queries to FIRDS. However, ISDA believes strongly that the impact of these one-off changes would be materially less than ongoing burden over time of ISIN proliferation. We also do not believe that the latency of queries to FIRDS would be materially affected.

Each UPI would only be a single entry in FIRDS, and with a well-designed schema, the same could be true for each unique value of the additional attributes, as each attribute (such as expiry date) could be stored in its own table, with queries joined across tables. The correct design would consider the tradeoff between the amount of data contained within FIRDS and the efficiency of joined queries. We note also that the termination in FIRDS of all ISINs submitted by systematic internalisers (SIs) by 27 March 2026 as an outcome of PS25/17 on the future of the SI regime will result in a significant reduction of data held in FIRDS. Collectively, this could in fact in improved query performance.

While our response to Q19 so far has concentrated on the technical aspects of the use of UPI plus the delta of attributes between ISIN and UPI as the basis of FIRDS submissions and subsequent queries to determine scope, ISDA also wishes to reiterate our previous advocacy in support of the UPI.

As well documented, ISDA considers that the ISIN is inherently unsuitable as an identifier for OTC derivatives. Its use as such has created a number of highly significant issues and extensive additional burden for the industry, not least the enormous proliferation of ISINs due to the rolling ISIN issue and the inclusion of attributes such as strike price.

We also note that under current arrangements both the UPI and OTC ISIN are charged separate license fees. Consolidating reporting onto solely the UPI would reduce costs for

those entities which need to obtain power user licenses for both codes (primarily trading venues, since the removal of the SI regime for derivatives).

OTC derivatives are not securities (with standardized end dates) and are ineffectively described by an instrument identifier that attempts to represent them as if they are. They are contracts with definable product attributes.

The UPI is used in the great majority of global reporting regimes, in contrast to the ISIN, which is used only in UK and EU MiFIR transaction reporting (as well as UK and EU EMIR reporting). Migrating UK MiFIR transaction reporting to the UPI would decrease fragmentation internationally and within the UK, now that UK MiFIR transparency uses the UPI.

Conversely, retaining the ISIN leaves the UK as an outlier, along with the EU. It should also be noted that the EU is perforce going to adopt the UPI for transparency in the short-to-medium term at least, due to the delay in its revision of RTS 22 and RTS 23; and it remains entirely possible that it will subsequently move to the UPI for MiFIR transaction reporting, if it does not remove the transaction reporting requirements for OTC derivatives (option 1a in their simplification proposal) entirely.

Although we note the FCA's comments in respect of any future OTC ISIN modifications, concerning the need to coordinate changes internationally (i.e. with ESMA), retaining OTC ISIN does in our view still lead to a potential risk of misalignment. This is because no one can guarantee at any given point that political priorities in the EU or UK will not result in changes that are not appropriate either technically or from a timing point of view to either regime. Indeed, this is already the case where political priorities in the EU have caused ESMA to pause changes to their reporting regime whilst a fundamental reassessment is conducted. This risk does not pertain to the UPI, for which assignment rules have not been customized for specific reporting regimes.

Any modifications to the OTC ISIN to reduce the scope of fields included in the assignment would also reduce the delta with the UPI, further bringing into question the added value of paying for two increasingly similar codes.

ISDA recognizes however that changing from the OTC ISIN to the UPI is a significant step, albeit one that carries with it less future risk of increasing misalignment with other reporting regimes.

Such a change can best be managed by an active dialogue between the FCA and industry during the proposed 18-month implementation period to jointly discuss the optimum way forward.

Question 20: Do you agree with the updated definition for 'acquisition' and 'disposal'?
[No response]

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

It is our understanding that the meaning of 'execution of transaction' as it has been set out will not result in an expanded scope for transaction reporting. Any unintended increase in scope must be avoided.

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

Table 4 of the CP sets out guidance for reporting transactions executed by branches. It is our understanding that this guidance is specific to UK entities and their branches, and would not be applicable to third country entities with a UK branch. If the latter were the case, it would result in a significant expansion of the scope of reportable transactions, which we understand is not the intention.

We request clarification on the above.

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

Inconsistency in the structure of the TVTIC amongst trading venues has been an ongoing challenge to reporting entities. As well as managing multiple formats, trading venues may make changes to the structure of the TVTIC, requiring market participants to have processes in place for each trading venue to monitor and manage potential updates. Therefore, we believe there is merit for the format of the TVTIC to be mandated and applied consistently across trading venues. However, we also acknowledge in the longer term there may be moves to become more joined-up across reporting regimes, and if the TVTIC format is mandated for UK reporting but not in other jurisdictions, that could become problematic.

While a single, standard format for the TVTIC is the preference, an alternative we propose is for the FCA to create and maintain a central register where trading venues identify the format of its TVTIC, and any changes to be made to that format would be communicated centrally via the register. This will simplify the process of market participants identifying and managing the different TVTIC formats used across trading venues.

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

We support the proposal.

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

[No response]

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

We support the proposal.

Question 27: Do you agree with the proposed changes to RTS 22 Field 5?
We support the proposal.

Question 28: Do you agree that investment firms should be allowed to report either a trust LEI or national identifier of the beneficiary when executing a transaction for a trust?
We appreciate the move to introduce more flexibility as this can allow for more simplified rules, making it easier for firms to adhere to requirements. However, in this instance we suggest it is better for the FCA to set out strict conditions on when an LEI or a national identifier should be used.

The LEI is a well established international standard, applied across multiple regimes and jurisdictions. The use of such standards is to be encouraged, so the LEI scheme should be optimised where possible. It is acknowledged there are costs associated for firms to get and retain an LEI, but we consider this is relatively minor compared to the benefits of adhering to the global standard.

Our view is that while there will be instances where a firm will not qualify for the LEI scheme and the national identifier would be used, when a firm is eligible for an LEI, it should obtain one.

Question 29: Do you agree with our proposal to require firms to obtain national identifiers for natural persons before a service is provided for that client which triggers the obligation to submit a transaction report?
We support the proposal. This approach aligns with existing regulatory expectations; however we remind the FCA that firms will incur costs when implementing these requirements which should be taken into account. Additional details of the benefits and costs associated with the proposal are:

1. Alignment with Regulatory Expectations and Reduced Operational Risk: This proposal directly reflects existing expectations, and by requiring this information upfront before the provision of a relevant service, firms can significantly reduce the operational risk compared to current processes where any missing client data should be resolved within a 24-hour window following a trade execution.
2. Implementation Period for Existing Client Populations: While the benefits are clear for new clients, remediating existing client populations to obtain these national identifiers could entail significant costs for firms in terms of time and effort. This is particularly true if the prescribed national client identifier for natural persons differs from historical Know Your Customer (KYC) processes. For instance, the prescribed first priority national identifier (i.e. the national insurance number) for UK nationals is not typically required when opening a non-tax advantaged investment

account. Therefore, we strongly recommend that the roll-out of this requirement includes an adequate implementation period, (for example 18 months), to allow firms to conduct this remediation effectively.

3. Costs of Implementation: Implementing this "no national ID, no trade" rule will involve associated costs for the development and maintenance of operational hard check and blocks to prevent trades for natural persons who have not provided the prescribed national identifier. Additionally, changes would be required to KYC data collection procedures and potentially existing terms of business to explicitly state that valid national identifiers are a prerequisite for trade execution.

We urge these implementation costs to be considered and that an adequate implementation period is provided.

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

Question 31: Do you agree with our proposed rules for generating CONCATs in MAR 14.13.6R-14.13.7R?
We support the proposal.

Question 32: Do you agree with the proposal to require natural persons from the Isle of Man, Gibraltar, Channel Islands and other BOTs to be identified in accordance with the requirements of 'all other countries'?
We support the proposal.

Question 33: Do you agree with the proposed rule in MAR 14.13.5R(6) where a person is a national of more than 1 non-EEA country?
We support the proposal.

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

Question 35: Do you agree with the proposed guidance for reporting the trading capacity?
We agree with incorporating ESMA's guidelines into the FCA rulebook, although there are some additional scenarios we would like clarification on.

Scenario 1: Executing a transaction on a Trading Venue by hitting its own order on non-anonymous order book / or an anonymous order book, but counterparty is disclosed by exchange.

The ESMA Guidelines 'Transaction reporting, order record keeping and clock synchronisation under MiFID II', section 5.14.3, provides guidance for an anonymous order book only, but we seek clarification for non-anonymous order book when an investment firm acts in MTCH capacity, or in MTCH for one order and DEAL for second. In in such scenarios, is it correct for an investment firm to send two reports representing buy and sell side?

Below are examples of how this may be reported (based on the tables included in the ESMA Guidelines)

Table 1 – Investment Firm acts in both order is MTCH capacity

N	Field	Values Report #1	Values Report #2
3	Trading venue transaction identification code	'ABCDEFG123456'	'ABCDEFG123456'
4	Executing entity identification code	{LEI} of Investment Firm X	{LEI} of Investment Firm X
7	Buyer identification code	{LEI} of Client	{LEI} of Investment Firm X
16	Seller identification code	{LEI} of Investment Firm X	{LEI} of Client
28	Trading date time	'2018-07-15T11:37:22.867Z'	'2018-07-15T11:37:22.867Z'
29	Trading capacity	'MTCH'	'MTCH'
36	Venue	Segment {MIC} of Trading Venue M	Segment {MIC} of Trading Venue M

Table 2 – Investment Firm acts in DEAL for buy order, MTCH capacity for sell order

N	Field	Values Report #1	Values Report #2
3	Trading venue transaction identification code	'ABCDEFG123456'	'ABCDEFG123456'
4	Executing entity identification code	{LEI} of Investment Firm X	{LEI} of Investment Firm X
7	Buyer identification code	{LEI} of Investment Firm X	{LEI} of Investment Firm X
16	Seller identification code	{LEI} of Investment Firm X	{LEI} of Client
28	Trading date time	'2018-07-15T11:37:22.867Z'	'2018-07-15T11:37:22.867Z'
29	Trading capacity	'DEAL'	'MTCH'
36	Venue	Segment {MIC} of Trading Venue M	Segment {MIC} of Trading Venue M

Scenario 2: Prime Broker trades where the Prime Broker and Executing Broker are the same legal entity but different branches.

This would be when a Prime Broker trades, where the Prime Broker and Executing Broker are the same legal entity but different branches.

In this scenario, the Prime Broker acts as an agent, matching trades between the client and executing dealer (which is a different branch of the same legal entity) without taking market risk.

In this scenario, would the expectation be to populate thee Executing Entity LEI in the Buyer / Seller fields, and 'MTCH' in the 'Trading capacity' field?

Question 36: Do you agree with our proposal to require the price of the underlying instrument to be reported in the price field for equity swaps with a single underlying?
We support the proposal.

Question 37: Do you agree with our proposal to require the price of the underlying instrument to be reported in the price field for equity swaps with more than one underlying where available, and the spread of the financing rate in other cases?
We support the proposal.

Question 38: Do you agree with our proposal to remove the concept of SwpIn (+) and SwpOut (-) tags?
We support the proposal.

Question 39: Do you agree with our proposal to remove RTS 22 Field 32 (Derivative notional increase/decrease)?
We support the proposal.

Question 40: Do you agree with the proposed changes to RTS 22 Field 36 (Venue)?
We support the proposal.

Question 41: Do you agree with the proposal to remove RTS 22 fields 50 (Option type), 53 (Option exercise style) and 56 (Delivery type)?
We support the proposal.
As a general observation, deriving data from other sources where available, such as from identifiers, is encouraged as it promotes consistency and avoids unnecessary duplication of reported data. This is a positive change to the reporting rules.

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

Question 43: Do you agree with the proposal to remove RTS 22 Field 45 (Notional currency 2)?
We support the proposal.

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

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

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

Question 47: Do you agree with the proposal to remove RTS 22 fields 8 and 17 (Country of the branch for the buyer/seller) and replace them with a new client indicator field?
We support the proposal.

Question 48: Do you agree with the proposal to add a new reporting value to RTS 22 Field 59 (Execution within firm) to identify where a firm is providing DEA?
We support the proposal.

Question 49: Do you agree with the proposed definition of a package transaction?
We agree with the CPs proposals, but also make some assumptions on the definition of a package transaction beyond the wording under MAR 14.13.20R. Specifically:

- The two or more reportable financial instruments will have been executed with a single client.
- The transactions will have been *negotiated* together, but will not necessarily have been *executed* at the same time.

We also request clarification on two points:

- The 'Package transaction price' could be a spread value, i.e. the difference between two reference prices. The RTS for this same field under UK EMIR states "This data element is not applicable if… package transaction spread is used". Would the same condition apply to UK MiFIR transaction reporting?
- The RTS for UK EMIR also states "The package transaction price may not be known when a new transaction is reported but may be updated later". What approach should be followed under UK MiFIR transaction reporting is the package transaction price is not know at the time of reporting?

Finally, we make the point that terminology has to be clear or could otherwise lead to confusion.
The CP acknowledges in paragraph 5.127 that 'package transaction' has different meanings between the transparency and transaction regimes. Nonetheless, it is important the nomenclature is not conflicting within the differing sets of rules, thereby avoiding any unnecessary confusion or inaccurate reporting of package transactions. As is also noted in the CP, 'package transaction' is a term under UK EMIR, so clarity and consistency in terminology is importation.

Question 50: Do you agree with the proposal to capture the single leg prices of a package transaction? Are there any changes we should make to the proposed fields?
We support the proposal and agree that a single leg price of a package transaction will not always be available, so welcome the validation rules will accommodate this.

However, the validation rules should go further and allow for when a package price is not available, while the single leg prices are provided. It is expected that all complex trades (which may be constructed from multiple instruments) will have a single price, but it is not necessarily the case that all package transactions will be negotiated under a single price. As an example, a package transaction such as a butterfly option executed on a trading venue may be assigned single leg prices *only*, without a package price being identified. In such cases, it is our view that the preferable is to leave the 'Package transaction price' field blank as opposed to artificially creating a value that does not relate to what has actually been executed.

Question 51: Do you agree with the proposal to maintain existing requirements for the aggregate client linking code?
We are supportive of the proposal to maintain the existing requirements for use of the "INTC" in MiFID transaction reporting.

Preserving the existing requirements avoids the significant costs and operational risks associated with re-engineering reporting systems. Additionally, the use of the "INTC" reporting convention is well-understood and supports the FCA's surveillance objectives as it ensures there is a clear audit trail between the market side execution and the resulting client allocations.

We welcome the FCA's intention to provide further guidance on the use of the "INTC" reporting convention. While the core principles relating to the use of "INTC" is well-established, we believe the industry would nonetheless benefit significantly from greater clarity on the use of "INTC" in MiFIR transaction reporting.

Question 52: Do you have any other feedback on the proposed changes in MAR 14?
We support the proposal.
As a general observation, we welcome the intention to work with the industry to develop the scenarios that will provide the additional clarity. ISDA and its members stand ready to assist the FCA identify the relevant examples.

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

Question 54: Do you agree with the updated text in MAR 14.8 to clarify that negotiated transactions are in scope?
[No response]

Question 55: Do you foresee any difficulties with our suggested approach of reporting transactions where a natural person is the executing entity?
No obvious difficulties foreseen.

Question 56: Do you agree with our proposal to treat FCA FIRDS as a 'golden source' for determining the reportability of financial instruments?
We agree FCA FIRDS should be treated as a golden source. We foresee this recognition will bring clear benefits to market participants, as has already been identified in the CP.

Question 57: Do you agree with our proposal not to take action against firms where they would reasonably assume an instrument is in-scope despite not being available on FCA FIRDS?
We support the proposal.

Question 58: Do you agree with the proposal to limit the obligation to report instrument reference data to the first time there is a reportable event and for any subsequent changes only?
We support the proposal.

Question 59: Do you agree with our proposal to amend the time standard used for the daily reference data file trading cut-off time from 18.00 CET to 17.00 UTC.
We support the proposal.

Question 60: Do you agree with the proposal to expand the concept of admission to MTFs which undertake primary market activities, such as initial public offerings, secondary public offerings, placings, or debt issuance?
We support the proposal.

Question 61: Do you agree with the proposal to remove derivative instruments from the scope of concept of admission to trading where a trading venue is the issuer?
The CP identifies there are some concepts / data points within the MiFIR requirements that are not relevant to OTC derivatives (i.e. they may relate to securities only and are not applicable to OTC derivative instruments). We agree it is sensible to take this opportunity to clean up existing requirements that do not apply to OTC derivatives (and vice versa), and so agree with this concept of simplification relevant to the type of instrument.

Question 62: Do you agree with the proposed change to enable overreporting of transactions executed before the financial instrument is admitted to trading?
[No response]

Question 63: Do you agree with our proposal to maintain the current obligation to report instrument reference data when a request for admission is made?
We support the proposal.

Question 64: Do you agree with our proposal to clarify when we expect trading venues to populate RTS 23 fields 9 (Date of approval of the admission to trading) and 10 (Date of request for admission to trading)?
We support the proposal.

Question 65: Do you agree with our above proposal to clarify what is meant by 'Date of request for admission to trading'?
We support the proposal.

Question 66: Do you agree with our proposal to remove the obligations for SIs to submit reference data?
We support the proposal and it aligns with the overall changes being applied to SI requirements.

Question 67: Do you agree with the proposal to remove the above fields from RTS 23?
We support using identifiers, such as the CFI code, to derive data when available. This will remove duplicative reporting of data points. The proposal to remove fields from RTS 23 due to the data being available via other means (e.g. the CFI code) is a positive change that we support.

Question 68: Do you agree with the proposal to add 'Retired' as a valid status for LEIs used in Field 5, alongside 'Issued', 'Lapsed', 'Pending transfer' and 'Pending archival'?
We support the proposal.

Question 69: Do you have any other feedback on the proposed changes in MAR 15?
[No response]

Question 70: Do you agree with our proposal to remove the requirement for trading venues to identify natural person investment and execution decision makers for orders submitted by firms that are not transaction reporting firms?
[No response]

Question 71: Do you agree with our proposal to amend the definitions for the acronyms of SESR and VFCR?
[No response]

Question 72: Do you have any other feedback on the proposed changes in MAR 13?

[No response]

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.