

Consultation Paper

CP26/31**

Policy Statement for the framework
for a UK equity consolidated tape (CT)
(CP25/31) and next steps for delivery

How to respond

We are asking for comments on the consultation proposals (Chapter 10) by **16 October 2026** and comments on our call for input (Chapter 11) in this paper by **18 September 2026**.

You can send them to us using the forms on our [website](#).

Or in writing to:

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Email:

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Please be sure to let us know in what capacity you are responding. If you are responding from an organisation, we will assume that the respondent is the organisation and will publish that name, unless you indicate that you are responding in an individual capacity (in which case, we will publish your name).

Disclaimer

Chapter 10 of this document is a consultation on draft rules about the inclusion of SI quotes in the equity CT.

When we make rules, we are required to publish:

- a list of the names of respondents who made representations where those respondents consented to the publication of their names,
- an account of the representations we receive, and
- an account of how we have responded to the representations.

In your response to Chapter 10, please indicate:

- if you consent to the publication of your name. If you are replying from an organisation, we will assume that the respondent is the organisation and will publish that name, unless you indicate that you are responding in an individual capacity (in which case, we will publish your name),
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Contents

Chapter 1	Summary	Page 4
Chapter 2	The wider context	Page 8
Chapter 3	Feedback on the design of the equity CT and our response	Page 14
Chapter 4	Our response to feedback on revenue sharing.	Page 45
Chapter 5	Our response to feedback on latency requirements	Page 52
Chapter 6	Our response to feedback on selecting an equity CTP	Page 67
Chapter 7	Our response to feedback on the economic model for an equity CT . .	Page 73
Chapter 8	Our response to feedback on data coverage.	Page 86
Chapter 9	Our response to feedback on operational requirements	Page 105
Chapter 10	Consultation on the inclusion of SI quotes in the equity CT	Page 121
Chapter 11	Call for Input on key contractual requirements for the equity CTP . .	Page 131
Annex 1	List of questions.	Page 138
Annex 2	Cost Benefit Analysis.	Page 140
Annex 3	Estimation of demand, revenue, and quantified benefits.	Page 182
Annex 4	Sensitivity Analysis	Page 193
Annex 5	Options assessment	Page 198
Annex 6	Analysis on requiring the CTP to publish SI quotes.	Page 203
Annex 7	List of respondents.	Page 208
Annex 8	Compatibility statement (including for Chapter 10)	Page 209
Annex 9	Abbreviations used in this paper.	Page 215
Appendix 1	Made rules (UK Equity CT Handbook instrument)	
Appendix 2	Made technical standards	
Appendix 3	Draft Handbook text (inclusion of SI quotes)	

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Chapter 1

Summary

- 1.1** In November 2025, we published a Consultation on the Framework for a UK Equity Consolidated Tape (CP25/31) on our proposed framework for a UK equity consolidated tape (CT). This Policy Statement (PS) summarises the feedback received and sets out our final position on the rules and guidance which we consulted on.
- 1.2** We received 28 responses to our consultation. Not all respondents commented on every question; references to respondents throughout this PS relate to those who provided feedback on a particular question.
- 1.3** An equity CT collates and distributes market data, such as prices and volumes of trades in equities. It aims to provide a comprehensive picture of these transactions, bringing together trades undertaken across different trading venues as well as those arranged over-the-counter (OTC). 'Equity' in this paper covers shares, exchange-traded funds (ETFs), depository receipts and certificates, and other similar instruments.
- 1.4** Over the last 20 years, equity trading in the UK has spread across multiple trading venues and execution mechanisms, sparking competition, innovation and lowering the cost of trading. However, it can also make it challenging and costly for market participants to access a clear view of the full range of liquidity available in UK equity markets.
- 1.5** Introducing an equity CT seeks to tackle this issue by delivering a widely accessible, comprehensive and authoritative source of data about trading in UK markets. We expect this will enable innovation in market data products, support investment and trading strategies and improve confidence in UK equity markets. This will help to ensure that the UK continues to develop as a leading global market of choice for issuers, intermediaries and investors. As such, our PS supports the FCA's objective to enhance the integrity of UK financial markets and forms part of our strategic priority to support economic growth in our 2025-2030 Strategy.
- 1.6** In line with our proposals in CP25/31, this PS confirms that the equity CT will include both post-trade data and the first level of attributed pre-trade data (i.e. the best bid and offer, or "BBO"). See Chapter 3 for further details.
- 1.7** A change from our proposals is that, in line with feedback from most respondents, we will set a high-level requirement that the equity consolidated tape provider (CTP) must share a portion of its income with data contributors. See Chapter 4 for further details.
- 1.8** We consider that this design of equity CT will deliver significant market benefits and provide a high degree of confidence in its deliverability. There was very broad support for the principle of income sharing from across a wide range of market participants.

- 1.9** Some respondents challenged the case for an equity CT that includes pre-trade data, and several responses highlighted the need to consider our proposals for an equity CT alongside our on-going work considering the structure of UK equity market trading and the regulatory framework for equity markets.
- 1.10** Having reassessed and updated the cost benefit analysis (CBA) for an equity CT including pre-trade data, we concluded that this design – given the relevance of pre-trade information in equity markets – can support a broader range of benefits and use cases than a post-trade only CT. There was strong support for this design among data users, many of whom wanted the CT to include a greater depth of pre-trade data than the attributed BBO. We believe that these additional use cases from an equity CT with pre-trade data will enhance overall UK market functioning in the long term.
- 1.11** Given that introducing an equity CT is a novel intervention for UK markets, precisely estimating the benefits of an equity CT remains subject to uncertainty. Nevertheless, taken together, we consider that the evidence supports our judgement that this design of equity CT will be net beneficial. See our CBA for further details.
- 1.12** We agree that it is important to consider our proposals for an equity CT alongside our work considering the structure of UK equity market trading. UK equity markets have evolved significantly over the last few years, partly as a consequence of greater innovation and competition. One aspect of this evolution is greater fragmentation of liquidity, increased use of bilateral systems such as those operated by systematic internalisers (SIs) and a decline in trading on central limit order books (CLOBs) during continuous trading hours.
- 1.13** Some stakeholders argued that a CT which includes pre-trade data will have the unintended consequence of encouraging a further decline in CLOB trading, leading to a deterioration in price formation over time. Others disagreed with this view.
- 1.14** We have not found evidence to suggest that this is a likely outcome. Declines in CLOB trading are part of longer-term structural trends in market structure, including the growing appeal of alternative trading mechanisms (such as periodic auctions and bilateral arrangements). CLOBs are often favoured when market participants want greater certainty and immediacy of execution. Non-CLOB options are favoured to manage the risk that a trade leads to an adverse market impact or to suit particular investment strategies (e.g. passive investing).
- 1.15** However, we recognise that CLOBs play a fundamental role in supporting price formation, which we need to monitor closely over time, and that the CT needs to incorporate information from across different trade execution methods.
- 1.16** These points are addressed in a Consultation on Supporting Equity Market Transparency and Considering Market Structure Developments (CP26/30), that we have published alongside this PS. CP26/30 concludes that the evidence available to us suggests that UK equity markets have remained liquid, resilient and efficient. Therefore, it does not propose structural interventions to UK equity markets. But, it sets out our plans to monitor how UK equity markets evolve, including once the equity CT goes live. This will be via a structured framework of quantitative and qualitative indicators, including trends in CLOB usage, and metrics of market liquidity and resiliency.

- 1.17** In CP26/30, we also invite a discussion of potential policy options, so that we are well prepared to act should there be clear evidence in the future of harm to market integrity or market functioning. We note that the justification for any intervention which limited market participants' choice of execution venue would need to be very strong. Our overarching approach to wholesale markets seeks to encourage choice and innovation, within a framework of fair competition and best execution.
- 1.18** In addition, CP26/30 proposes a range of targeted measures to further strengthen our trade reporting rules for equities. We expect that these proposals will help to ensure that the equity CT consolidates high-quality post-trade data that enables market participants to identify the full range of addressable liquidity in UK markets more easily.
- 1.19** Notably, CP26/30 also makes proposals intended to improve the quality and consistency of SI pre-trade transparency. This reflects our view that, given the growing trading volumes executed via SIs, transparency of the quotes at which SIs are willing to trade with clients can contribute to price formation. We consider that the contribution of SI quotes to price formation also depends on them being visible and accessible to a wide range of market participants. Therefore, Chapter 10 of this document makes consultation proposals regarding the inclusion of SI quotes in the equity CT.
- 1.20** We welcome views both on the proposed inclusion of SI quotes in the equity CT discussed in this document, and the broader proposals on equity market transparency in CP26/30, by 16 October 2026.
- 1.21** Beyond the rules in our Handbook, the CTP will be subject to further requirements via its contract (Concession Agreement) with us. Chapter 11 of this document also includes a Call for Input seeking views on key requirements which we intend to set in our contract with the equity CTP: the required mechanism for implementing its income sharing arrangements, and its operating hours. We welcome responses to this Call for Input by 18 September 2026.
- 1.22** Overall, introducing an equity CT is an important part of our broad programme of work to reform UK wholesale markets (see page 6 of our [Regulatory Priorities for Wholesale Markets](#)) to support economic growth and the UK's leading position as a financial centre. This requires enabling investors to take informed risk-based decisions, which is aided by the improved transparency that CTs offer. We are grateful for industry's engagement on this topic so far and will continue to work closely with market participants to ensure that the implementation of the equity CT is a success.

Who this affects

- 1.23** Our final rules will apply to:
- Trading venues which facilitate the trading of equities.
 - Approved Publication Arrangements (APAs) who publish trade reports for OTC equity trades.
 - The CTP.

1.24 The proposals on the inclusion of SI quotes in the equity CT will apply to:

- SIs.
- Firms that offer arrangements by which SIs make their quotes public.
- The CTP.

1.25 Our final rules and proposals will also interest data users, including institutional investors, asset managers, retail investors, data vendors, market data and analytics firms, and trade associations.

1.26 Our Call for Input will interest all such firms, especially firms interested in becoming the CTP.

Chapter 2

The wider context

- 2.1** The European Union's (EU's) second Markets in Financial Instruments Directive (MiFID II), took effect in the UK in 2018 and allowed for the provision of multiple CTs per asset class. This attempt to encourage a market-led solution to the consolidation of trade data was not effective and no firms in the UK or EU applied for authorisation to be a CTP under that regime.
- 2.2** The Treasury-led Wholesale Markets Review (WMR) showed that most market participants wanted revisions to the UK regulatory framework to enable CTs in bonds and equities to be introduced.
- 2.3** The Financial Services and Market Act (FSMA) 2023 gives us rulemaking powers for Data Reporting Services Providers (DRSPs), which includes CTPs. It also enabled the Treasury to repeal the Data Reporting Services Regulations 2017 and replace them with the Data Reporting Services Regulations 2024 (DRSRs). These changes enabled us to create a regulatory framework to establish a CT in different asset classes.
- 2.4** We have put in place a regulatory framework for a CT for bonds which started operation in June 2026. This PS finalises key aspects of a regulatory framework for a CT for equities, including the main regulatory requirements of the equity CTP and obligations for the operation of the CT. It also establishes obligations for trading venues and APAs to provide information to the CTP.
- 2.5** The decisions published today set the fundamental aspects of the operation of an equity CT in the UK, as we move from design to implementation. Over the next 6 months, we will prioritise finalising the next steps and starting the procurement process for the CTP. We intend for the CT to begin operating in 2027 or early 2028.
- Today, we are consulting on establishing obligations for SIs to send pre-trade data to the CTP (see Chapter 10). Our Call for Input seeks views on the income sharing mechanisms and operating hours which we should require as part of the equity CTP's contract with us.
 - In autumn 2026, we will consult on how any money shared by the equity CTP should be distributed among different data contributors. We intend that these requirements will be set in our Handbook, rather than our contract with the equity CTP.
 - In early 2027, we expect to commence the procurement process to appoint a CTP.
- 2.6** As an interim measure before the equity CT is operational, we have today started publishing end-of-day consolidated post-trade data (on a T+1 basis) on our website, for shares listed on the FCA's Official List. This Market Activity Reporter for Shares (MARS) – available [here](#) – provides investors with information on the number, volume and value of transactions in each share in scope on each trading day. We expect that this interim measure will help support listing and investment decisions by providing a more comprehensive estimate of daily liquidity than certain existing data sources. However, a real-time equity CT will provide significantly more data to market participants more quickly. See Chapter 3 for further details on this.

- 2.7** Once the equity CT is live, it will fulfil the role of reporting market-wide liquidity metrics for shares in the UK – in addition to its wider role of reporting trade-level data for equities. At this point, we will cease publishing such data on our website.

Market integrity

- 2.8** A CT framework at the right level of resilience will aid price formation by providing market participants with access to a clear, consistent picture of liquidity in UK equity markets. Transparency is a key component of market integrity, by ensuring that market participants have access to accurate data. An equity CT may also improve market resilience, by allowing market participants to more easily adapt where a significant trading venue suffers an outage.

Competition

- 2.9** Our rules and proposals will promote:
- Competition between the CTP and existing data vendors for the provision of aggregated data.
 - Competition to be the CTP during the procurement process. Potential suppliers will compete for the market via a tender.
 - Competition between intermediaries, through improving investors' ability to monitor that a broker executed their trade on the best terms available.

Consumer protection

- 2.10** An equity CT will mainly advance our market integrity and competition objectives. However, a well-designed equity CT framework should also help ensure that firms trading on behalf of consumers have well-informed trading and investment strategies. Further, we expect the equity CT to support price formation and, over time, increase liquidity in UK markets. This could reduce the cost of trading, leading to higher returns for consumers and help their investments (e.g. pensions) grow faster. Finally, a CT should constrain the price of equity trade data and offer clearer licensing terms that are better suited to individual use cases.

Secondary international competitiveness and growth objective

- 2.11** Our rules and proposals support our strategic goal of maintaining the UK's position as a leading global financial centre as set out in our 2025-2030 strategy. They also address related recommendations to ensure growth and competitiveness are appropriately considered across our policymaking, as set out in the remit letter from the Chancellor of the Exchequer dated 14 November 2024.

2.12 Our rules and proposals will enhance our secondary international competitiveness and growth objective by:

- **Improving UK market functioning and liquidity.** A key reason for this is that we expect that introducing an equity CT will ensure that access to consolidated UK equity data is straightforward and affordable. We think this will lead to greater usage of data across among a wider range of participants and, for firms already buying data, across a broader range of functions. We expect this to improve trading-related processes such as risk management and the monitoring of transaction costs. This will help market participants make well-informed decisions on where to invest their capital and how to trade to achieve the best outcomes. Over time, we consider that these improved capabilities will give market participants the confidence to increase their trading volumes and so improve liquidity in UK markets.
- **Improving visibility to the international market by displaying a more comprehensive picture of UK liquidity.** Easier cross-jurisdictional comparisons may also support increased investment and listing in the UK equities market. This could increase revenues across a range of firms involved in equity market trading (including brokers and trading venues). Increased investment in UK markets by these firms would also further increase liquidity and, in turn, could lower the cost of equity for companies listing in the UK and reduce transaction costs for investors.
- **Increasing the variety of data products consumers have access to** by encouraging CTPs, data providers and market data vendors (MDVs) to differentiate their data aggregation products and services from competitors. Data providers will need to justify price differentials between themselves and the CT on the basis of additional value for users.

Outcomes we are seeking

2.13 There are 2 main outcomes we are seeking to achieve by introducing an equity CT:

- 1. To increase the use of UK equity trade data by current and new users** by providing straightforward, accessible access to data. This could increase UK market liquidity, promote more informed trading and improve execution quality.
- 2. To provide a clearer, more comprehensive view of UK equity market liquidity to all market participants.** An equity CT would provide market participants with a reliable aggregated data source, which incorporates all relevant trade data. This may increase the attractiveness of the UK as a trading and listing destination and support economic growth.

2.14 We want our rules and proposals to strike an appropriate balance between delivering market-wide benefits and limiting burdens on individual firms, while also ensuring the equity CT is delivered quickly to deliver benefits earlier and support our international competitiveness.

Measuring success

- 2.15** In line with the outcomes outlined above, the success of our rules and proposals will be determined by whether there is:
- Demand from potential suppliers to provide the equity CTP via a competitive procurement process.
 - Increased use of consolidated UK equity trade data across a wider range of participants.
 - Greater awareness and understanding of the depth of addressable liquidity available in UK markets, which can be used to support trading, investment and listing decisions.
 - Increased visibility of quotes across UK markets, improving brokers' ability to ensure they achieve the best outcomes for end clients and clients' ability to monitor their performance.
- 2.16** We will achieve these outcomes through the design of the CT framework, the CTP's rights and obligations, and the procurement process. This will ensure:
- There is an authoritative account of overall equity trading that is timely and relevant for a wide range of use cases.
 - The cost of accessing consolidated equity trade data, together with simple licensing terms, enables greater use of such data.
 - There are incentives for innovation in product and service offerings related to the use of equity trade data.
- 2.17** To help assess the success of the equity CT we will:
- Evaluate the impact of the changes by monitoring the operation of the CT and gathering data on its market impact – using a variety of metrics to assess the impact of the CT in global wholesale markets.
 - Use information based on our supervision of the CTP to assess whether the CT, and the underlying pre- and post-trade data, is being published in a timely fashion and to ensure it meets relevant requirements to be operationally resilient.
 - Gather information from the CTP, and through surveys and industry engagement – including the CTP's consultative committee, to understand whether the CT has made consolidated data more broadly available.
- 2.18** We will undertake a post-implementation review of the framework for the equity CT, starting 2 years after the equity CT starts operation. We will assess whether the economic model and regulatory framework remain appropriate and, among other issues, whether there is a case for the varying level of pre-trade data included in the equity CT (see paragraph 1.23 of CP25/31).
- 2.19** Our success measures and post-implementation review will also apply to the proposals in Chapter 10 to include SI quotes in the equity CT.

Equality and diversity considerations

- 2.20** We have considered the equality and diversity issues that may arise from our consultation proposals in Chapter 10, Call for Input in Chapter 11 and the rules made in this PS. Overall, we do not consider that the proposals or final rules materially impact any of the groups with protected characteristics under the Equality Act 2010. But we will continue to consider the equality and diversity implications of the proposals during the consultation period and will revisit them when making the final rules. In the meantime, we welcome your input on this.

Environmental, social & governance considerations

- 2.21** In developing this consultation, Call for Input and PS, we have considered the environmental, social and governance (ESG) implications of our proposals and our duty under ss. 1B(5) and 3B(c) of FSMA to have regard to contributing towards the Secretary of State achieving compliance with the net-zero emissions target under section 1 of the Climate Change Act 2008 and environmental targets under s. 5 of the Environment Act 2021. Overall, we do not consider that the proposals are relevant to contributing to those targets.

Next steps

- 2.22** The rules in the instrument made as part of this PS will come into force today. Our Call for Input on key contractual requirements for the equity CTP closes on 18 September 2026. Our consultation on the inclusion of SI quotes closes on 16 October 2026.
- 2.23** We will also continue to speak to firms potentially interested in providing the equity CT, to help us understand any concerns regarding our proposals regarding SI quotes, our planned contractual requirements or our planned procurement process. We encourage any further firms interested in bidding to be the equity CTP to speak to us. See our [website](#) for details on how to get in touch with us.

What you need to do next

- 2.24** Trading venues and APAs should familiarise themselves with our rules to ensure they are able to comply with relevant requirements. They should assess their current arrangements to ensure that they will be able to share data with an equity CTP, once appointed.
- 2.25** Potential CTPs should also consider our rules as part of developing their thinking on whether to bid for the provision of the equity CT.

What we will do next

- 2.26** Once we have received responses to our consultation and Call for Input, we will finalise the associated rules and contractual requirements. We aim to do this early in 2027, before launching a procurement process to appoint the equity CTP.
- 2.27** Alongside this work, we will develop proposals on how the money shared by the equity CTP should be shared among data contributors. We plan to consult on this in autumn 2026.

Chapter 3

Feedback on the design of the equity CT and our response

Background and proposals

- 3.1** Central to the design of an equity CT is the scope of the data it will consolidate. In April 2025, we surveyed firms' demand for four different equity CT options. We had also asked firms that provide data consolidation services to clients to estimate their likely set-up and running costs:
- **Scenario 1: a post-trade only tape** for UK equities from all trading venues and APAs, distributed with a latency of 300 milliseconds or less from publication.
 - **Scenario 2: a tape with post-trade data and the attributed best pre-trade bid and offer (i.e. top of book)** from lit UK venues, distributed with a latency of 100-200 milliseconds.
 - **Scenario 3: a tape with post-trade data and the attributed top 3 pre-trade bids and offers** from lit UK venues, distributed with a latency of 40-100 milliseconds.
 - **Scenario 4: a tape with post-trade data and the attributed top 5 pre-trade bids and offers** from lit venues and SIs, distributed with a latency of 20-40 milliseconds.
- 3.2** Subsequent to our April 2025 survey, discussions with market participants led us to also consider another model for the equity CT: a post-trade only equity CT with streamlined regulatory obligations that may be provided by multiple CTPs. Under this model, we would authorise multiple CTPs, rather than running a procurement process followed by an authorisation. This could speed delivery of the CT.
- 3.3** We presented our analysis on these different design options in our November consultation and its CBA. See paragraphs 3.1 to 3.60 of CP25/31.
- 3.4** In developing our proposals, we sought to choose an option that struck the most appropriate balance between the following 3 factors:
- Assuming each option was successfully delivered, what would be the potential benefits?
 - What is the likelihood that each option would be successfully delivered at a competitive price?
 - What are the significant risks of each equity CT option?
- 3.5** To balance these factors, we proposed to introduce an equity CT that includes both post-trade data and the attributed first level of pre-trade BBO – i.e. Scenario 2. Under our proposal, the CT would display both the best bid and offer price, and the total market-wide volume across CLOBs available at that price. Separately, the CT would also stream indicative prices from periodic auctions. See Chapter 8 for further details.

- 3.6** We considered this option struck the best balance between delivering significant market-wide benefits and offering a reasonable degree of certainty in delivery. Of the CT design options we considered would sufficiently meet our objectives, we assessed that a CT including the first level of pre-trade data would minimise revenue losses by data contributors and reduce the risk of disruption from an outage of the equity CT.
- 3.7** We said that, over the long term, we did not consider that introducing a post-trade only equity CT, including under the alternative model, would sufficiently meet our objectives. This is because, compared to a CT with pre-trade data, we considered that a post-trade only CT would be less effective in improving the effectiveness of UK secondary markets, advancing the UK's international competitiveness and providing straightforward and affordable access to equity trade data.
- 3.8** We noted that, under certain circumstances, including a greater depth of pre-trade data in the equity CT (i.e. Scenarios 3 and 4) could potentially deliver greater market-wide benefits than our proposal. However, these two scenarios would also result in increased delivery risk. Based on the evidence available to us, we did not consider that the potential incremental benefits justified this increased risk.

Overview of feedback and our response

- 3.9** CP25/31 sought feedback both on whether the equity CT should include pre-trade data and, if so, to what depth. We asked respondents the following questions:
- Do you agree we should introduce an equity CT including post-trade data and the attributed pre-trade BBO?
 - Do you agree we should not introduce a real-time post-trade only equity CT, regardless of its likely speed of delivery?
 - Do you agree, on the basis of the evidence currently available, that we should not introduce an equity CT with a greater depth of pre-trade data?
- 3.10** We also invited respondents to provide any further information that they thought could be relevant to our decision-making, including:
- The incremental benefits that a CT with a greater depth of pre-trade data could deliver to both specific firms and the broader UK market.
 - Whether the introduction of an equity CT could pose any risks to UK market structure. In particular, we asked firms for initial views on whether an outage of our proposed equity CT would affect their ability to trade.
- 3.11** Generally, views on the design of the equity CT were split across business types. There was strong support for an equity CT with at least the first level of pre-trade data among most buy and sell side firms. However, some trading venues expressed concern with our proposals and supported a post-trade only tape. Of those that supported pre-trade data being included, most agreed with our proposal that, initially at least, the CT should include the attributed pre-trade BBO (i.e. 'top of the book'), with others arguing for a greater depth of pre-trade data from the start.

- 3.12** A significant number of respondents emphasised that access to high-quality, timely equity trade data via the equity CT would benefit UK market structure and help promote fair and efficient markets with effective price formation. Respondents also highlighted that they did not think a post-trade only CT would achieve the same outcomes, because pre-trade information would provide a single reference point to support price formation and there was expected to be more limited uptake of a post-trade only CT due to fewer use cases. On the other hand, a couple of respondents expressed concern that introducing an equity CT which includes pre-trade data would lead to declines in CLOB trading volumes and argued that this would adversely impact UK equity market structure.
- 3.13** Having carefully considered all the feedback received, we have decided to introduce an equity CT which includes both post-trade data and the attributed pre-trade BBO for the first 5-year contract period. We consider that this is the best option to achieve our aims of:
- Improving the effectiveness of UK secondary markets.
 - Providing straightforward and affordable access to equity market data.
 - Advancing the UK's international competitiveness.
- 3.14** We do not think that introducing a post-trade only CT would sufficiently meet our objectives for the equity CT, regardless of the speed or cost at which it was delivered. This is because a post-trade only CT would support a more limited range of use cases than an equity CT and, due to lower demand for post-trade only data, lead to lower levels of new or additional data usage.
- 3.15** If an equity CT with a greater depth of pre-trade data (i.e. 3-5 layers) was commercially viable and delivered at a competitive price, then we consider it could potentially deliver greater market-wide benefits. However, this design carries greater delivery risk and, based on the evidence currently available to us, we do not consider that the incremental benefits of additional pre-trade data justify this increased risk, especially given the desirability of introducing an equity CT quickly.
- 3.16** Paragraphs 3.95 to 3.160 outline in more detail why we consider this is the best option.

Fuller summary of responses

- 3.17** Overall, a strong majority of respondents agreed that we should include pre-trade data in the equity CT. Of these respondents, most agreed with our proposal that – for the first 5-year contract period – the equity CT should include the attributed pre-trade BBO (i.e. 'top of the book'). However, some of these respondents argued that the equity CT should include a greater depth of pre-trade data from the start.
- 3.18** On the other hand, a minority of respondents disagreed that the equity CT should include pre-trade data. Most of these respondents favoured the introduction of a post-trade only CT. One respondent was sceptical of the case for an equity CT.
- 3.19** A handful of further respondents provided mixed or neutral responses.

Responses in favour of a CT with pre-trade data

- 3.20** Most respondents agreed that the equity CT should include both post-trade data and, at a minimum, the attributed pre-trade data BBO. The sections below outline the key points made in favour of including a level of pre-trade data in the CT.

Improve the effectiveness of UK secondary markets

- 3.21** A significant number of respondents emphasised that access to high-quality, timely equity trade data via the equity CT would benefit UK market structure and help promote fair and efficient markets with effective price formation. Specific points included that the equity CT would:

- Enable all market participants (including retail investors) to observe real-time prices and market-wide liquidity, reducing information asymmetries.
- Facilitate best execution for investors and potentially lower trading costs.
- Help protect investors' interests by providing them with information to help validate if brokers are achieving best execution on their behalf.
- Reduce disruption to trading when operational incidents occur on venues by providing a market-wide alternative price and so encouraging order flow to move to alternative venues.
- Strengthen the role of lit venues by:
 - Increasing transparency of the price formation process taking place on their order books.
 - Incentivising competition between different venues and with other execution mechanisms.
 - Showcasing the operational resilience and strong regulatory safeguards of trading venues.

- 3.22** Relatedly, some respondents said that the equity CT would increase visibility of equity trade data among all market participants, which could strengthen investor confidence and ensure UK equity markets remain internationally competitive compared to those in the US and EU. It was suggested that greater confidence in UK equity markets could, in turn, increase liquidity, encourage greater retail participation and increase the capital available in UK markets.

- 3.23** Respondents also noted that the equity CT would provide more affordable access to equity trade data for retail investors, smaller investors without access to proprietary feeds, and professional investors without a primary focus on UK equities.

- 3.24** Several respondents highlighted that they did not think a post-trade only CT would achieve the same outcomes. Key points raised included:

- The pre-trade BBO would play an important role by providing a single reference point for all market participants. Discussions in the EU illustrate that the attribution of pre-trade data is a priority for potential CT users.
- A post-trade only CT would not deliver the level of transparency expected by market participants and would not improve price formation or market structure.

- There would be limited uptake of a post-trade only CT due to its limited use cases, and it may not be commercially viable.

3.25 See paragraphs 3.33 to 3.36 for further arguments raised against a post-trade only CT.

Use cases

3.26 Additionally, several respondents said that our proposed equity CT would facilitate best execution monitoring, by providing an authoritative market-wide reference price. We understand from further discussions with respondents that, with the proposed equity CT, firms could potentially introduce more real-time best execution monitoring systems. This includes alerting systems which flag when a trade would be outside the BBO on the CT.

3.27 Other respondents highlighted that the equity CT could benefit professional investors and improve the price formation process. Following discussions with some firms, we understand that – if the CT had high data quality – it could be used to support trading and investment strategies.

3.28 One respondent agreed that our proposed equity CT would enable a range of use cases for buy-side firms, including:

- Trading and portfolio management.
- Middle- to back-office functions, including transaction cost analysis (TCA), firmwide capacity analysis, portfolio construction, fund liquidity analysis and risk management.

3.29 This respondent noted that, while a post-trade only CT could enable middle- to -back-office functions, the inclusion of pre-trade data was necessary to enable front-office use cases.

3.30 However, we understand that an equity CT would not be quick enough for direct order routing. See paragraphs 3.108 to 3.114 for further details on how we anticipate the equity CT could be used within trading and investment processes.

Affordable and straightforward access to equity trade data

3.31 More broadly, a couple of respondents suggested that the proposed equity CT could help ensure more affordable access to equity trade data for market participants.

- One respondent said that the proposed equity CT would help address some of the findings of our Wholesale Data Market Study (WMDS) and, in part, mitigate rising data costs and competition issues in the wholesale data market.
- Another respondent stated that, in certain jurisdictions without consolidated tapes, data costs tend to be a higher proportion of investment firms' total costs than in the US – which has long had an equity CT.

3.32 In response to discussion questions in Chapter 4 of Consultation on the SI Regime for Bonds and Derivatives including Discussion Paper on Equity Markets (CP25/20), one respondent in favour of the CT suggested that the tape cannot address all issues related to the costs and complexity of data licence agreements and recommended a number of changes to the current reasonable commercial basis (RCB) framework. In response to our proposal to not apply RCB requirements to the equity CTP, respondents also provided broader comments on the current RCB framework and pricing of market data. See Chapter 7.

Views on a post-trade only CT

3.33 Generally, respondents who agreed with including pre-trade data in the equity CT also agreed that we should not introduce a real-time post-trade only CT, regardless of its likely speed of delivery.

3.34 In addition to the points outlined in paragraph 3.24, a few further respondents disagreed with the idea that a quicker speed of delivery was a potential advantage to introducing a post-trade only equity CT:

- One respondent said it would not be meaningfully quicker to introduce a post-trade only CT.
- A couple of respondents disagreed that it would be advantageous to deliver this form of equity CT quickly, on the grounds that:
 - Introducing a post-trade only CT first would make it harder to re-engineer the infrastructure needed to build a CT with pre-trade data in the future.
 - Quick delivery would not increase demand for a post-trade only CT.

3.35 Additionally, one respondent pointed out that the latency of the post-trade only equity CT option in our April 2025 survey (300 milliseconds or less) is significantly slower than many other market data products and the US equity CT.

3.36 Conversely, one respondent, who supported a CT with pre-trade data in principle, also saw some benefits to a post-trade only CT. Notably, they thought it would provide a useful view of consolidated trading volumes for UK issuers.

Views on whether the equity CT should include a greater depth of pre-trade data

3.37 Among those that supported the inclusion of pre-trade data in the equity CT, views were more mixed on whether it should include a depth of data beyond the attributed BBO. These respondents were fairly evenly split between three views:

- Firstly, respondents who favoured including a greater depth of pre-trade data in the CT (at least 3 levels of quotes) from the first 5-year contract period, on the basis of the evidence currently available.
- Secondly, respondents who favoured, or did not oppose, including a greater depth of pre-trade data at a later date but saw our proposed design as a good starting point.

- Thirdly, respondents who suggested that including a greater depth of pre-trade data in the equity CT may not be proportionate or necessary to achieve our objectives.

Respondents who favoured a greater depth of pre-trade data from inception:

3.38 These respondents suggested that including a greater depth of pre-trade data would enable the equity CT to deliver greater market-wide benefits. Key points raised included:

- It could enable more robust price discovery by displaying liquidity across the orderbook. Respondents argued that this would improve UK equity market structure and investor trading outcomes.
- By displaying a greater depth of the orderbook, this form of CT could better support firms in determining trading strategies. One respondent suggested this is especially important for the ETF market, where volumes at the BBO can be low compared to further down the orderbook.
- It could help best execution monitoring. One respondent said that the BBO alone is not sufficient for monitoring the execution quality of larger trades or less liquid securities.
- It could make Level 2 equity trade data (i.e. data displaying multiple layers of the orderbook beyond the BBO) more affordable.

3.39 Several respondents noted that, if a CT with a greater depth of pre-trade data enabled additional use cases, this would support the CTP's economic viability. One respondent also said that they believed that there may not be a significant incremental cost or complexity from including additional pre-trade data because they thought that the CTP would already need to process multiple layers of pre-trade data to calculate the market-wide BBO.

3.40 Some respondents also emphasised that introducing a CT with more pre-trade data could strengthen the UK's international competitiveness, including its attractiveness as a listing destination. Points raised included:

- While the EU version of the Markets in Financial Instruments Regulation (MiFIR) requires the equity CT to include an anonymous BBO, the EU is currently considering whether to amend the scope of its equity CT to include more pre-trade data. One respondent highlighted that aligning the scope of the UK equity CT with that of the EU could increase its utility for end users.
- Under the Securities and Exchange Commission's (SEC) Market Data Infrastructure reforms, the US equity CT will be required to include 5 levels of pre-trade data. One respondent argued that, as market participants are currently preparing for this design of equity CT in the US, introducing a similar design in the UK would not lead to significant extra costs for data users.

3.41 One of these respondents also highlighted broader reforms to the design of the US equity CT, notably to the definition of round lots (the minimum number of shares that a quote must cover to be included in the BBO). They suggested that we should also adopt similar reforms to strengthen the competitiveness of UK equity markets. More broadly,

they thought we should introduce order protection rules to help ensure that the equity CT increases trust in UK markets and strengthens market integrity. See paragraphs 3.130 to 3.137 for our response on such points.

Specific views on design:

- 3.42** Among these respondents, there was a range of views regarding how much pre-trade data the equity CT should include. At a minimum, all respondents suggested that it should include 3 layers of pre-trade data (i.e. Scenario 3). A few respondents said it should include 5 layers (i.e. Scenario 4).
- 3.43** One respondent said that the equity CT should be as similar as possible to data contributors' proprietary data products and, in line with Scenario 4, should have a latency of no more than 20-40ms. They asserted that, otherwise, average UK market data costs would increase, and our procurement process may not be fair. This respondent thought that, ideally, we should require both the equity CT and venues' proprietary feeds to be made available simultaneously using time lock encryption technology. See Chapter 5 for further details.

Respondents who see the attributed pre-trade BBO as a good starting point:

- 3.44** Several respondents favoured, or did not oppose, the inclusion of a greater depth of pre-trade data in the equity CT for subsequent contract periods. Nevertheless, they supported our proposal to introduce an equity CT with the attributed BBO for the first 5-year contract period.
- 3.45** Some of these respondents noted advantages to including up to 5 levels of pre-trade data in the equity CT. They raised similar points to those discussed in paragraphs 3.38 to 3.40. In addition:
- One respondent said that establishing an equity CT in line with Scenario 4 would help increase participation in trading and capital markets, and so UK equity market liquidity. Overall, they thought this option has the potential to deliver the greatest benefits.
 - A further respondent noted that they thought that Scenarios 2, 3 or 4 would be economically viable for the CTP. They also observed that solely including the BBO in the equity CT could lead to locked and crossed markets (where the best bid is equal or higher to the best offer, respectively) – although they understood that, in the EU, methodologies have been developed to handle such issues.
- 3.46** However, on balance, these respondents supported our proposed approach on the following grounds:
- Several respondents noted concerns that including a greater depth of pre-trade data increases delivery risk of the CT as well as uncertainty regarding its cost. A few respondents suggested that they did not think that the incremental benefits of more pre-trade data outweighed heightened delivery risk.

- One respondent thought that, during the initial stages of the equity CT, ensuring the CT's data quality and commercial viability should be prioritised over delivery of a lower latency CT with more pre-trade data.
- A further respondent noted that increasing the depth of pre-trade data could increase revenue transfers from data contributors, as the CT could be a substitute for direct feeds and so more use cases of equity trade data. They thought this could lead to opposition from data contributors, especially if we do not require the equity CTP to have revenue sharing arrangements.

3.47 A number of these respondents emphasised that we should revisit this topic in our post-implementation review. One of these respondents stated that they believed that we should increase the level of pre-trade data included in the tape for subsequent contract periods.

Respondents who disagreed with including a greater depth of pre-trade data:

3.48 Several further respondents suggested that including a greater depth of pre-trade data in the equity CT may not be proportionate or necessary to achieve our objectives.

3.49 Key points raised by these respondents included:

- A couple of respondents thought that including a greater depth of pre-trade data could increase complexity and cost for the CTP. One of these respondents noted that they did not think that this design of CT would deliver significant incremental benefits for most market participants.
- One of these respondents also thought including a greater depth of pre-trade data would have a disproportionate impact on the revenues of data contributors as the CT would be more likely to substitute direct venue feeds. At a minimum, they thought that this design of CT could be used for basic order routing. This respondent emphasised that, if the CT became the primary source of market data, it could create an operational 'single point of failure' for the market.
- A further respondent said that including the attributed BBO struck the best balance between balancing the needs of data users and trading venues. Another respondent thought that our proposal would limit costs for both data contributors and those consuming pre-trade data from the equity CT.
- One of these respondents emphasised that – in line with our proposals – the equity CT should only display pre-trade data from CLOBs and auction-based trading systems. They asked us to clarify this in our final rules. See Chapter 8 for further details on the scope of the data that the equity CT will consolidate.

Responses against a CT with pre-trade data

3.50 A minority of respondents disagreed that the equity CT should include pre-trade data.

- Most of these respondents favoured the introduction of a post-trade only CT.
- One respondent was sceptical of the case for any form of equity CT and highlighted that our description of how it would affect retail consumers was brief. They argued

that we should start with a low-cost, foundational solution for the CT and evolve toward a more optimal model over time.

3.51 The sections below outline the key points raised by these respondents.

Market integrity

- 3.52** One respondent expressed concern that introducing an equity CT which includes pre-trade data would lead to declines in lit trading volumes and argued that this would adversely impact UK equity market structure. They emphasised the importance of lit trading as the foundation of price formation in UK markets. It was noted that, over recent years, lit continuous trading has declined as a proportion of total UK equity trading volumes, while the proportion of trades executed OTC (including on SIs) has increased.
- 3.53** A respondent contended that the UK's regulatory structure has facilitated the relative decline of CLOB trading volumes. It was suggested that UK transparency requirements for retail service providers (RSPs) and SIs are less transparent than for similar trading mechanisms in the EU and US. In their view, introducing an equity CT with pre-trade data could exacerbate relative declines in CLOB trading by incentivising greater trading on dark venues and via OTC mechanisms (including SIs).
- 3.54** They said that such further declines in CLOB trading volumes could pose the following risks to UK market integrity:
- Spreads widening and volatility increasing, because thin liquidity on orderbooks would lead to increased market impact for remaining liquidity providers.
 - A less representative reference price, and pre-trade BBO on the CT, because CLOB trading would represent a smaller percentage of total trading activity.
 - Greater use of bilateral trading mechanisms like SIs by institutional investors would give the operators of these mechanisms exclusive access to investors' order flow information and so an informational advantage.
- 3.55** They also said that, as a CT with the pre-trade BBO will have more latency compared to direct venue feeds, there is a risk that it will display to users 'virtual' prices that they cannot practically execute. In their view, this could lead to lower fill rates, repeated order amendments and increased market impact costs. They thought this could be especially problematic during volatile periods, when the CT may face issues processing higher volumes of messages.
- 3.56** Overall, this respondent argued that – in order to ensure UK market integrity and international competitiveness – we should not consider introducing an equity CT with pre-trade data at all, or at least not prior to implementing further protections for lit trading.

Use cases

- 3.57** A few respondents also argued that a CT with pre-trade data offers limited incremental benefits compared to a post-trade only tape. They said that this meant the additional cost, complexity and risk of delivering a CT with pre-trade were not justified.
- 3.58** These respondents argued that a post-trade only tape would meet one of the key objectives of introducing an equity CT: to provide a clearer, more comprehensive view of the liquidity available in UK markets. They were sceptical that a CT with pre-trade data would enable other significant use cases.
- 3.59** One respondent said that most market participants already have access to consolidated pre-trade data. Therefore, they did not think that our proposed equity CT would significantly increase UK market liquidity. Instead, they contended that the primary driver of an equity CT with pre-trade data is to reduce the cost of equity trade data for users and ensure that the CTP is commercially viable. They said that these factors solely represent a transfer of revenue between data providers, the CTP and data users – not a market-wide benefit to justify such a regulatory intervention.
- 3.60** This respondent also said that almost all use cases of an equity CT require consolidated post-trade data, but not all require pre-trade data. Where middle and back-office functions do require pre-trade data, they argued that delayed pre-trade data was often sufficient. They pointed out that 15-minute delayed pre-trade data is already available free of charge.
- 3.61** A further respondent noted that, even under Scenario 4, the equity CT would likely not be quick enough or include an adequate depth of pre-trade data to be used for algorithmic trading. As a result, they argued that neither Scenario 2 nor 4 would offer significant benefits because brokers and buy-side firms would likely continue to buy direct feeds from venues for trading. Given this, they were sceptical that the equity CT would encourage market participants to continue trading when a significant venue suffers an outage.
- 3.62** This respondent was also sceptical that an equity CT would benefit retail investors, on the grounds that many venues currently make real-time pre-trade data free to access for retail investors. Another respondent raised a concern that buy-side firms that serve retail consumers may incur additional costs to buy CT data when it may not provide benefit.
- 3.63** Finally, one respondent argued that – while there were some valid use cases for pre-trade data – for the first contract period the CT's design should be kept as simple as possible to ensure its timely delivery.

Revenue transfers

- 3.64** One respondent pointed out that introducing an equity CT which includes pre-trade data is likely to lead to a transfer of revenue from trading venues to the equity CTP (as data contributors must provide necessary data free-of-charge to the equity CTP for the purposes of providing the CT). They emphasised that trading venues play a central role in the price formation process and provide resilient infrastructure that facilitates

fair and orderly trading, which is particularly important during times of market stress. They argued that such revenue transfers are disproportionate and would outweigh the potential market-wide benefits of an equity CT.

- 3.65** Another respondent agreed that the introduction of a CT is likely to lead to a transfer of revenue away from data contributors and suggested we should do further thinking on how this could affect the UK market longer term.
- 3.66** More broadly, a range of other respondents (who did not disagree with our proposals) raised concerns on this point in response to our proposal to not require revenue sharing arrangements between the CTP and data contributors. They argued that revenue sharing would help to align the interests of data contributors and the CTP. See Chapter 4 for further details.

Operational resiliency

- 3.67** One respondent argued that, if a CT including pre-trade data becomes a significant data source for the market, then its outage could cause significant disruption. As a result, they said that it would create a 'single point of failure' for UK markets. They considered that the risk of operational issues would be heightened by the need for the CT to aggregate multiple feeds which may use different formats.
- 3.68** They said that, if an equity CT experiences an outage, then venues may need to halt trading to avoid information asymmetries and ensure that markets are orderly. They noted that, while major market participants would likely retain connections to direct feeds from venues, smaller firms may solely rely on the CT.

International comparisons and broader precedents

- 3.69** One respondent argued that it was not appropriate to introduce a UK equity CT in order to ensure the UK market maintains its international competitiveness. They said that the rationale for introducing equity CTs in other jurisdictions (i.e. the US and EU) does not apply to UK market structure because:
- The US has a different market structure including a larger number of venues, order protection provisions, mandatory consumption of its CT and sharing of all surplus revenue from the CT with contributing venues.
 - The EU also has more venues than the UK and has specific goals to reduce fragmentation and increase cross-border market-based financing. They said that, because the UK has fewer venues, it is less burdensome for users to obtain data from all UK equity venues.
- 3.70** A further respondent questioned why we want to introduce an equity CT quickly, and asked whether it would make sense to delay its implementation until we had conducted analysis of experiences in the US and EU, as well as the implementation of the UK bond CT.

CBA

- 3.71** Finally, one respondent made a range of comments on our CBA and the extent to which it supported the case for the inclusion of pre-trade data. In particular, they argued that:
- We have not sufficiently established the rationale for intervention, with the identified market failures being based on incomplete evidence.
 - Our options analysis did not adequately demonstrate how pre-trade data would address harms beyond those that could be mitigated by a post-trade only tape.
 - The quantified benefits in our CBA are based on incorrect and unsubstantiated assumptions, and net impacts are sensitive to changes in key parameters. They contended that justification for a CT with pre-trade data therefore relies on unquantifiable market-wide benefits, which they said are not evidenced.
 - The systemic risks that the introduction of a CT could pose to UK equity markets are understated.
- 3.72** Overall, they said that the CP and accompanying CBA overestimated benefits of an equity CT with pre-trade data while understating costs and risks. They argued that an equity CT would only be a proportionate intervention if it were post-trade only.
- 3.73** For further details on the points raised regarding our CBA, and how we have addressed these, see Annex 2.

Arguments in favour of a post-trade only CT

- 3.74** In addition to the arguments above, respondents who favoured a post-trade only equity CT said it could potentially be cheaper and quicker to implement. Key points raised included:
- One respondent said that they could build a post-trade only CT with no end-user fees. We understand that this would be under a model where the CT would have streamlined regulatory obligations and may be provided by multiple CTPs (see paragraphs 3.6-3.8 of CP25/31).
 - The respondent said that this alternative form of CT would provide the maximum number of users with a market-wide view of executed liquidity as quickly as possible. In their view, we did not fully consider this option in our CBA.
 - Another respondent said that, if a post-trade only CT was cheaper than a CT with pre-trade data, this would represent a significant saving that should be passed onto end users.
- 3.75** One respondent thought that an equity CT with pre-trade data would offer a narrower view of the market than a post-trade only CT, because it would only display a subset of quotes (i.e. those on CLOBs and periodic auctions). To clarify, we envisage that any design of equity CT would include post-trade data.

Views on including a greater depth of pre-trade data in the CT

- 3.76** A few respondents, who generally disagreed with the inclusion of pre-trade data in the equity CT, raised specific arguments against including any pre-trade beyond the attributed BBO:
- A few respondents argued that including more pre-trade data (including SI quotes) and a lower latency requirement – i.e. Scenario 4 – would increase cost and/or complexity for the CTP. To note, we consult on the inclusion of SI quotes in Chapter 10.
 - One of these respondents emphasised that they did not think this would be proportionate. They noted that our CBA analysis found that Scenario 3 may not be net beneficial (see paragraph 3.35 in CP25/31). They contended that we had overestimated the benefits of Scenario 4 and understated its costs (notably, the cost of the CT including SI quotes).
 - This respondent also argued that increasing the complexity of running of the CT could compromise its operational resiliency, which they thought would pose risks to trading venues.
 - Finally, the same respondent also thought that a more complex design of CT could delay the delivery of consolidated post-trade data, which they considered should be prioritised.
- 3.77** One of these respondents also thought that including a greater depth of pre-trade data could exacerbate the market integrity risks they identified in paragraphs 3.52 to 3.56. In particular, they thought that this design of CT could result in higher levels of order flow moving off CLOBs. They argued that our post-implementation review would come too late to 'reverse' any adverse impact from the CT.

Mixed and neutral responses

- 3.78** A couple of further respondents provided mixed or neutral views on whether the equity CT should include pre-trade data.
- 3.79** One respondent thought that a post-trade only CT would provide sufficient transparency and disagreed with our proposed framework for an equity CT and the inclusion of the attributed pre-trade data BBO. They raised several concerns, broadly in line with those outlined at paragraphs 3.74 and 3.75 above. Notably:
- They thought that our proposals would prevent lit trading venues from receiving the economic value of pre-trade transparency. They emphasised that such data is important to the broader market, including to SIs and 'dark' trading venues, and stated that trading venues rely on market data revenues to support investor protection and listings.
 - They considered that our proposed equity CT would subsidise the operation of SIs; encourage trading volumes to move away from CLOBs; weaken the price formation process; and make UK markets less attractive, including for retail investors.

- They perceived significant issues with the equity transparency regime:
 - In their view, market participants are not sufficiently accountable for the quality of trade reporting, with off-exchange trading reported inconsistently or with delays.
 - They disagreed with reporting exemptions for non-price forming trades.
 - They called for the universal application of standards such as Market Model Typology (MMT).
- On this basis, they argued that consolidating current equity trade data would not increase transparency and could instead create confusion and undermine confidence in UK markets.

3.80 However, the respondent thought including the unattributed pre-trade BBO would provide a useful reference point for assessing UK equity market liquidity. They argued that, based on our proposals and current equity market transparency regime, the CT should only be used as display data or for non-trading purposes (e.g. analytics). They did not think we should permit the CT to be used for the internalisation of trades (e.g. by SIs).

3.81 Finally, the respondent raised broader comments on the pricing of market data and equity market structure, notably:

- They argued that the pricing of market data should reflect its informational value. Relatedly, they argued that data licencing based on use cases and FRAND (Fair, Reasonable and Non-Discriminatory) principles is the best way to ensure an equitable allocation of the costs of pre-trade transparency between trading venues and data users, and to enable retail investors to gain access to professional-quality data at little to no direct cost.
- They disagreed with cost-based pricing and thought an equity CT should return revenues to data contributors (see Chapter 4).
- They thought that brokers need to be held to higher standards of accountability, emphasising the need for investors to have the data and tools to understand how the orders are handled.

3.82 A further respondent, who was neutral on the inclusion of pre-trade data, also suggested changes to our equity transparency regime, including:

- Ensuring uniform implementation of FIX MMT flags via a regulatory mandate could make post-trade reporting more consistent.
- Aligning the post trade transparency exemptions currently applicable to non-price forming off-venue activity to apply to off-book on-exchange trades, so that they are not displayed on the CT. Also, off-venue trade reports should identify whether execution was manual or automated, to help market participants identify whether they are accessible liquidity.
- Avoiding duplicative reporting of off-venue cross-border transactions.
- Clarifying who is responsible for trade reporting when there is a chain of orders and for off-book cross-border transactions.

- 3.83** Several respondents who agreed with the inclusion of pre-trade data also supported the changes suggested by this respondent. One of these respondents, who supported our proposed design of equity CT in principle, did not think that we should implement it until such data quality issues have been addressed. They thought this would avoid disseminating a misleading view of the market which could impact on investors' trading decisions. They were particularly concerned about the reporting of off-venue trades.

Further points on equity CT design

- 3.84** Several respondents argued that, to the extent possible, we should seek to align our design of the equity CT with that of the EU – including on data quality standards and implementation timelines. They thought that this would help demonstrate liquidity in both jurisdictions as well as reduce cost and complexity for market participants operating in both jurisdictions.
- 3.85** Notable further points included:
- One respondent argued that pre- and post-trade data should be made available in separate feeds so firms can buy only what they need.
 - A further respondent noted that if the CT's BBO is used to assess best execution, it will be important to ensure that the CTP properly sequences messages from different data contributors. They said this would be especially important if a CT includes multiple levels of pre-trade data. See Chapter 5 for a description of our final rules on latency and timestamping and how these will enable the sequencing of pre-trade data by the equity CTP.

Potential impact of an equity CT outage

- 3.86** CP25/31 also discussed a concern raised by some respondents that an outage of the equity CT could potentially disrupt the market and necessitate trading halts. This was on the basis that any market participants who relied on the equity CT for trading would not have equal access to information as others when placing orders.
- 3.87** To help inform our thinking on this issue, we sought initial views from market participants on whether an outage of our proposed equity CT would affect their ability to trade – subject to further evaluation once the equity CT is live.

Summary of responses

- 3.88** We received responses from a range of buy-side firms, sell-side firms and brokers, including via trade associations. Overall, these respondents did not think that an outage of the equity CT would materially affect their ability to trade. Key points raised included:
- Buy-side firms generally did not expect a CT outage to disrupt their ability to trade, especially compared to the disruption faced during outages where no CT is available. One firm did not expect the equity CT to replace direct feeds from trading venues and brokers used within trading algorithms.

- A range of major banks and principal trading firms expected to continue using direct venue feeds for trading. One respondent noted that this will help firms meet their best execution requirements and adequately service clients' needs.
- More broadly, one respondent noted that, while individual elements of market infrastructure (including the equity CT) may be subject to outages, they would expect many firms to have access to other sources of data (e.g. direct feeds from venues or other consolidated data) to continue trading.

3.89 A couple of these respondents highlighted that applying our proposed SYSC 15A standards would help to ensure the CT's resiliency.

3.90 We also received responses from a range of trading venues, DRSPs and technology companies. Among these respondents, views were more mixed about the potential impact of an equity CT outage:

- A couple of these respondents considered that an equity CT outage was unlikely to cause significant disruption to trading. One respondent said that evidence from the US and Canada suggests that an outage of the CT would generally not prevent trading, while another thought this was unlikely unless our rules required trading activities to halt.
- A few respondents thought the impact of an equity CT would depend on the take-up of the CT; the extent to which users relied on it, especially for trading purposes; and/or whether users had access to alternative data sources.
 - One of these respondents did not think the proposed equity CT could replace all current market data usage, noting that for algorithmic trading a full depth of pre-trade data is often required to achieve best execution. However, if the CT became the sole source of display data, then they thought this could impact end investors' ability to trade.
 - Another respondent stated that, if reliance is placed on the equity CT, then its outage could become as disruptive as that of the primary market.
- Finally, one respondent stated that a CT outage would affect market participants' ability to trade.

3.91 Some respondents suggested ways by which the equity CTP and market participants could prepare for an outage and so mitigate its impact, including:

- A few respondents highlighted recent work undertaken by us, the European Securities and Markets Authority (ESMA), the International Organisation of Securities Commissions (IOSCO) and FIX on how trading venues and market participants should respond to market outages and suggested that it could be leveraged in the case of equity CT outages.
- Another respondent thought that we should require the equity CTP to provide a post-trade only feed as a fallback.
- A further respondent suggested that we should require market participants to have disaster recovery mechanisms in case of an equity CT outage.

Broader points

- 3.92** A few respondents noted that they thought the equity CT could improve market-wide resiliency to the outages of significant venues by providing a market-wide alternative price. See paragraph 3.115.
- 3.93** A further respondent agreed that the equity CT would be one of the tools to encourage liquidity to migrate to alternative venues during outages. In particular, they thought the CT could help demonstrate this migration of liquidity to the broader market.
- 3.94** However, they emphasised that, currently, liquidity does not tend to migrate in the case of an outage, despite many intermediaries and buy-side firms buying data from a range of venues. They noted that the equity CT may not be quick enough for making trading decisions on or for algorithmic trading. Therefore, they suggested we require firms to have the ability to trade on alternative venues.

Our response to the feedback and final decisions

Summary

- 3.95** We will introduce an equity CT which includes both post-trade data and the attributed pre-trade BBO for the first 5-year contract period. Having carefully considered the feedback received, we continue to consider that an equity CT which includes the attributed pre-trade BBO is the best option to achieve our aims of:
- Improving the effectiveness of UK secondary markets.
 - Providing straightforward and affordable access to equity market data.
 - Advancing the UK's international competitiveness.
- 3.96** We do not think that introducing a post-trade only CT would sufficiently meet our objectives for the equity CT, regardless of the speed or cost at which it was delivered. This is because a post-trade only CT would support a more limited range of use cases than an equity CT with pre-trade data and, due to lower demand for post-trade only data, enable lower levels of new or additional data usage.
- 3.97** If an equity CT with a greater depth of pre-trade data (i.e. 3-5 layers) was commercially viable and delivered at a competitive price, then we consider it could potentially deliver greater market-wide benefits. However, as explained in paragraphs 3.42 to 3.45 of CP25/31, this design of CT carries significant delivery risk. Based on the evidence currently available to us, we do not consider that the incremental benefits of additional pre-trade data justify this increased risk, especially given the desirability of introducing an equity CT quickly. See paragraphs 3.154 to 3.160 for further details.
- 3.98** Therefore, for the first 5-year contract period, the pre-trade data included in the equity CT will be limited to the attributed BBO (i.e. 'top of the book'). After 2 years of the CT being operational, we will carry out a post-implementation review which, among other matters, will consider whether there is a case for varying the level of pre-trade data included in the tape for subsequent contract periods.

Our decision to include pre-trade data in the equity CT

- 3.99** We understand that there are material costs and complexities involved in accessing clear, consolidated equity trade data, resulting in a significant number of market participants interacting with equity markets based on incomplete information. Even where firms currently buy equity trade data from a range of venues, we understand that access within the firm is often limited to specific individuals and functions that can demonstrate the strongest business need – rather than provided to all who could potentially benefit from it.
- 3.100** We therefore think there is significant scope to expand the usage of equity trade data and, in doing so, enable new and improved use cases of such data which will benefit UK equity markets over the long term. We explain below why we consider that introducing an equity CT with the first level of pre-trade data would meet these objectives more effectively than introducing a post-trade only CT.

Improving the effectiveness of UK secondary markets

- 3.101** In CP25/31, we observed that the lack of a formally designated equity CT makes it harder to assess total levels of liquidity in UK markets. We said that this reduced visibility could cause problems for market functioning. Notably, it is a barrier to investors' awareness of the prices available across UK venues and so their ability to effectively monitor if their trades are executed at the best price available (i.e. monitoring for best execution). We said that the equity CT would help address this issue by providing a clear, consistent and shared view of trading volumes and prices across UK venues.
- 3.102** Responses reflected our view that a CT which included, at a minimum, consolidated post-trade data would make it easier for market participants to assess total UK equity trading volumes. A small number of respondents suggested that – because a post-trade only CT would deliver this benefit – there was not a strong case for including the pre-trade BBO in the CT.
- 3.103** However, pre-trade data plays a vital role in equity markets by providing a picture of the prices at which market participants are currently willing to buy and sell instruments. Therefore, in line with most respondents, we consider that the inclusion of pre-trade data would enable the CT to fulfil significantly more use cases which would benefit UK markets. This includes:

Facilitating best execution monitoring:

- 3.104** Firstly, a significant number of respondents highlighted that an equity CT with the attributed BBO would help facilitate effective best execution monitoring, by providing an authoritative, market-wide reference price.
- 3.105** Moreover, we understand that, if an equity CT included real-time pre-trade data, then firms could introduce more real-time best execution monitoring – including alerting systems which flag when a trade would be outside the BBO on the CT.

- 3.106** We consider that such use cases would benefit UK secondary markets by assisting firms in ensuring they execute investors' trades on the best terms available, as well as improving investors' ability to monitor that they have done so against a reliable reference price.
- 3.107** We note that a few respondents raised questions about whether real-time pre-trade data is necessary for best execution monitoring, or whether post-trade data or delayed pre-trade data would be sufficient. As discussed in CP25/31, we do not consider that post-trade data alone is sufficient for this use case. This is because only pre-trade data provides a full picture of the best available prices when a participant made a trade and so the opportunity cost of any diversion from the best quote available. We believe that including real-time pre-trade data would offer firms greater scope to improve their internal processes.

Supporting trading and investment strategies:

- 3.108** Secondly, we consider that the equity CT could be used as display data to support longer-term trading and investment decisions. For instance, it could help demonstrate to portfolio managers the market-wide liquidity in equities which they are interested in, helping them to confidently develop and deploy suitable trading and investment strategies.
- 3.109** In terms of expected benefits for UK secondary markets, due to current limitations on the use of equity trade data within firms, we understand that those responsible for developing longer-term trading and investment strategies may not have access to consolidated data from across the full range of relevant equity trading venues. We think that providing such individuals with consistent, straightforward access to such data will support them in delivering the best available outcomes for investors.
- 3.110** Moreover, a partial view of UK equity markets can lead to level of liquidity in specific equities being significantly underestimated. Therefore, we consider that an equity CT could give those developing trading and investment strategies the confidence to invest larger amounts in UK equity markets more frequently. Over time, this could contribute to increased liquidity in UK markets, and so reduce the cost of trading for market participants and the cost of equity for listed companies.
- 3.111** As an interim measure before the equity CT is operational, we have today started publishing end-of-day consolidated post-trade data for UK listed shares – see paragraphs 3.177 to 3.181 for more details. We expect that this will provide a more comprehensive estimate of daily liquidity than certain existing data sources.
- 3.112** However, we acknowledge that it is only a partial solution to this issue. Based on feedback from respondents, we understand that the inclusion of pre-trade data is key to enabling the equity CT to be used for developing trading and investment strategies. Indeed, pre-trade data provides a picture of the available trading opportunities for a given equity while post-trade data shows solely executed transactions. Therefore, a real-time equity CT including pre-trade data will provide a fuller view of the liquidity and prices available in UK equity markets.

- 3.113** Nevertheless, it is important to note that we do not think that the equity CT will be quick enough to use for directly routing orders. Practically, this means that, while we think the equity CT could help a portfolio manager decide to invest in a certain equity, we do not expect it would be used in a smart order router or similar mechanism to directly route specific parts of the order to different execution mechanisms. We understand that such order routing will continue to depend on low latency, direct feeds from venues. Similarly, we do not think that the equity CT would be quick enough for low latency trading strategies, which tend to rely on algorithms consuming direct feeds from venues.
- 3.114** We think that this reduces the risk of orders being routed based on 'virtual' prices and underlines our view that direct feeds from trading venues will continue to play an important role in UK equity markets.

Reducing disruption from venue outages:

- 3.115** Thirdly, we continue to consider that the CT could help reduce disruption to liquidity when operational incidents occur on significant venues. This is because it would provide a wider range of market participants with visibility of a market-wide, alternative price in the case of an outage. This may encourage more firms to develop trading strategies where they continue trading on alternative venues – on the understanding that a wider variety of other firms would have the necessary information to underpin such trading strategies too and so a higher proportion of total liquidity may migrate.
- 3.116** Paragraphs 3.146 to 3.153 discuss our response to concerns raised by some respondents that an equity CT outage may cause significant operational disruption. Overall, based on initial feedback from market participants, we do not have reason to believe that an outage of the CT would impact markets to an extent that it should lead trading venues to suspend trading.

Providing straightforward and affordable access to equity market data.

- 3.117** We expect that the equity CT will broaden access to data by both:
- Enabling firms that do not currently buy UK equity trade data to do so (i.e. new usage); and
 - Enabling broader use of more comprehensive data among firms that currently buy some equity trade data (i.e. additional usage).
- 3.118** We consider that including pre-trade data in the equity CT is the most effective way to drive this new and additional usage. In our central scenario, we estimate that there will be over 65,000 users of a CT with the attributed BBO, with over 15,000 new users of data and substantially increased access to data for many existing data users.
- 3.119** As a direct result of enabling new and additional usage of data for specific firms, under our central scenario, we expect that the CT will deliver £15.7 million of net benefits over the next 10 years. See our CBA for further details.

- 3.120** As above, we also expect the equity CT to deliver broader market-wide benefits over the medium to long term (including increased liquidity and a lower cost of equity for listed companies). However, given the equity CT is a novel intervention for UK markets, we were unable to quantify these benefits.
- 3.121** In contrast, we expect significantly less demand for, and so benefits from, a post-trade only CT. As noted by a number of respondents, currently in the market there is very little demand for equity post-trade only data, compared to data with at least the first level of pre-trade data. We understand this reflects the crucial role of public bids and offers in equity markets in developing trading and investment strategies, as well as related processes like best execution monitoring. For many equity market participants, pre-trade data is a necessary complement to post-trade data.
- 3.122** A further argument made by a few respondents in support of a post-trade only CT is that it could lead to cost savings for end users. However, lower expected demand for a post-trade only equity CT means it is unclear whether, under our requirements, it could be offered at a lower price point than a CT with both pre- and post-trade data. Moreover, a CT with pre-trade data would provide significantly more information, which most respondents thought would be useful. Therefore, we consider that an equity CT with pre-trade data would provide better value for money for end users.
- 3.123** We also considered the suggestion for an alternative model where a post-trade only equity CT is held to streamlined operational resiliency requirements and offered by multiple providers. One respondent suggested this may enable the CT to be offered for free to end users. However, given the lower demand for post-trade only data, it is unclear whether multiple providers would come forward to offer this form of CT. We also do not think it would be appropriate to lower operational resiliency standards for a post-trade only equity CT relative to the obligations of the post-trade only bond CT.
- 3.124** Finally, we will require the equity CT to publish market-wide liquidity metrics for shares in the UK – similar to our MARS initiative. As a result, we do not think it is necessary to require the equity CTP to offer a separate licence type for real-time, post-trade only data.

Advancing international competitiveness

- 3.125** We think that introducing a CT with pre-trade data would strengthen the UK market's international competitiveness. This is because this design of equity CT would give investors globally a real-time view of available liquidity at the best price point across UK venues. We consider that this will make it more straightforward for international investors to identify the opportunities available in UK markets and so develop trading and investment strategies. Over time, this could increase market participation.
- 3.126** The inclusion of the attributed pre-trade BBO would also align with the US' equity CT and would provide the same level of depth of pre-trade data as the EU's planned CT. We acknowledge the points raised around differences in the UK's market structure and regulatory framework compared to other jurisdictions with CTs. However, in practice, we think that the underlying rationale of facilitating access to information from multiple pools of liquidity – a feature common to the largest equity markets – is the same.

- 3.127** The inclusion of pre-trade data is important to ensure that total UK liquidity is as visible as that in comparable jurisdictions. A post-trade only CT would provide less information than that available in such jurisdictions. Therefore, we think introducing this design of CT would, at least to some extent, adversely affect the UK's international competitiveness.
- 3.128** CP26/30 on equity market structure seeks views on other steps to strengthen the international competitiveness of UK equity markets.

Potential risks and mitigations

- 3.129** While we expect significant market-wide benefits from a CT with pre-trade data, as part of our decision making, we carefully considered its potential risks and ways these could be mitigated.

Market integrity – impact on UK equity market structure:

- 3.130** Paragraphs 3.52 to 3.56 discuss concerns raised by some market participants that including pre-trade data in an equity CT could damage the quality of the UK equity market by encouraging trading away from lit markets that use CLOBs, whose share of trading has been in decline recently.
- 3.131** CP25/31 set out how we had considered this issue ahead of consultation. We noted that a December 2024 [report](#), which we commissioned by consultants Europe Economics (EE), found that a pre-trade CT is unlikely to lead to a significant further move away from trading on CLOBs. EE observed that major institutions trading UK equities already have access to a wide range of price referencing execution venues and so the introduction of a CT is only likely to affect the trading behaviour of firms who currently have more limited connections. We also observed that most respondents to our April 2025 survey agreed that introducing an equity CT with pre-trade data is unlikely to significantly decrease CLOB trading.
- 3.132** We have considered this issue further, including in the context of developing our proposals for CP26/30. Based on the evidence currently available to us, we do not expect that the equity CT will affect market participants' choice of execution venue in a way that would reduce liquidity on CLOBs.
- 3.133** Instead, we consider that market participants will continue to make such decisions based on how they can achieve best execution, given market conditions and their specific trading strategy. We understand that firms tend to use CLOBs where they want greater certainty and immediacy of execution. On the other hand, alternative execution mechanisms are favoured to manage the risk that a trade leads to an adverse market impact or to suit particular investment strategies, such as passive investing. Overall, we note strong support for an equity CT with pre-trade data among buy and sell side firms.
- 3.134** Nevertheless, the equity CT is a novel intervention for UK markets, and so we will need to monitor its impact on UK market structure closely. Against this backdrop, Chapter 3 of CP26/30 outlines and seeks views on a robust framework, based on quantitative and qualitative indicators, for monitoring how UK equity markets evolve in a proactive and evidence-based manner. In addition to this regular monitoring, our post-implementation review of the equity CT will assess the specific effect of this intervention on UK equity markets.

- 3.135** The evidence available to us suggests that – notwithstanding a recent relative decline in CLOB trading volumes and increased use of bilateral execution mechanisms – UK equity markets remain liquid, resilient and efficient. Therefore, CP26/30 does not propose structural interventions to UK equity markets (such as order protection rules) because we do not think such changes are necessary to ensure that the market continues to work well.
- 3.136** We note that the justification for any intervention which limited market participants' choice of execution venue would need to be very strong, given our overarching approach to wholesale markets reform seeks to encourage choice and innovation, within a framework of fair competition and best execution.
- 3.137** Nevertheless, we remain prepared to act where there is clear evidence of harm to market integrity or market functioning. CP26/30 invites a discussion of the potential policy options available to support UK equity markets in such circumstances.

Market integrity – potential for latency arbitrage:

- 3.138** We expect that the CT will be used to support trading and investment strategies and best execution monitoring, rather than to directly route trades or for low-latency trading strategies. However, a risk flagged was that, as a CT with the pre-trade BBO will have more latency than direct venue feeds, it may display to users 'virtual' prices that they cannot practically execute.
- 3.139** A degree of latency is a feature, rather than a flaw, of the equity CT because data is routed through the CTP from data contributors before being disseminated to users. Consuming data directly from data contributors will therefore be quicker than relying on the CT. In Chapter 5, we set out requirements on data contributors and the CTP to ensure the latency of the CT is such that it will support relevant use cases.
- 3.140** There is already a well-established and distinct demand for market data that is low latency from specialist trading firms. An equity CT cannot service this part of the market. These firms will need to continue to directly purchase data from trading venues to meet their needs. We do not expect the equity CT to have a material impact on the sales of such very low latency data. But there is also significant use of display data in equity markets, which does not require such low latency data and where we think the CT could play an especially useful role.
- 3.141** The introduction of the equity CT does not alter the need for firms to ensure they have access to equity trade data with granularity and latency suitable for their trading activities, in line with their obligation to take sufficient steps to obtain best execution for their clients.
- 3.142** To help ensure clarity on the suitable use cases of the equity CT, we intend that our contract with the equity CTP will require them to highlight the expected latency of the CT in its user licence agreement. We think this will help ensure that market participants make well informed decisions on how to use the CT.

Revenue transfers:

- 3.143** We recognise that introducing a CT with pre-trade data is likely to lead to revenue transfers between data contributors and the CTP and end users. In CP25/31, we said that, based on our analysis, such revenue losses were unlikely to be of a magnitude to have a significant adverse effect on UK market structure. One reason for this was because, as explained above, we did not expect our proposals would have a material impact on the sales of low latency data. We observed that introducing an equity CT with the attributed pre-trade BBO, rather than a greater depth of pre-trade data, appeared to further mitigate this risk.
- 3.144** However, given the feedback received, we acknowledge that such revenue transfers could potentially adversely impact smaller trading venues which may be more reliant on market data revenues to cover their costs. We also note broader arguments, discussed in Chapter 4, that revenue sharing arrangements could reduce burdens on data contributors from our proposals and align incentives between the equity CTP and data contributors in delivering a high-quality, competitively priced CT.
- 3.145** As a result, our final rules require the equity CTP to share a portion of its income with data contributors. See Chapter 4 for further details.

Operational resiliency:

- 3.146** As discussed at paragraphs 3.67 and 3.68, we have heard concerns from some respondents that an equity CT outage may cause significant operational disruption. A smaller number of respondents suggested it could potentially require trading venues to halt trading.
- 3.147** We recognise that, as we expect the equity CT to be an important source of data for a wide variety of market participants, it is crucial that we consider appropriate safeguards to mitigate any operational risks posed by its outage. To help develop our thinking on this issue, we sought firms' initial views on whether an outage of the equity CT, including the attributed pre-trade BBO, would affect their ability to trade. See a summary in paragraphs 3.86 to 3.91.
- 3.148** Based on the responses received, we consider that an outage of a CT with the attributed pre-trade BBO would not necessarily lead to significant operational disruption. Respondents were clear that they do not expect the CT to be used for the direct routing of orders and so firms involved in such activities would maintain direct feeds from venues.
- 3.149** Nevertheless, we acknowledge that, over time, the likelihood of disruption could increase if there was a significant reliance on the equity CT as display data to underpin trading and investment strategies. This includes by smaller investors who may have less access to alternative data sources. Given the significant market-wide benefits we expect from a CT which includes the attributed pre-trade BBO, we consider this as a risk to be appropriately mitigated rather than a strong argument against introducing a CT with pre-trade data.

- 3.150** Therefore, to minimise the likelihood of a CT outage and mitigate any disruption that may arise from it, we will hold the equity CTP to high standards of operational resiliency. Notably, we will apply our SYSC 15A requirements to the equity CTP. This requires them to take reasonable steps to prevent disruption to critical services. Where disruption does occur, it requires the equity CTP to respond, recover and learn from it. We will also have further discussions with market participants, venues and potential bidders to determine if there are more detailed operational resiliency requirements we should apply as part of our contract with the equity CTP.
- 3.151** However, as for any complex market infrastructure, we expect that the CT may, at times, experience operational issues. In such circumstances, the aim is to minimise the impact that an outage of an equity CT would have on the broader market. We are therefore considering whether to apply our proposed guidance on market outages for trading venues to the CTP, where relevant. See CP26/30 for further details.
- 3.152** Based on initial feedback from market participants about access to market data, we do not have reason to believe that an outage of the CT should lead to us initiating a market-wide trading halt. All else being equal, we also do not think that an outage of the equity CT would necessarily require venues to halt trading. We consider that this could exacerbate the disruption caused by an equity CT outage and, given its intended use cases, may not be necessary to protect market integrity.
- 3.153** Any decision made by the FCA or trading venues to suspend trading in the event of a CT outage would depend on a range of factors and the specific circumstances at the time, including the breadth of access to the tape, how far it is relied on for trading decisions and the extent to which a wide range of participants have access to alternative sources of market data. We will keep our thinking on this issue under review based on how usage of the CT develops.

Our decision on the depth of pre-trade data to include

- 3.154** We consider that, if an equity CT with 3-5 layers of pre-trade data was commercially viable and delivered at a competitive price, then it could deliver greater market-wide benefits than an equity CT with the attributed pre-trade BBO.
- 3.155** As per paragraphs 3.37 to 3.41, respondents suggested that the key incremental benefits of including a greater depth of pre-trade data could include the CT:
- Better supporting firms in developing trading and investment strategies.
 - Enabling more effective best execution monitoring, especially for larger trades or trades in less liquid securities.
 - Providing straightforward and affordable access to more equity trade data.
- 3.156** We agree that such use cases would align with our aims for the equity CT and could strengthen the UK's international competitiveness and secondary market effectiveness. However, we expect that introducing an equity CT with the attributed pre-trade BBO will also enable such benefits to be realised – albeit possibly not to the same extent.

- 3.157** Moreover, as discussed in CP25/31, our analysis indicates that there is greater uncertainty regarding whether an equity CT with a greater depth of pre-trade data would provide an economically viable business model for the CTP.
- 3.158** Overall, based on the evidence available to us, we consider that – for the first 5-year contract period – the potential incremental benefits of including a greater depth of pre-trade data do not justify increasing the delivery risk of the equity CT.
- 3.159** A few of respondents also suggested that including a greater depth of pre-trade data could exacerbate risks related to market integrity, operational resiliency and revenue transfers. Paragraphs 3.129 to 3.153 outline the steps we will take to mitigate these risks for an equity CT with the attributed pre-trade BBO.
- 3.160** Our post-implementation review will, among other matters, consider whether there is a case for varying the level of pre-trade data included in the CT for subsequent contract periods. As part of assessing whether there is a case for varying the level of pre-trade data in the CT, our post-implementation review will consider any risks posed by the inclusion of more pre-trade data and whether these could be effectively mitigated.

Our approach to broader design issues

- 3.161** The sections below outline our approach to:
- Respondents' suggestions that, to the extent possible, the design of the UK equity CT should be aligned with that of the EU.
 - Suggested changes to our equity market transparency regime.

Suggestions for international alignment

- 3.162** Institutional investors often think about their asset allocation across broad geographical areas that are not limited by national and political boundaries and are therefore interested in having data sets that support this approach. We recognise therefore that being able to combine data from the UK CT with that from other jurisdictions supports broader market efficiency.
- 3.163** We have paid close attention to developments in the EU and aligned with it on a range of technical data field requirements to reduce costs and complexity for firms operating across both jurisdictions. Therefore, our final rules should help to facilitate the ability of firms and MDVs to combine data from the UK and EU CTs.
- 3.164** As discussed in CP26/30, we are aware that cross-border trading may result in duplicate reporting of the same trading activity in the UK and the EU. We will continue working with market participants and other overseas regulators to develop workable solutions. Our post-implementation review of the equity CT will also consider issues around pan-European consolidation of equity data.
- 3.165** Looking more widely, Recommendation 8 of the Transatlantic Taskforce for Markets of the Future commits us to exploring with the SEC opportunities for collaboration to support and enhance transparency between the respective tapes.

Suggested changes to equity market transparency regime

- 3.166** In our Policy Statement on Improving Equity Secondary Markets (PS23/4), we introduced a significant number of changes to improve the content of post-trade transparency in equity markets. These rules came into force in April 2024.
- 3.167** Since implementation, feedback from stakeholders and our observations suggest that the reforms are supporting post-trade transparency while simplifying reporting by firms. Overall, we consider that the equity post-trade transparency regime is appropriate and does not require fundamental changes ahead of the equity CT going live.
- 3.168** Nevertheless, as discussed in CP26/30, we think there is an opportunity to make some further targeted changes to the post-trade transparency regime to complement and strengthen previous reforms. We think this could further improve the quality of the post-trade data which the equity CT will consolidate.
- 3.169** We are proposing to:
- **Extend the current exclusion from post-trade transparency for non-price forming transactions (NPFT) executed OTC to equivalent transactions reported to trading venues.** We consider that this will further increase the quality and usability of post-trade information by removing transactions that are not indicative of addressable liquidity and, if included in reporting, may distort measures of displayed market activity.
 - **Reformulate the reference price waiver**, allowing trading venues to integrate dark orders priced at the midpoint within the transparent limit order books they operate.
 - **Clarify and strengthen the rules on back reporting.**
- 3.170** We will consider the interaction between the equity CT and the equity transparency regime when finalising the 'go live' date for any changes.
- 3.171** More broadly, in line with feedback from some respondents to CP25/31, CP26/30 discusses the need for greater consistency in how transactions are reported and how transparency flags are applied in practice. We intend to establish a more regular and structured process of engagement with market participants, including through periodic roundtables, to help identify any remaining areas of uncertainty.
- 3.172** As part of this process, we will consider whether any further regulatory intervention is appropriate. Regulatory intervention may be in forms other than introducing new rules, such as guidance and using our convening powers to facilitate conversations with market participants and trade associations, and industry-led initiatives such as with the FIX Committee.

Broader comments on the pricing of market data

- 3.173** Looking beyond the equity CT, we acknowledge that views among market participants are polarised on how the pricing of market data should operate and whether the RCB framework is working well.

- 3.174** In 2023, we published a Wholesale Trade Data Review (WTDR). We found that trade data users are generally able to access the data they need and this data plays an important role in investment activity in the UK. However, we also found areas where competition is not working as well as it could. These include:
- Some trading markets are concentrated among a few firms so there is little choice for users not to buy this important data and switching supplier is not an easy option.
 - The way data is sold can be complex, making it harder for data users to make informed choices.
 - Complexity and limited choice result in additional costs to data users. These are likely to be passed on to UK retail investors and savers.
 - Despite rules in place requiring delayed data to be distributed for free, many users end up with little choice but to pay for data.
- 3.175** Following on from the WTDR, we published a WDMS in February 2024. This study looked at competition amongst MDVs, so has relevance for the trade data market. Overall, this study found that users have a choice of different MDVs who compete on multiple factors. However, it also found that complex licensing practices by MDVs, and trade data providers who deliver their data to users via MDVs, increase costs for data users. Further, it found that MDVs' pricing practices can lead to reduced transparency and increased costs.
- 3.176** In response to these findings from both publications, we said we would prioritise work on delivering CTs, which we expect will improve the overall cost, quality and accessibility of wholesale data. We will observe the impact of these interventions, notably via our post-implementation reviews, before deciding whether any further changes, including to the RCB framework, are necessary and proportionate.

Interim solution: end-of-day consolidated post-trade data

- 3.177** Our consultation noted that, in parallel to our longer-term work on the equity CT, we were also exploring options to provide the market with a level of consolidated post trade data more quickly. We sought initial views on whether it would be helpful for us to publish end-of-day consolidated post-trade data before the equity CT goes live.
- 3.178** Most respondents supported this idea. Some emphasised that publishing such data should not delay the implementation of the equity CT. One respondent said we should only publish the data if we already have access to it.
- 3.179** Another of these respondents said that daily market-wide volume data is currently available, but its uptake is relatively limited. They said the extent to which such data published on our website was widely used would be largely determined by its uptake by MDVs. They also stated that the costs of this interim solution should be factored into the total costs of Scenarios 2 to 4 in our CBA.

3.180 However, some respondents disagreed with the publication of such data. A few did not think it was our role to publish such data. One respondent said we should focus exclusively on the delivery of the equity CT.

3.181 Further respondents provided mixed views:

- One said that they did not see any clear benefits from us publishing this data, unless we were to provide the equity CT for the first 5-year period. However, they said that if we already have access to such data then publishing it could be marginally helpful.
- Another noted that integrating new data sources is costly for data users, so there may be limited take-up of any interim solution. On the other hand, they said that potential bidders to provide the equity CT could benefit from this data.

Our response

Today, we started publishing end-of-day consolidated post-trade data (on a T+1 basis) on our website for shares listed on the FCA's Official List via a Market Activity Report for Shares (MARS) – available [here](#). For each share in scope, we publish the number, volume and value of transactions in that share on each trading day.

By publishing this data, we are responding to calls from market participants to provide a level of consolidated liquidity information as soon as possible, without delaying the implementation of the equity CT. We believe that this interim step will help support firms' listing decisions and overseas investors in considering whether to allocate capital in UK equity markets, by providing a more comprehensive estimate of UK liquidity than certain current data sources.

The MARS service comprises information and guidance created by the FCA, based on input data supplied to the FCA by third parties. It aims to offer an approximation of total market activity. It is provided by the FCA on a 'best efforts' basis and users use it on an 'as is' basis.

Once the equity CT is live, it will fulfil the role of reporting market-wide liquidity metrics for shares in the UK – in addition to its wider role of reporting trade-level data for equities. At this point, we will cease publishing such data on our website.

As we are currently publishing MARS, it is now part of the baseline against which we assess the impact of introducing an equity CT – rather than an additional cost of a real-time equity CT. We have revised our CBA to reflect this updated baseline.

Compared to consolidated end-of-day data, a real-time equity CT will provide significantly more data to market participants more quickly. So, it will be better placed to help market participants effectively assess best execution and develop trading and investment strategies. Therefore, we do not consider that the publication of consolidated end-of-day

data – either on our website via MARS or by the equity CT in due course – materially affects the conclusions of our CBA – even if we acknowledge that end-of-day data may be sufficient for some use cases, particularly for issuers. See our CBA for further details.

Publishing MARS may increase the market-wide benefits of the real-time equity CT by increasing awareness of the benefits of consolidated equity data before it 'goes live'. This means that, on the CT's launch, its uptake could be quicker and so its market-wide benefits greater.

Chapter 4

Our response to feedback on revenue sharing

- 4.1** Another key issue discussed in our consultation was whether to require revenue sharing arrangements between the equity CTP and data contributors. On this issue, we recognised we need to strike a fine balance between:
- **Ensuring our policymaking is proportionate.** Although not our objective, we recognised that the introduction of an equity CT is very likely to lead to a revenue transfer from those who currently sell data, to the CTP. We therefore considered whether requiring revenue sharing could make this transfer less burdensome.
 - **Meeting our objective to increase usage of consolidated UK equity trade data among a wider range of participants.** Requiring revenue sharing would increase the CTP's costs. We considered the risk that this could make the business model less attractive, disincentivise potential CTP bidders and so reduce competitive pressure on the price of the CT.
- 4.2** To help develop our proposals on this issue, we conducted analysis on how much revenue could plausibly be returned to data contributors by an economically viable equity CTP. As part of this work, we commissioned a report by consultants EE on how revenue sharing arrangements could hypothetically be implemented for a UK equity CT. EE's key recommendations included sharing a fixed percentage of the CTP's revenues between venues with lit trading systems.
- 4.3** Our analysis indicated that, under such a model, requiring a CTP to share a plausible percentage of its revenues with lit trading venues (we assumed 10% as an illustrative example) would likely reduce the total transfer of revenues between the CTP and venues. However, for individual venues, the amount returned could be relatively small.
- 4.4** Therefore, on balance, our consultation did not propose to require revenue sharing arrangements because we considered that it may not be effective in significantly compensating individual data contributors. We also noted the risk that requiring revenue sharing could compromise our objectives for the equity CT by potentially disincentivising bidders from providing the CT and so reducing competitive pressure on its price.
- 4.5** However, we said in our consultation that, depending on feedback, we were open to considering other options.

Responses in favour of revenue sharing

- 4.6** Contrary to our proposals, most respondents were in favour of requiring the equity CTP to have revenue sharing arrangements with data contributors.

Potential impact on UK market structure

- 4.7** A significant number of respondents highlighted that the introduction of an equity CT is likely to lead to transfers of revenue from data contributors to the equity CTP. In particular, a few emphasised that the proposed equity CT would be a good substitute for some of venues' proprietary data products, especially top of book display data. They said that sales from such data are an important component of venues' business models, with one arguing that our CBA understated this. These respondents argued that revenue transfers away from data contributors could adversely impact UK market structure and suggested that this impact could be at least partially mitigated via revenue sharing.
- 4.8** Some of these respondents felt that our proposal to not require revenue sharing did not adequately recognise venues' broader contribution to market structure – including their key role in the price formation process and in facilitating access to capital for the UK economy. Respondents also highlighted that trading venues and other data contributors invest significant sums in developing resilient infrastructure to produce high-quality market data. A few respondents said that market data is a joint product of trade execution.
- 4.9** One respondent said that, without revenue sharing, venues would not be incentivised to produce high-quality data. They warned that, over time, this could lower market transparency and resilience. Another said that it was important to protect data contributors' intellectual property rights to data, to incentivise the production of market data. They argued that, if revenue transfers are necessary to fulfil policy aims, then data contributors should be compensated.
- 4.10** A further respondent said our proposal to not require revenue sharing represented a significant interference with venues' business models and implied it could endanger their viability. They said that our proposal may not be proportionate or in the public interest. Another argued that, without revenue sharing, venues would not be able to realise the value of pre-trade transparency. They noted that other market participants benefit from pre-trade data – including to execute trades off exchange and internalise trades for clients. They said that, without revenue sharing, the CT should be limited to display usage only.
- 4.11** Moreover, a few respondents raised concerns that the introduction of an equity CT, without revenue sharing, could challenge the viability of SME growth markets and secondary trading venues. They noted that market data can be a crucial revenue stream for such venues, and one respondent observed that smaller venues may operate on thinner profit margins. These respondents argued that, if the introduction of an equity CT made such venues unviable, then this could harm the competitiveness of UK markets and hinder innovation.
- 4.12** Another point raised was that, as equity CTPs in the EU and US are required to share revenue, then not requiring the UK equity CTP to do so could disadvantage UK venues. One respondent said that UK venues would have less ability to invest in their systems than international peers, which could deter listings and harm the UK's competitiveness as a global financial centre. Relatedly, a few respondents expressed concern that, without revenue sharing, money and trading volumes could move out of the UK, with one respondent saying that this could distort competition between UK trading venues.

- 4.13** A few respondents also said that, without revenue sharing, trading venues could try to recover lost revenues by raising the price of certain use cases of market data. For instance, connecting to direct feeds and running trading systems that often execute trades at the midpoint of CLOB quotes (e.g. periodic auctions). One respondent observed that market data fees for such trading venues have increased over recent years and that further increases could discourage innovation and raise barriers for entry for new trading venues. They also suggested that data contributors could increase transaction fees, which could raise the cost of accessing UK markets.
- 4.14** Some respondents argued that requiring revenue sharing would deliver broader benefits to UK market structure. A few respondents said that, if revenue sharing rewarded venues' execution quality, then this could control the risk of 'free riding' on price formation and monopolisation of market data. Other respondents said that revenue sharing could help incentivise venues to display price forming liquidity. One respondent said that rewarding pre-trade transparency, rather than internalisation or trading off exchange, could lead to more efficient and liquid markets where execution quality improves while fragmentation declines. See paragraphs 4.29 to 4.35 below for further discussion of suggested revenue sharing models.
- 4.15** On the other hand, one respondent was in favour of revenue sharing but, overall, disagreed with our proposal to introduce an equity CT with the pre-trade BBO. They did not think that any form of revenue sharing would adequately mitigate the market-wide risks or revenue transfers to data contributors that they said would arise from an equity CT with pre-trade data.

Operational and connectivity costs

- 4.16** A few respondents also suggested that we should require revenue sharing to, at a minimum, compensate data contributors for operational costs they would incur through connecting to the CTP. Respondents suggested that such costs were underestimated in our CBA. Relatedly, further respondents suggested that revenue sharing should operate on a 'cost recovery' model – see paragraph 4.33 below.

Better align incentives in implementing the equity CT

- 4.17** Many respondents said that requiring revenue sharing could help align incentives between data contributors and the CTP in implementing a high-quality, competitively priced equity CT. One respondent said that it could incentivise new trading venues to provide data voluntarily – as they did not agree with our proposal to make data contribution mandatory for such venues.
- 4.18** Several respondents also suggested that revenue sharing was necessary to constrain the CTP's ability to earn significant profit margins. It was suggested that, without constraints like revenue sharing, high profit margins could lead to the CTP accumulating significant revenues and market power, to the detriment of data contributors. One respondent flagged a risk that, if there were few bidders interested in providing the equity CT or if a bidder was able to leverage existing economies of scale, then the CT could be offered significantly above break-even price. Another respondent asserted that the CTP would have few restrictions on how it monetises market data.

- 4.19** A few respondents also suggested that requiring revenue sharing was especially important given our proposal not to apply RCB requirements to the equity CTP. One respondent said that, without RCB, revenue sharing would incentivise the CTP to minimise its own costs.

Further points raised

- 4.20** One respondent said that the fact that the bond CTP is not required to have revenue sharing arrangements does not indicate that the equity CTP should not be required to do so. They highlighted structural differences in equity and bond trading; the fact that equity data is more widely used, including for value-added services; and that the bond CT is post-trade only.
- 4.21** The same respondent also argued that revenue sharing may not increase the price of the equity CT because the administration of revenue sharing arrangements is relatively straightforward. They noted that measures such as a competitive procurement process or applying RCB requirements to the equity CTP could be used to constrain the price of the equity CT.
- 4.22** A further respondent said that revenue sharing is a complex issue that arises from the inclusion of pre-trade data in the equity CT. They stated that revenue sharing would not be necessary for a post-trade only CT and so said they preferred this design of CT.
- 4.23** Another respondent said our proposal to not require revenue sharing did not address whether distributors of the equity CT (e.g. MDVs) would be able to increase the price of the data for end users.

Responses against revenue sharing

- 4.24** A few respondents agreed with our proposal not to require revenue sharing, on the following grounds:
- **Requiring revenue sharing may impact the commercial viability of the equity CTP.** One respondent highlighted that the costs of revenue sharing may increase as new data contributors enter the market, and that any unpredictable costs could disincentivise potential bidders to provide the CT. Another suggested that revenue sharing could increase the complexity of administering the CT.
 - **Revenue sharing could increase the price of the CT for end users.** A few respondents emphasised that the CT should enable broader access to equity trade data at a lower cost, with one stating that the CT should be considered a utility.
 - **The equity CT is unlikely to substitute direct feeds from venues that are lower latency or include a greater depth of pre-trade data.**
 - **Revenue sharing could set a precedent for compensating firms for regulatory compliance.** One respondent noted that data contributors are obligated to make trade data public and argued that they should not seek to profit from this obligation.

- 4.25** One of these respondents said that, while they opposed revenue sharing in principle, they could be amenable to it if the FCA and CTP determine that revenue sharing is necessary to support the viability of a tape with 3 to 5 layers of pre-trade data. They emphasised that, in such a circumstance, the price of the CT should not be increased for end users.

Neutral or mixed responses on revenue sharing

- 4.26** A few further respondents had neutral or mixed views on revenue sharing. One respondent said they had no strong views on the issue but observed that not requiring revenue sharing would differ from the approach in other jurisdictions. They also noted that sharing even a small amount of revenue could increase fairness and align incentives between data contributors and the CTP. They were not convinced that requiring revenue sharing would disincentivise potential bidders as they believed their interest would be limited by more structural factors. However, they said that, if we did require revenue sharing, we must hold the CTP to the highest standards of governance given the potential for conflicts of interest.
- 4.27** A further respondent reflected that, based on their observations on the implementation of the equity CT in the EU, revenue sharing could help incentivise data contributors to send high quality data to the CT. They expressed concern that APAs are not included in the EU's revenue sharing framework and so may not benefit from this incentive. They also noted that requiring revenue sharing could partially offset revenue losses for data contributors and help facilitate discussions about including a greater depth of pre-trade data in the CT. However, they warned that revenue sharing requirements should be designed so that they do not jeopardise the commercial viability of the equity CT.
- 4.28** Some respondents suggested that revenue sharing arrangements should be optional, potentially with FCA oversight. One of these respondents noted that a prohibition on revenue sharing may discourage venues from providing data and misalign incentives.

Potential revenue sharing models

- 4.29** While our consultation did not seek views on specific revenue sharing models, respondents suggested a wide variety of mechanisms by which we could implement revenue sharing.
- 4.30** Some respondents suggested that we require the CTP to share a portion of a metric like revenues or profits with data contributors, with a focus on their contribution to pre-trade transparency:
- One respondent said that the CT should distribute a portion of its revenues to those that contribute pre-trade data. They said that the split between data contributors should be determined by the relative value of their data (e.g. volume of trades or quotes). They did not think that those who contribute post-trade data should be compensated because they saw this as a core regulatory obligation. They did not

think data contributors should be compensated for specific costs because they thought this model would be less predictable and sustainable for the CTP.

- A second respondent argued that the CTP should be able to cover its own costs and a 10% profit margin, before distributing the remaining 90% of its profits with lit trading venues. They said that the distribution of this money between lit venues should be determined by quality metrics for the contribution of orders and trades at good prices across all stocks. They also said there should be a weighting for orders and trades in less liquid stocks. Additionally, they emphasised the importance of aligning the UK's model with international best practice.
- Another respondent suggested that revenues from the CT being used for non-display uses and to internalise trades should be shared, with the distribution linked to firms' contributions to lit price formation.
- A further respondent said that we should target returning a similar amount of revenue to venues as they currently earn for selling data feeds similar to the CT. They said the distribution among contributors should be based on the monetary value of their trade volume.

4.31 More broadly, one respondent said that a revenue sharing model based on trading volumes or market shares would be straightforward to implement. Another respondent said we should adopt a similar approach to distributing revenues to that adopted in the EU, which they argued distributes revenues among data contributors in an equitable way.

4.32 A further respondent implied that they favoured sharing a portion of revenue with a wider range of data contributors, including APAs. However, they said that, if there was no such arrangement for the first 5-year contract period, then they would recommend a 'cost recovery' model where – after the CTP recoups its own establishment costs – data contributors are compensated for specific development, testing and other ongoing operational costs incurred because of the equity CT.

4.33 A few further respondents favoured a 'cost recovery' model which compensated all data contributors who incurred costs:

- One respondent said that data contributors should only be compensated for direct connectivity costs and that payments should be deferred until the CTP is established and self-supporting. They emphasised that any model should be fair and non-discriminatory, and should not distort competition.
- Another respondent believed that trading venues and APAs would not incur significant costs by allowing the CTP to use their proprietary feeds but said that they would incur costs to maintain and test their connection to the CTP. They thought that only direct connection costs should be compensated.

4.34 Other notable points raised by respondents on revenue sharing throughout the consultation included:

- Regardless of their mechanics, any revenue sharing arrangements should encourage competition in bidding to provide the CT and provide some economic benefits to data contributors.
- Revenue sharing should include money received from any out-of-hours support fees.

- We should require revenue sharing in the FCA Handbook and decide the details of the arrangements via the procurement process, in collaboration with data contributors.

4.35 Finally, as an alternative to revenue sharing, one respondent suggested that the CTP should agree to pay data contributors a commercially derived data market price for any data it wants to use as input data or for any related data operations. They emphasised that the market value of data is distinct from the costs of data contribution.

Our response

Contrary to our proposals, our final rules will set a high-level requirement for the equity CTP to share a portion of its income with data contributors.

We were convinced by the feedback received that, over the long term, this requirement could better align incentives between data contributors and the CTP in delivering a high-quality CT, notably by giving data contributors a clear economic interest in its success.

Nevertheless, it is important to note that – over the short to medium term – we do not expect any one data contributor to receive significant amounts from the equity CT. Moreover, we are not seeking to compensate data contributors for specific costs incurred from fulfilling their regulatory obligations regarding providing information to the CT and so will not implement a 'cost recovery' model. Instead, we plan to require the equity CTP to share a fixed percentage of either its profits or gross revenues with data contributors: metrics closely tied to demand for the equity CT.

We will set requirements on the profit or gross revenue sharing mechanism in our contract with the equity CTP. This mechanism must balance better aligning incentives between data contributors and the CTP, with the need to ensure that providing an equity CT is an attractive business model to enable a competitive procurement process. Our Call for Input in Chapter 11 seeks views on the type of mechanism that would effectively balance these aims.

Regardless of the mechanism we require, we will also need to set rules in our Handbook on how any money is split between different types of data contributors. We intend to consult on this in autumn 2026. See Chapter 11 for further details.

Chapter 5

Our response to feedback on latency requirements

- 5.1** As equities tend to trade quickly, market participants generally need to receive equity trade data quickly. As a result, we said that the equity CT data needs to be published at a relatively low latency to enable many of its likely use cases.
- 5.2** The speed with which equity CT data is disseminated will depend on the latency at which:
- Data contributors process, send and then transmit input data to the equity CTP.
 - The equity CTP publishes this data once they have received it.
 - Users receive the data after the CTP has published it.
- 5.3** To cover the first 2 stages, we set out proposals on latency requirements for data contributors and the equity CTP itself. Our proposed requirements sought to balance 2 objectives:
- Enabling as wide a range of equity CT use cases as is feasible.
 - Ensuring that our requirements are compatible with an economically viable business model for the CTP and are feasible for UK data contributors.

Proposed latency requirements for data contributors

- 5.4** We proposed to require data contributors to send pre-trade data and post-trade data to the CTP as close to real time as technically possible and, in any case, no later than 50 milliseconds (ms) after the timestamp of the order (for pre-trade data) or the timestamp of the transaction (for post-trade data). We proposed to apply a daily 95% confidence interval to this requirement.
- 5.5** For data contributors sending post-trade data on transactions executed outside of a trading venue (i.e. APAs), we proposed to require them to transmit such data to the CTP as close to real time as technically possible and, in any case, no later than 50ms after the timestamp of the reception of the trade report by the APA (from the investment firm or Designated Reporter). We proposed to apply the same 95% confidence interval to this requirement.
- 5.6** Where the publication of a trade is deferred, we proposed that the requirements would apply from the point at which the deferral ends. Regarding amendments or cancellations of trades by APAs, our consultation discussed that latency requirements could apply from the point at which the APA receives information notifying them that such a change is necessary.

- 5.7** We said that, in combination with our proposal that the equity CTP must publish data within 100ms of its receipt from data contributors, our proposed requirements for data contributors sought to ensure that the equity CT is disseminated with a latency of around 150ms. However, we were not clear in our consultation that, once data contributors send information to the equity CTP, we were allowing a period of latency for the data to reach the equity CTP. Under our draft rules, data contributors would need to ensure that this data reached the equity CT within 50ms of being transmitted – see MAR 9 Annex 11.5R of our draft rules in CP25/31. This means that, under our proposals, there would be up to 100ms from the timestamp of an order or transaction (or receipt from a client in the case of an APA) to its receipt by the CTP. Although, the requirement on the time within which data must be sent to the CTP after an order or transaction (or receipt by an APA) and the requirement on the time within which data must reach the CTP having been transmitted are standalone, not cumulative. Therefore, the overall latency of the equity CT would be up to 200ms.
- 5.8** For context, under the UK version of MiFID RTS 1 (Commission Delegated Regulation 2017/587), post-trade equity data must be published as close to real-time as technically possible and within no more than 1 minute. However, we understand that, in equity markets, many data contributors already publish data much more quickly than this minimum requirement.
- 5.9** In CP25/31, we sought views on our proposals and asked respondents:
- Whether they thought there are specific types of trading protocol that should be subject to a higher latency requirement, and why.
 - Whether they saw any potential challenges in UK data contributors meeting these requirements, including around cancellations and amendments. If so, whether they thought alternative options, such as extending the minimum latency or lowering the 95% confidence interval, could help reduce these challenges.

Responses on proposed latency requirements for data contributors

Overall views on proposed requirements

- 5.10** Respondents provided a wide range of views on the latency requirements for data contributors.

Respondents broadly supportive of our approach:

- 5.11** In line with our proposals, several respondents said that data contributors should have a total of 100ms for information to be processed and transmitted to the equity CTP. They noted that this would be in line with the EU's approach, which could help minimise any frictions for market participants using both the UK and EU equity CTs. However, on the misunderstanding that our draft rules differed from those in the EU because they did not include 50ms for data to reach the CTP having been sent by a data contributor (as explained in paragraph 5.7), these respondents said that they disagreed with our proposals.

5.12 A further respondent thought that our proposals would be achievable given the current geographical set-up of UK trading venues. However, they thought it may be necessary for us to waive our requirements during exceptional circumstances, notably periods of heightened volatility. They said that, to ensure that our latency requirements can be met in a cost-effective manner, the CT should connect to trading venues' existing feeds – which is in line with our proposals. They also stated that, if the equity CTP were to impose a specific format for data contributors providing data, then this should be a standard and well-known protocol.

5.13 Support was also expressed for:

- Latency requirements applying to APAs from the point at which they receive data, not the execution timestamps.
- The 95% confidence interval to cater for back reporting and outliers.

5.14 Further points raised included:

- A request for further guidance on how our proposed latency requirements would interact with outages.
- Views on how latency requirements should apply to cancellations, amendments and deferrals, discussed further in paragraphs 5.24 to 5.29.

Respondents who disagreed with our approach:

5.15 Some respondents raised concerns that our proposals were not proportionate or feasible for data contributors:

- One recognised that our proposed approach broadly aligned with that of the EU. However, they argued that it would be both technically challenging and costly for data contributors to implement, stating that data contributors may need to substantially redesign their system architecture. They did not consider that this would be proportionate and said we would need to allow for a transition period.
- A further respondent argued that our proposals would disadvantage data contributors whose infrastructure is based outside of the UK and thought this could harm the competitiveness of UK markets.

5.16 Some respondents also suggested that our proposed approach may not be suitable for certain types of data contributors:

- A few respondents said that our proposals were not suitable for APAs. A key point raised was that, after APAs receive a trade report, they must carry out a series of data quality checks. They highlighted this as a point of difference with trading venues. Suggestions for latency requirements for APAs included:
 - Not applying any latency requirements for APAs sending data to the equity CTP.
 - Requiring APAs to send data to the equity CTP 'as close to real time as is technically possible'.
 - Requiring APAs to send data within 100ms, with one respondent suggesting a confidence interval of 90%.

- A couple of respondents said that our requirements may not be feasible for trading venues that offer certain types of trading systems, including Request for Quote (RFQ) and other negotiation-based systems. See paragraphs 5.20 to 5.23 for further discussion on this.
- A further respondent agreed with the points discussed above and suggested that all data contributors should be required to send data to the CTP as close to real time as technically possible and, in any case, no later than 100ms after the timestamp of publication with a 95% confidence interval.

5.17 Conversely, a few respondents suggested that we should require data contributors to send information to the equity CTP more quickly.

- A couple of respondents said that the equity CT should have an 'end-to-end' latency of 100ms (i.e. from the timing of the trade, order or other relevant event to receipt by end users). They said this was expected by market participants and would satisfy most use cases. One respondent said that, as technology improves, latency thresholds should hopefully decrease.
- A further respondent said that, if the equity CT had a latency of 100 to 150ms, then this would be too slow, especially compared to the US equity CT.

Mixed or neutral responses:

5.18 Some respondents did not clearly agree or disagree with our proposals but raised the following points:

- A couple of respondents expressed support for latency to be as close to real time as technically possible, or for the principle of near real-time publication. One of these respondents emphasised support for aligning UK and EU latency requirements.
- One respondent said that we should calibrate our latency requirements to enhance the CT's utility without unnecessarily increasing costs and delivery risk, acknowledging that the CT will not replace low latency direct venue feeds.
- Another respondent supported clear and proportionate latency requirements based on defined thresholds. They also emphasised the importance of consistent standards for both pre- and post-trade data, to avoid any distortions in price formation and provide a clear view of market activity.
- This respondent also said that we should calibrate our requirements with reference to other major financial markets including the US, where they said latencies of 10ms are technically achievable and encourage broad adoption of the CT.
- A further respondent, who favoured a post-trade only CT, said that they agreed with our proposals – but on the understanding that the CT would have an end-to-end latency of around 150ms. They said that, while they preferred post-trade data to be made available as close to real-time as technically possible, a 150ms minimum latency would enable its key use cases.

Further points:

- 5.19** Several respondents argued that we should require data contributors to send data to the CTP at the same time as they publish data to proprietary data subscribers. One respondent said that this could ensure that proprietary data subscribers do not have a systematic speed advantage and said that this requirement is crucial to ensure confidence in the CT as an authoritative reference source. Another agreed and said that such a requirement would align with requirements in the US. In addition, this respondent suggested that we should require both proprietary data feeds and the equity CT to be made available to users in synchronised time.

Views on latency requirements for specific types of trading protocol:

- 5.20** Some respondents suggested that trading protocols not based on CLOBs and/or those built around negotiation, notably RFQ and voice-based trading, should be subject to different requirements. Notably, these respondents raised the following points:
- For voice-based trading protocols, the trade information must be manually inputted and reported to the exchange, meaning that it is not possible to meet a 50ms latency requirement. RFQ protocols may also involve significant manual processes.
 - Venues operating such protocols have invested in meeting the current requirements in UK RTS 1. They considered that lower latency requirements could be costly and disproportionate, as well as harmful for competition and innovation.
 - A range of suggestions about potential changes to our proposals, including:
 - Applying higher latency requirements to negotiation-based trading protocols.
 - Only applying latency requirements to trading venues operating CLOB, quote-driven and periodic auction trading protocols.
 - Adjusting the definition of when trade execution occurs for specific types of trading protocols.
 - Only including pre-trade data from CLOB trading protocols in the equity CT.
- 5.21** One of these respondents also argued that information on trades in ETFs should have a distinct, higher latency requirement than information on trading in shares. They thought such requirements would be disproportionate and deliver limited incremental benefit for the ETF market, because it is currently growing. They also noted an increase in the proportion of ETF trading done via RFQ systems.
- 5.22** On the other hand, several respondents said that they did not think that we should have different latency requirements for specific types of trading protocol. Notable points raised included:
- A couple of respondents noted that, because they did not think the equity CT would be appropriate for low-latency trading, it was not necessary to impose stricter latency requirements on certain trading protocols.
 - One respondent said we should focus on simplicity in our latency requirements, as they thought that technical complexity could risk causing delays to the CT for limited benefit. They suggested that our post-implementation review could assess if differences in latency requirements are required.

- Another respondent suggested that differences in latency requirements were not necessary because, for APAs, the requirements apply from the point at which information is received. So, for non-electronic trades reported via APAs, there would be a higher latency requirement from the point of execution. This respondent also said there are no non-electronic trading venues in the UK.
- A further respondent said that applying different latency requirements may lead to issues for the CTP when normalising timestamps.

5.23 A further respondent provided an ambiguous response. They said they disagreed with different latency requirements for specific trading protocols but said that specific arrangements for off-exchange voice trading and off-book on-exchange (OBOE) trades should be maintained. Separately, they argued that we should align the required granularity of timestamps between different types of trades, to ensure that the CTP can order them correctly.

Views on cancellations and amendments

5.24 A few respondents saw potential challenges in UK data contributors meeting our proposed requirements around cancellations and amendments. They observed that the reporting of this information often requires additional validation or manual reconciliation against large databases of past trades.

5.25 A number of these respondents suggested that our proposed latency requirements may not be consistent with high-quality reporting of cancellations and amendments. A further respondent suggested that our proposals were not proportionate because this information generally does not contribute to price transparency. Finally, one respondent also understood that the EU equity CT will not apply latency requirements to cancellations and amendments.

5.26 These respondents suggested a range of changes to our proposals, including that we:

- Extend the latency requirements for cancellations and amendments.
- Exclude cancellations and amendments from the latency requirements.
- Adjust the point from which the latency requirements start to apply to cancellations and amendments.
- Provide further guidance on how latency requirements would apply to this information.

5.27 However, a few other respondents did not think that our proposals for cancellations and amendments should cause issues for data contributors, or expressed caution about making changes to our proposed requirements:

- One respondent noted that, in the EU's rules, there are not specific arrangements for cancellations and amendments beyond the general latency requirements. They favoured this uniform approach and thought that a 95% confidence interval would provide sufficient flexibility for APAs.

- A further respondent was unclear on our proposed requirements for cancellations and amendments. However, they noted that extending the latency requirements for this information or adjusting the point from which they start to apply, would involve a difference between the handling of new trade reports and cancellations and amendments, which would need to be very clearly explained to firms.
- Another respondent stated that handling cancellations and amendments should be part of APAs' daily operating routine.

Views on deferrals

5.28 A few respondents suggested that we should disapply our proposed latency requirements for deferrals. One respondent suggested that we could solely require data contributors to provide details of the trade ahead of its required publication. These respondents raised the following key points:

- One respondent said it would be challenging for UK data contributors to meet our proposed requirements around deferrals, although they would not apply until after the deferral ends.
- This respondent also thought that deferred trades have less informational value and so are less latency sensitive. They understood that deferrals were not in scope of the EU's latency requirements. A further respondent suggested that latency requirements are not relevant for deferrals.

5.29 Several respondents also sought further clarifications or made recommendations about how the equity CT would handle deferrals:

- One respondent acknowledged that, under our proposals, the reporting of deferrals to the equity CTP may be handled by either investment firms or APAs. They recommended that deferrals are reported by APAs.
- A further respondent asked for clarification on whether data contributors or the equity CTP are responsible for applying deferrals to trades.
- Finally, a respondent expressed concern that the interaction of UK RTS 1 and our latency requirements for contributing data to the equity CTP could result in trades being published on the equity CT ahead of their required publication. They suggested that we may need to add safeguards to our rules to prevent this.

Our response

Overall approach:

Based on the feedback received, we understand that our proposed requirements are feasible for CLOB and periodic auction trading systems. These are the two types of trading systems whose quotes will be displayed on the equity CT and information from these systems is generally the most latency sensitive. As a result, we consider it is especially important that this data is published quickly to enable a wide variety of use cases and so **we will proceed with our proposed requirements for these two trading systems**. As a result, we expect that pre-trade data on the equity CT will be disseminated with a latency of up to 200ms.

However, we were convinced by the points raised that APAs may require more time to process the information they receive from firms. **As a result, we will extend the maximum window for APAs to process information following receipt, and send it to the CTP, from 50ms to 100ms.** We understand that the processing carried out by APAs is automated and so consider that this requirement is feasible and proportionate for the reporting of new trades via APAs. After sending information to the equity CTP, APAs will still be required to ensure that all information is transmitted to the CTP within 50ms. We understand that OBOE trades require similar processing and so will apply the same latency and transmission requirements to these types of trades.

We are also mindful of concerns raised that our proposed requirements would not be feasible for RFQ and voice-based trading systems, as manual input may be required to report such trades. **As such, we are amending our latency requirements for these trading systems to align with current UK RTS 1.** This means that relevant venues will have up to 1 minute to process and send this information to the CTP as well as up to 50ms for it to be transmitted.

We consider that these amended requirements balance proportionality for different types of data contributors with the need to ensure that information on the equity CT is published quickly to enable a wide variety of use cases. We think that applying uniform latency requirements to trading systems that contribute pre-trade data to the equity CT (i.e. information from CLOBs and periodic auctions) will help ensure that the BBO and indicative auction prices are accurate. It will also minimise the lag between the publication of pre- and post-trade from these systems, which many respondents said was important (see paragraphs 5.44 to 5.50).

We recognise that, under our requirements, other types of post-trade data may be reported more slowly. As such, **we will not require the equity CTP to re-sequence post-trade data in its real-time feed.** We do not consider that the equity CT publishing such data with a higher latency will significantly limit its utility. This data is less latency sensitive, and it will still contribute to a consolidated view of UK market trading volumes. While uniform, lower latency requirements could theoretically result in a higher-quality post-trade data feed, the feedback received indicates that this is not currently feasible or proportionate for data contributors.

Separately, while the CTP has the right to connect an existing market data feed and receive that feed at the same speed as proprietary data subscribers, we will not require data contributors to offer the CTP co-location services. We will also not restrict data contributors from providing separate, faster feeds to data subscribers other than the CTP. This reflects the fact that many data contributors offer a wide variety of products at different prices. This includes direct feeds for high frequency trading which we understand have a latency of around 10-100 microseconds. We do not consider it would be proportionate to require

data contributors to send data this quickly to the equity CTP because this is likely to be significantly more costly. We do not expect the CT to be used for high frequency trading. We also do not think it would benefit UK market structure to limit the range of data products which firms offer for different use cases.

Cancellations and amendments:

In recognition of the fact that cancellations and amendments may require more complex processing, **we will not apply a latency requirement for the processing and sending of this information to the equity CTP.**

Requirements for the transmission of data to take no longer than 50ms once sent still apply.

Deferrals:

We will proceed with our proposed requirements for deferrals. Data contributors will be subject to the same minimum latency requirements as for non-deferred trades described above, but this will be measured from the point at which the deferral ends in line with UK RTS 1 (not the execution timestamp or when an APA receives data). To clarify, data contributors should arrange for such information to be sent to the CTP in line with their current arrangements for handling deferrals.

Our expectation is that data contributors will not send information on trades subject to a deferral to the equity CTP ahead of the deferral ending (in line with UK RTS 1).

Our approach reflects the fact that we have calibrated the current deferral periods to balance the informational value of trade data with its potential to impact markets. We do not consider there is a strong case for excluding such information from our latency requirements, as this could delay when users of the CT have access to it.

Timestamping of trades:

The UK version of MiFID RTS 25 (Commission Delegated Regulation 2017/574) specifies granularity of timestamps for trading venues with different gateway-to-gateway latency speeds (i.e. the speed of their matching engine). Trading venues with a latency of greater than 1 millisecond must timestamp to 1 millisecond or better. Trading venues with a latency of less than or equal to 1 millisecond must timestamp to 1 microsecond or better.

As explained in Chapter 9, we will not alter these requirements because they reflect differences in how trading systems operate. These existing requirements will enable the equity CTP to order pre-trade data to at least 1 millisecond, which we consider will provide a good degree of accuracy to market participants. We understand that this approach is broadly in line with that of the EU.

To help ensure consistent approaches to timestamping across different types of firms, we will also require the equity CTP, and APAs sending information to the equity CTP, to timestamp to 1 millisecond or better.

Proposed latency requirements for the equity CTP

- 5.30** Our consultation recognised that we need to balance the aim of distributing the equity CT at a relatively low latency against the fact that disseminating an equity CT including pre-trade data will require the CTP to process a very large amount of data.
- 5.31** As a result, we proposed that, once an equity CTP receives details of a relevant order or trade, it must publish this data within 100ms with a daily 99.99% confidence interval.
- 5.32** We sought views on this proposal, as well as whether there is a case for having separate latency standards for pre- and post-trade data, given the complexities involved for the equity CTP in processing pre-trade data.

Responses on proposed latency requirements for the equity CTP

Views on proposal

Respondents who agreed

- 5.33** Several respondents agreed with our proposed latency requirements for the equity CTP. A couple of respondents suggested that they strike a good balance between ensuring the functionality and timely delivery of the CT, compared to cost and feasibility for both the CTP and data contributors. A further respondent said that any reduction in latency would increase the costs of providing an operationally resilient CT.
- 5.34** One of these respondents implied that, with this latency, the equity CT would not be able to be used for use cases such as direct orderbook trading and so may not have a significant impact on market participants' trading activities. However, they did not think the CT should be designed for order execution.
- 5.35** Other reasons given for supporting our proposals included to support alignment between the UK and EU equity CTs, and because 100ms was seen as a generous amount of time for the equity CTP to process and publish data.
- 5.36** Some respondents who supported our proposals suggested that it was a starting point and that, in future, the latency of the equity CT could be reduced further:
- One respondent said that both UK and EU equity CTs should eventually aim for 100ms end-to-end transmission speed.
 - A further respondent encouraged us to consider if latency requirements for the CTP could be tightened because the CTP has few obligations regarding obtaining and checking data.
 - Another respondent said that the equity CTP will be incentivised to lower its latency to support its commercial viability.

Respondents who disagreed

- 5.37** On the other hand, some respondents disagreed with our proposals because they thought that the equity CT should be disseminated more quickly. A few respondents said that the equity CT should have a 100ms end-to-end transmission latency, or less, and argued that the CTP should have 50ms to publish data. Others agreed that we should determine and set a minimum latency for the CTP, with one respondent suggesting that this would help ensure a level playing field for data contributors and support the effective functioning of the CT, particularly for latency-sensitive use cases.
- 5.38** A further respondent thought that a 100ms latency requirement for the equity CT was too slow and pointed out that the US equity CT disseminates data more quickly. They questioned how messages could be sequenced at any latency above 50ms. They also suggested that the CT should offer both a non-display low latency feed and a display feed to meet different market participants' needs.

Mixed or neutral responses

- 5.39** Further respondents had mixed views on our proposals. A couple of respondents were supportive of us setting a 100ms maximum latency requirement. One highlighted that clear, measurable performance expectations for the equity CT would help ensure it is a reliable, near real-time data source. The other observed that publishing within 100ms should be an achievable requirement for the CTP and should enable the re-sequencing of messages. However, they did not agree with our proposed 99.99% daily confidence interval and made the following suggestions:
- Aligning the confidence interval with that for data contributors (i.e. a 95% daily confidence interval), to ensure consistency of performance standards.
 - Given difficulties in assessing technical feasibility, deciding requirements for the CTP during procurement. Ensuring that any requirements for the CTP and data contributors cater for exceptional market circumstances.
- 5.40** A further respondent said that they considered our proposed requirements to be reasonable and achievable for the CTP. They noted that overall time to dissemination differs according to delivery methodology to users, with processing for internet-based users via the cloud taking a longer time than processing for users with direct connections to the CT. They said that our requirements would enable both forms of data delivery and processing.
- 5.41** Nevertheless, this respondent flagged that the CTP will need to normalise the timestamps of the information received to sequence it correctly for users. Therefore, they suggested that we could alternatively measure the CTP's latency from execution timestamp or BBO update time (rather than reception of details of a relevant order or trade) and allow a 150ms minimum latency (combined for both data contributors and the CTP). They also noted that, in the EU, tender documentation requires the equity CTP to disseminate pre- and post-trade within at least 200ms.

- 5.42** Another respondent, who favoured a post-trade only CT, said they agreed with our proposed requirements applying to the CTP processing post-trade data – allowing time for the CTP to re-sequence trades prior to publication. They also noted that, in the EU, the latency requirements for the CTP are slower and are not in legislation.
- 5.43** Finally, one respondent seemed to be neutral on our proposals but noted that we should consider whether the equity CTP would be expected to re-sequence data. If so, they said that we would need to allow a rolling time window for the CTP to gather and sequence messages prior to publication. They observed that the length of that window should be at least as large as the expected latencies from data contributors.

Views on the case for separate latency standards for pre- and post-trade data

- 5.44** In our consultation, we discussed the fact that disseminating an equity CT including pre-trade data will require the CTP to process a very large amount of data. In this context, we sought views on whether there was a case for having separate latency standards for pre- and post-trade data.
- 5.45** A couple of respondents saw a case for this and raised the following points:
- One respondent said that this would reflect the differences in the market functions of the two types of data. They said that pre-trade data is directly used to underpin decisions on orders and execution, meaning that latency could impact trading strategy and best execution outcomes. In contrast, they considered that the primary use cases of post-trade data can tolerate a slightly longer latency if it is complete and accurate.
 - A further respondent said the US equity CT has separate latency standards for its pre- and post-trade data feeds and suggested that the UK equity CT should use the same model.
- 5.46** However, most respondents disagreed with having separate latency standards for pre- and post-trade data. A few respondents did not think that different latency requirements for pre-trade data were necessary for the equity CT to process this information. Points raised included:
- One respondent understood that processing times for pre- and post-trade data do not significantly differ.
 - Another respondent said that a 100ms latency requirement should be sufficient for sequencing all data, if it is provided in a straightforward manner.
 - A further respondent noted that the geographical set-up of UK markets should make quickly aggregating data easier for the UK equity CTP than that in the EU.
- 5.47** Further respondents raised broader points about the advantages of applying the same latency standards to pre- and post-trade data:
- Two respondents thought that both types of data should be published as close to real time as possible.

- A couple of respondents noted that pre- and post-trade data are frequently used together, and both significantly contribute to price formation. In their view, post-trade data is particularly useful when used alongside pre-trade data (for instance, to assess whether a trade executed at the prevailing bid or offer). Overall, a few respondents expressed concern that different latency standards for pre- and post-trade data could present a misleading view of the market, impair price discovery and/or reduce the value of the CT. Another respondent emphasised the importance of timely pre-trade data on the CT, so that firms which support trading can use it as a reference price.
- One respondent thought that applying the same latency requirements to pre- and post-trade data would be simpler and could help ensure the timely delivery of the CT. They suggested that we could revisit the issue as part of our post-implementation review. Another respondent argued that applying the same latency standards would support uptake of the equity CT for different use cases.

5.48 Some further respondents provided mixed responses. One respondent said they did not see a case for separate latency standards for pre- and post-trade data but caveated this by arguing it was important that there were appropriate exemptions for APAs where trades require extra processing. More broadly, they said that an equity CT with pre-trade data should only be introduced if there are appropriate protections for lit trading and against latency arbitrage. See Chapter 3 for further discussion of these broader points.

5.49 A further respondent said that they did not think that there was a case for separate latency requirements but raised a broader argument that post-trade data should not be published on or transmitted to the equity CT before it is required to be under UK RTS 1.

5.50 Another respondent raised the same point, but said they agreed with separate latency standards between pre- and post-trade data. This respondent highlighted that our proposed latency standards were significantly quicker than the minimum requirements in UK RTS 1. They favoured a post-trade only CT and said that the inclusion of pre-trade data gave rise to disproportionate costs and complexities. Both respondents also raised points about the treatment of deferrals, discussed further at paragraphs 5.28 to 5.29 above.

Our response

Overall approach:

Based on the feedback received, we understand that our proposal to require the equity CTP to publish both pre- and post-trade data as close to real time as technically possible and within 100ms of receiving it is feasible.

We acknowledge that some market participants would ideally like the equity CT to be disseminated more quickly. However, we do not think it would be proportionate to lower the minimum latency requirement for the CTP. This is because an equity CT with a latency of up to 200ms will enable a wide variety of use cases that we expect to deliver significant market-wide benefits. We understand that this means that the equity CT likely won't be quick enough to directly route trades on or for high frequency trading strategies. However, based on the December 2024

EE report and feedback from many market participants, we consider that the need for the equity CTP to aggregate data from a wide range of contributors means that it is not realistic to expect the equity CT to be quick enough fulfil such use cases.

As noted in paragraph 3.117 of CP25/31, there is also a risk that lowering the minimum latency standard for the equity CTP could materially increase costs for the CTP. This would be contrary to our aim of ensuring that the equity CT is delivered at a competitive price.

The feedback we received on the proposed daily confidence interval raised similar considerations. Some respondents argued that a 99.99% daily confidence interval may be too stringent and that we should align it with the 95% confidence interval requirement for data contributors. We continue to think it is right that the CTP, as the single provider of this market infrastructure, should be held to a higher standard in terms of meeting latency requirements than individual data contributors. However, we want to have further conversations with potential bidders to provide the CT about the implications of setting the confidence interval at 99.99%.

Therefore, **we have decided that the confidence interval will be a contractual requirement rather than a rule. To do this we will also make the latency standard for the CTP of 100ms a contractual requirement**, given the latency requirement and the daily confidence interval are parts of the same requirement. What will remain in rules is the requirement for the CTP to make data public as close to real time as is technically possible.

This is aligned with our approach to the bond CT. In discussing the daily confidence interval with prospective bidders, our starting point will be that 99.99% is the right standard to set. This is what will go in the contract, unless our discussions with potential bidders provide us with credible evidence that this would impose costs out of proportion to the benefits to the market or is unrealistic.

Relative latency requirements for pre- and post-trade data:

In line with most of the feedback received, **we will not apply separate latency standards for the equity CTP's processing and publication of pre- and post-trade data**. Accordingly, our requirement for the CTP to disseminate data as close to real time as is technically possible will apply for both types of data.

Moreover, as above, we will require trading venues that contribute both pre- and post-trade data to the equity CTP (i.e. those that run CLOBs or periodic auctions) to send both types of data to the CTP within 50ms, and to ensure that the transmission of the data takes place within 50ms. We consider that this will help market participants use pre- and post-trade data in tandem, helping to ensure that the CT is useful in developing trading and investment strategies, and can help support the broader price formation process.

However, as explained above, we do not think it would be proportionate or feasible to require other types of post-trade data to be sent to the equity CTP at the same latency. As a result, APAs, RFQ trading systems, voice trading systems and information on OBOE trades will be subject to slower latency requirements and we will not require the equity CTP to re-sequence real-time post-trade data. We consider this approach strikes the best balance between ensuring that our requirements both enable a wide variety of use cases for the equity CT and are feasible for data contributors.

We do not think that there is a case for requiring that post-trade data should not be published by the CTP before it is required to be published under RTS 1 (i.e. within 1 minute). The CTP will be connecting to one of the means that a data contributor uses to publish data to the market. Therefore, the data received by the CTP will already have been published.

Chapter 6

Our response to feedback on selecting an equity CTP

Single or multiple CTPs

- 6.1** Another key question discussed in CP25/31 was whether an equity CT should be offered by a single provider or whether we should allow multiple equity CTPs to be authorised and appointed.
- 6.2** We said that there were 3 key considerations relevant to this decision:
- **Feedback from market participants:** Responses to our [Consultation on the Framework for a UK Consolidated Tape \(CP23/15\)](#) and discussions with industry indicated that market participants have a strong preference for a single equity CTP.
 - **Impact on speed of delivery:** Appointing a single CTP via a procurement process could take around 6 months, after which the equity CTP would need to be authorised. If we allowed multiple CTPs then we would not need to undertake a procurement process, potentially speeding up delivery of an equity CT by approximately 6 months (depending on the quality of applications for authorisation received).
 - **Further implications:**
 - Having multiple equity CTPs could intensify competition in the market. However, this would depend on multiple firms considering it economically viable to provide an equity CT in such circumstances.
 - On the other hand, a single provider model would be the most economically viable for potential equity CTPs. If this encouraged multiple firms to bid to be the CTP, then that would increase the likelihood that the CT is delivered at a competitive price point.
 - A further advantage of a single provider model is that data contributors would only need to connect to a single CTP to provide data, and users would only have to buy a single CT.
- 6.3** On balance, in line with market participants' strong preference and to help ensure an economically viable CTP business model, we proposed that the equity CT is offered over an initial 5-year contract period by a single provider. We said we would appoint this provider via a procurement process.
- 6.4** We noted that appointing a single equity CTP for the first 5-year contract period would not mean that this must be the model in the longer term. Our post-implementation review will consider whether a single provider model remains appropriate for subsequent contract periods.

Responses on a single CTP over an initial 5-year contract period

Respondents who agreed

- 6.5** Most respondents agreed with our proposal to have a single CTP for the first 5-year contract period. Key points raised included:

'Single source of truth'

- 6.6** Most of these respondents suggested that a single CTP would be the best way to establish a 'single source of truth' for equity markets. Many respondents expressed concern that multiple CTPs could cause confusion and issues with data consistency (e.g. due to small differences in processing speed or logic between equity CTPs). They thought that this could undermine the role of the equity CT in providing a common reference price. Relatedly, some respondents highlighted that initially appointing a single CTP would reduce complexity for market participants, which could encourage early adoption of the CT and increase confidence in it as a reliable data source.

Economic viability of the CTP and market dynamics

- 6.7** Some respondents noted that appointing a single equity CTP would support its economic viability, especially during the initial implementation stages of the CT. A few respondents highlighted that this could help incentivise firms to bid to provide the equity CT. One respondent said that we should prioritise attracting viable CTP bidders rather than fostering competition to provide the CT from the outset.
- 6.8** Several respondents also thought that appointing a single CTP for a 5-year contract period, followed by a re-tendering process for subsequent contract periods, strikes a good balance between ensuring the CTP's economic viability and ensuring there is effective competition during the re-tendering process. We discuss further why we think 5 years is an appropriate contract length in Chapter 7.
- 6.9** Further, one respondent suggested that it is appropriate to select a CTP via a competitive procurement process because the market displays characteristics of a natural monopoly. They highlighted the need for significant infrastructure investment by a CTP, the near-zero marginal cost of new users and the network effect from market participants seeking a common reference price.

Potential costs for data contributors and MDVs

- 6.10** Several respondents thought that a single provider model would be cheaper for data contributors as they would only need to send data to one CTP, rather than multiple. One respondent also argued that multiple equity CTPs could result in different data quality checks and data contributors being required to send the same data in multiple formats and technical protocols.

- 6.11** One respondent highlighted that firms aggregating equity trade data may not want to take redistributor licences for multiple CTPs to integrate into their range of products because of the costs involved. They said there were limited commercial incentives in supporting duplicative data sources.

Further points

- 6.12** One respondent noted there was an argument for having multiple equity CTPs on operational resiliency grounds but, on balance, considered that the arguments in favour of a single provider model were stronger.
- 6.13** Some of these respondents who agreed with our proposal nevertheless flagged potential risks of a single provider model and suggested potential steps we could take to mitigate them:

- A few respondents stated a single provider over 5 years creates a high probability of incumbency advantage. They suggested that the single CT framework should be counterbalanced with strong governance mechanisms and regulatory oversight, including a consultative committee and comprehensive service level agreements (SLAs). One respondent recommended that we include performance and governance benchmarks to ensure the CT remains viable and pricing remains transparent and competitive.
- A further respondent stated that transparency around the licencing model, procurement process and contractual framework is crucial. They stated that greater transparency in the procurement and selection criteria would support confidence in the process and encourage competition among CTP bidders.

- 6.14** Other points raised included:

- One respondent, who said they supported a single provider model for the first 5-year period, nevertheless suggested alternative arrangements to those in our proposals:
 - That two primary UK trading venues could, in parallel, publish their own data, with the FCA then consolidating data from other trading venues and from APAs.
 - That the FCA could provide the CT for the first 5-year period.
- Another respondent argued that we should prioritise interoperability with the EU CT and so thought it would be preferable for the UK and EU equity CTs to be operated by the same provider. Some respondents suggested that we should work with the EU in technical groups to harmonise standards and formats for both equity CTs.
- A further respondent expressed concern that, in the absence of revenue sharing arrangements, a single CTP could gain significant market power.

Views on longer term model

- 6.15** Some respondents who agreed with our proposal thought that, over the medium to long term, it could be beneficial to have multiple equity CTPs. Key points raised included:
- A multiple provider model could enhance market-wide operational resiliency by reducing reliance on a single equity CTP.

- It could also increase competition and so encourage CTPs to price their services efficiently and invest in both innovation and infrastructure development.

6.16 One of these respondents highlighted that, if there were multiple equity CTPs, they should make use of mutually compatible data standards and transmission protocols for data contributors.

6.17 Several respondents emphasised that we should consider this issue as part of our post-implementation review.

Respondents who disagreed or had mixed views

6.18 A couple of respondents did not clearly indicate whether they agreed or disagreed with our proposal but expressed some concerns with a single provider model, including that:

- **A single equity CTP could pose operational resiliency risks.** One respondent thought that our consultation did not adequately discuss the risks of an operational incident affecting a single equity CTP and how this impact could be mitigated. They also questioned whether fewer bidders would be interested in providing the equity CT if, as proposed, we applied SYSC 15A (operational resilience) requirements.
- **A single equity CTP could gain significant market power.** One respondent emphasised the need to carefully consider how we would manage this risk. They said this risk is especially important given uncertainty about how many firms would bid to be the equity CTP and that firms may be detrimentally impacted if they are not the winning bidder.

6.19 One of these respondents also argued that a single equity CTP was not necessary to provide market participants with a consistent view of UK equity market liquidity. They observed that multiple firms currently consolidate equity market data and thought that any issues in its consistency are due to issues with our equity transparency regime. See Chapter 3 for a further discussion of these points.

6.20 Another respondent said they did not have any concerns with the length of the proposed contract period. However, they favoured a post-trade only CT and noted that appointing multiple equity CTPs could speed the delivery of this form of CT. See Chapter 3 for further discussion of why we are not introducing a post-trade only CT.

Comments on the procurement process

6.21 Some respondents made comments regarding the procurement process, including:

- Several respondents highlighted that they thought the selection of the CTP is best achieved through a competitive procurement process and emphasised that this process should be transparent. One respondent generally agreed with this approach but expressed concern that, under our proposed model for the equity CT, our procurement process may not result in a positive outcome.

- A few respondents made specific comments regarding how they thought the procurement process should operate, notably:
 - One respondent expressed concerns regarding a reverse price auction. Another respondent criticised aspects of the bond CT process.
 - One respondent suggested that our framework should ensure fair and non-discriminatory access to the CTP and ensure that the CTP abides with its proposed pricing model.
 - A further respondent suggested we could use an auction to set constraints on the CTP's price. They thought that our contract with the CTP should set out if and how prices could be adjusted, with appropriate notice provisions.

Our response

We will proceed with our proposal to appoint a single equity CTP for the first 5-year contract period. We will appoint the provider via a transparent, competitive procurement process, which we are developing according to our assessment of what best suits the market. Bids from potential equity CTPs will be scored across a blend of both quality and price components. We do not intend to incorporate a reverse price auction as part of our procurement process for the equity CTP.

There are trade-offs to both a single and multiple provider model. Market participants have a strong preference for a single provider model, because they want access to consolidated equity trade data that provides a shared view of total liquidity and available trading opportunities. A single provider model could also support the attractiveness and viability of the equity CTP economic model, at a point where the cost of and demand for the equity CTP is more uncertain for potential providers. However, a single provider model involves risks related to operational resiliency, market power and incumbency advantage.

Having multiple equity CTPs could, in principle, intensify competition in the market – although this would depend on multiple firms considering it economically viable to be the CTP in such circumstances and users choosing to subscribe to different CTs (rather than coalescing around one provider). However, a multiple provider model also poses risks, including that it could create uncertainty for potential providers and could undermine the benefit of a shared, authoritative CT.

Our decision to appoint a single equity CTP for the first contract period reflects a strong preference from market participants and the fact that we consider it provides the more certain route to delivery of an equity CT. However, we are aware of the risks of a single provider model, and we will take steps to mitigate them – summarised below. See paragraphs 161 to 166 of the CBA for further discussion of these points.

Regarding operational resiliency, paragraphs 3.146 to 3.153 explain that, as we expect many firms (especially the largest and most active trading firms) will retain access to additional data sources, an equity CT outage may not lead to significant operational disruption. Nevertheless, we do expect that a single equity CT will be an important source of data for a wide variety of market participants and so it is crucial that we hold the equity CTP to high standards of operational resilience.

So, we will apply our SYSC 15A requirements to the equity CTP, as set out in Chapter 9. This requires the CTP to take reasonable steps to prevent disruption to critical services. Where disruption does occur, it requires the equity CTP to respond, recover and learn from it. Applying high operational resiliency standards may increase costs for the CTP but our analysis indicates that it is compatible with an economically viable equity CTP.

Further, we will constrain the ability for a single equity CTP to gain significant market power by ensuring our procurement process is as competitive as possible and requiring all bidders to commit to a level of prices that will, generally, apply throughout the duration of its contract. Nevertheless, we will consider the case for a mechanism that would enable such prices to be adjusted for reasons other than inflation, for instance to facilitate infrastructure investments.

To help mitigate the risk of incumbency advantage, we will seek to ensure a fair, transparent and competitive re-tendering process that provides sufficient lead time for potential CTPs, data contributors and data users. See Chapter 7 for more details.

Finally, appointing a single equity CTP for the first contract period does not mean that this must be the model in the longer term. We recognise the points raised by respondents that, once the equity CT is established in UK markets, it may be possible for multiple equity CTPs to run economically viable business models. Standardised consolidation methodologies could potentially enable such CTPs to produce a consistent view of UK equity market liquidity to UK market participants. We will consider this issue further as part of our post-implementation review.

Chapter 7

Our response to feedback on the economic model for an equity CT

7.1 In this chapter, we outline our proposals to ensure a sustainable and competitive economic model for an equity CT. Like the bond CT, we aim to attract providers and increase the likelihood of a competitively priced solution. We outline our response to feedback on the following areas:

- The length of the contract to operate the equity CT.
- The terms on which data are provided to the CTP.
- Licensing.
- Use of the data.
- Pricing rules for the CTP.

Length of contract to operate the equity CT

7.2 In CP25/31, we explained that, under the DRSRs, if we operate a procurement process to appoint a CTP then the winning bidder can ordinarily operate the CT for a contract period of a maximum of 5 years. To appoint the CTP for the next contract period, we would run a re-tender process. In certain very limited circumstances, we may extend the 5-year contract period by 2 years. For example, if we anticipate significant changes to the obligations on equity CTPs.

7.3 We asked whether respondents agreed that 5 years is an appropriate contract length, and if not, what alternative duration they would propose and why.

Summary of feedback

7.4 Most respondents supported the proposed 5-year contract period, in line with requirements under the DRSRs. Key points included:

- Several respondents thought that 5 years was the minimum timeframe to enable the CTP to recover their set up costs, pursue customers, and deliver measurable data quality improvements.
- A further respondent said that a 5-year contract would strike a balance between attracting bidders and enabling competition in providing the equity CT, while also allowing periodic reassessment of the CTP and the CT features as the market evolves.

7.5 One respondent, who was supportive of an initial 5-year contract period, suggested that our post-implementation review should consider whether a longer contract term would be beneficial for subsequent contract periods.

- 7.6** Further, one respondent – whilst acknowledging the limit on the length of the contract period set in the DRSRs – suggested that the equity CTP will likely need a longer period to recover its infrastructure investments. Another respondent said a 5-year contract period could discourage firms from bidding to provide the CT. They suggested that we should be required to clearly justify any decision to not appoint an incumbent CTP for subsequent contract periods.
- 7.7** Finally, a range of respondents highlighted the importance of a robust and timely re-tendering process at the end of each contract period. They said that the timetable should include sufficient time for data contributors and users to transition to a new CTP. Several respondents suggested that newly appointed equity CTPs should publish their technical specifications at an early stage to help smooth the transition between different CTPs.

Our response

The DRSRs set a maximum contract length of 5 years. As we said in CP25/31, and supported by most respondents, we consider that this contract length appropriately balances the CTP's economic viability with the need to ensure a competitive re-tendering process.

As part of designing our procurement process, we will seek to ensure a fair, transparent and competitive re-tendering process that provides sufficient lead time for potential CTPs, data contributors and data users. Our scoring methodology and other measures will seek to ensure that incumbent and prospective providers will compete on a level playing field. This is important to ensure that, over time, a high-quality equity CT continues to be delivered at a competitive price, and to incentivise innovation among potential providers.

To help enable these outcomes, we will consider appropriate transitional arrangements to facilitate an orderly transfer of the service between different CTPs at the end of a contract period and reduce barriers to entry for future bidders.

Provision of data by contributors

- 7.8** We proposed that data contributors should be required to provide their data to the equity CTP without charge. As with the bond CT, we thought this would help ensure that providing the equity CT is a viable business model and so encourage firms to bid to be the equity CTP.

Summary of feedback

- 7.9** Respondents had mixed views on this proposal. Just under half agreed and made the following points:
- A few respondents noted that it was necessary to ensure that the CT is commercially viable and can be offered to users at an attractive price.
 - Several respondents raised that it would reduce complexity for the CTP by removing the need for them to negotiate individual agreements or set appropriate prices with data contributors. They thought a simpler model would support the delivery of a CT at a competitive price.
- 7.10** On the other hand, over half of respondents disagreed with our proposal. They did not think we should require data contributors to provide information free-of-charge without revenue sharing or cost recovery arrangements being in place. These respondents raised the following key points:
- Several respondents argued that our proposals would stop trading venues from realising the commercial value of their data and so could disincentivise them from making future investments in trading infrastructure. These respondents made a wider range of points which aligned with arguments made in favour of our rules requiring revenue sharing arrangements. See Chapter 4 for further details.
 - One respondent argued that, under our proposals, the equity CTP would have little incentive to minimise its costs and ensure that data is sold at a reasonable price.
- 7.11** As an alternative option, one respondent suggested requiring the equity CTP to offer reduced-price data to data contributors for the initial 5-year period to create demand for the CT and provide some form of reimbursement for the cost of providing data.
- 7.12** Separately, one respondent noted that we should outline clear requirements governing the quality, accuracy, and timeliness of the data provided to the CTP.

Our response

We will proceed with the approach we consulted on and will require data contributors to provide their data to the equity CTP without charge. We continue to believe this approach will help to ensure a viable and sustainable equity CT business model.

As discussed in Chapter 4, our final rules will require the equity CTP to have income sharing arrangements with data contributors. We consider that this will help align incentives between data contributors and the CTP in delivering a high-quality CT, without compromising our policy aim to deliver a competitively priced, economically viable equity CT.

We set out the final rules governing the quality, accuracy, and timeliness of the data provided to the equity CTP in Chapters 5, 8 and 9. This ensures clarity and supports the delivery of a robust, high quality and reliable CT.

Licensing

- 7.13** Our intention is that the equity CTP will offer a relatively simple licencing structure that will support wide access to and use of the data from the equity CT. In our consultation, we sought views on whether the licence structure adopted for the bond CTP would also be appropriate for the equity CTP or whether adjustments were necessary. We also asked whether any additional provisions were needed for retail client access to real-time data.
- 7.14** By way of reminder, our contract with the bond CTP requires it to offer 4 fixed licence types.
- **Individual licences** allow professional use of real-time and historical data where a firm only requires a small number of users to have access to the CT. Access is limited to one display or log-in session and it restricts redistribution and value-added services.
 - **Enterprise licences** allow professional use of real-time and historical data with no restriction on the number of points of access from the enterprise licence holder to the CT. It permits the use of the CT to create value-added services. The fees are based on firm revenue.
 - **Redistribution licences** are needed where a material part of the CT data is made available to an end user (whether or not as part of a value-added service). The distributor would need to make payment to the CTP for each licence redistributed.
 - **Academic/non-commercial licences** provide academic and non-commercial users with free access to historical data.

Summary of feedback

Respondents with mixed or neutral views

- 7.15** Most respondents expressed mixed views on whether the licensing structure adopted for the bond CT would be appropriate for an equity CTP.
- 7.16** Many emphasised the importance of a simple licencing framework for the equity CT. They indicated that, subject to certain adjustments, key elements of the bond CT licencing structure should be replicated, including:
- The availability of enterprise licences with broad internal usage rights.
 - Clear distinctions between the licences required for direct use and redistribution of CT data.
 - Publication of a transparent price list.
 - A simple redistribution licence, particularly for end client use.
 - Separate charging for historical data.
 - Non-discriminatory access to CT data.

- 7.17** Further respondents did not provide an overall view on whether they thought that the bond CT licencing structure was broadly suitable but commented on how they thought specific aspects of the equity CT licencing structure should operate. One respondent said that bidders should be able to propose their own licencing structures to encourage competitive differentiation.
- 7.18** The sections below summarise these views on specific aspects of how we should develop the equity CT licencing structure.

Enterprise licences

- 7.19** Many respondents supported the equity CTP offering enterprise-level licences with broad internal usage rights within firms. A few of these respondents thought that, in line with the bond CT's licencing structure, the cost of an enterprise licence should not depend on the number of users within a firm or their use cases for the CT. They argued that this licencing model would reduce the administrative burdens associated with managing individual users, devices, or use cases. They suggested this improves firms' internal data sharing and workflows. One respondent suggested that enterprise licences should enable firm-wide use of historical data.
- 7.20** A few of these respondents suggested that, given that large firms often operate through multiple related entities, enterprise licences for the equity CT should cover multiple entities and/or affiliates under the same corporate group structure.
- 7.21** A few further respondents suggested that enterprise licences for the equity CT should be structured differently to those from the bond CT:
- A couple of respondents argued that enterprise licence fees for the equity CT should not be tiered by firm revenue and preferred using metrics such as the number of individual end users. They suggested that usage-based metrics would increase transparency, better reflect consumption, and result in more proportionate costs for CT users with diverse business models.
 - A further respondent did not express a view of how enterprise licences could be tiered, arguing that bidders should be allowed to propose their own licencing scheme, but stated that there was a weak correlation between a firm's revenues and use of data.

Individual licences

- 7.22** Some respondents argued that it is important for individual licences to enable broad usage of the equity CT before an enterprise licence needed to be purchased. One respondent argued that a single user should be able to access data across multiple devices. A further respondent thought that, if individual licences were restricted in scope, then this could create an unintended barrier to adoption of the consolidated tape.

Redistribution licences

- 7.23** One respondent thought that redistribution of the CT to end clients should be treated differently from redistribution of the CT via value-added services. Another suggested that any restrictions on redistribution of the CT should distinguish between professional and retail clients, so that retail clients can receive CT data free-of-charge. Finally, one respondent suggested there should be reduced fees for entities that use the tape solely for redistribution purposes.

Academic/non-commercial licenses

- 7.24** Many respondents highlighted the importance of retail and non-commercial users (such as academics) having straightforward access to real-time data, or near real-time data, from the equity CT. They highlighted potential benefits of this approach, including building trust and confidence in UK markets among retail investors and encouraging academic research into UK equity market dynamics.
- 7.25** Some respondents supported the principle of providing access to consolidated equity data to retail and non-commercial users, but proposed certain limitations:
- A few respondents said that, in line with the bond CT's licencing structure, historical data should be available free-of-charge to academic and non-commercial users, but this should not extend to real-time data.
 - One respondent suggested that retail users should not be charged for use of the CT's data but that retail brokers should be charged based on how many users they distribute data to.
- 7.26** More broadly, one respondent argued it should be free to view prices displayed on the equity CT via public websites. However, they thought other use cases (such as data analysis and TCA) should require a licence.

Further points

- 7.27** Some responses questioned whether there would be any restrictions on how data from the equity CT could be used and/or made suggestions on this point:
- One respondent argued that significant restrictions on the CT's use cases could hinder its ability to compete with proprietary feeds from data contributors. They thought this could harm the CT's commercial viability, especially as we will not require firms to buy CT data. See paragraph 7.46 for broader points on the consumption of the CT.
 - A further respondent argued that the licensing model should be technologically neutral and support emerging use cases, including the use of the CT within artificial intelligence (AI) systems.
- 7.28** Further, one respondent suggested a low-cost 'testing' licence and distinct licence types for professional and retail users.

International comparisons

- 7.29** One respondent highlighted key features of the EU equity CT's licencing structure. This includes individual licences, where each user can use data across multiple devices; enterprise licences covering internal firm usage, derived data, and redistribution; lower fees for entities that solely redistribute data; and the use of historical data, charged on a per day basis.

Respondents who disagreed

- 7.30** A smaller number of respondents stated they disagreed that the licencing structure that we adopted for the bond CT would also work for the equity CT. One of these respondents said that they agreed with the principle of a simple and straightforward licencing structure but did not think that the bond CT model provided a suitable framework to achieve this.
- 7.31** Reasons given for thinking a different licencing structure would be necessary for the equity CT included that there were much broader use cases for equity trade data compared to bond trade data, including creating value-added products (e.g. creating indexes). One respondent also pointed out that the bond CT is post-trade only, whereas the equity CT will include pre-trade data.
- 7.32** Further, one respondent thought that it would be risky for the equity CTP to offer both individual licences and enterprise licences that were tiered by revenue. They argued that if the revenue thresholds for enterprise licences were miscalibrated then the CTP would not be profitable. They observed that companies who make significant revenues from value-added services but need a few people to access equity trade data would opt for individual licence types. Another respondent stated that, as a general principle, firms that benefit from equity market transparency should contribute to funding it.
- 7.33** Some of these respondents suggested the equity CT licencing structure should be closer to the licencing structures used by trading venues. One respondent made specific suggestions regarding the licencing structure, including:
- Per user fees for professional use of real time data.
 - Licencing for commercial use of data to be distinguished by the scale and scope of its use (e.g. distinct licencing for redistribution, index creation, and use in trading platforms), rather tiered by firm revenue.
- 7.34** One of these respondents said that such a model would enhance competition and ensure that newer or smaller participants are charged a proportionate fee for use of CT data.

Broader points

- 7.35** Broader points made about how the pricing of equity CT licences should operate included:
- A few respondents suggested that the CTP should have the flexibility to reduce its prices as its number of users grow, leading to economies of scale. Relatedly, one respondent proposed that the cost of using the CT as display data should be lowered by the sale for more expensive licences for non-display, lower latency data.

- Another respondent argued for transparency and guardrails on pricing, suggesting that price increases should not exceed inflation during a contract period.

7.36 A further respondent suggested that the equity CT's licencing structure will be an important factor in whether it is successful. They said we should monitor the relationship between the equity CT and venues' proprietary data businesses, and tailor the CT's licencing structure where necessary.

Our response

We will consider the points raised in designing a licencing structure for the equity CTP. As for the bond CTP, the outcome we are seeking is a relatively simple licensing structure that will support wide access to and use of the data from the CT. However, we are open to adjusting the licencing structure for the equity CT to reflect differences in how equity and bond markets operate.

As with the bond CT, we will not set out a licencing structure for the equity CTP in our rules. Instead, the licencing structure will be set in our contract with the equity CTP.

We are committed to providing straightforward and affordable access to equity market data to a wide variety of users, including retail and non-commercial users, and are considering the best way to do so.

Providing data for free after 15 minutes

- 7.37** Provisions in MiFID II required CTPs to make their data available for free 15 minutes after they had published it (in line with requirements for trading venues and APAs). This requirement aimed to broaden access to market data. However, participants frequently raised this as an aspect of the MiFID II framework that discouraged firms from seeking to become authorised as CTPs.
- 7.38** Therefore, in line with our rules for the bond CTP, our consultation did not propose to require the equity CTP to provide its data for free after 15 minutes. Instead, we suggested that setting a simple licensing regime for the equity CT – that takes account of use by retail investors and academics – would be a better way to meet our objective of broadening market data access.
- 7.39** We highlighted that our proposal would not affect the well-established obligation for trading venues and APAs to make data available for free after 15 minutes.

Summary of feedback

- 7.40** Overall, we received mixed views on our proposal to not require the CTP to provide the data for free after 15 minutes. Around half of the respondents agreed with our proposal, on the following grounds:
- A few respondents argued that the approach was necessary to ensure the viability of the equity CT. One respondent argued that, if the delayed data were free, this would reduce demand for paid licences. In their view, many users could rely solely on delayed data, as it could satisfy many of the CT's use cases. They warned that this could lead to higher prices for real-time data users, thereby reducing the attractiveness of the CT.
 - Further respondents suggested that, as trading venues and APAs publish delayed data, then it would not make sense and would be duplicative to apply this requirement to the CTP.
 - A couple of respondents noted that our proposals aligned with requirements for the UK bond CT. One respondent observed that, in the EU, the equity CTP is not required to publish free delayed data.
 - One respondent instead suggested that the equity CT should make near real-time data free for retail consumers, arguing that a 15-minute delay was too long.
- 7.41** However, several respondents disagreed with our proposal and thought the CTP should be required to provide free 15-minute delayed data. A few of these respondents emphasised the importance of enabling affordable access to market data for a broad range of market participants, particularly for retail and other non-professional users. They did not think that a requirement for the equity CTP to publish 15-minute delayed data for free would materially impact the CTP's revenues or deter credible bidders.
- 7.42** A couple of respondents suggested that it would not make sense or be consistent to remove the requirement for the equity CT to publish delayed data but to retain it for trading venues and APAs. See paragraph 7.45 for further comments on the existing requirement for trading venues and APAs.
- 7.43** A further respondent argued that, if the equity CT is not subject to revenue sharing obligations, then the CTP should potentially be required to publish free, delayed data – subject to discussions during the procurement process. They suggested that this could help mitigate the risk of the CTP gaining significant market power. As discussed in Chapter 4, our final rules will require the CTP to have income sharing arrangements with data contributors.
- 7.44** Several respondents expressed mixed or neutral views, including:
- One respondent suggested that, if the introduction of the equity CT does not alter dynamics in the market for equity trade data, then we may want to retain the option to require the CTP to publish free, delayed data.
 - Another respondent stated that there was little demand for delayed data.

7.45 Separately, several respondents raised broader comments on the existing obligation on trading venues and APAs to publish free, 15-minute delayed data.

- A few respondents argued that, if the requirement is not applied to the CTP, then we should review whether it remains appropriate for trading venues and APAs. Another respondent thought it may be superfluous if both the bond and equity CTPs offer historical data free-of-charge to retail or academic users.
- One respondent noted that, under existing delayed data requirements, firms can potentially aggregate delayed data. They thought this could pose competition to CTs and potentially harm their viability.

Our response

Having considered the responses, we will not require the CTP to provide the data for free after 15 minutes. We continue to consider that ensuring broad access to the equity CT via a simple licencing regime, that enables use of the CT by retail investors and academics, is the best way to broaden the use of equity trade data. We will also require the equity CT to publish market-wide liquidity metrics for shares in the UK.

As noted in CP25/31, this will not affect trading venues' and APAs' existing obligation to make data available for free after 15 minutes. This is a well-established feature of the market which we do not currently intend to change.

Consumption of data

7.46 In line with our approach to the bond CT, we did not propose to require mandatory consumption of equity CT data. We did not consider that this was necessary for the success of the equity CT and were mindful of arguments made to us that:

- Mandatory consumption may weaken the CTP's incentives to innovate or improve its data quality, as well as making it harder to assess if the CT is working well for users.
- It could impose unnecessary costs on firms that already access similar data more efficiently through direct feeds. This may create barriers to entry for smaller market participants.
- The expectations placed on firms by other regulatory requirements will mean that demand for and use of CT data will be sufficiently widespread even without a mandate requiring its consumption.

Summary of feedback

7.47 Most respondents supported our proposal to not require mandatory consumption of the equity CT. They emphasised that market participants should retain discretion in sourcing market data based on their specific needs and whether a high-quality equity CT is offered at a competitive price.

- 7.48** Relatedly, several respondents argued that requiring mandatory consumption could increase costs for users by requiring firms to buy the CT when it would not meaningfully benefit them. For instance, when they already have access to data feeds that meet their needs. One respondent expected that not all market participants will need to use the CT and so did not see a clear justification for mandatory consumption.
- 7.49** Moreover, some respondents thought that requiring mandatory consumption could reduce competition between the CT and other market data providers. In their view, this could weaken incentives for the CTP to innovate and compete on quality, functionality and price. One respondent also suggested that mandatory consumption could undermine an important measure of the CT's success, i.e. whether individuals and firms choose to use it.
- 7.50** Some respondents provided mixed responses:
- A couple of respondents generally agreed that we should not require mandatory consumption. However, they suggested we should consider whether access to, or use of, CT data should be expected where it would materially support firms (e.g. retail brokers) in meeting their best execution obligations or should specifically be recognised as a preferred source of data for this purpose.
 - A further respondent also generally agreed that we should not require mandatory consumption. However, they saw some advantages to it, reflecting that establishing a CT may require significant upfront investment. They thought that uncertainty regarding recovering this expenditure and the ability to generate a return on that investment could deter potential bidders to provide the CT. They added that, if mandatory consumption were introduced, the price of CT should be proportionate to firms' activity levels and market footprint.
 - One respondent did not express a clear preference but suggested, if we were to require mandatory consumption of the CT, this should be alongside broader market structure reforms.
 - Another respondent also did not express a clear stance on the proposal, but asserted that, as brokers were required to display consolidated quotes to investors, they would be obliged to purchase the CT.

Our response

We will not require mandatory consumption of the equity CT. In line with most respondents, we do not consider that this is necessary to encourage broad usage of the equity CT and agree with arguments that it could weaken incentives for the CTP to innovate and improve its products.

We want to ensure that firms only buy the equity CT if they consider it is useful for them and their clients, to avoid unintentionally increasing the cost of participating in UK equity markets. We recognise that market participants, such as brokers, require access to market data to discharge their regulatory obligations. The equity CT provides an additional source of market data that firms can consider, alongside others, in determining what best suits their needs.

Pricing

- 7.51** Our consultation did not propose to apply rules on pricing on a reasonable commercial basis (RCB) to the equity CTP. In line with our approach to the bond CT, we thought it would be more appropriate to deal with the CT's pricing via the procurement process rather than our rules.

Summary of feedback

- 7.52** Most respondents supported the proposal not to apply RCB requirements to the equity CTP. Many of these respondents suggested that a well-designed procurement process would provide a more effective and targeted mechanism for determining the price of the equity CT. A few respondents also thought that ensuring consumption of the CT is voluntary would also help ensure it is competitively priced (see section above).
- 7.53** Separately, one respondent did not support applying the RCB requirements to the provision of the CT but suggested that the pricing of any 'value-added services' offered by the equity CTP should be constrained by either the procurement process or RCB requirements.
- 7.54** On the other hand, a few respondents disagreed with our proposal and instead called for us to apply RCB requirements to the equity CTP as a well-established framework governing the pricing of market data. These respondents suggested that applying RCB rules to the equity CTP would:
- Ensure that its prices are proportionate and aligned with costs.
 - Support consistency in the requirements applying to different types of firms, ensuring that the CTP does not gain undue economic advantage.
- 7.55** A couple of further respondents suggested that the pricing of the CT should be governed by rules in our Handbook (with one respondent suggesting RCB should apply). However, these respondents suggested that we should reform the RCB framework. One of these respondents suggested the nature of these reforms should reflect practical experience of the CT's operation.
- 7.56** One of these respondents suggested that, ahead of the establishment of CTs and a reform of the RCB framework, we should consider additional measures to ensure alignment between market data fees and costs for market data providers, and to simplify licencing.
- 7.57** Finally, one respondent did not provide a clear view on our proposal but made suggestions on how our procurement process should operate, including that it should take into account RCB requirements. Some other respondents provided comments on how they thought the procurement process should operate, which we summarise in Chapter 6.

Broader comments on RCB framework

7.58 Moreover, while outside of the scope of our consultation, several respondents provided broader comments on the current RCB framework and pricing of market data. These included:

- A few respondents argued that current RCB requirements have not effectively constrained the pricing of market data. One respondent suggested that any future increases in the price of market data should be in line with inflation.
- A further respondent raised a general concern that cost-based pricing frameworks lead to disputes and do not provide a good basis for the pricing of equity trade data.

Our response

We will proceed with the proposal to not apply rules on RCB to the equity CTP. Instead, the pricing of the CTP will be constrained by a competitive procurement process during which the bidders will need to commit to a level of prices that will generally apply through the duration of a 5-year contract.

Regarding comments on value-added services, we expect that the provision of such services will not typically be a regulated activity. It is important to note that the equity CTP will not be able to offer value-added services via the same entity that operates the CT. Should the CTP wish to provide value-added services through the same corporate group, it must do so through a separate entity and purchase the equity CT on the same terms as other firms. These value-added services will not be subject to the same procurement process as the equity CT but will be subject to competition from anyone else who wants to provide such services.

See Chapter 3 for our response to broader comments on the pricing of market data and the RCB framework. In summary, given the findings of the WTDR and WDMS, we decided to prioritise work on delivering CTs to improve the overall cost, quality and accessibility of wholesale data. We will observe the impact of these interventions, notably via our post-implementation reviews, before deciding whether any further changes, including to the RCB framework, are necessary and proportionate.

Chapter 8

Our response to feedback on data coverage

8.1 In this chapter we discuss the following issues regarding the equity CT's data coverage:

- The type of instruments covered.
- The trading venues and APAs whose data would be included in an equity CT.
- Equity pre-trade and post-trade transparency requirements and including CT specific requirements in post-trade equity reports.
- The provision of regulatory data on the status of financial instruments and trading venues.
- A requirement to provide historical post-trade data.
- A requirement for a database of pre-trade data.

Type of instruments

8.2 In CP25/31, we proposed not to include Exchange Traded Notes (ETNs) and Exchange Traded Commodities (ETCs) in the equity CT. This is because, for the purposes of our transparency regime, ETNs and ETCs are classified as 'bonds' and including them in the equity CT would present a range of technical issues.

8.3 We also noted our decision not to include these instruments in the bond CT because, while they share a legal structure akin to a bond, they are significantly different from most other types of bonds and trade more like ETFs. We said we did not think there would be adequate demand for a standalone CT for ETNs and ETCs.

8.4 We set out the following potential options for the treatment of ETNs and ETCs and invited any comments:

- Reconsider the issue of including ETNs and ETCs in the bond CT, when we conduct a post-implementation review part-way through its first contract period.
- Reclassify ETNs and ETCs as equities for the purpose of trade reporting so that, in due course, these instruments could be included in the equity CT.
- Not include ETNs and ETCs in either the equity or bond CTs.

Summary of feedback

- 8.5** Most respondents agreed that, at least initially, we should not include ETNs and ETCs in the equity CT because they are as bonds under the trade transparency regime. Points raised included:
- Differences in the transparency requirements applying to ETNs and ETCs, compared to instruments in scope of RTS 1, mean that including these instruments in the equity CT could be costly and complex for the equity CTP and data contributors. It was suggested that these costs would outweigh the potential benefits of including these instruments and that we should prioritise timely delivery of the equity CT. One respondent suggested that we discuss the issue in our CP on equity market transparency.
 - Variability in the way that ETNs and ETCs are currently classified under MiFID could – without further guidance – result in a subset of these instruments being included in the equity CT and a subset on the bond CT, and this fluctuating for individual instruments over time.
 - Currently, we understand that ETNs and ETCs are generally out of scope of both the bond and equity CTs in the EU. Some respondents argued that we should align our requirements with the EU CTs to enable interoperability with those in the UK.
 - Consolidated data on ETNs and ETCs would be partial, because there is no obligation to publish information on OTC trades in these instruments.
 - Nevertheless, a few of these respondents thought that we should revisit the issue over the longer term:
 - A couple of respondents recommended that ETNs and ETCs should be included in the equity CT at a later stage. They noted that these instruments are typically traded on the same venues and use similar trading protocols to equities. They also thought that including ETNs and ETCs in the CT would provide a more comprehensive view of market data.
 - One respondent suggested we keep our approach to the treatment of ETNs and ETCs under review over the first 5-year contract period.
- 8.6** One respondent disagreed with our proposed approach on the grounds that ETNs and ETCs should be included in a CT and it would be most logical for this to be the equity CT.
- 8.7** Other respondents, while not directly commenting on our proposed approach, provided the following comments:
- One respondent observed that ETNs and ETCs are structurally different from ETFs and bonds and often function more like derivatives.
 - A further respondent believed there was strong demand from potential users for the inclusion of ETNs and ETCs in the equity CT. In their view, pre-trade information on these instruments is valuable because price formation is driven by an underlying price, not supply and demand. However, they indicated that the CTP may need greater processing capacity to include such data.

8.8 Further, some respondents provided other comments on the instruments they thought should be in scope of the equity CT:

- One respondent disagreed with including all equity instruments in the equity CT without requiring revenue sharing between the CTP and data contributors.
- This respondent also argued that liquidity is not fragmented for all equity instruments (e.g. those on SME growth markets). They stated that the inclusion of these equities in the CT would be problematic and detrimental to investment in small issuers.
- A further respondent said that instruments such as warrants and certificates should not be included in the equity CT. They justified this on the basis that, in their view, such instruments are solely used by retail investors to gain exposure to an underlying asset. They also thought that the complexity of such instruments means that their inclusion would result in a high volume of data, presenting challenges for the CTP.

Our response

We will not include ETNs and ETCs in the equity CT, due to the technical issues involved in doing so. While we acknowledge that including such instruments could offer investors visibility of a broader range of equity-like instruments, feedback from most market participants suggests that this benefit would not outweigh the costs. We remain open to revisiting how trade data on ETNs or ETCs could be consolidated at a later stage.

In line with the proposal in CP25/31, we will proceed with our approach to include in the CT all equity instruments traded in the UK, as defined under RTS 1. This scope of instruments is set out in our rules for the equity CT. We believe that this approach advances our stated objective to enable wider and better usage of equity trade data. Further, we have heard views from market participants that this is the best option to guarantee a complete view of trading in UK equity markets.

Our proposals in CP26/30 involve revoking relevant parts of RTS 1 and replacing them with FCA rules. To clarify, these changes will not impact the scope of instruments covered by the equity CT. As set out in Chapter 4, our final rules will require the equity CTP to share a portion of its income with data contributors. We will consult on draft rules to establish the most appropriate framework for the distribution of money among contributors, including SME growth markets, in autumn 2026.

Coverage of tokenised equities

8.9 We also want to provide clarity on whether tokenised equities (i.e. tokens linked to shares) will be included on the equity CT. This depends on whether they are equity instruments as defined under UK RTS 1 – in line with our technology neutral approach to equity transparency.

8.10 CP26/30 explains that, broadly, tokens linked to equity shares may take three different forms:

- **Natively issued tokenised shares** – where the token itself constitutes the equity instrument, for example where a share is issued or recorded using distributed ledger technology.
- **Digital receipt models** – where a third party immobilises existing shares and issues blockchain-based receipts or tokens that reference those underlying shares.
- **Tokens providing equity exposure** – which track or replicate the value of an equity and provide economic exposure without conferring ownership of, or a direct claim on, the underlying share.

8.11 Depending on their legal and economic characteristics, tokens in the first 2 categories may be in some cases regarded as equities. Where this is the case, trading in those instruments (where the underlying share is traded on a trading venue) will already fall within the scope of the equity trade reporting regime. Accordingly, these instruments would be included on the equity CT. By contrast, tokens in the third category are less likely to be regarded as equities. Trading in those instruments (where the underlying share is traded on a trading venue) would therefore not generally fall within scope of equity trade reporting, and so those instruments are unlikely to be included on the equity CT.

8.12 CP26/30 seeks views on whether there is a case for extending trade reporting to some tokenised share structures and how different models should be treated. We expect that any such changes would flow through to the coverage of the equity CT.

Coverage of trading venues and APAs

8.13 A CT should be as comprehensive as possible, providing a complete overview of trading in UK markets. This means it should include data from all UK trading venues trading relevant instruments and all APAs publishing OTC trade reports in those instruments.

8.14 We consider that we could only justify a restriction on the number of UK data contributors that a CTP connects to if we felt that comprehensive coverage would be a disproportionate cost for the CTP or for individual data contributors. We thought this was unlikely to be the case for the equity CT because the CTP will choose one of the data contributors' existing feeds to connect to. This means the main costs to the data contributors will be ensuring that at least one of their data feeds meet the latency and data quality standards required for input to the CTP.

8.15 Therefore, we proposed requiring all equity trading venues and APAs publishing equity trades to provide data to the CTP. We proposed that new trading venues and new APAs would need to provide data as soon as possible from the time they start operating. This proposal was in line with our approach for the bond CT.

Summary of feedback

- 8.16** Most respondents agreed with our proposal to require all equity trading venues and APAs to provide data to the CTP. These respondents believed that such a requirement would enable the equity CT to provide a holistic view of UK equity markets and would represent a fair and consistent provision for all data contributors.
- 8.17** One of these respondents highlighted that they supported our approach to not grant exemptions from this requirement to certain venues, such as SME growth markets. On the other hand, another respondent – who generally supported our proposal – said that RFQ systems should be held to requirements that reflect their differences with other trading systems.
- 8.18** A few other respondents disagreed with requiring all equity trading venues and APAs to provide data to the equity CT. Some highlighted that they did not think such a requirement would be reasonable if we did not require revenue sharing arrangements. With respect to new trading venues and APAs, a few respondents argued that a requirement on data contributors to provide information from day one of operations without revenue sharing would create barriers to entry and could prevent the establishment of new venues.
- 8.19** These respondents suggested the following alternatives:
- A few respondents suggested granting a 6–12-month transition period for new trading venues and APAs before they must contribute data to the equity CTP.
 - A few other respondents suggested that firms should only be required to contribute data to the equity CT once they meet a defined market share threshold. One of these respondents suggested setting the minimum threshold as a market share of 0.3%, for a sustained time. Another respondent suggested aligning our approach with that of the EU.
- 8.20** Finally, one respondent said that if we were to apply exemptions for certain kinds of data contributors then we should clearly define their scope.

Our response

We will proceed with our proposal to require all equity trading venues and APAs publishing equity trades to provide data to the CTP. We continue to consider that this is the best option to ensure a comprehensive and complete view of trading in the UK markets.

Moreover, to help align incentives regarding the delivery of a high-quality CT, our final rules set out a high-level requirement for the equity CTP to share a portion of its income with data contributors. See Chapter 4 for further details.

We do not consider deferring the sending of data to the equity CTP would meaningfully reduce costs for new or smaller data contributors because they will still need to establish market data feeds to send information to market participants. The equity CTP will connect to one of these feeds. In line with feedback on the differences between different types of data contributors, we have amended our latency requirements to ensure they

are feasible for APAs, RFQ trading systems and voice trading systems. See Chapter 5 for further details on our latency requirements and the CBA for estimated costs for data contributors.

Equity pre-trade transparency requirements

8.21 We proposed to require trading venues operating CLOBs or periodic auctions to send to the equity CTP the following information:

- **The terms at which market participants are willing to trade** – including instrument identification, price (and currency), quantity, side and the trading venue on which the interest was expressed. How some of these fields are filled out will depend on the nature of the trading system. Information from a CLOB will be a limit order while information from an auction will be the price at which the auction trading system would best satisfy its trading algorithm.
- **Timing** – the most recent point in time the trading interest was expressed and when the trading venue published the information.
- **The nature of the liquidity** – the type of trading system interest is expressed on, and the phase of the trading system interest is expressed on (e.g. 'on demand' during continuous trading or 'closing auction').

8.22 We proposed that, rather than amending UK RTS 1, we implement these requirements via a standalone set of rules in the FCA Handbook. We considered that this option would ensure that the equity CTP is provided with all necessary pre-trade data in a consistent form, while avoiding the need to make changes to the broader pre-trade transparency regime.

8.23 For quotes from CLOBs, we proposed that the equity CTP would consolidate this information to produce, for each instrument, a single attributed BBO across UK trading venues. We also proposed that the equity CTP would disseminate the following details:

- Date and time of the calculation of the BBO.
- Date and time the information was disseminated by the CTP.

8.24 Further to this information on the BBO, we also proposed that the equity CTP would disseminate the following pre-trade data for auctions:

- **The terms at which market participants are willing to trade** – including instrument identification code, lowest and highest auction price (and currency), volume weighted auction price, auction volume, and the trading venue conducting the auction.
- **Timing** – the date and time at which the price would best satisfy the trading algorithm and any modification of the price or quantity thereafter, and the date and time when the data related to the indicative auction price and size was disseminated by the CTP for equities to subscribers.

Summary of feedback

Proposed input table for data contributors:

- 8.25** Overall, most respondents broadly supported the proposed pre-trade input table for data contributors to the CTP. One respondent emphasised that it would provide a robust and comprehensive representation of equity trading activity.
- 8.26** Several respondents welcomed the fact that our proposed input table broadly aligns with that of the EU and suggested further technical changes to ensure further alignment – including to trading phase codes and the definition of ‘update date and time’.
- 8.27** Nevertheless, a few respondents – who generally agreed with our proposed input tables – suggested that, rather than implementing our requirements on input tables via standalone requirements as proposed, we should instead amend UK RTS 1 or incorporate all transparency requirements into the FCA Handbook. A couple of these respondents noted that this would enable changes to UK RTS 1 equity markets transparency requirements to apply automatically to standards for firms contributing data to the equity CT. Further, one respondent suggested that aligning with the EU approach (i.e. adapting RTS 1) would be easier for data contributors to interpret, especially if they operate across both jurisdictions.
- 8.28** In terms of respondents who disagreed with our proposal, one suggested that, to minimise costs for data contributors, the CTP should simply take their existing feeds – implying that we should not specify an input table. On the other hand, a further respondent suggested that we should adopt certain additional fields included in the US equity CT, including provisions for ‘round lots’ (i.e. a minimum number of shares that a quote must cover to be included in the BBO) and more detailed information on auctions.
- 8.29** Finally, two respondents did not express a clear view on our proposed input table. One respondent suggested that our draft rules did not provide sufficiently precise information for them to assess whether our proposals were feasible for data contributors. The other respondent stated that, in their view, data input standards would not be reliable unless there are mechanisms in place to enforce and address inaccuracies. We have addressed feedback on trade reporting accuracy and market transparency in Chapter 3.

Proposed output tables for the equity CTP:

- 8.30** Most respondents agreed with our proposed output tables for the equity CTP. Several respondents noted that our approach broadly aligned with that of the EU.
- 8.31** Some respondents who broadly agreed with our proposed approach nevertheless made the following points:
- One requested further clarification on how periodic auction prices would be attributed if multiple venues were holding such auctions.
 - One respondent asked for more detail on the granularity of timestamping.
 - A further respondent suggested we should consolidate pre-trade requirements in the Handbook, though not at the cost of delaying the implementation of the tape.

8.32 However, a few respondents disagreed with our proposal:

- One did not think that the CT should display the aggregated volume of quotes available at the BBO across all trading venues. Instead, they suggested that only the volume from the venue which posted the quote fastest should be displayed. In their view, this alternative approach would align with industry standards and avoid confusion.
- Another respondent suggested that, under our proposals, the equity CT would not publish sufficient information to users quickly enough. Notably, they suggested that we consider how the CTP should handle data streaming during the closing auction call phase.
- A further respondent noted that they did not agree with including pre-trade data in the equity CT.
- As per their response to our proposed input table, one respondent stated that, to minimise costs for data contributors, the CTP should simply take data contributors' existing feeds, with an implication that we should not specify an output table for the CTP.

8.33 Finally, one respondent did not express a clear view on our proposals but asked for further clarity on how the BBO will be computed and, if multiple venues offer the same prices, on how attribution will work. They also noted that they would want 3 to 5 layers of pre-trade data to be included in the equity CT.

Our response

Input table for data contributors:

We will proceed with our general approach to the input table for data contributors. We continue to consider that setting clear requirements via an input table is necessary to ensure that the equity CTP receives a consistent set of data that it can process and consolidate effectively. We do not believe it is necessary to amend UK RTS 1 to achieve this outcome and, based on feedback from most respondents, we consider our requirements are sufficiently detailed.

We have made a series of technical changes to further align our input table with that of the EU, to help reduce costs for data contributors operating across both jurisdictions. We have also adjusted the trading system codes in our final rules to make clear that only CLOBs and periodic auction trading systems will provide pre-trade data to the equity CT.

In response to the suggestion made by a respondent, following our consultation we sought views from a range of market participants and potential providers of the CT on whether there should be a concept of a 'round lot' for the equity CT. Most of those we spoke to said they did not favour this approach. Points raised included that excluding smaller orders on the basis they were not 'round lots' would mean the BBO did not reflect all available liquidity and was therefore less complete and accurate, particularly for retail investors. We were also told that it could increase complexity and create information asymmetries between the CT and

direct feeds. Finally, it was noted that this concept is not adopted in the EU. Based on this feedback, we will not have a concept of 'round lots' on the equity CT.

Output tables for the equity CTP:

We will also proceed with our broad approach to the output tables for the equity CTP.

Given the feedback received, we considered the best way to display and attribute quotes when multiple venues offer prices at the BBO. We sought views from a range of potential users and potential providers of the equity CT on this point, which overall indicated a preference for displaying the total market-wide volume and then attributing portions of this total volume to specific venues. Reasons given for preferring this option included that it would present a more accurate view of the total liquidity available at the BBO and would align better with the aims of the CT to support effective price formation and increase equity market transparency. We will therefore require the equity CT to publish the total market-wide volume and have adjusted our final rules to provide further clarity on this point.

We also want to clarify that, during the closing auction call phase, the equity CT will disseminate the indicative price that would best satisfy the auction's algorithm – as well as the lowest and highest auction price. In any circumstances where multiple auctions in the same equity occur at the same time, the equity CT would need to have arrangements to disseminate this information clearly to market participants.

As set out in Chapter 5, we have decided not to alter UK RTS 25, which specifies the requirements on the granularity of timestamps. In line with these requirements, we will require the CTP, and APAs sending information to the equity CTP, to timestamp data to 1 millisecond or better.

Equity post-trade transparency requirements

8.34 We proposed to use the existing information in UK RTS 1 as the input data to a UK CTP for post-trade data. Moreover, we proposed that:

- APAs should not be required to send to the CTP information about the time at which they received details of a trade from a client.
- The equity CTP should be required to print the date and time at which it has published a trade.
- The equity CTP should not be required to flag trades they or an APA think are potentially incorrect.

Summary of feedback

Whether APAs should be required to send information to the CTP about the time at which they received details of a trade from a client:

- 8.35** Most respondents thought that APAs should be required to send this information to the CTP, contrary to our proposal. These respondents outlined various advantages of providing the information to users. They said that it would help users understand and monitor the latency of data from APAs, it could help identify potential trade sequencing and reporting inconsistencies in the market, and it could be used for auditing purposes. A few respondents noted that the EU requires APAs to send this information to the CTP, and supported aligning with their requirements.
- 8.36** However, some respondents supported our proposal and did not think APAs should be required to send this information to the CTP. Points raised included that this information may not be useful for trading purposes and including it in the CT could potentially increase costs for the CTP.

Whether the equity CTP should be required to print the date and time at which it has published a trade:

- 8.37** There was strong support for our proposal to require the equity CTP to print the date and time at which it has published a trade:
- A few respondents noted that users of the CT would benefit from having both the time at which an APA received the details of a trade and CTP publication times. This would allow them to measure the CT's latency and help identify potential delays in publication. Similarly, a further respondent noted the auditability and traceability value of CTP publication times for users and regulators.
 - A few respondents thought we should align our approach with that of the EU, which requires the publication of this data.
- 8.38** One respondent agreed with our proposal but noted that the reporting of trades could be deferred in certain circumstances. Accordingly, they said they would like the CT to identify which transactions were deferred trades.
- 8.39** Despite not raising an objection to our proposal, one respondent argued that this information would not help improve UK equity market data or structure.

Whether the equity CTP should be required to flag trades they or an APA think are potentially incorrect:

- 8.40** Most respondents supported our proposal not to require the CTP to flag trades that are potentially incorrect. Several respondents highlighted that requiring such trades to be flagged could cause operational difficulties, including mis-flagging trades that were reported correctly.

8.41 Key points made by these respondents included:

- One respondent noted that such a flag would not help CT users understand why information was incorrect.
- A couple of respondents said that potential errors should be managed bilaterally by the CTP and the data contributors rather than through public flagging, keeping this process efficient and cost-effective. However, one of these respondents stated that the CTP should retain discretion in deciding how to manage such errors.
- Another respondent suggested that APAs should be responsible for flagging potential data quality issues due to their proximity with firms submitting trade reports.
- One respondent noted that publishing real-time flags could result in mis-flagging and operational complexities. They suggested that data quality should instead be addressed at the point of data contribution by trading venues and investment firms, using established standards such as the FIX MMT framework.
- While they did not think that the CTP should flag potentially incorrect trades, a few respondents recommended that the CTP should be required to monitor data quality, to identify possible issues with data provided by contributors, and, when necessary, to alert them of potential errors. One respondent caveated this by saying that the CTP should perform systematic, rather than real-time, data quality checks.

8.42 On the other hand, a few respondents disagreed and argued that the CTP should be responsible for flagging potentially incorrect trades. Key points raised included:

- It could increase transparency around potentially erroneous data, which would improve data quality and reliability, and therefore trust in trade data.
- If the CT included an explanation of any data inaccuracies, this could help users adjust their internal analysis.
- The EU and US equity CTs both include such a flag.

8.43 One of these respondents added that, if the CT did include such a flag, the CTP would need to have transparent policies around how they flag trades and to provide the opportunity for challenge to data contributors and users.

8.44 A further respondent did not express a clear view on our proposal, noting the publication of flags identifying potentially erroneous trades has both advantages and disadvantages. In terms of advantages, they highlighted a public flag could incentivise data contributors, including APAs, to ensure strong data quality controls to avoid any reputational impact. They also said it would make market participants aware of trades subject to investigation, which they thought would aid their interpretation of the data, including for pricing purposes.

8.45 In terms of limitations of a public flag, this respondent stated that, in real time, potentially incorrect trades could only be flagged as 'under investigation' because further investigation would need to take place post publication. Regardless of whether flags are published, this respondent thought it was crucial that the equity CTP has controls in place that allow it to report potential issues to data contributors.

- 8.46** Separately, a few respondents stated that, if the CT offers a database of historical post-trade data, then it should have processes to clearly identify and flag potentially incorrect trades. One respondent suggested that any potential outstanding issues should be explained to users.

Our response

Given the feedback received, our final rules require APAs to send to the CTP information about the time at which they received details of a trade from a client.

In line with our proposals, our final rules require the CTP to print the date and time at which it has published a trade. This is consistent with the general approach to trade reporting, where trading venues and APAs are required to include the date and time of the publication of trades in their trade reports.

Finally, as proposed in our consultation, we will not require the CTP to flag potentially erroneous trades. We consider that such a flag may not help market participants understand why the data might be incorrect and could add 'noise' to the CT. However, the equity CTP may voluntarily choose to add a flag if it considers it would be useful, in discussion with its consultative committee. See Chapter 9 for further details on our approach to data quality concerns.

Regarding historical post-trade data, we will require the CTP to offer a database assembled in date and time order, with any subsequent amendments or cancellations reflected in the feed. See paragraph 8.56 for further details.

Regulatory data

- 8.47** We proposed that data contributors should be required to provide regulatory data on the status of financial instruments traded on a trading venue (ToTV), and on trading systems, to the equity CTP for publication. To clarify, our draft rules only proposed to apply this obligation to trading venues because they have the relevant information available to them.
- 8.48** We thought that this would support the market by providing a single source of authoritative data involving developments in equity markets. We also proposed to align our regulatory data fields with those of the EU, to enable consolidated data to be used across the UK and EU.

Summary of feedback

Whether the CT should publish regulatory data:

- 8.49** Most respondents broadly agreed with our proposal to require data contributors to provide regulatory data on the status of instruments and trading systems to the CTP. Several respondents noted that the CT publishing this data would help market participants determine whether a particular trading system is active or experiencing an outage. In their view, this would support orderly, transparent and resilient markets, and it would materially increase the value of the CT for users. Some respondents noted that other jurisdictions include regulatory data in their CTs.
- 8.50** One respondent also saw regulatory data as essential to accurately interpreting pre- and post-trade data. They said that, without the context provided by regulatory data, market participants could misinterpret gaps in trading activity as caused by a shortage of liquidity rather than by an instrument being temporarily unavailable for trading.
- 8.51** A few other respondents said they agreed that the CT should publish regulatory data, as it would support its status as a single, authoritative source of market data. However, they thought that the scope of the required regulatory data should be carefully calibrated. In their view, it is essential to include information on instrument status from the launch of the CT but information on the availability of trading venues may not benefit market participants and so may not need to be included on the CT.
- 8.52** Respondents who broadly agreed with our proposal nevertheless raised the following points:
- Several respondents flagged that trading venues may face issues communicating that they are experiencing an outage via their standard feeds for regulatory data. They suggested that we allow venues to use alternative means to communicate this information during outages.
 - A few respondents suggested that the proposal should only apply to venues and not to other types of data contributors. They noted that APAs are venues of publication and do not create or distribute instrument reference data. Additionally, as a non-trading system, they do not have different scheduled execution mechanisms.
 - One respondent stated that RFQ systems should not be required to submit data, where such data is not applicable.
 - One respondent raised that a 'trade away' signal was not essential but could be included if it did not introduce additional complexity. Alternatively, they suggested considering its inclusion at a later phase of implementation.
 - One respondent suggested that instrument status can be derived from the primary venue and that this requirement for the CT could therefore be removed to streamline processes and avoid duplication. They noted that regulatory data would not be subject to the proposed required standards on data transmission.

Whether we should align regulatory data fields with the EU:

- 8.53** Most respondents supported the proposal to align our fields for regulatory data with those adopted by the EU. Points raised included that our proposal could:
- Minimise complexity and cost for market participants, especially those operating in both jurisdictions.
 - Help harmonise data standards and ensure interoperability between the UK equity CT and EU equity CT.
- 8.54** A few of these respondents suggested technical changes, with the aim of further aligning our proposed regulatory data fields with those used by the EU. These included adjustments to trading system phase codes.
- 8.55** However, one respondent disagreed with our proposal on the grounds that they thought we should seek to align our regulatory data fields with the US, rather than the EU. They noted that the US consolidated tapes include additional regulatory information, such as price bands, trading halts and market-wide circuit breakers. They suggested that similar fields should be included in the UK equity CT.

Our response

We will proceed with our proposal to require data contributors to provide regulatory data on the status of financial instruments and trading systems to the equity CTP. To clarify, this requirement only applies to trading venues, not other data contributors such as APAs.

We consider that the equity CTP publishing this data will provide a single view of the status of instruments and trading systems, supporting the transparency and resiliency of equity trading.

We acknowledge the difficulties that trading venues may face communicating to the equity CTP that they experience an outage via standard means. Therefore, we have added guidance to our final rules clarifying that, when a trading venue experiences a disruption to its connection with the equity CTP, it may provide the required regulatory data by any reasonable alternative means (such as email).

Moreover, in line with feedback from most market participants, we will align the regulatory data fields with those in the EU and have made a few technical adjustments and additions to data fields to do so.

We do not consider that it would be appropriate to align our regulatory data fields with those of the US because of differences in our market structure. Notably, while UK trading venues are required to set out policies and arrangements for preventing disorderly trading conditions, they are not required to make public the price limits used in their volatility control mechanisms.

Historical post-trade data

- 8.56** We proposed that the equity CTP should offer a database of historical post-trade data. The aim of this proposal was to maximise the use of consolidated equity data by providing users with an authoritative benchmark of past trades.
- 8.57** In line with our approach for the bond CTP, we envisaged that the equity CTP would update this data daily and would be able to determine and impose fair use restrictions on those who buy the historical data. Under our proposals, the historical data published by the CTP would start with the first trade done after the CT starts operating.

Summary of the feedback

- 8.58** Most respondents agreed that an equity CTP should be required to make available a database of historical post-trade data. These respondents highlighted that the data could be used to conduct TCA, performance attribution, assessments of volatility, compliance monitoring and research. One respondent noted that they see historical analysis as a primary use case of the equity CT.
- 8.59** A few respondents also raised broader concerns with the current provision of historical post-trade data, stating that it can only be purchased directly from trading venues and can have significant licencing restrictions. Therefore, they suggested that the CT offering this database could help foster competition and enable more affordable access to equity historical post-trade data with fewer restrictions on its use. One respondent however noted that further consideration should be given to the extent to which the CTP will have discretion over fair use restrictions for this data.
- 8.60** Further arguments made in favour of our proposal included:
- A few respondents suggested that offering a historical post-trade database could make the CT more commercially viable and increase its utility, including for retail investors. Further respondents said it would support the equity CT becoming a centralised reference point for the market and help firms 'plug' data gaps if they experience technical issues.
 - One respondent considered that storage costs would be manageable given the volumes of post-trade data and that it would be a natural extension of the CT's consolidation function.
- 8.61** Some of these respondents also made specific suggestions about how such a database should be implemented:
- Some respondents, who broadly agreed with our proposal, suggested the provision of a post-trade historical database should be a standalone additional service to the equity CT. One of these respondents suggested that CT users should be able to purchase this historical data bundled with the equity CT to limit costs.
 - One respondent suggested that investment platforms were likely to integrate historical data from the CTP into their graphical user interface (GUI) to assist clients in making investment decisions. Therefore, they recommended that such data should be downloadable, accessible, and machine-readable.

- 8.62** On the other hand, a couple of respondents disagreed with our proposals. One respondent argued that such a database should be classified as a 'value added service' and that its provision would go beyond the core purpose of the CT. Another respondent cited potential operational and commercial difficulties to the equity CTP offering such a database. Notably, they argued that it would be challenging to transfer data between different equity CTPs over different contract periods. In their view, this could create an incumbency advantage and undermine competition in future procurement processes.
- 8.63** A couple of further responses were mixed. One respondent broadly supported the proposal but argued that, if the CTP charges for such a database, then it should pay for the underlying data on the terms MDVs do (i.e. for it to be treated as a 'value added service'). Another respondent supported the proposal only if it was feasible to implement and would not either delay the delivery of the CT or increase the costs.
- 8.64** Finally, one respondent sought clarity on whether we would impose any restrictions on users from building their own historical database using CT data.

Our response

We consider that the provision of a database of historical post-trade data is a core service of the CT. We take this view because this database will help us achieve our stated objectives for the equity CT: it would provide a single view for industry, enable broader access to historical post-trade data, and enable beneficial use cases for market participants. Further, we do not think that the provision of this data will undermine the CTP's economic viability.

Therefore, we will require the CTP to provide historical post-trade data, in alignment with our approach with our bond CT. In keeping with our approach to the bond CT, we consider that it is appropriate that the CTP provides this data to its users as a separate subscription service from the CT. Where the CTP makes historical data available separately from the CT, we will require the CTP to charge for access to that data.

In line with our approach to all core services offered by the equity CT, we will not require the equity CTP to pay for the underlying data. Instead, they will be able to use the same information sent by data contributors for real-time publication. We will use our procurement process and contract with the equity CTP to determine any restrictions on the pricing of historical post-trade data and licensing restrictions on its use.

Further, in line with our approach to the bond CT, we will not impose any restrictions on CT users building a historical database using data collected from the CT for their own internal use.

A database of pre-trade data

- 8.65** We also proposed that the equity CTP should provide a database of the pre-trade data it publishes, in the same format as historical post-trade data. See Chapter 9 for further discussion of data formats.
- 8.66** We thought this made sense given that the introduction of an equity CT aims to encourage the widest possible use of market data. However, we recognised that a very large amount of data that could be included in a pre-trade database. We therefore sought views on its potential use cases and whether the coverage of the pre-trade should be restricted.

Summary of feedback

Views on a database of pre-trade data:

- 8.67** Most respondents favoured the inclusion of a pre-trade database given it has several use cases. These include trading execution and market microstructure analysis, investment strategy testing and development, risk and compliance monitoring, and academic research. We note that some of these would complement the use cases of historical post-trade data, as set out in paragraph 8.58.
- 8.68** However, a few respondents disagreed with the proposal:
- One respondent thought that the provision of historical pre-trade data should be subject to separate commercial agreements, rather a regulatory requirement.
 - Another respondent stated that our proposal would create operational and commercial challenges for the CTP. Further, they argued that competition in future procurement processes could be undermined due to the incumbency advantage of the first entity appointed as CTP. This feedback was also raised in relation to our proposal for a database of post-trade data and is set out in paragraph 8.62.
 - One respondent believed our proposal would result in significant costs to the CTP. Therefore, they suggested that the FCA and CTP could explore the option of making this database a paid additional feature to mitigate costs.
 - One respondent stated that they did not agree with the inclusion of pre-trade data in the CT.
- 8.69** Further, some respondents provided mixed views:
- One respondent noted their support for the proposal, provided that it did not affect the costs for the CTP, and the timeline of the rollout of the first CT.
 - One respondent stated that the use case for this database does not exist. It suggested we consider the costs to the CTP of our proposal, and to cap the price of the database if it is provided as a value-added service.
 - Despite being against a CT including pre-trade data, another respondent thought that, if pre-trade data were included in the CT, a pre-trade database would be valuable, especially if, in line with our proposals, a post-trade database was also provided.

- A further respondent argued that there would be limited use cases for such a database because it would only include the first level of pre-trade data – aside from for academic research.

Views on whether database coverage should be restricted:

- 8.70** Of those that agreed with requiring the CTP to offer a pre-trade database, views were mixed on restricting coverage. A few respondents supported a rolling timeframe, with one respondent suggesting a retention window of 12 months. They suggested that this model would balance the costs of storing large volumes of data, and ensuring that market participants have access to useful data. A further respondent recommended a tiered storage model, based on data age, due to the technical and operational challenges of storing large volumes of data and guaranteeing low retrieval latency.
- 8.71** One respondent disagreed with restrictions on the database's coverage but suggested that there should be a charge for data downloads to manage the number of data requests.
- 8.72** Further respondents provided mixed or neutral views:
- A few respondents suggested that any potential restrictions on coverage should be a commercial decision for the CTP. One of these respondents thought such flexibility should also apply to the provision of historical post-trade data.
 - Another respondent suggested that, in setting any requirements on historical pre-and post-trade data, we should refer to the model used by the US equity CT.

Our response

We think that a database of historical pre-trade data would support our objectives for the equity CT, by providing market participants with a historical view of potential activity and available liquidity in UK equity markets. We also recognise the wide range of use cases of this data, as set out by respondents. Therefore, we will treat this database as a core service of the CTP.

However, we are aware of the high costs and operational complexities involved with the provision of such a database, which could potentially harm the CTP's economic viability.

As we believe that the equity CTP would be best placed to judge whether the provision of this database is economically viable, we will allow the CTP to provide a database of pre-trade data at its discretion. Allowing discretion enables the CTP to consider its resources, technical capabilities, and commercial considerations when determining whether and how to provide such a database.

For the same reasons, we will also allow the CTP to apply reasonable restrictions on the scope and accessibility of any pre-trade database, where appropriate. This includes decisions on coverage, retention periods, and access conditions. We consider this approach strikes an

appropriate balance between supporting the potential benefits identified by respondents and ensuring that requirements remain proportionate and deliverable.

Chapter 9

Our response to feedback on operational requirements

- 9.1** Following responses to CP23/15 and CP23/33, CP25/31 re-visited topics on operational requirements for the equity CT and CTP. We considered the specificities of equity markets and the market for equity trade data to propose several adaptations to the existing frameworks for bonds for the equity CT and CTP.
- 9.2** We identified possible issues with a few provisions, which we discuss in turn below:
- The application of SYSC 15A.
 - The conflicts of interest rules in MAR 9.2B.2R.
 - The data quality provisions in MAR 9.2B.32R.
 - The requirements on data consolidation in MAR 9.2B.33R.

Operational resiliency, including the application of SYSC 15A

Applying SYSC 15A to a single equity CTP

- 9.3** Our consultation proposed that a single equity CTP should be held to the highest standards of operational resilience, i.e. our SYSC 15A rules. We recognised concerns raised by firms potentially interested in bidding to be the equity CTP that applying such requirements could be expensive. However, we explained that, as we expect the equity CT will be an important piece of market infrastructure, market participants ought to be able to rely on it to provide continuity of service – notwithstanding the costs involved.
- 9.4** Most respondents to our consultation supported the application of SYSC 15A to the CTP. Several respondents agreed that the CT should be considered an important component of UK market infrastructure and therefore the CTP should meet the highest operational resiliency requirements.
- 9.5** A couple of these respondents highlighted the importance of applying SYSC 15A to ensure the CTP can withstand outages. One respondent noted that, if market participants solely relied on the CT as a data source, then its outage could cause significant disruption and impact price formation. They said we should consider this when setting impact tolerances for the equity CTP.
- 9.6** On the other hand, a couple of respondents disagreed with our proposal and suggested that applying SYSC 15A requirements to the CTP would be disproportionate. These respondents noted that they did not expect the equity CT to be directly used for trading. One respondent stated they expected it would be mostly used as display data and so applying the highest standards of operational resiliency would increase the CT's costs without delivering equivalent benefits. The other respondent said that the CT could look

to develop its operational resiliency standards over time, rather than SYSC 15A applying from its inception.

9.7 Finally, a couple of further respondents provided neutral or mixed responses:

- One respondent did not provide a clear view on SYSC 15A but generally supported high standards of operational resiliency for the equity CTP, similar to the EU's approach.
- Another respondent said they would prefer multiple equity CTPs, which they thought would reduce the need to apply SYSC 15A requirements (see below).

Applying SYSC 15A to multiple equity CTPs

9.8 Our consultation proposals were for a single equity CTP and, as confirmed in Chapter 6, we will appoint a single equity CTP for the first 5-year contract period. Nevertheless, Chapter 4 of CP25/31 sought respondents' views on this proposal given that it involves trade-offs compared to authorising multiple equity CTPs. In this context, we sought views on if we were to allow multiple equity CTPs, whether it would be necessary to apply SYSC 15A to them.

9.9 Responses were fairly evenly split on this question. Key points raised by respondents in favour of applying SYSC 15A if multiple CTPs were allowed included that some users would connect only to one CT and that applying SYSC 15A would help uphold high resiliency standards.

9.10 Respondents against the application of SYSC 15A to multiple CTPs argued that this model would reduce reliance on any single provider. Respondents also argued that the CT is more likely to be used for display data than trading functions and so thought the costs of applying SYSC 15A would be disproportionate.

9.11 Further, it was suggested that, under a multiple provider model, users should be allowed to switch CT supplier during a CT outage.

Our response

We will proceed with our proposal to apply SYSC 15A to the equity CTP to ensure the equity CT provides a consistent, high-quality service to the market.

As discussed in Chapter 3, we expect the equity CT to be an important source of data for a wide variety of market participants, so it is crucial that we consider appropriate safeguards to mitigate any operational risks posed by its outage. We therefore consider that, in line with our approach to the bond CT, applying the highest standards of operational resiliency to the equity CTP is proportionate.

We will also have further discussions with market participants, venues and potential bidders to determine if there are more detailed operational resiliency requirements we should apply as part of our contract with the equity CTP.

Consolidated Tape Providers and PS26/2

- 9.12** Looking beyond SYSC 15A, as part of continuing work to strengthen the resilience of the UK financial system, we worked with the Bank of England on a set of rules relating to reporting operational incidents that impact the regulators' statutory objectives and the reporting of material third parties that underpin firms' operations. The rules apply its provisions on reporting material third parties to CTPs, but not its provisions on reporting operational incidents.
- 9.13** We intend to consult on whether the operational incident reporting provisions should apply to CTPs and will set out our proposals in autumn 2026, alongside proposals on the distribution of income sharing. Further, we are considering whether to apply our proposed guidance on market outages for trading venues to the CTP, where relevant. See CP26/30 for further details.

Conflicts of interest

- 9.14** The conflicts of interest provisions in MAR 9.2B.2R apply to all DRSPs. As part of the bond CTP tender process, a bidder raised a question about what the initial wording of MAR 9.2B.2R(1) means in respect of a CTP:

'A data reporting services provider must operate and maintain effective administrative arrangements, designed to prevent conflicts of interest with clients using its services to meet their regulatory obligations, and other entities purchasing data from data reporting services providers.'

- 9.15** Indeed, a CTP does not have clients using its services to meet their regulatory obligations in the way an APA or an Approved Reporting Mechanism (ARM) does. Its clients will buy its data for a variety of regulatory and business reasons and those who provide a CTP with data are not its clients.
- 9.16** In our consultation, we acknowledged a degree of uncertainty in how the provision would apply for a CTP. Therefore, we proposed to amend the conflicts of interest rules applying to a CTP to more clearly align with the nature of their business. See paragraph 7.33 of CP25/31.
- 9.17** All respondents agreed with, or were neutral on, our proposed amendment to MAR 9.2B.2R. More generally, several respondents said they supported a strong and appropriate governance framework for the equity CT.
- 9.18** A couple of respondents noted the importance of the CTP being seen as a neutral and authoritative source of consolidated market data. They highlighted potential conflicts of interest, including with data contributors that it may compete with commercially, which they emphasised must be managed appropriately. Nevertheless, one of these respondents emphasised that governance requirements should be proportionate to avoid unnecessary operational burdens.

- 9.19** One respondent specified that they thought conflicts of interest should be annually reviewed and identified at a group level. A further respondent recommended additional measures which they thought would support a strong governance framework for the equity CT, including a consultative committee (with a majority of users being members), transparency of the CTP's operating costs and publication of meeting minutes.

Our response

We will proceed with our proposed changes to MAR 9.2B.2R, to ensure that there are clear and appropriate rules governing how a CTP must manage any conflicts of interest. We do not intend to set more prescriptive requirements in our rules because, as part of a wider regulatory framework and supervisory oversight for CTPs, we will require them to have strong governance frameworks. This includes establishing a consultative committee with minuted meetings.

Data quality

- 9.20** We proposed three amendments to MAR 9.2B.32R which contains provisions relating to a CTP's obligations to ensure data quality and reporting information. These were:
- **Require quarterly reports to us on data quality.** The bond CTP is required by MAR 9.2B.32R(4) to provide reports every 6 months to us on data quality but also has a contractual obligation to provide reports every 3 months on its operation including on data quality. Rather than have two similar reporting obligations with different frequencies, we proposed that the data quality reporting obligation in MAR 9.2B.32R should become a quarterly obligation for the equity CTP.
 - **A requirement for the equity CTP to have automated alerts for possible data quality issues.** These would apply where prices or volumes of trades were outside of certain parameters.
 - **Ability of users to raise data quality concerns.** A CTP must have a mechanism to allow users to raise any data quality concerns that they have.
- 9.21** More generally, we asked whether respondents agreed with our specific proposed data quality requirements for an equity CTP.

Quarterly reporting obligations

- 9.22** All respondents supported or were neutral on our proposal for quarterly reporting. Key reasons given included:
- Several respondents thought that this cadence of reporting would strengthen oversight of the tape, with some suggesting that 6-monthly reporting would not be sufficient. One respondent stated that quarterly reporting would be more appropriate because the equity CT would be of a greater scale and complexity than the bond CT. Another respondent suggested such reporting would help the equity CT build credibility during its initial implementation phase.

- One respondent stated they would expect the CTP to automatically generate data quality reports and so quarterly reporting should be achievable. They also thought that more frequent data quality reporting would support data contributors in more proactively improving their systems and controls, as well as establishing the CTP as a reliable source of information for the market.
- One respondent said that quarterly reporting would be in line with requirements in other jurisdictions, including the US.

9.23 A few respondents who generally supported requiring quarterly reporting nevertheless raised the following points:

- A couple of respondents emphasised that requirements on the content covered by the reporting should be proportionate. One of these respondents noted that otherwise it would be costly and time-intensive for the reports to be generated and reviewed.
- One respondent sought clarity on any differences in the frequency of reporting between the bond and equity CTs and asked us to consider whether to align reporting requirements.
- A further respondent suggested that data quality reports should be made public, to support accountability and transparency.
- More broadly, one respondent suggested that the FCA and CTP should conduct a study to assess current data quality to identify and address any potential issues.

Our response

We will proceed with our proposal to require the equity CTP to submit quarterly reports to us on data quality. We consider this cadence of reporting will enable us to deal with any issues that arise in a timely manner. We would expect the equity CTP to discuss with its consultative committee what type of information on data quality will be made public.

As above, our contractual arrangements with the bond CT currently require it to provide data quality reports to us quarterly. With the bond CT having just become operational, we do not think it is an appropriate time to be revising its obligations.

Automated alerts and data quality concerns

9.24 Most respondents supported our proposal to require automated price and volume alerts for potentially erroneous trades. Respondents observed that automated alerting enhances data quality and transparency by enabling rapid detection and resolution of any anomalies or errors in data feeds, thereby increasing confidence in the tape.

9.25 Further points raised regarding this proposal included:

- One respondent said that automated alerts should be sent from the CTP to data contributors, rather than streamed to users.

- Another respondent suggested that we should define parameters for the CTP's alerting system.
- A further respondent said feedback to data contributors should be provided in batches, rather than real-time, to ensure a manageable volume.

9.26 Most respondents also supported including a mechanism for data users to raise data quality concerns, suggesting that this would also help enhance the CT's data quality and so confidence in its output.

9.27 Moreover, a couple of respondents noted that CTPs in the EU are required to enable data users to flag any inaccuracies in the data they disseminate and supported alignment with this requirement.

9.28 Further points raised included:

- One respondent suggested that the mechanism for users raising such issues should be simple (e.g. email). They said that more complex mechanisms would be disproportionate and could increase costs for both the CTP and ultimately end users.
- This respondent also suggested that the CTP should be required to take appropriate action following concerns being raised.
- One respondent said that, regarding retail users, the focus should be on increasing understanding UK equity markets rather than reporting potential data quality issues.

9.29 More broadly, one respondent suggested that data quality checks by the equity CTP should be carried out in tandem with APAs. They also suggested that the CTP should have all off-venue data from APAs without filtering to enable further data quality monitoring. Finally, they proposed that the CTP should be able to stop broadcasting data from a data contributor if it considers it to be clearly erroneous.

Our response

We will proceed with our proposal to add requirements on automated alerts and a mechanism for data users to raise concerns about potential issues with the data published by the equity CTP. We expect the CTP to work with data contributors on the handling of issues of possible data errors.

It will be for the CTP to decide the parameters of its automated alerts, as well as how to receive and process potential issues flagged by users – in discussion with its consultative committee.

The CTP will be required to publish all correctly formatted data received from data contributors. Nevertheless, they will have the option, following discussion with market participants, to implement a data quality flag where there is the possibility that there might be errors in a post-trade report. See Chapter 8.

Specific data quality requirements

- 9.30** Most respondents agreed with our proposals for specific data quality requirements for an equity CTP. A couple of respondents emphasised the importance of good data quality to the effectiveness of an equity CT. A few further respondents thought that the requirements for an equity CT should be consistent with those for data contributors, including in relation to automated alerts (see section above).

Our response

We will proceed with our proposed data quality requirements for the equity CTP.

Data consolidation

- 9.31** MAR 9.2B.33R(2) contains a reference to data by a CTP being disseminated as soon as possible or 15 minutes after the first publication. We copied this provision across without amendment from provisions originally part of MiFID II. The '15 minutes' relates to the obligation MiFID II imposed on a CTP to make data available for free 15 minutes after it was first published.
- 9.32** We did not propose, as was the case with the bond CTP, to require the equity CTP to make the equity CT free after 15 minutes. Therefore, we proposed deleting the reference to data being distributed 15 minutes after first publication.
- 9.33** Many respondents to this question referred to their views on whether they agreed with our proposal that the equity CTP should not be required to make its data available for free after 15 minutes. See Chapter 7 for a broader discussion of this issue.
- 9.34** Some respondents indicated that they agreed with our specific proposal regarding MAR 9.2B.33R(2). They thought this would be consistent with our latency requirements, outlined in Chapter 5.

Our response

As proposed in CP25/31, we will remove the reference in MAR 9.2B.33R(2) to data being disseminated by a CTP 15 minutes after publication by a data contributor.

Data to the CTP

- 9.35** We proposed that the CTP will be able to choose to receive information from data contributors in one of the ways they currently publish transparency data. Based on our pre-consultation discussions with market participants, we understood that this was the most attractive model for potential equity CTP bidders. Potential bidders said that this would minimise the risk a data contributor was publishing data to the market but could not send the same data to the CTP. They may also prefer this approach because it aligns with the approach that the EU will take for its CTs.
- 9.36** Most respondents agreed with our proposal.
- A few respondents noted that leveraging existing technology could decrease costs and complexity for data contributors. A couple of respondents also thought this approach would increase flexibility for the CTP.
 - Further respondents noted that our proposed approach would ensure that the CTP receives data from the same feeds used in the market, mitigating the risk that it receives delayed or inconsistent data. A couple of respondents highlighted this benefit but also thought that our proposed approach could be more operationally complex for CTPs.
 - One respondent supported us aligning our approach with that taken by the EU.
- 9.37** One of these respondents reflected that, if we took an alternative approach and the CTP did not connect to an existing feed, then it would be unclear whether a data contributor should halt trading if its feed to the CTP (but not its proprietary feeds) had an outage. They suggested that this ambiguity would reduce the utility of the CT as it would be unclear if it could be used as a sole data source. Another respondent suggested that we consider adopting our proposed approach for the equity CT for the bond CT for its next contract period.
- 9.38** In terms of further points, a couple of respondents who broadly agreed with our proposal nevertheless suggested that the CTP would have flexibility to request data in a specific format. To clarify, requirements on data input are set by us (see Chapter 8) rather than individual CTPs.
- 9.39** Some respondents also made comments regarding the formats data contributors should use to send data to the CTP, including that certain data transmission protocols should be preferred; that the CTP must receive the fastest feed from data contributors; and scepticism regarding whether that whether we should set standards for data contributors' feeds. See Chapter 5, Chapter 8 and the section below for further discussion of these points.
- 9.40** Finally, one respondent disagreed with our proposal. They preferred a framework that aligns with the bond CT, under which the CTP would build an open-source API to receive post-trade data. They thought this would ensure that all contributors send data using existing infrastructure in a standardised way.

Our response

We will proceed with, as we consulted on, allowing the CT to choose from feeds that data contributors provide to the market to receive the input data for the CT. The responses confirmed that this approach will work well for potential bidders and data contributors. Our latency requirements (Chapter 5) and requirements on data transmission (see next section) will ensure that whichever feed is chosen will send and transmit data with a suitable latency.

Arrangements for sending information to the bond CT when the contract is let again will be considered as part of our review of the implementation of the bond CT.

Standards for data transmission to the CTP

- 9.41** In CP25/31, we did not propose to require data contributors to transmit data to the CTP using a format that complies with the International Organization for Standardization (ISO) 20022 methodology. This reflected concerns raised to us by firms about the suitability of this methodology for real-time data feeds. Instead, we proposed to give market participants the flexibility to decide the format which works best for them.
- 9.42** We proposed that any feeds used by data contributors to send information to the equity CTP must adhere to standards covering performance, reliability, security and compatibility – specified by primary Open Systems Interconnection (OSI) layers. This approach would help ensure international regulatory alignment as it is similar to that adopted by the EU.

Summary of feedback

Views on whether to require use of ISO 20022 methodology:

- 9.43** All respondents to this question supported our proposal not to require data contributors to send input data using ISO 20022. Most of these respondents argued that data contributors should have the flexibility to choose the most appropriate transmission protocol.
- 9.44** Key points provided by respondents for preferring this approach included:
- Some respondents said that data contributors would be subject to significant development and implementation costs if required to adapt to ISO 20022, without a material improvement in data quality.
 - A few respondents thought that ISO standards were not suitable for large volumes of low-latency data and stated they are not adopted by the market for real-time equity markets reporting.

- One respondent said that the adoption of ISO standards for CTs in the EU has been a source of confusion.

- 9.45** A couple of these respondents argued that adopting standard formats and channels that are more commonly used by the industry would instead reduce implementation costs for data contributors. Relatedly, one respondent suggested that we grant the option to the CTP to require contributors to comply with certain data standards, to reduce its own costs.
- 9.46** Further, some respondents said that setting standardised input tables, that align with that of the EU, is more important than specifying a transmission protocol. See Chapter 8 for further details on what data we will require data contributors to send to the CTP.
- 9.47** Finally, while most respondents said we should give market participants the flexibility to decide what standards they adopt to transmit data, some respondents stressed that, as per our proposals, transmission protocols should be open source. They also suggested that the CTP should be granted the ability to reject formats that are uncommon or incompatible with our requirements.

Views on proposed transmission standards:

- 9.48** All respondents were broadly supportive of the principle of implementing standards on the transmission of data to the CTP across performance, reliability, security and compatibility. Further, a few respondents flagged that they supported that our proposals broadly aligned with that of the EU and existing industry standards.
- 9.49** However, several respondents suggested that our proposed drafting of such standards may be too prescriptive and suggested technical changes to address this. Further, a couple of respondents suggested that, to ensure our standards are proportionate, they should be scaled to the volume and scope of data that a contributor sends to the CTP.
- 9.50** Finally, one respondent recommended we align our approach to that adopted in the US, rather than in the EU. This respondent also suggested potential additional requirements, notably the use of a specific transmission protocol for post-trade data.
- 9.51** Separately, one respondent appeared to interpret the proposed requirement that, following the sending of data, it must be transmitted to the equity CTP in no less than 50ms as a general latency requirement. See Chapter 5 for further clarification.

Our response

We will proceed with our proposal to not require the data contributors to transmit specified input data to the equity CTP using the ISO 20022 methodology. Instead, we will allow contributors to transmit data using methodologies of their choice – provided they adhere to our standards on performance, reliability, security and compatibility.

Based on the responses received, we consider that this is the most cost-effective approach for data contributors and is compatible with a high-quality equity CT. We consider that applying the same transmission standards across data contributors will help the CT to effectively and consistently consolidate data.

In line with the feedback received, we have made several technical changes to these standards. Where appropriate, these changes make our standards more principle-based and less technically prescriptive, to provide data contributors with greater flexibility to design efficient transmission mechanisms.

Data formats

- 9.52** We proposed to require the CTP to disseminate the equity CT using the same machine-readable formats as for the bond CT: GUI and at least 2 machine-readable formats: Application Programming Interface (API) and Comma-separated Values (CSV); and historical data in GUI and at least 1 machine-readable format. Our proposals aimed to ensure that CT data could be both ingested into data systems and also be made available through screen access.
- 9.53** Most respondents agreed with our proposal. Key points raised included:
- A couple of respondents said that our proposal would help enable both the equity and bond CTs in the UK to be used together at a lower cost. It was suggested that this could improve cross-asset monitoring and historical trade analysis.
 - Further respondents noted that requiring the CTP to offer a variety of different formats would enable different market participants to use the CT for a variety of purposes. One respondent noted that the formats used by the CT should not require users to make investments to access or ingest CT data.
- 9.54** Nevertheless, some of these respondents provided views on specific proposed data formats:
- **GUI:** One respondent further recommended that we require the CTP to ensure its GUI format is browser-based and not a standalone application. Conversely, some respondents were unsure of the justification for a GUI build. They stated this would be expensive to build and maintain, especially given their expectation that many data users will continue to receive data via MDVs.
 - **Machine readable formats:** One respondent suggested that API should be the machine-readable format and noted that FIX MMT is the current industry standard. A couple of respondents thought CSV has limited utility and may not be suitable for large amounts of data.
- 9.55** Another respondent stated that, in the EU, the equity CTP will offer clients the option to connect directly to its data centre for low latency dissemination and argued that regulation should not restrict this.

Our response

We will implement the format requirements for data dissemination that we consulted on in CP25/31. The feedback suggests they provide appropriate flexibility for the needs of different data users. We recognise that there are additional costs in requiring GUI access, but we think that it is important as part of ensuring there is the widest possible access to the CT data, including for retail users.

Our regulation will not restrict the CTP from offering lower-latency dissemination to users prepared to pay a premium.

Notice of price changes

- 9.56** We proposed to change the current 90-day requirement for the notification of changes in price for both the equity and bond CT to 30 days. This was because we felt that a 90-day requirement created a degree of complication for the CTP in taking account of market developments in deciding on price changes, including relative price changes for different licence types.
- 9.57** A small number of respondents agreed with changing the requirement. One of these respondents stated that, if we reduce the notice period to 30 days, we should also reduce the notice period for clients of the CTP to cancel their contracts with the CTP to 30 days in the event they are not satisfied with the price change.
- 9.58** However, most respondents disagreed with our proposal. They suggested the existing 90-day notice period is already a short period which may be difficult for firms to manage. So, they thought a 30-day notice period would be insufficient and could cause operational and compliance issues for data redistributors and users. One respondent recommended a 120-day notice period but said that, if this was not feasible, 90 days should be the minimum.
- 9.59** Some respondents also said that retaining a 90-day notice period would align with common industry practice among data contributors and the EU's requirements. One respondent suggested that if the equity CTP was allowed a shorter notice period than UK trading venues then this would provide it with a competitive advantage.
- 9.60** Another respondent argued that, although the CTP may be subject to controls over pricing, this is not a strong reason for a shorter notice period. Separately, one respondent asked in which circumstances an equity CTP could potentially change its prices.
- 9.61** Finally, one respondent provided a mixed response. They suggested that price decreases should be permitted with a 30-day notice period, but that price increases should require a 90-day notice period and FCA approval.

Our response

Given the risk of operational complexities for data users and redistributors flagged by respondents, we will not reduce the notice period for price changes to 30 days. Instead, we will retain the required 90-day notice period for both the bond and equity CTP.

As part of our procurement process, and in the contract with the equity CTP, we will set out the circumstances when any price changes may be permitted and the governance process around this.

Other provisions

- 9.62** We also sought views on amending MAR 9.2B.14R (Other services provided by CTPs), MAR 9.2B.33R(3) (Providing the FCA with direct access to the CT) and MAR 9.2B.38R (Unbundling market data for the CT for bonds) so that they apply to the equity CT and/or CTP as well as the bond CT and/or CTP. Most respondents agreed with the proposals, saying they would help ensure regulatory consistency (including alignment across the bond and equity CTs) and set clear obligations.
- 9.63** Several respondents highlighted their support for applying our proposed MAR 9.2B.14R to the equity CTP (i.e. a restriction on the CTP entity providing any additional services using information it receives in its capacity as the CTP). They thought this would mitigate the risk of the equity CTP gaining an unfair competitive advantage and would increase trust. One respondent suggested this was especially important if we did not require revenue sharing (although, as per Chapter 4, our final rules set a high-level requirement for the CTP to share income with data contributors).
- 9.64** Further, while our proposals defined the provision as historical pre- and post-trade data as a core service, a couple of respondents suggested that the equity CT should be permitted to disseminate raw data only. One respondent said that the FCA should provide the CT to mitigate the risk that the CTP has poor governance arrangements.
- 9.65** Some respondents also highlighted their support for the proposed MAR 9.2B.38R requirement that the CTP must make market data available without it being bundled with other services. Respondents argued this would help lower the cost of data for users and ensure that the CTP competed with other data providers on a level playing field.
- 9.66** Additional points raised include:
- One respondent agreed that, under our proposed MAR 9.2B.33R(3), the equity CTP should provide the FCA with direct and immediate access to the CT. They also agreed that with our proposal to set minimum uptime requirements for the equity CT (i.e. MAR 9.2B.13R) to ensure operational resiliency.
 - A further respondent said they agreed with our proposed requirements on business continuity and IT arrangements and thought our rules on consultative committees should allow for differences in equity and bond market structure.

Our response

We will proceed with our proposal to amend the rules in MAR 9.2B.14R, MAR 9.2B.33R(3) and MAR 9.2B.38R, so they apply to the equity CT and CTP as well as the bond CT and CTP.

Regarding MAR 9.2B.14R, we consider that the provision of historical post-trade data and, if the equity CTP chooses to provide it, historical pre-trade data constitute core services. We have therefore clarified our drafting to make it clear historical data is not in scope of the restriction on the equity CT entity offered value added services. See Chapter 8 for further details.

More broadly, through our rules, the contract with the CTP and our supervisory approach, we are seeking to ensure that the CT is provided in a way that enables all data providers seeking to offer value added services, using data from the CT, have an equal ability to compete in the provision of such services.

Finally, we have removed our proposed rules on minimum uptimes (within draft MAR 9.2B.13R) because, on reflection, we think such requirements are better suited to our contract with the equity CTP.

Other issues

Best execution

- 9.67** The CT is a potential source of relevant data for best execution arrangements and monitoring. In our consultation, we indicated that, in line with their obligations under COBS, respondents should consider whether an equity CT could help them best meet their best execution obligations. We did not propose to add specific provisions to the Handbook on best execution and the CT. We sought respondents' views on both these points.
- 9.68** Most respondents agreed that if the CT meets its objectives, then it will be a naturally valuable input into firms' best execution and monitoring frameworks. Most respondents also agreed with our proposal that a specific provision on best execution and the CT should not be added to the Handbook. Respondents thought such a provision would imply that consumption of CT data is mandatory. As discussed in Chapter 7, we will not require mandatory consumption of CT data.
- 9.69** One respondent raised a concern that, if we do not add a specific provision to the FCA Handbook, then this could understate the market-wide importance of the BBO displayed on the CT. As noted in Chapter 7, a couple of respondents suggested that we should consider whether access to, or use of, CT data should be expected where it would materially support firms (e.g. retail brokers) in meeting their best execution obligations or should specifically be recognised as a preferred source of data for this purpose.

Our response

We will not add specific provisions to the Handbook on best execution and the CT, to avoid the impression that consumption of the CT is mandatory.

UK RTS 3

- 9.70** In CP 25/31 we proposed to delete all references to a CTP in the UK version of MiFID RTS 3 (Commission Delegated Regulation 2017/577) (which covers the provision of data to the FCA for transparency and other purposes) because they are unnecessary given the obligation we are imposing on the equity CTP to provide us with data from the CT.
- 9.71** All respondents supported the removal of references to a CTP in the UK version of RTS 3. Most respondents stated they supported the removal of duplicative references for clarity and consistency with the new CT framework. One respondent stated consolidating all relevant information within the FCA Handbook will improve clarity in understanding the application of relevant regulation.

Our response

We will delete all references to a CTP in the UK version of RTS 3.

Clock synchronisation

- 9.72** Article 50 of MiFID introduced a clock synchronisation obligation for trading venues and their members. These obligations did not cover APAs and CTPs who also have time stamping obligations for publishing trades, creating a gap in the approach to synchronising clocks for trade reporting. We proposed in CP25/31 that the CTP and APAs be subject to the same clock synchronisation requirements as trading venues, to ensure consistent approaches to time stamping. As we do not have the power to amend UK RTS 25, we proposed to have a provision in the Handbook.
- 9.73** All respondents provided supportive or neutral responses to this question. Key points included:
- Several respondents stated that clock synchronisation will help ensure accurate timestamping that will enable different types of trades to be properly understood in relation to one another.
 - Several respondents also noted that our proposals broadly align with the EU's approach, although one respondent suggested that in future we could consider opportunities for further alignment.
- 9.74** A couple of respondents also raised broader points:
- One respondent recommended that the CT's clocks should be synchronised to sub-microsecond or nanosecond accuracy.

- Another respondent noted that certain types of trading venues (i.e. those that rely on more manual processes) are only required to timestamp trades to the second. They suggested this may pose issues regarding the CTP's sequencing of messages.

Our response

We will implement the rules on timestamping we proposed in CP25/31 for APAs and CTPs. The differences in timestamping granularity between different trading venues' mechanisms, that were part of the original MiFID II rules on time stamping, reflected differences in the way trading mechanisms operate. Those differences have not gone away and therefore we are not proposing to change the broader timestamping rules.

See Chapter 5 for a broader discussion of our latency requirements for data contributors and the CTP, and the timestamping of trades.

Chapter 10

Consultation on the inclusion of SI quotes in the equity CT

- 10.1** In CP25/20 and CP25/31, we discussed the question of whether quotes provided by SIs should be consolidated by the equity CT. We recognise that SI quotes are different from those displayed by trading venues; their pricing can be bespoke, and they are not addressable by all market participants in the same way that prices on trading venues are. Nevertheless, we consider that SI quotes can give a useful indication of bilateral liquidity available in the market and can play a role in price formation. Therefore, we said that if we include pre-trade data from trading venues in the CT then there is an argument for the CTP also consolidating SI quotes.
- 10.2** We consider that the extent to which SI quotes contribute to price formation depends on whether they are:
- Representative of an SI's genuine trading intentions.
 - Straightforwardly visible and accessible to a wide range of market participants.
- 10.3** On the first point, CP26/30 discusses the broader SI transparency framework and makes proposals intended to improve the quality and consistency of SI pre-trade transparency. This includes a proposal aimed at strengthening the link between SIs' quotes and the prices and volumes that SIs are prepared to buy and sell. Our proposal retains the ability for SIs to offer price improvement for individual transactions.
- 10.4** On the second point, we expect the equity CT to play a key role in increasing the use of clear, consolidated UK equity trade data across a wider range of market participants. We therefore think that including SI quotes in the CT would help ensure that they are as visible as possible.
- 10.5** As a result, in CP25/31, we discussed a range of different ways by which we could include SI quotes in the equity CT. To help us decide whether to make consultation proposals on SI quotes, we asked if respondents saw a case for being able to view, via the equity CT:
- 1.** All quotes that equity SIs are required to make public under Article 15 of UK Markets in Financial Instruments Regulation (MiFIR, Regulation (EU) No 600/2014).
 - 2.** The BBO of SI quotes in each liquid equity instrument.
 - 3.** The subset of SI quotes made public under Article 15 of MiFIR that are within the BBO, derived from transparent trading venues, for an instrument.
- 10.6** We also sought information on:
- The potential costs for SIs of providing their quotes to the equity CTP.
 - The complexity and costs for the CTP of being required to publish a subset of SI quotes or the BBO from among SI quotes.

- 10.7** This chapter summarises the responses received to CP25/31 on this topic, before setting out our analysis and proposals in draft rules for consultation. Our consultation will close for responses on 16 October 2026.

Responses on whether to include SI quotes in the equity CT

Responses supportive of including SI quotes

- 10.8** A few respondents supported the inclusion of attributed SI quotes and raised the following points:
- SIs account for a rising proportion of UK trading volumes and their quotes can be considered addressable liquidity.
 - Including SI quotes could help ensure a 'level playing field' between trading venues and bilateral liquidity providers.
 - SI quotes can support price formation and help market participants assess execution quality, especially for less liquid instruments.
- 10.9** One respondent only supported including SI quotes within the venue BBO and above standard market size (SMS), arguing that only this subset meaningfully contributes to price formation.

Responses against including SI quotes

- 10.10** Around half of respondents disagreed with including SI quotes in the CT. A key point raised was that their inclusion could potentially be misleading for market participants.
- Some respondents highlighted that SI quotes are bespoke and only accessible to an SI's clients, not market participants more broadly. They suggested that their inclusion in the CT could cause market participants to misunderstand the liquidity available to them. Albeit one respondent noted that recent technological developments in bilateral liquidity provision have increased the accessibility of SI quotes.
 - Respondents also noted that SI quotes may not be representative of the prices at which SIs are willing to execute trades with clients. A few respondents suggested that pre-trade transparency is better suited to trading venues, rather than SIs which take on risk to offer quotes to individual clients. They were of the view that SIs primarily publish quotes to fulfil their regulatory obligations. A further respondent stated that SI quotes often track the BBO on lit trading venues.
- 10.11** One respondent said that displaying SI quotes alongside venue quotes on the CT could create a 'false equivalence' between these different forms of liquidity. While they believe recent relative declines in CLOB trading are due to more structural factors, they expressed concern that the inclusion of SI quotes in the CT could reduce CLOB trading volumes – or be perceived to do so. They said that this could lead to new restrictions on SI trading, which they would not support.

10.12 Another point raised was that publishing SI quotes on the CT may not deliver market-wide benefits, and so would not be worth the cost and complexity of doing so.

- A few respondents suggested that SI quotes are already straightforward to access because the vast majority are currently published by a firm in a consolidated form free of charge. One respondent said that including SI quotes would increase the CT's price. Another emphasised that, if SI quotes are included, this should be done in a cost-conscious way.
- One respondent suggested that the inclusion of SI quotes would diverge from the EU's approach and said that would not be helpful.
- A further respondent noted they favoured a post-trade only equity CT and said the options for including SI quotes were complex.

Mixed responses

10.13 Several respondents had mixed views on whether we should include SI quotes.

- A few respondents suggested that, theoretically, SI quotes should be included in the equity CT. Reasons given included that the equity CT should consolidate all addressable liquidity and price forming quotes. However, these respondents said that the current SI transparency regime needed to be re-calibrated, suggesting that expectations regarding the quality of SI quotes should be made clearer. In the meantime, they suggested either not including SI quotes until such changes had been made or including only quotes within the venue BBO. One respondent suggested we should work to ensure consistency with the approach to SI quotes taken by other jurisdictions, including the EU (under current EU regulations, SI quotes will not be included in the EU equity CT).
- Further respondents suggested that, at this stage, arguments for and against including SI quotes are finely balanced. Respondents suggested that including SI quotes could contribute to price formation and provide a more comprehensive view of the market. However, they also raised the following concerns regarding their inclusion:
 - It could duplicate or distort the interpretation of the CT venue BBO. It may create 'noise'.
 - The CT should be a reference point for understanding total UK market addressable liquidity but, with the inclusion of SI quotes, it could be difficult for users to interpret the liquidity available to them.

Responses on options for displaying SI quotes

10.14 A range of respondents provided further views on how SI quotes should be displayed, if we were to require the CTP to consolidate them. Overall, most respondents preferred either publishing an aggregated SI BBO and/or publishing SI quotes within the CT's venue BBO. Slightly more respondents preferred the latter option. There was little support for publishing all quotes which SIs are required to make public.

Views on an aggregated SI BBO:

- 10.15** One respondent who preferred an SI BBO said it could complement the lit venue BBO and increase transparency, while making clear that SI quotes are not addressable by all market participants. However, another respondent considered the SI BBO may only include small, transient orders that may not be executable, and thought this could undermine confidence in the CT.

Views on publishing SI quotes within the CT's venue BBO:

- 10.16** Respondents who preferred publishing SI quotes within the CT's venue BBO noted that this would highlight any price improvement by SIs. One respondent argued only quotes above SMS should be published.
- 10.17** A further respondent noted that there would be a delay between venues publishing their BBOs and SIs using such data to inform their quotes. They suggested that we should introduce a new pre-trade flag to indicate whether SI quotes intend to improve on currently available prices. They said only such quotes should be included on the CT and stated this option would be more straightforward for the CTP to implement.

Further points:

- 10.18** Several respondents raised broader points about how they thought SI quotes should be displayed:
- Some respondents emphasised that SI quotes should not be commingled with venue quotes as this may lead to confusion about the liquidity available to market participants and could cause technical issues.
 - A few respondents said that users should be able to filter out SI quotes from the equity CT's display.
 - One respondent argued it was important to align with the EU and sought detailed examples on how SI quotes could be displayed.
 - One respondent said SI quotes on the CT should be anonymised.

Responses on the potential costs of including SI quotes

Potential costs for SIs

- 10.19** SIs are currently required to make public firm quotes via reliable arrangements that comply with UK RTS 1 requirements. Several respondents emphasised that we should allow SIs to send quotes to the CTP via their existing arrangements for making their quotes public (rather than requiring them to connect directly to the CTP's infrastructure). They said this would be cheaper and less complex for SIs, with one respondent stating that SIs should not incur any incremental costs. A few respondents suggested any costs for SIs contributing data would be similar to those for trading venues and APAs. However, one respondent said that, depending on their existing arrangements, SIs may need to upgrade and maintain their connectivity systems to provide real-time data to the CTP.

- 10.20** Views were mixed on whether firms that publish quotes on behalf of SIs would incur any extra costs. One respondent suggested that they would be able to connect to the CTP at minimal additional cost. However, a few respondents said that they may incur extra costs, which could lead to SIs paying a higher price for making their quotes public.

Potential costs and complexity for CTP

- 10.21** Several respondents thought that including SI quotes could potentially increase complexity and cost for the CTP. A key point raised that, given the large number of SIs, their quotes would be a significant amount of extra data for the CTP to consume and process. One respondent estimated that this would increase the CTP's annual costs by approximately £2 million.
- 10.22** One respondent suggested that there may not be a significant difference between different options for displaying CT quotes, as the CTP would still need to consume all SI quotes. Other responses indicated that costs may differ between different options. Key points included:
- It could be challenging for the CTP to filter SI quotes (i.e. to calculate an SI BBO or only publish quotes within the venue BBO). For instance, it could require additional processing logic that would need to be monitored.
 - It may be easier for the CTP if SIs connect to it using their existing arrangements for making quotes public – if latency and reliability requirements could be met.
 - Presenting SI quotes separately to venue quotes could also increase costs as they would need to be processed and stored in parallel.
- 10.23** In line with paragraph 10.12, some respondents expressed concern that the inclusion of SI quotes would increase operational risks for or slow the delivery of the CT. Overall, they argued that, at least at this stage, the potential benefits of inclusion did not outweigh the cost or risks.

Analysis and proposals for consultation

- 10.24** We have considered the feedback received to CP25/20 and CP25/31 on the potential inclusion of SI quotes. We have also developed our thinking on the SI transparency regime, as set out in CP26/30.
- 10.25** Based on this analysis, we consider that there is a compelling case for requiring the CTP to publish attributed SI quotes – displayed separately to pre-trade data from venues. SIs are, by definition, systematic, substantial and frequent bilateral liquidity providers in UK markets. We agree with the point raised by several respondents that their quotes differ from those displayed on trading venues, as they are bilateral and are not addressable in the same way by all market participants. Nevertheless, where SI quotes are reflective of market conditions and actionable trading interest, we consider that they can play an important role in supporting price discovery in UK markets.

- 10.26** Moreover, given recent increases in the relative volume of trades executed via the SI regime and other bilateral execution mechanisms, we consider that all market participants should have good visibility of the range of liquidity available across the market. We expect that the equity CT will play a key role in increasing the use of clear, consolidated UK equity trade data across a wider range of market participants. We therefore consider that requiring the CTP to publish SI quotes will be an effective way to ensure that information on SI quoting activity is straightforwardly accessible. We think that quotes should be attributed to provide transparency on which SIs offer the most competitively priced liquidity and to potentially incentivise SIs to improve the quality of their quotes, as part of the process of publicly competing with other SIs.
- 10.27** However, we recognise concerns raised by respondents that, currently, the practical contribution of SI quotes to price formation can be uneven and is often limited by the way that SI quoting framework operates. To help address such issues, CP26/30 presents a range of proposals to improve the quality and consistency of the SI quoting framework. We plan to finalise changes to it before the equity CT goes live, to ensure that the CT consolidates high-quality data that provides meaningful information to market participants.

Question 1: Do you agree with our proposal, alongside our proposed changes to the SI transparency regime, to require the CTP to publish some consolidated information on SI quotes (presented separately from pre-trade data from venues)?
Y/N. Please give your reasons.

- 10.28** We want to ensure that the way that any SI quotes are consumed by and displayed on the equity CT maximises their informational value for users, while remaining operationally feasible for the equity CTP and those who would provide SI quotes to the CT.
- 10.29** To that end, we propose that, while SIs would be required to send their quotes to the equity CTP, they could do so via the existing arrangements they use to make their quotes public in line with UK RTS 1. We agree with the points raised by several respondents that this approach could reduce costs and complexity for both SIs and the CTP. This approach would align with our requirements on trading venues contributing to the equity CT.
- 10.30** We need to ensure that, regardless of the arrangements they use, all data contributors send data to the equity CTP in a format that contains the necessary data for consolidation and is quick enough to enable a wide variety of use cases. We therefore propose that any arrangements which SIs use to send quotes to the equity CTP can meet the following requirements:
- **Latency:** SIs would have 50ms for the quotes to be sent to the CTP. Once the quotes are sent to the CTP, they would have an additional 50ms for this data to be transmitted to the CTP. SIs will remain subject to existing timestamping requirements under UK RTS 1.

These latency requirements would align with those for quotes from trading venues which would be published on the equity CT (i.e. those from CLOB and periodic auction trading systems). We consider this alignment will help give market participants a clear view of liquidity.

- **Data Fields:** Our draft rules propose input tables specifying the data which SIs would need to ensure is sent to the equity CTP, and output tables specifying the information which the CTP would publish. These proposed tables broadly align with other final rules for trading venues but are adapted to reflect that SIs are not trading systems.
- **Transmission Protocols:** In line with our approach for all other data contributors, we propose that the transmission protocols used by SIs would be subject to the same standards covering performance, reliability, security and compatibility.

10.31 In line with our approach to historical pre-trade data from trading venues outlined in Chapter 8, we propose to allow the CTP to provide a database of SIs pre-trade data at its discretion.

10.32 We do not propose to require SIs to publish regulatory data because we think, in general, outages of SIs are likely to have a less significant market-wide impact than outages of trading venues.

Question 2: Do you agree with our proposed requirements regarding the arrangements that SIs must use to send quotes to the equity CTP? Y/N. Please give your reasons.

10.33 As explained at paragraph 10.5, CP25/31 sought views on three options by which SI quotes could be displayed on the equity CT. Based on the responses received, and further discussions with market participants, including potential bidders to provide the equity CT, we summarise our thinking on the key advantages and disadvantages of these different options below:

Options	Advantages	Disadvantages
Publishing all quotes that equity SIs are required to make public under Article 15 of MiFIR	The most complete and comprehensive representation of SI liquidity. This option would likely be the most effective in incentivising competition on pricing between SIs.	A very high volume of data, which would require more bandwidth from CT users to consume. Would likely result in divergence between the number of visible quotes from trading venues and those from SIs.

Options	Advantages	Disadvantages
Publishing the BBO of SI quotes in each liquid equity instrument	This option may still provide a meaningful view of SI liquidity, with lower bandwidth requirements for users. It would align with the way pre-trade data is consolidated and displayed from trading venues.	An SI BBO would not capture the full range of SI quotes. The CTP would need to develop methods for resolving technical issues (e.g. locked and crossed markets). The CTP may incur processing costs (albeit, likely not to the extent on publishing a subset of SI quotes).
Publication of the subset of SI quotes within the public BBO from trading venues for an instrument , which are made public under Article 15 of MiFIR	This option would clearly highlight SI quotes which improve on the BBO. Some users and bidders argue this is the most useful information.	This option could be the most operationally complex and costly for the CTP to implement (as it requires processing of both SI quotes and the BBO simultaneously).

- 10.34** We have considered whether implementing any of these options would pose any risks to UK market structure. During discussions regarding this topic, one firm raised a concern that either publishing all SI quotes or publishing the BBO of SI quotes could lead to further declines in CLOB trading volumes by promoting trading on SIs. They gave this as a reason for preferring the publication of a subset of SI quotes within the BBO for an instrument.
- 10.35** As discussed in the PS, we cannot be certain how the equity CT will impact UK market structure because it is a novel intervention. However, Chapter 3 explains that, based on the evidence available to us, we do not expect this impact on CLOBs from an equity CT which includes pre-trade data from trading venues. We will keep this under review as part of our broader framework for monitoring market integrity.
- 10.36** We do not think that any option for including SI quotes in the CT would materially heighten this risk because it would simply increase the visibility of existing bilateral trading mechanisms that already have public quoting obligations. More broadly, we do not consider that it would be sensible to have an SI quoting regime without taking steps to ensure that such quotes are straightforwardly accessible.
- 10.37** On balance, based on our analysis, we propose that the equity CT should include an attributed SI BBO. We consider that this option best balances delivering meaningful information to data users while minimising operational costs for the CTP.
- 10.38** Our analysis indicates that implementing this option would not substantively increase the cost of the equity CT. It may deliver market-wide benefits by further increasing visibility of total UK equity market liquidity and supporting price formation. Our CBA provides more detail on our analysis and seeks further input from firms.
- 10.39** However, we acknowledge that several respondents to our discussion questions in CP25/31 preferred publishing a subset of SI quotes within the BBO. We invite any further information on the relative benefits, costs and complexity of these two options.

- 10.40** We also acknowledge that requiring the CTP to publish all quotes that SIs are required to make public would provide the most comprehensive information. However, in our view, filtering quotes will provide a more digestible and accessible view of bilateral liquidity. We invite any further feedback on the relative cost and complexity for the equity CTP of publishing all quotes or filtering them.
- 10.41** In any scenario, our post-implementation review will consider whether there is a case for varying the level of pre-trade data included in the tape for subsequent contract periods, covering data published by both trading venues and SIs.

Question 3: Do you agree that, if the equity CT includes SI quotes, they should be displayed as a standalone SI BBO? Y/N. Please give your reasons.

Comments regarding SI post-trade data

- 10.42** The equity CT will consolidate post-trade data on transactions executed on venue, via SIs and via other OTC mechanisms. Some respondents to CP25/31 highlighted that they supported the inclusion of SI post-trade data in the equity CT. Reasons given included that it would provide a more comprehensive view of UK trading activity.
- 10.43** Respondents also made the following comments regarding SI post-trade data:
- Several respondents said we should take steps to improve the timeliness and consistency of SI post-trade reporting. They thought that this would improve the CT's ability to display a representative view of price-forming liquidity. One respondent suggested that, if the quality of SI post-trade data is not improved, then its inclusion could lower the quality of the CT overall. In particular, some respondents suggested that we should endorse or require the use of FIX MMT flags for SI post-trade data.
 - A few respondents suggested that SI post-trade data should be attributed.
 - One respondent said it should be made clear whether trades executed by SIs improved on their public quote, to help market participants understand how off-venue liquidity operates. A couple of respondents suggested that we should re-introduce the RPRI flag for equity post-trade data, that identified trades that received a price improvement.

Our response

In PS23/4, we introduced a significant number of changes to improve the content of post-trade transparency in equity markets. This included removing certain post-trade transparency flags, including RPRI. This aligned with feedback from most respondents that such flags were of limited use.

Since these rules came into force in April 2024, feedback from stakeholders and our observations suggest that the reforms are supporting post-trade transparency while simplifying reporting by firms. We do not consider it would be appropriate to reverse changes made in PS23/4 soon after their implementation without strong evidence that this would be necessary for market integrity or to protect UK equity market structure.

Overall, we consider that SI post-trade transparency is generally working well and does not require fundamental changes, such as attribution of SI post-trade data. CP26/30 seeks views on potential targeted changes to the SI post-trade transparency regime suggested to us by respondents to our discussion questions in CP25/20.

Chapter 11

Call for Input on key contractual requirements for the equity CTP

- 11.1** The PS finalises key aspects of the regulatory framework for an equity CT, including the main regulatory requirements for the equity CTP – set out in our Handbook.
- 11.2** Alongside rules in our Handbook, the equity CTP will also be subject to requirements via its 5-year contract with us. We expect key requirements to include:
- The required mechanism for implementing its income sharing arrangements.
 - Its operating hours.
- 11.3** The sections below seek views on these two topics. We will also discuss them with potential bidders to provide the equity CT, as part of our ongoing preliminary market engagement.

Requirements on income sharing

- 11.4** In Chapter 4, we set out our decision to set a requirement in our rules for the equity CTP to share a portion of its income with data contributors. Although we did not propose such a requirement in CP25/31, most respondents supported us introducing one. We were convinced by arguments raised that such a requirement would better align incentives between data contributors and the CTP in delivering a high-quality equity CT.
- 11.5** As noted in Chapter 4, our objective for this requirement is not to compensate data contributors for costs they might incur from fulfilling their regulatory obligations. Therefore, we will not implement a 'cost recovery' model. Instead, we plan to require the equity CTP to share a fixed percentage of either its profits or gross revenues with data contributors: metrics closely tied to demand for the equity CT.

Profit sharing or gross revenue sharing

- 11.6** In choosing between these metrics, we must carefully balance pursuing our aim to align incentives between data contributors and the CTP, with ensuring that the equity CT remains an economically viable and commercially attractive business model. Further, we want to ensure that the bidding process to be the CTP remains competitive to deliver a high-quality CT at a keen price.
- 11.7** Given this, our current view is that the CTP should first be able to recover its costs before distributing any portion of its income to data contributors, to promote its viability and deliverability. This leads us to favour a profit-sharing model which requires an equity CTP to share a fixed percentage of its earnings before taxes (EBT).

- 11.8** Under a profit-sharing model, we could also ensure that, if the CTP made a loss in one year (for instance, in the early years of the contract when we would expect the CTP would incur significant investment costs), then it could offset this loss against the amount of its profits it would be required to share in the following years.
- 11.9** However, despite these advantages, a profit-sharing model also poses additional design challenges compared to a gross revenue sharing model. A report we commissioned by consultants EE in 2025 noted that gross revenue is considered the more robust accounting measure, which can be easily verified and is immediately tied to use rather than being influenced by accounting practices. In contrast, implementing and monitoring a system based on profit-like metrics could be significantly more complex and more susceptible to disputes.
- 11.10** Therefore, if we were to require profit sharing, we would need to design it in a way which is as simple, objective and easy to administer as possible – although we accept that a degree of complexity is inevitable. We consider that using existing accounting practices to clearly define the parameters of EBT in our contract with the equity CTP (including how and when costs can be recognised and allocated) could help with this. Further, we could consider requiring an independent assurance mechanism for profit figures, such as an audit opinion. However, we recognise that the cost of this potential requirement may impact the CTP's profitability and so it may not be a viable option. We are interested in views on this.
- 11.11** On the other hand, requiring gross revenue sharing could be a simpler model, both from a contractual and accounting perspective. However, a key disadvantage to gross revenue sharing is that the CTP would face more uncertainty regarding its profitability. This could potentially disincentivise bidders to provide the equity CT, which could harm the competitiveness of the procurement process.
- 11.12** On balance, we are minded to require profit sharing for the equity CTP's first 5-year contract. However, we consider that the arguments between profit and gross revenue sharing are finely balanced and so we are keen to hear respondents' views on this issue. Depending on the feedback received, we are open to considering other options.

Question 4: Do you agree that our contract with the equity CTP should require it to share a fixed percentage of its profits with data contributors? Y/N. Please give your reasons.

Question 5: If you disagree with Question 4, would you support a gross revenue sharing model? Y/N. Please give your reasons.

Question 6: Do you agree with our thinking on how we would design and administer a profit-sharing model? Y/N. Please give your reasons.

Question 7: Do you have any views on how oversight of a profit-sharing model should operate? Do you see a need for an independent assurance mechanism, and do you think the cost of such a requirement would be viable for the CTP?

Level of profits or gross revenue to be shared

- 11.13** Beyond deciding the most appropriate metric for the equity CTP's income sharing arrangements, another key question to consider is the percentage of its profits (or, alternatively, gross revenues) the CTP should be required to share.
- 11.14** Our analysis indicates that sharing a reasonable percentage of profits or gross revenues would not significantly impact the overall net benefits delivered by the equity CT (see our CBA for details). Nevertheless, if the CTP shares more money with data contributors, then the price of the equity CT for end users is likely to be higher. Therefore, the level of income shared by the CTP must carefully balance three factors:
- Meeting our long-term aims for income sharing.
 - Ensuring the CTP is offered at a competitive price that enables broader access to more comprehensive data about trading in UK markets.
 - Enabling a commercially attractive business model for the CTP to support competition in the procurement process.
- 11.15** To effectively balance these factors, we intend to prescribe a fixed percentage of its profits (or alternatively, gross revenues) that the equity CTP must share with data contributors. We do not intend to permit bidders to provide the equity CT to propose a higher or lower percentage during the procurement process. This is because we consider that competition in the procurement process should focus primarily on bidders' ability to deliver a high-quality, resilient and commercially sustainable CT, and on the price offered to the end consumer.

Level of profits

- 11.16** We have carried out preliminary analysis on the percentage of EBT which would best balance our aims. As a starting point, we consider that requiring the equity CTP to share a fixed percentage in the range of 10-30% EBT may be appropriate for the first 5-year contract period. With consideration to the feedback received to this Call for Input and further discussions with potential bidders, we plan to confirm a fixed percentage of our chosen metric in the contract with the CTP.
- 11.17** As the CT is a novel intervention for UK equity markets, it is difficult to precisely estimate the amount of money which will be distributed to data contributors under different percentages of EBT. Nevertheless, for illustrative purposes, see the table below showing a range of estimates for how much money could be returned under different percentages of profit sharing.

11.18 These figures should not be read as forecasts of actual distributions: payments to data contributors will depend on the CTP's realised revenues, costs and profitability over the contract term. Indeed, our estimates depend on a variety of modelling assumptions. Notably, we assume that the CT is delivered at the midpoint of our cost estimates and earns a 5% to 20% profit margin. See our CBA for further details on how we have modelled these results.

11.19 It is also important to note that we expect the profitability profile of the CT to evolve over time, including over the course of its 5-year contract period. In particular, the CTP may incur significant set-up and implementation costs during its early years of operation, resulting in limited or no distributions to data contributors initially. Distributions are therefore likely to be concentrated in later years, once the CT has offset its costs and demand has increased.

	10% profit sharing	20% profit sharing	30% profit sharing
Estimated annualised amount of money distributed to data contributors over 5 years (on average)	£0.06m-£0.25m	£0.14m-£0.57m	£0.24m-£0.96m
Estimated annualised net benefits over 10 years (on average)	£1.77m-£1.97m	£1.72m-£1.96m	£1.67m-£1.96m

11.20 Regarding the range between 10 to 30% EBT, we consider that percentages closer to the lower bound (i.e. 10%) would help safeguard the attractiveness of the equity CTP business model but would likely result in more modest payments to data contributors. This means they may be less effective in aligning incentives between data contributors and the equity CTP. By contrast, percentages towards the upper bound (i.e. 30%) may increase payments to contributors but could reduce the commercial attractiveness of providing the CT because the CTP's share of the upside is more limited. We welcome views from respondents on how best to balance these factors.

Level of gross revenues

11.21 We have also carried out preliminary analysis on the percentage of gross revenue sharing which would result in a similar amount of money being returned to data contributors, as the table above. As explained in paragraphs 11.17 and 11.18, such figures are illustrative and are based on modelling assumptions. We note that a materially lower percentage of gross revenue sharing would be needed to result in a broadly comparable amount of money being shared.

	1% revenue sharing	2.5% revenue sharing	5% revenue sharing
Estimated annualised amount of money distributed to data contributors over 5 years (on average)	£0.12m-£0.13m	£0.3m-£0.34m	£0.59m-£0.67m
Estimated annualised net benefits over 10 years (on average)	£1.78m-£1.97m	£1.76m-£1.95m	£1.71m-£1.91m

Question 8: Do you agree that we should require the CTP to share a fixed percentage between 10% and 30% of its earnings before taxes with data contributors? Y/N. If so, which percentage do you think we should require?

Question 9: If you instead support a gross revenue sharing model, what percentage of this metric do you think we should require the CTP to share? Do you think it should be between 1% and 5%? Y/N. Please give your reasons and, if relevant, suggest an alternative percentage.

Distribution of income among data contributors

11.22 Data contributors will also be interested in the criteria for how any money shared by the equity CTP will be shared among them. We intend to set rules on this in our Handbook and plan to consult on them in autumn 2026.

11.23 We are currently developing our thinking on this issue ahead of the consultation. Chapter 4 outlines potential distribution models put to us by respondents to CP25/31. Potential options include, but are not limited to:

- Distributing money to lit trading venues only on the grounds that: (i) pre-trade data is generally more expensive than post-trade data, so the equity CT will have a greater impact on the revenues of lit venues, (ii) pre-trade data plays a crucial role in price discovery. A split could be based on:
 - Trading volumes,
 - Certain quality metrics for the contribution of displayed quotes and trades at good prices and/or,
 - Weightings for displayed quotes and trades in less liquid stocks and SME growth markets.
- Distributing money to a range of venues and other data contributors, such as APAs and SIs (see our proposals in Chapter 10).

Required operating hours of the equity CT

11.24 We will set requirements for the operating hours of the equity CT in our contract with the equity CTP and are considering the most appropriate framework. The operating hours will be the minimum period during each working day in which the CTP will be required to receive and publish data and provide support to users. In setting the requirement for operating hours, we have two main aims:

- To cover the times where most equity trading and trade reporting takes place, to help ensure the equity CT is timely and comprehensive.
- To ensure that our requirements are compatible with an economically viable, operationally resilient equity CT.

- 11.25** Regarding the first aim, given the current operating hours of trading venues for the trading of equities, we think – at minimum – the equity CT should operate between the window of 07:30 to 18:00 on working days. This would roughly align with the operating hours of 08:00 to 18:00 set in the contract for the bond CT.
- 11.26** However, we think there may be scope for us to require longer operating hours, including to cover the reporting of OTC trades which may be reported to APAs outside regular market hours. Indeed, while the bond CT's core operating hours are 08:00 to 18:00, it is currently run on a 24/5 basis. Moreover, the equity CT in the EU will publish market data from 07:00 to 23:00. In the US, the CT currently publishes trades between 8:00 and 20:00.
- 11.27** Requiring longer operating hours could help ensure that the equity CT provides timely coverage of a fuller range of equity market trades, which could increase its utility. However, we are interested in views on whether longer operating hours would significantly increase costs and complexity for the equity CTP (e.g. by giving them less downtime for systems maintenance).
- 11.28** It is also important to consider how to ensure our required operating hours remain appropriate given any future changes in UK equity market structure, in particular if UK equity trading venues move to extended trading hours. IOSCO's recent report on Extended Trading Hours notes growing interest in this topic globally and highlights the importance of regulators considering its potential implications.
- 11.29** Further, we have heard concerns that the introduction of an equity CT could potentially slow the implementation of equity extended trading hours. We think that considering potential developments in trading hours at this point will mitigate that risk.
- 11.30** In terms of international developments, from December 2026, the operating hours of the US CT are going to be extended so that they run from 21:00 on a Sunday to 20:00 on a Friday with one hour downtime a day (between 20:00 and 21:00) to allow for technical updates.
- 11.31** If UK trading venues were to extend their hours (and one venue has recently announced a step in that direction), there could be a case for extending the equity CT's operating hours to ensure access to data on this trading activity through the CT. We could potentially require a commitment from the CTP to do so as part of our contract with the equity CTP. We would need to consider how to allow for such a change within the equity CTP's pricing model.
- 11.32** However, as above, we recognise that longer operating hours may increase costs and complexity for the CTP and so are seeking views on how difficult such a requirement may be to implement.

Question 10: Do you consider operating hours of 07:30 to 18:00 would be appropriate for the equity CT? Y/N. Please give your reasons.

Question 11: Do you consider that longer operating hours would result in significant cost or complexity for the CTP? Y/N. Please give your reasons.

Question 12: If UK trading hours were extended in the future, do you consider that the equity CT should also be required to extend its operating hours? Y/N. Please give your reasons. If so, how do you think this process should work?

Annex 1

List of questions

Questions in Chapter 10 and 11

- Question 1:** Do you agree with our proposal, alongside our proposed changes to the SI transparency regime, to require the CTP to publish some consolidated information on SI quotes (presented separately from pre-trade data from venues)? Y/N. Please give your reasons.
- Question 2:** Do you agree with our proposed requirements regarding the arrangements that SIs must use to send quotes to the equity CTP? Y/N. Please give your reasons.
- Question 3:** Do you agree that, if the equity CT includes SI quotes, they should be displayed as a standalone SI BBO? Y/N. Please give your reasons.
- Question 4:** Do you agree that our contract with the equity CTP should require it to share a fixed percentage of its profits with data contributors? Y/N. Please give your reasons.
- Question 5:** If you disagree with Question 4, would you support a gross revenue sharing model? Y/N. Please give your reasons.
- Question 6:** Do you agree with our thinking on how we would design and administer a profit-sharing model? Y/N. Please give your reasons.
- Question 7:** Do you have any views on how oversight of a profit-sharing model should operate? Do you see a need for an independent assurance mechanism, and do you think the cost of such a requirement would be viable for the CTP?
- Question 8:** Do you agree that we should require the CTP to share a fixed percentage between 10% and 30% of its earnings before taxes with data contributors? Y/N. If so, which percentage do you think we should require?
- Question 9:** If you instead support a gross revenue sharing model, what percentage of this metric do you think we should require the CTP to share? Do you think it should be between 1% and 5%? Y/N. Please give your reasons and, if relevant, suggest an alternative percentage.

- Question 10:** Do you consider operating hours of 07:30 to 18:00 would be appropriate for the equity CT? Y/N. Please give your reasons.
- Question 11:** Do you consider that longer operating hours would result in significant cost or complexity for the CTP? Y/N. Please give your reasons.
- Question 12:** If UK trading hours were extended in the future, do you consider that the equity CT should also be required to extend its operating hours? Y/N. Please give your reasons. If so, how do you think this process should work?

Cost benefit analysis questions

- Question 1:** Do you have evidence of the relative costs and complexity of the three options for displaying SI quotes in the equity CT: publishing all SI quotes, publishing SI quotes within the venue BBO, and publishing a standalone SI BBO? Please provide quantitative estimates where possible.
- Question 2:** Do you agree with our assessment of the relative benefits of these three SI display options, including their usefulness for price discovery, data usability and reducing the risk of misinterpretation by users? Y/N. Please give your reasons.

Annex 2

Cost Benefit Analysis

Executive Summary

1. This Annex sets out our updated cost benefit analysis (CBA) for the final framework for an equity consolidated tape (CT). It updates the CBA published in [CP25/31](#) to reflect consultation feedback, further analysis and changes to the final policy position.

Feedback on the CBA in CP25/31

2. We received substantial feedback concerning our CBA in CP25/31. While many respondents supported our analysis and approach, we received challenge and criticism across several areas:
 - On the rationale for intervention, we were challenged that our evidence base and analyses were inconclusive in establishing a case for intervening in the trade data market. The harm identified was not large enough to justify regulatory intervention.
 - Our options analysis was suggested to be incomplete, based on incorrect assumptions and not comprehensive with respect to alternative options.
 - The benefits identified and estimated were challenged on the basis of a limited evidence base, the modelling approach having limitations and assumptions being unrealistic.
 - The costs identified and estimated were queried as not being accurate estimates and, in some instances, missing elements of new costs for firms.
 - Wider impacts, particularly relating to latency differentials, operational resilience and diversion of trading away from Central Limit Order Books (CLOBs) were said to not have been fully considered.
3. We have carefully considered this feedback.

Rationale for intervention

4. With respect to the rationale for intervention, in CP25/31, we relied on a range of academic papers, stakeholder views, market insights and economic theory to outline the market failures equity CT is intended to address. These market failures were market power in the provision of equity trade data and the absence of a common comprehensive view of equity market liquidity and prices. These issues can restrict data use and contribute to less informed investment, trading and listing decisions.

5. We have reviewed the feedback received and are confident our original assessment of market failures and the case for intervention remains valid. In our view, market power continues to persist since the publication of the Wholesale Trade Data Review (the Review) based on observed prices and stakeholder feedback. Our assessment that market participants continue to lack common comprehensive view of market activity is supported by responses to the Review, our data use survey and interviews carried out by Europe Economics.
6. Hence our assessment of the case for intervention remains as established in CP25/31.
7. In terms of scale of harm, we understand the size of the UK trade data market is small relative to the aggregate value of equity trading. But trade data is necessary for efficient price formation and trade execution. Therefore, distortions in this relatively small market may propagate across equity markets, creating disproportionately larger harm.

Options analysis

8. There is considerable uncertainty about user take-up and market participants' response to equity CT. Our approach in CP25/31 used the best available evidence, informed by our market insight, to identify, estimate and compare impacts across different design options. This meant comparison between the options was necessarily contingent on assumptions and involved an element of regulatory judgement.
9. In this CBA, we provide further clarity on our approach to assessing different CT design options. For the chosen scenario, we have also revised our assumptions and estimates following feedback.
10. With respect to design options not being comprehensive and missing combinations of scenarios, we adopted a proportionate approach in conducting option analyses in CP25/31. It is not required, feasible or proportionate to consider all variants. Our focus was on broad, realistic options that highlighted the differences between adding/removing core design elements, rather than every possible variant.
11. We also note that consolidated tape arrangements in other jurisdictions, including the US and EU, have limited value for comparisons because of substantive differences in market structure or lack of evidence.

Benefits identified and estimated

12. In reaching our conclusions in CP25/31, we relied on a broad and interlinked evidence base across the causal chain, rather than on any single source or analysis. Taken together, this evidence supported our view that the tape is likely to generate quantified and unquantified benefits, including benefits related to secondary market functioning. While there remained uncertainty around the scale and timing of those benefits, particularly where they are indirect or wider market benefits, we considered the evidence sufficient to support our assessment that the proposed intervention was proportionate and had the potential to deliver net benefits.

- 13.** Nonetheless, we acknowledge that several of the above comments represent valid criticisms of our approach and assumptions in CP25/31. Where appropriate, we have made significant revisions to our analysis in response to these, and in light of policy revisions, and these are discussed below.

Costs identified and estimated

- 14.** We agree that the costs of the CT are uncertain. We attempted to minimise this uncertainty in CP25/31 through collecting data and discussing estimates with firms. The range of costs presented reflected the expectations of firms that have the expertise to build the CT. The ability to leverage synergies or existing technology will impact on firms' expectations of costs, and it is therefore not surprising that firms have different cost estimates. In addition, firms are likely to have different technical solutions to provide the infrastructure of the CT. These different solutions will have different costs. We therefore do not agree that our original estimates were invalid, merely that there are different views on the costs of building and running the CT. These differences are exacerbated while there remains ambiguity on elements of the design of the CT and procurement process.
- 15.** These points notwithstanding, where appropriate, we have revised our cost assumptions reflecting feedback and policy revisions.

Wider impacts

- 16.** We agree that the impacts raised by stakeholders and associated risks and trade-offs are important. We provide an updated assessment of these in this CBA.

Our updated cost benefit analysis

Changes from CP25/31

Policy and assumption changes

- 17.** Following respondent feedback, we have made several revisions to our modelling approach and assumptions. We have also made additional changes to our modelling approach to ensure this CBA aligns with our final policy position set out in the Policy Statement, particularly income sharing. We are also consulting on inclusion of SI quotes into the tape, but this change is discussed separately in Annex 6 of this document.

Table 1: Summary of methodological revisions

Modelling assumption	Position in CP25/31	Updated position for Policy Statement
Growth of demand for the CT	We modelled three scenarios capturing the discrepancy between CT demand reported in the data users survey and observed current demand for comparable data products. We only assessed the CT's viability and net benefits in steady-state without modelling time evolution of demand.	We model a growth path from immediate demand (based on survey evidence) to steady-state demand (informed by observed market demand). We perform sensitivity analysis for the growth rate.
Assessment of CT viability	We assessed whether the CT generates sufficient revenues to be profitable (at 10% profit margin) on an annual basis and in each of the three scenarios.	We analyse whether the CT generates sufficient cumulative revenues over each of the five-year tender periods to be profitable in net-present value terms (at 10% profit margin) given the assumed demand growth.
Demand from existing data users	We assumed that a fixed portion of current pre-trade BBO display data users will switch to the CT regardless of its price.	Substitution from existing data products is modelled as a function of the CT price. We add a sensitivity analysis of the price elasticity of substitution demand.
Demand from additional data users	We assumed 20% of the CT's user base is additional users regardless of price and CT version, informed by survey evidence.	We continue to assume 20% of user base is additional users at the price of £50 in the baseline scenario (as per survey evidence). But we decrease this percentage as CT price rises and assume it is 0% when the price reaches £110. We perform sensitivity analysis of this parameter.
Income sharing	We assumed no income is shared with data providers.	We incorporate sharing of income with data providers. We add a sensitivity analysis of the proportion of income shared and its mechanism (gross revenue sharing and profit sharing).

- 18.** We have also updated our counterfactual. The relevant baseline is now market activity reporter for shares (MARS), under which the FCA publishes end-of-day consolidated post-trade data for shares listed on the Official List. The final CT will go further by providing more timely, granular and comprehensive data, including attributed pre-trade best bid and offer. The costs and benefits in this CBA therefore relate to the incremental impact of moving from MARS to the final equity CT.

Key assumptions underlying the benefits case

- 19.** The impacts presented in this CBA are based on several key assumptions. If these assumptions do not hold or hold differently, the analysis may require revision.
- 20.** A key assumption for the benefits case is that the CT achieves substantial adoption, including from new users. If adoption is materially lower than assumed, quantified benefits would fall while most CT costs would remain fixed.
- 21.** Achieving substantial adoption means we assume the CT is priced at a level that supports take-up. Higher CT costs, including from build, operating or income-sharing requirements, would tend to increase the CT price and reduce demand. The procurement process is therefore important to maintaining price discipline and supporting viability.
- 22.** The wider benefits case also depends on better and more consistent access to equity trade data improving market participants' decisions. This includes benefits to best execution monitoring, transaction cost analysis, trading and investment decisions, listing assessments and market monitoring. These benefits are less directly observable than the quantified private benefits but are important to the overall policy case.
- 23.** Finally, the CT must not create material offsetting harms. In particular, the benefits case assumes that the CT is operationally reliable, that data quality is sufficient to sustain user trust, and that risks to market structure, including adverse effects on lit trading, venue competition or operational resilience, are limited or mitigated through the final framework.

Impacts

- 24.** The updated quantified CBA estimates present value benefits of £111.1m to £120.7m and present value costs of £62.6m to £140.4m over the ten-year appraisal period. This gives quantified net benefits ranging from -£29.3m to +£58.1m across the cost scenarios, with a midpoint quantified net benefit of £15.7m. These figures should be interpreted alongside the material uncertainty in the analysis and the wider benefits and risks that we assess qualitatively.
- 25.** The main quantified benefits arise from additional users who would not otherwise access equivalent UK equity trade data, and from additional data use by existing users who would obtain a more complete consolidated dataset through the CT. We also identify wider benefits that are not quantified, including improved best execution monitoring, transaction cost analysis, trading and investment decisions, listing assessments, market monitoring, price formation and capital allocation. These wider benefits are important to the overall policy case, but their scale cannot be estimated with sufficient reliability at this stage.
- 26.** The main costs are the CT's build and operating costs, bidder costs from participating in procurement, Approved Publication Arrangements' (APAs) connection and reporting costs, connection costs for market data vendors and direct users, data provider familiarisation and legal costs, and FCA costs from running the tender and supervising

the CT. We use a ten-year appraisal period covering two five-year tender periods, so recurring fixed costs associated with each tender period are counted twice.

- 27.** There remains significant uncertainty around the scale and timing of impacts. The results are particularly sensitive to CT costs, the speed of adoption, the extent of substitution from existing data products, the level of additional-user demand, CT pricing and the final income-sharing arrangements. We therefore test alternative assumptions in sensitivity analysis. When assumptions are relaxed, the range of estimated quantified net benefits widens materially, from approximately -£70m to +£80m.
- 28.** We have considered potential wider risks, including effects on the structure of trading, operational resilience, smaller venues and the market power of a single CT provider. We consider the risk that the CT causes substantial trading to move away from lit trading mechanisms to be low but recognise the importance of monitoring market functioning. We also consider that income sharing, procurement design, contractual requirements, supervision and the post-implementation review will mitigate risks to data contributors and risks associated with a single-provider model.
- 29.** We continue to consider that a single-provider model can support viability, reduce the risk of fragmented standards, and help establish the CT as a common reference for prices and liquidity. We recognise the risks of market power and incumbency advantage, but these will be constrained by competitive procurement, a five-year contract term, contractual transfer provisions, ongoing supervision and the option to consider multiple providers through the post-implementation review.

Conclusion

- 30.** Overall, based on the aforementioned assumptions on benefits realisation, we conclude that the final equity CT framework is proportionate and likely to deliver net benefits. We note that the quantified case is finely balanced and subject to uncertainty. The final framework includes mitigations for the principal risks identified by respondents and the CBA Panel. We will monitor the CT once operational and undertake a post-implementation review two years after launch.

Introduction

- 31.** This Annex updates the CBA presented in Annex 2 of CP25/31, and it is structured in two parts. First, we summarise the feedback received on the three CBA consultation questions under key themes and set out our responses. Second, we present an updated CBA reflecting the policy and analytical changes made after we considered consultation responses.
- 32.** We do not repeat analysis unchanged from CP25/31, specifically our understanding of the market and rationale for intervention. But we clearly identify where we rely on this publication.

- 33.** This CBA continues to be subject to significant uncertainty with respect to how the market will develop, firm reactions and wider impacts. In this context, we perform our assessment using available evidence base, academic literature, market insights and our own regulatory judgements. We also perform sensitivity analysis for key assumptions and rely on ranges.
- 34.** The presented impacts therefore reflect our best assessment of the likely impacts based on available evidence and a proportionate level of analysis. They are, nonetheless, subject to caveats and limitations, and could change if certain assumptions fail to hold.

Consultation feedback on the cost benefit analysis and our response

- 35.** In CP25/31 we asked if stakeholders had comments on our CBA, particularly around assumptions made and whether we had adequately identified and assessed costs and benefits. Respondents raised several substantive points in relation to these questions, with respect to our rationale for intervention, options analysis, methodology and assumptions used, and impacts identified and estimated.
- 36.** Below we outline the feedback received across these themes and our response. For reasons of brevity, we discuss the most substantive comments received only.

The rationale for intervention

Our position in CP25/31

- 37.** In CP25/31 we set out two related market failures in the UK equity trade data market:
- Market power in the provision of equity trade data: In 2023, we published the findings of the Review, which found limited competition in pre- and post-trade data markets.
 - Incomplete information around equity market prices and liquidity due to a lack of coordination: Data is spread across disparate datasets, and there is a coordination failure, as collectively the industry would be better off with universal aggregated data. Some market participants currently aggregate data individually or use a third-party aggregator, leading to cost duplication. Many market participants use a narrower range of data from different sources, so there are incomplete and differing views of market liquidity and prices.
- 38.** These market failures lead to sub-optimal market outcomes. There is sub-optimal consumption of data by market participants and a lack of common view of market liquidity and prices.

- 39.** This means investors are harmed because their investment and trading decisions are based on limited information on trading activity. Thus, they incur higher trading costs and may, as a result, trade less often. They also make inefficient capital allocation and investment decisions. The UK equity listing market is distorted via higher cost of capital and inaccurate understanding of available liquidity by current and prospective listed firms.
- 40.** We set out evidence supporting the existence of these market failures and resultant suboptimal market outcomes and harm in CP25/31. The analysis and discussion were supported by evidence from the Review, Europe Economics (2024), academic literature and industry feedback.

Stakeholder feedback

- 41.** We received feedback that we had not sufficiently established a case for intervention in this market and that the market failures identified in the CP25/31 were based on incomplete evidence and the economic arguments had limitations. Specifically:
- We cited an academic publication which concluded there was market power in the trade data market because of complementarity between trade data of different venues. But we overlooked evidence that suggested trade data products are substitutes which would instead mitigate market power.
 - The assessment of limited competition for trade data did not fully account for the impact of competition for order flow between venues, with the ability of traders to trade elsewhere imposing a constraint on a venue's incentive to raise prices for trade data.
 - The cited academic studies on trade data fees were not appropriate as evidence that such fees have negative effects on market functioning.
 - We did not provide evidence of market failures causing users to have an incomplete view of market activity.
 - With respect to the size of harm, it was noted that the size of the UK trade data market was relatively small and any harm from market failures would be relatively small, particularly compared to the scale of the wider UK equity market activity.

Our response

In CP25/31, we referenced several academic papers as part of the wider body of evidence. We know of no academic paper that precisely aligns with the specific context of our proposals and the harm we are seeking to address. Our assessment therefore relied on a broad evidence base, with no single academic paper or piece of evidence being determinative.

Our analysis of market power in CP25/31 did not rely on trade data from different venues being complementary products. We noted that while there was one academic paper suggesting this could be the case, other papers presented alternative views.

Our assessment of enduring market power in the trade data market relied on earlier analysis from the Review which found that 'many users have little choice but to pay the prices set by certain venues for data because of the concentration of trade data markets. This lack of choice means they have little scope to switch or negotiate and drive competition'.

This assessment of market power does account for the joint nature of trade data products and venues' trade execution services. In the Review, we said that venues are not incentivised by competition to reduce prices for either trade or trade execution to drive demand for the other product. Further, it found that data from alternative trading venues is often not seen as a close substitute, and that there is infrequent switching and limited price transparency pointing to a lack of pricing constraint. The argument that competition for order flow constrains data prices also ignores the strong network effects in equities markets. Larger trading venues generate data with higher value to market participants, allowing them to charge higher data fees without losing significant demand.

We remain of the view that market power still exists. This is based on the observation that little has changed in the market since the Review's publication to suggest a material change in the market power of trading venues. We have observed that trade data prices continue to increase, as evidenced by the [MSP report \(2025\)](#) and responses to our 2025 data user survey. We have also heard similar concerns from market participants during our industry engagement following the publication of the CP, with stakeholders reporting that prices continue to rise. At the same time, venue revenues from market data products continue to grow, with these products accounting for an increasing share of total revenues. For example, the LSE earned £80m in revenues from market data in 2023, up from £71m in 2020.¹

With respect to market failures causing an incomplete view of the market, CP 25/31 explains there are multiple frictions contributing to disparate view of market activity, including data aggregation costs and complex licensing. Our assessment is supported by responses to the Review, data user survey, and Europe Economics (2024) interviews.

In terms of scale of harm, we understand the size of the market for UK pre- and post-trade data is small relative to the value of equity trading. Regardless, trade data is necessary for efficient price formation and trade execution. Therefore, distortions in this relatively small market may propagate across equity markets, creating disproportionately larger harm. We also note the size of the trade data market reflects supply and demand dynamics in that product rather than its economic significance within the wider system. It therefore is not a reliable indicator of the scale of harm.

¹ <https://docs.londonstockexchange.com/sites/default/files/documents/lse-plc-rcb-disclosure-document-2025.pdf> and https://docs.londonstockexchange.com/sites/default/files/documents/lse_rcb_disclosure_2022.pdf

Options analysis

Our position in CP25/31

- 42.** CP25/31 assessed a range of regulatory options for addressing harms in UK equity market data, using viability and proportionality as the key success factors. It considered changes to delayed data rules, price regulation, regulation of licences, and introducing an equity CT. We concluded that a CT was the preferred intervention because it directly addressed both the lack of a common view of market liquidity and prices and barriers to wider data use, while avoiding many of the delivery and distortion risks associated with alternatives.
- 43.** CP25/31 then assessed options for the design of the CT. It considered four scenarios: a post-trade only tape (scenario 1); a tape with post-trade data and attributed best bid and offer (scenario 2); a tape with post-trade data and the three levels of pre-trade data (scenario 3); and a tape with post-trade data and the top five levels of pre-trade data from lit venues and systematic internalisers (scenario 4). The assessment drew on evidence from the data user survey, cost survey and industry engagement.
- 44.** Based on our analysis of the different scenarios, CP25/31 proposed a single equity CT including post-trade data and attributed pre-trade best bid and offer, broadly corresponding to scenario 2. This design was assessed as commercially viable, capable of supporting a competitive tender, and likely to deliver significant market-wide benefits while limiting implementation risks and potential impacts on existing data providers.
- 45.** CP25/31 also concluded that a single-provider model, selected through a competitive procurement process for a five-year term, was preferable to multiple providers because it supported viability and the creation of a common reference point for the market.

Stakeholder feedback

- 46.** We received several comments on the options analysis presented in CP25/31. These included:
- While there was merit for a cost-effective authoritative source of equity trading information, UK equity markets had operated adequately without one to date. This raises questions whether equity CT was a good use of FCA resources.
 - The CBA did not adequately assess whether post-trade data could address the identified harms in the UK listing market.
 - While our CBA considered differential demand functions for a post-trade only CT and a CT containing pre-trade data, the benefit calculations of the two scenarios considered the two scenarios to be identical and did not adequately distinguish between the benefits of a post-trade only CT relative to a pre-trade CT.
 - The design options were not comprehensive. For example, a useful design option missing from consideration is the combination of scenario 4 depth with the latency requirements of scenario 2.

- With respect to our assessment of scenarios 3 and 4 in particular:
 - We assumed implausibly high levels of switching from current data providers.
 - Costs were underestimated, including by not accounting for the costs of adding SI quotes or the losses incurred by firms switching to the tape from lower latency solutions.
 - These options were associated with higher operational risks we had not accounted for, including higher levels of order-flow migration from lit venues.
- We did not provide clear examples of use cases for pre-trade data supporting our conclusion to include it in the tape. The CBA did not take in the account (i) why market participants do not currently purchase pre-trade data; (ii) whether those market participants who do not purchase pre-trade data would be likely to purchase the proposed CT data; and (iii) how the costs of the CT data would be likely to compare with the pre-trade data which is already available for purchase.
- Concerns that market power could be maintained/exacerbated under the single-provider model of the tape.

Our response

As noted earlier, there is considerable uncertainty on user take-up and firm/market reactions to the consolidated tape for equities. Our approach in CP25/31 and in this CBA is to use the best available evidence, informed by our market insight, to identify, estimate and compare impacts across different design options. This means comparison between the options is necessarily contingent on assumptions and involves an element of regulatory judgement.

In CP25/31 we presented evidence that acknowledged the market has operated without a consolidated tape for equities, but that market functioning could be improved by the introduction of one. The development of tape arrangements in other jurisdictions, including the US and EU, highlights the need for the UK not to be an outlier and that other authorities also share the view that consolidated market data often requires a regulatory framework.

We note that differences in market structure mean close comparisons with other jurisdictions are not directly determinative or relevant. Indeed, the US CT on equities was originally introduced in 1976 under very different market conditions to current UK equity markets – studies that assessed its direct impact of markets at the time are not relevant for our decision making. Its impact since introduction is difficult to gauge due to the lack of a counterfactual (a US equity market without a consolidated tape). The EU is expected to launch a CT in Q3 2026, so there is no evidence on its effect yet.

We agree with the feedback regarding the comparison of scenarios 1 and 2. In CP25/31, we implicitly assumed that a post-trade-only CT would deliver the same per-user additional-use and additional-user benefits as our proposed CT. We now consider that assumption unlikely to hold because our proposed CT includes pre-trade data, which is valued by

a much larger proportion of UK equity data users than post-trade-only data. A post-trade-only CT would therefore be unlikely to meet the needs of many current pre-trade BBO display data users, and relatively few UK equity data users currently purchase post-trade-only data. In our updated CBA, set out in Annex 5, we have revised our assessment of the post-trade-only CT option to reflect these considerations when comparing it with a CT that includes attributed pre-trade BBO data.

With respect to design options not being comprehensive and missing combinations of scenarios, we adopt a proportionate approach in conducting option analyses. It is not feasible or proportionate to consider all variants. Our focus was on broad, realistic options that highlighted the differences between adding/removing core design elements, rather than every possible variant.

In terms of the assessment of our chosen scenario, we have made significant revisions to our assumptions and estimates following feedback.

We carefully considered both post-trade and real-time pre-trade BBO tape use cases in CP25/31. We engaged with the industry on multiple occasions, including Europe Economics interviews, data user survey, and bilateral discussions. Detailed discussion of pre-trade data use cases could also be found in [Europe Economics \(2024\)](#). While pre-trade data is less likely to improve order-routing or algorithmic trading, industry feedback received suggests it will contribute to improving liquidity and market functioning more widely. As explained in the 'Benefits' section of CP25/31 CBA, it will do so indirectly by expanding data access and quality for a substantially wider set of use cases than a post-trade only tape, including real-time best execution monitoring or transaction cost analysis.

We discussed the single-provider model and procurement framework in CP25/31 and considered the discussions in the US on introducing competition to the market. While the US is seeking to introduce competition in their market, it should be noted US equity markets are much larger and therefore more likely to be able to sustain competition among multiple CTs.

In the 'Competition assessment' later in this CBA, we discuss in more detail how market power might alter under a single provider.

Impacts identified and estimated – benefits

Our position in CP25/31

- 47.** CP25/31 identified both qualitative and quantified benefits from introducing an equity CT. Qualitatively, it explained that the CT would address the two suboptimal market outcomes identified in the CBA: restricted use of equity market data and the absence

of a common view of market liquidity and prices. By providing a single, authoritative source of consolidated post-trade data and attributed pre-trade best bid and offer, the CT was expected to expand access to data, reduce duplication in data aggregation, simplify access for relevant use cases, and improve the information available to market participants.

- 48.** CP25/31 described the main benefits as arising through improved investment, trading and listing decisions. For firms investing and trading in UK equity markets, better access to more complete data was expected to support more informed order-routing, execution monitoring, risk management, portfolio and trading decisions. This was expected to reduce trading costs, improve market functioning and support more efficient capital allocation. For current and prospective UK listed firms, the CT was expected to provide a clearer and more consistent view of liquidity, helping firms make better listing and capital-raising decisions and potentially reducing the cost of capital. CP25/31 also identified wider economic benefits from increased trading, investing and capital-raising activity, including higher investment by UK-listed firms and increased demand for ancillary services linked to trading, investment, listings and regulatory compliance.
- 49.** CP25/31 quantified a subset of these benefits, because the wider market and economic effects depended on changes in firm behaviour and market dynamics that could not be reliably estimated. The quantified benefits focused on the private benefits to CT users from additional data access and additional data use, drawing on the data user survey and the estimated demand for the CT. For the preferred design, CP25/31 estimated these quantified benefits at £50m to £154m in present value terms, with a midpoint of £100m. It made clear that these estimates did not capture the full scale of expected benefits, including wider improvements in liquidity, price formation, execution quality, capital allocation, listing decisions and economic activity. These estimates were also subject to modelling assumptions and limitations.

Stakeholder feedback

- 50.** We received several significant comments on the benefits identified, assessed and quantified/qualified in CP25/31. These included:
- The tape would not lead to a meaningful increase in market liquidity. The FCA's own evidence and industry feedback (e.g. Europe Economics) indicates most market participants have access to consolidated pre-trade data and the tape would not be useful for real-time trading. Where firms trade directly using incomplete data, it is unclear whether such firms would trade using the CT in sufficiently high volumes.
 - The tape would not be used effectively for broker selection decisions and best execution monitoring and would not deliver increased competition between brokers. According to one respondent, transaction cost analysis requires historical order book data, and the use of a pre-trade tape for real-time best execution monitoring and providing common view of the market would be constrained by latency limitations. The FCA's recent multi-year review of wholesale bank best execution in UK listed cash equities was cited as concluding best execution was already working well. Similarly, the respondent suggested that middle- and back-office functions primarily require either delayed pre-trade data or just post-trade data. The tape's

latency and depth limitations would also not make it competitive with the existing market offering and not be useful for best execution assessment, surveillance or regulatory market monitoring.

- We incorrectly assumed that new data users will derive very high benefits from use of the tape in some cases valuing CT data above the cost of subscribing to all individual venue feeds. This was seen as incompatible with revealed preference (since firms that do not currently pay for any data feeds are unlikely to value the CT above the price of those feeds). Our assumptions implied an unrealistic willingness-to-pay (e.g. approximately £124 per month) for the LSE portion of the CT among new users – more than double the current price of an LSE Level 1 feed.
- Relatedly, the FCA's analysis that many benefits would accrue to small firms was queried. The assumption that approximately 20,000 users would come from small firms and that 100% of small firms would purchase 7 licenses on average was noted to be inconsistent with the survey finding that approximately 47% of small firms would have zero tape demand with the remaining 53% demanding 4 licenses per firm on average.
- The CBA does not present any evidence to support its assumptions that additional users comprise 20% of the CT user base at any price point.
- One respondent said that we had incorrectly estimated the number of existing customers of their pre-trade BBO data.
- There were several queries on how we had used the results of our survey, particularly on the demand upscaling factor being arbitrary and unrealistic.
- The analysis only considered viability and benefits of the consolidated tape in "steady state" and did not consider growth dynamics and different rates of adoption.
- The underlying assumptions for the benefits that require all market participants to use the tape and subsequently make better decisions were deemed to be unrealistic and run contrary to FCA's own demand survey and Europe Economics (2024) analysis.
- There were also questions on the value of data consolidation. One respondent noted that compared to the value of expanded access to LSE data (proxied by the values we attached to non-users of non-LSE data source), the value of consolidation was low. This implied that most of the estimated benefit is unrelated to consolidation, meaning consolidation itself provides only marginal value at best.
- Concerns were raised on relying on academic and other studies. The cited academic studies on the link between trade data fees and market functioning were suggested to be inappropriate for assessing the impact of consolidated tape and significant caution should be exercised when drawing conclusions from the cited MSP study on the impact of EU consolidated tape on slippage costs of European asset managers. In the latter case, estimates in the study are based on survey responses from a subset of the market rather than robust empirical market-wide analysis.
- Questions were raised over the robustness of the transmission mechanism tracing benefits from the trade data market into the wider UK equity market. Another challenge was that secondary market benefits were neither evidenced, nor quantified.

- 51.** Given the above challenges, at least one respondent suggested that the main motivations for a pre-trade tape were to reduce market data spend rather than correcting stated market failures, which, if this was the case, would represent monetary transfers between data providers and the CT provider or between data users. Such a transfer will likely net out to zero from a social value perspective, and as such could not be used to justify the regulatory intervention proposed.

Our response

In reaching our conclusions in CP25/31, we relied on a broad and interlinked evidence base across the causal chain, rather than on any single source or analysis. Taken together, this evidence supported our view that the tape is likely to generate quantified and unquantified benefits, including benefits related to secondary market functioning. While there remained uncertainty around the scale and timing of those benefits, particularly where they are indirect or wider market benefits, we considered the evidence sufficient to support our assessment that the proposed intervention was proportionate and had the potential to deliver net benefits.

Nonetheless, we acknowledge that several of the above comments represent valid criticisms of our approach and assumptions in CP25/31. Where appropriate, we have made significant revisions to our analysis in response to these, and in light of policy revisions, and these are discussed below. We also respond to select challenges, particularly concerning use cases, in 'Options analysis' above.

Impacts identified and estimated – costs

Our position in CP25/31

- 52.** CP25/31 estimated the costs of introducing the equity CT using evidence from the cost survey and interviews with equity data experts. The cost estimates focused on the market costs of establishing and operating the CT, principally the costs incurred by the CTP to build and run the tape, which would be recovered through charges to CT users. CP25/31 also included costs to data contributors, such as familiarisation and connection costs associated with providing data to the CT, costs to firms considering or submitting bids to become the CTP, and costs to the FCA from designing, running and monitoring the tender process and the ongoing CT framework.
- 53.** For the preferred design CP25/31 estimated total discounted costs over the 10-year appraisal period at £57m to £130m in present value terms, with a midpoint estimate of £93m. The appraisal period covered two five-year CT tender periods, so fixed costs associated with building and establishing the tape were counted twice. CP25/31 also estimated costs for the alternative CT designs considered in the options analysis: a post-trade only tape was estimated at £50m to £110m, while CT designs with

greater pre-trade depth had substantially wider and more uncertain cost estimates of £60m to £400m.

- 54.** CP25/31 recognised that these cost estimates were uncertain, particularly for the more ambitious CT designs, because costs depended on assumptions about the technology, infrastructure, resilience and data coverage required, as well as the extent to which potential providers could leverage existing resources.

Stakeholder feedback

- 55.** We received several different views on our cost estimates for building and running the CT. Some respondents suggested our cost estimates were reasonable, while others felt we had over-estimated them. Concern was also raised that the large ranges for cost estimates set out in CP25/31 were indicative of low confidence in the validity of these numbers and there had been no validation of the numbers.
- 56.** Respondents also suggested we had underestimated the costs of participating in the procurement process, which are likely to be in the £0.5m to £1.0m range per bidder.
- 57.** Feedback was also received that the CBA omitted significant costs for other firms, not directly involved in the provision of the CT:
- The CBA did not include the costs incurred by third party vendors to onboard the tape as a new data source. According to one respondent on a per-vendor basis, the baseline onboarding fees could be approximately £250,000 (to be applied twice as tape provider changes after 5 years), and the annual costs could be £280,000 (connectivity costs, content analysts and enterprise licensing costs for redistribution rights). The implication being that if only 4 data vendors were assumed to carry the content, the estimated benefits would be completely offset.
 - The CBA did not consider the one-off expenditure by SIs (currently 22 registered in either equities or ETFs in the UK) on building the interface for the provision of data to the tape either directly or via an APA. These costs could be in the range of £2m to £4m across the market dependent on deployment options chosen with lower end estimates being £100,000 per firm. We also received alternative estimates for costs incurred by APAs to comply with the new requirements.
 - The CBA underestimated the costs for trading venues to provide data to the CT.
 - The CBA did not account for integration costs for APAs providing the CT.

Our response

We agree that the costs of the CT are uncertain. We attempted to minimise this uncertainty in CP25/31 through collecting data and discussing estimates with firms. The range of costs presented reflected the expectations of firms that have the expertise to build the CT. The ability to leverage synergies or existing technology will impact on firms' expectations of costs, and it is therefore not surprising that firms have different cost estimates. In addition, firms are likely to have different technical solutions to provide the infrastructure of the CT. These different solutions will have different costs. We therefore do not agree

that these estimates are invalid, merely that there are different views on the costs of building and running the CT. These differences are exacerbated while there remains ambiguity on elements of the design of the CT and procurement process.

We have updated the latency requirements for RFQ systems to allow for a longer delay than pre-trade data included in the CT and we think that CLOB venues already have sufficient systems in place to meet the data provision needs of the CT. We therefore think that our assessment that there are negligible additional costs for trading venues to provide data to the CT remains valid. Any costs associated with the inclusion of SI quotes are considered as part of our 'CBA on requiring the CTP to publish SI quotes' in Annex 6.

These points notwithstanding, where appropriate, we have further revised our cost assumptions reflecting feedback and policy revisions.

Impacts identified and estimated – wider issues

Our position in CP25/31

- 58.** CP25/31 considered wider issues beyond the direct quantified costs and benefits of introducing the equity CT. It recognised that the CT would involve transfers between market participants, rather than only new costs or benefits. In particular, CP25/31 expected some substitution away from existing data products towards the CT, with a corresponding reduction in revenues for existing data providers such as trading venues and third-party data providers. This would be offset by revenues earned by the CTP and changes in consumer surplus where users paid a different price for consolidated data than under existing arrangements. CP25/31 treated these effects as transfers within the market rather than as net social costs or benefits.
- 59.** CP25/31 also considered possible wider market effects, including waterbed effects and impacts on the structure of trading. It recognised that if trading venues lost data revenues as users switched to the CT, they could seek to recover lost revenues through other charges, such as trading fees or listing fees. CP25/31 did not treat this as a reason not to proceed but identified it as an uncertainty to be monitored because the extent of any pass-through would depend on competitive conditions, venue business models and user responses.
- 60.** CP25/31 also considered whether the CT could affect trading behaviour, including by changing access to information across market participants or influencing the attractiveness of different execution mechanisms. CP25/31 concluded that these effects were uncertain but were not expected to outweigh the benefits of a more complete and common view of market liquidity and prices.
- 61.** CP25/31 therefore concluded that these wider issues should be managed through the design and monitoring of the CT framework rather than through a different intervention.

The preferred design, the single-provider model and the competitive tender process were expected to support commercial viability while limiting delivery and market distortion risks. CP25/31 also proposed ongoing monitoring and evaluation of the CT once operational, including its effects on data use, price formation, liquidity, capital allocation and any unintended market dynamics. This reflected the position that while some wider impacts could not be quantified with confidence, they were relevant to the overall assessment and would be considered as evidence emerged.

Stakeholder feedback

- 62.** We received feedback that our analysis was asymmetric. We did not give sufficient weight or consideration to the risks of introducing the CT compared to the identified benefits.
- 63.** Multiple respondents expressed opinions on the tape's impact on Central Limit Order Book (CLOB) trading. It was observed that there has been a decline in lit trading over the past years, which appears to have been associated with worsening liquidity. According to one respondent's assessment, the level of UK lit trading is dangerously low and lower than in comparable jurisdictions. There was concern that the use of the proposed tape's pre-trade data for best execution assessment could cause firms to trade away from the CLOB on dark pools or bilaterally. They stated that smaller brokers may be incentivised to do this, for example, as rather than adding venue connections to CLOBs they route trades to other trading mechanisms offering similar prices. Respondents suggested that the CBA did not adequately account for the contribution that lit markets have in price formation and the quality of UK equity markets. Any migration of trading away from CLOBs could result in a range of harms outweighing the assessed benefits from the CT. These harms could be large and irreversible.
- 64.** There was scepticism that using existing FCA tools such as a Post-Implementation Review (PIR) would be sufficient to mitigate this harm, particularly due to the irreversibility of the harm, feedback loops and network effects.
- 65.** However, it should be noted that this view of trading migration away from CLOB was not universally shared. Other respondents, while acknowledging the trend, did not see the introduction of the CT affecting existing market trends.
- 66.** Respondents also discussed other market-wide risks associated with the tape:
- Two respondents said the tape could lead to proliferation of latency differentials in the market with tape users relying on slower data than the one used by others. As a result, tape users could be harmed by trading at inexecutable stale prices and incurring costs due to latency arbitrage performed by firms with better data access.
 - Two respondents raised the issue of the operational failure of the tape. One noted that the CBA should have discussed more what impacts the market would need to address in such situation and what could be done to prevent the outage. Another said that tape outages could lead to market closures and the tape's resiliency standards should therefore be equivalent to those of trading venues.
 - One respondent said that the CBA has not adequately assessed the impact on competition between trading venues in the absence of income sharing. Without

income sharing, the policy could cause existing trading venues raise prices, underinvest into price-forming trading infrastructure, and even exit the market, especially if the venue is small. In the context of the US and EU tapes involving income sharing, such policy would harm international competitiveness of UK trading venue market and deter future entry and innovation with adverse impacts on the related ecosystem, including the listing market.

- One respondent said that we did not apply sufficient weight to all market data in the UK now being fee-waived for retail customers, which means the tape would not bring meaningful benefit to this group of market participants.

Our response

Trends in market structure, particularly the declining share of CLOB trading, and their impact on market functioning are important issues that the FCA monitors closely. We have considered the concern that the CT could indirectly contribute to further migration of trading away from CLOBs, including through its use in best execution monitoring, transaction cost analysis and broker assessment. We provide our full assessment later in this revised CBA. We also note that Chapter 3 of CP26/30 discusses this issue, too.

We do not agree the tape could lead to adverse impacts vis-à-vis latency differentials. As acknowledged in CP25/31, the tape would largely not impact the trade execution value chain at the point where latency differentials matter. Particularly, we do not consider that order routing would be an appropriate or expected use case. In contrast, we expect positive effects for processes such as best execution and transaction costs analysis, where ultra-low latency is not as pivotal.

In Chapter 3 of CP25/31, we assessed the risks associated with CT outage. In the 'Risks and uncertainty' section of this revised CBA, we expand on our assessment.

We considered the impact of the tape on venue competition in CP25/31. We compared the revenue trading venues might lose compared to their overall revenues and their costs. This informed our assessment of how venues might respond, including exiting the market. In this CBA we update and expand our competition assessment.

As we set out below, considering industry feedback, we have decided to include income sharing in the final proposals. Income sharing will further limit the likelihood of venue exit and will also be in line with the US and EU approach, thereby minimising any potential adverse impacts on international competitiveness.

As discussed in CP25/31, any benefits (or lack thereof) to retail investors from free exchange or CT data are not material for the impact of our proposals. Our view is that any pass-on of tape costs to retail investors would represent a very limited transfer, likely with no material impact on their behaviour. Moreover, there may be cost savings to buy-side firms substituting existing venue feed purchases to the CT which could

be passed on to retail investors. Given the above, we have therefore not discussed specific positive or negative impacts on these market participants at length.

Our updated cost benefit analysis

- 67.** Following respondent feedback, we have made several revisions to our modelling approach and assumptions. We have also made additional changes to our modelling approach to ensure this CBA aligns with our final policy position set out in the Policy Statement.
- 68.** This section of the CBA covers the following elements:
- Relevant policy changes for the Policy Statement CBA
 - Data sources
 - Counterfactual
 - Changes to our modelling assumptions
 - The impact of our intervention, including benefits, costs, risks, and competition effects
 - Monitoring and Evaluation
 - Response to CBA Panel feedback on this CBA
 - Annexes on options analysis, methodology for quantifying benefits, and sensitivity analysis
 - Annex on CBA for requiring the CT to publish SI quotes
- 69.** Our sections on the market and rationale for intervention are unchanged from CP25/31 and not repeated.

Relevant policy changes for the Policy Statement CBA

- 70.** We have made several changes to the design of the framework for a consolidated tape for equities since the publication of CP 25/31. We focus here on the changes that will affect the costs and benefits of the intervention.

Income sharing

- 71.** Chapter 4 of the PS sets out the feedback received to the CP on income sharing and our response. We are now setting a rule that the CTP must share a portion of its income with data providers. Previously, we proposed that no sharing would be required. We are issuing a Call for Input upon the precise form of the income-sharing model including whether the CTP should share a fixed percentage of profits or gross revenues, but this element of the framework will fall within the procurement exercise for the CT provider, rather than our rules.

- 72.** Income sharing can help mitigate the risk that the CT reduces revenues for trading venues and other data contributors, particularly smaller venues that may be more vulnerable to such effects. By allowing contributors to share in the CT's commercial success, it may reduce incentives for venues to raise charges elsewhere, cut investment or withdraw services, and may support wider industry acceptance of the CT.
- 73.** However, income sharing involves trade-offs. Any payments to contributors reduce the income retained by the CTP and may require a higher CT price for the provider to recover costs and earn a commercial return. Higher prices could reduce CT take-up and weaken the benefits from broader data access. The mechanism also matters – gross revenue sharing gives contributors more certain payments but places more cost risk on the CTP, while profit sharing better protects CT viability but gives contributors less certainty.
- 74.** The FCA's role is therefore to balance these considerations. The income-sharing requirement should support contributors and mitigate market-structure risks without materially undermining bidder interest, CT affordability, adoption or overall benefits.
- 75.** We provide an indication of the impact of various levels of profit and gross revenue sharing within Annex 4, and the assumptions required to support our conclusions.
- 76.** We also set out initial thinking on any changes to FCA costs involved in monitoring these arrangements.
- 77.** The FCA is planning to consult in autumn 2026 on how shared money should be distributed among contributors.

Latency requirements

- 78.** For data providers, we originally proposed to require data contributors to send pre-trade data and post-trade data to the CTP as close to real time as technically possible and, in any case, no later than 50 milliseconds (ms) after the timestamp of the order (for pre-trade data) or the timestamp of the transaction (for post-trade data).
- 79.** In our final policy, we have now extended the maximum window that APAs have to process information following receipt, and send it to the CTP, from 50ms to 100ms. For RFQ systems, relevant venues would have up to 1 minute to process and send this information to the CTP as well as up to 50ms for it to be transmitted.
- 80.** The changes reduce the cost to APAs relative to the rules we consulted upon. We acknowledge that APAs may incur some costs from being required to provide data at 100ms latency instead of 1 minute latency and have updated our cost estimates to reflect these.

Data sources

- 81.** Our analysis draws on a range of data sources and publicly available information. These inputs have informed the assumptions used in our analysis and help to ensure it is based on a broad and robust evidence base.
- 82.** These data sources include:
- Previous analyses: the Review, Europe Economics (2024), academic literature and market disclosures.
 - Stakeholder responses: consultation responses and stakeholder feedback.
 - Survey evidence: FCA data user survey, Europe Economics interviews, bilateral firm engagement and CP responses.
 - Internal FCA evidence: transaction reporting data, venue and user analysis, cost data collected from firms, evidence collected during the Review and supervisory datasets.
- 83.** Of these sources, this CBA makes significant use of the survey responses, market engagement and observed market data. Each of these sources has limitations.
- 84.** We acknowledge that a survey seeking respondents' view on their expected use of a CT that does not yet exist will not be a perfect prediction of future demand, willingness to pay or adoption patterns. However, it nonetheless provides an important indication of likely usage and sentiment towards using the CT. It is not uncommon to use such surveys to estimate demand and account for uncertainties by leveraging ranges, whilst noting inherent limitations.
- 85.** Noting these limitations and stakeholder feedback, we no longer treat survey responses as a direct estimate of steady-state demand and instead use them primarily as evidence of initial interest and demand. Second, we supplement survey evidence with revealed preference data, including current purchases of pre-trade BBO display data and observed market prices. Finally, we test the sensitivity of the results to alternative assumptions on adoption, switching behaviour, additional users and pricing to reflect the remaining uncertainty around CT demand.
- 86.** Similarly, external research and industry feedback are informative but may not directly reflect the impact of the specific UK CT design. Again, when using such information, we clearly set out the underlying assumptions and limitations.

Counterfactual

- 87.** The relevant counterfactual is the MARS now being in place, not a market with no consolidated equity data. Under this baseline, the FCA publishes end-of-day consolidated post-trade data for shares listed on the Official List, covering the number, volume and value of transactions in each share on each trading day. This differs from the CT, which will cover all equities admitted to trading or Traded on a Trading Venue (TOTV). MARS therefore gives market participants a narrower consolidated view of

daily traded activity for UK listed shares and can support some use cases such as listing assessments and market monitoring where end-of-day liquidity information is sufficient.

- 88.** MARS does not provide real-time, trade-level post-trade data or attributed pre-trade BBO data and covers a narrower set of shares. Market participants would therefore still lack a real-time, common and comprehensive view of prices and displayed liquidity across trading venues.
- 89.** The costs and benefits assessed in this CBA therefore relate to the incremental effects of moving from MARS to a real-time CT that includes both consolidated post-trade data and pre-trade information. We expect the change in the counterfactual to impact unquantified benefits, albeit to a limited extent.

Changes to our modelling assumptions

- 90.** Below we provide a comparison of the key modelling assumptions and methodologies used in CP25/31 and what has changed, or not changed, in this revised CBA.
- 91.** The model approach and underlying assumptions have been updated across several areas:
- Growth of the CT: how quickly firms start using the CT after launch and how demand builds over time.
 - Assessment of CT viability: whether the CT provider can recover its costs and earn a commercial return.
 - Substitution demand: existing market data users switching from current data products to the CT.
 - Additional user demand: new users buying equity market data because the CT makes it cheaper or easier to access or because the CT's data has additional valuable features.
 - Income sharing: the CT provider sharing part of its income with the venues and other firms that contribute data.
 - Counterfactual: what would happen without the final CT, which now includes MARS being operational.

Table 2: Summary of revisions to assumptions and methodology

Modelling assumption	Position in CP25/31	Updated position for Policy Statement
Growth of the CT	Three scenarios to capture the discrepancy between survey demand and observed demand for pre-trade BBO display data: limited adoption, moderate adoption, substantial adoption. We did not model how demand grows and only assessed the CT's viability and net benefits in steady-state.	Modelled growth path from immediate demand (informed by survey evidence) to steady-state demand (informed by observed demand for pre-trade BBO display data). Sensitivity analysis of speed of growth.
Assessment of CT viability	Whether the CT generates sufficient revenues to be profitable (at 10%) on an annual basis in each of the three scenarios.	Whether the CT generates sufficient cumulative revenues over each of the five-year tender periods to be profitable in net-present value terms (at 10%) given the assumed growth of demand.
Substitution demand	A fixed portion of current pre-trade BBO display data users per scenario as above (25%, 50%, 75%) regardless of CT price.	Substitution is modelled as a function of the CT price. There is 0% substitution at £110 (the combined cost of data from the four included lit venues) and substitution increases for lower prices. Sensitivity analysis of the price elasticity of substitution demand.
Additional user demand	Fixed at 20% of demand regardless of price and version of the CT, informed by survey evidence.	We continue to assume 20% additional users at the survey price of £50 in the baseline scenario, but the percentage of additional users is decreasing in price and bounded at 0% at £110. Below £50 the percentage continues to increase. Sensitivity analysis of the percentage of additional users at £50.

Modelling assumption	Position in CP25/31	Updated position for Policy Statement
Income sharing	No income is shared with data providers.	Income will be shared with data providers. In the baseline scenario the CT will share 20% of the present value of its profits (earnings before tax) over each five-year period. Our profit-sharing estimates assume the CTP can first recover losses incurred earlier in each five-year tender period before sharing profits. Sensitivity analysis of the proportion of income sharing and its mechanism (gross revenue sharing and profit sharing).
Counterfactual	No equity CT: users continue using existing venue feeds, vendor products, delayed data or internally aggregated data, and current limitations persist	MARS: users continue using existing venue feeds, vendor products, delayed data or internally aggregated data. Users can additionally access MARS to support processes that require end-of-day aggregated data. Most current limitations persist.

- 92.** Our baseline scenario reflects the central assumptions used throughout the demand, pricing and benefit modelling. In the baseline scenario we assume that:
- Demand grows to steady state over the first five-year tender period.
 - Substitution demand depends on the CT price.
 - Additional-user demand is 20% at £50 and falls as price rises.
 - The CTP shares 20% of earnings before tax with data contributors.
 - The CT generates a 10% profit to the CTP after sharing profits. This means that overall profitability is higher than 10%.
- 93.** The CT price implied by these assumptions is then used to estimate demand, quantified benefits and viability. We then have scenarios on either side of the baseline to capture uncertainty. These are summarised below:
- Faster and slower adoption paths.
 - Higher and lower additional-user demand.
 - More and less price-sensitive substitution demand.
 - Lower, midpoint and upper CT cost estimates.
 - Alternative income-sharing rates and mechanisms.

- 94.** The baseline scenario is intended to represent our central estimate rather than a prediction of outcomes. Annex 4 provides a discussion of the sensitivity of our estimates to these modelling assumptions.
- 95.** We use a standard ten-year appraisal period. As the CT provider will be appointed for a five-year term and subsequently re-tendered, the analysis covers two procurement cycles. Accordingly, fixed costs associated with a tender period, including procurement, bidding and provider set-up costs, are included twice where they are expected to recur when a new tender is undertaken.

Key assumptions underpinning the benefits case

- 96.** A key assumption for the benefits case is that the CT achieves substantial adoption. If adoption is materially lower than assumed, quantified benefits would fall while most CT costs would remain fixed.
- 97.** Achieving substantial adoption means we assume the CT is priced at a level that supports take-up. Higher CT costs, including from build, operating or income-sharing requirements, would tend to increase the CT price and reduce demand. The procurement process is therefore important to maintaining price discipline and supporting viability.
- 98.** The CT needs to be seen as a sufficiently close substitute for existing pre-trade BBO display data for relevant workflows. If users continue to require existing products and treat the CT only as an additional product, substitution would be lower and the economic case for the intervention would be weaker.
- 99.** The model assumes that demand for equity trade data is not perfectly inelastic and that therefore some additional users value the CT and enter the market. The emergence of new users is one of the more important drivers of quantified benefits and is sensitive to assumptions about price responsiveness.
- 100.** The wider benefits case also depends on better and more consistent access to equity trade data improving market participants' decisions. This includes benefits to best execution monitoring, transaction cost analysis, trading and investment decisions, listing assessments and market monitoring. These benefits are less directly observable than the quantified private benefits but are important to the overall policy case.
- 101.** Finally, the CT must not create material offsetting harms. In particular, the benefits case assumes that the CT is operationally reliable, that data quality is sufficient to sustain user trust, and that risks to market structure, including adverse effects on lit trading, venue competition or operational resilience, are limited or mitigated through the final framework.

The impact of our intervention

- 102.** This section contains estimated nominal monetised impacts our intervention relative to the above counterfactual.
- 103.** Table 3 summarises the updated quantified costs and benefits included in the CBA in our baseline modelling assumptions. The present value of quantified benefits is estimated at £111.1m–£120.7m, while the present value of costs is estimated at £62.6m–£140.4m, resulting in quantified net benefits ranging from -£29.3m to +£58.1m across the cost scenarios. The midpoint estimate produces quantified net benefits of £15.7m over the ten-year appraisal period.
- 104.** These figures are subject to material uncertainty, particularly around CT costs, adoption, substitution from existing data products, additional users and the final income-sharing arrangements, as well as the aforementioned assumptions on benefits. We therefore test a range of alternative assumptions in Annex 4. When these assumptions are relaxed, the range of estimated quantified net benefits widens materially, from approximately -£70m to +£80m, illustrating the sensitivity of the results to key modelling assumptions and reinforcing the uncertainty around the central estimates.
- 105.** Below we summarise the findings.

Table 3: Summary of updated benefits and costs

Group affected	Item description	Benefits (£) PV		Costs (£) PV		Comparison to CP CBA
		One off	Ongoing	One off	Ongoing	
CTP Provider	Building and running costs			£10.1m^–£28.6m^	£46.6m–£101.5m	£0m
	Profits of the CT provider from customers with no previous access to equity data		£33m–£18.5m			-£0.6m–-£0.3m
Bidders for the tape (per firm costs)	Bidding costs (participating in tender)			£1.8m^–£3.7m^		+£1.3m–+£2.7m

Group affected	Item description	Benefits (£) PV		Costs (£) PV		Comparison to CP CBA
		One off	Ongoing	One off	Ongoing	
Data users	Saving on data costs		<i>Redacted</i>			
	Private benefits from expansion of data use		£78.1m-£102.1m			+£8.2m- +£4.8m
	Potential savings from data fees (transfer not included in the calculation)		<i>Redacted</i>			
Data providers	Familiarisation and legal costs			<£0.1m		£0m
	Loss of revenue				<i>Redacted</i>	
APAs	Cost of providing and receiving data				£0.8m-£1.7m	-£1.2m- -£0.3m
Connection costs for market data vendors and data users				£0.1m-£0.2m	£1.7m-£3.3m	+£1.8m- +£3.5m
Investors	Lower trading costs		<i>Not quantified</i>			
	Improved portfolio performance		<i>Not quantified</i>			
Listed Firms	Lower cost of capital and higher profits		<i>Not quantified</i>			
	Reduction in listings costs		<i>Not quantified</i>			
FCA costs	CT tender process			£0.4m [^]		£0m
	Ongoing supervision of the CTP				£1m	+£0.2m

Group affected	Item description	Benefits (£) PV		Costs (£) PV		Comparison to CP CBA
		One off	Ongoing	One off	Ongoing	
UK economy	Better capital allocation in UK economy to support growth		<i>Not quantified</i>			
	Greater demand for UK equity market infrastructure		<i>Not quantified</i>			
Total			£111.1m-£120.7m	£12.5m-£32.9m	£50.1m-£107.5m	

[^] The costs marked by the caret symbol are the PV of one-off costs that are incurred once at the beginning of each 5-year tender period (the value stated is the PV of the sum).

Table 4: Present Value and Net Present Value

	PV Benefits	PV Costs	NPV (10yrs) benefits – costs
Total impact	£117.2m (£111.1 – £120.7m)	£101.5m (£62.6m -£140.4m)	£15.7m (mid-point)
-of which direct		£101.5m (£62.6m -£140.4m)	£101.5m (£62.6m -£140.4m)
-of which indirect	£117.2m (£111.1 – £120.7m)		£117.2m (£111.1 – £120.7m)
Key unquantified items to consider			Lower trading costs Improved portfolio performance Lower costs of capital and higher profits Reduction in listings costs Better capital allocation in UK economy to support growth Greater demand for UK equity market infrastructure

Table 5: Net direct costs to firms

	Total (present Value) Net Direct Cost to Business (10 yrs)	EANDCB
Total net direct cost to business (costs to businesses – benefits to businesses)	£101.5m	£11.8m

106. Below we discuss the main changes to the benefits and costs since CP25/31.

Updated benefits

Revised counterfactual

- 107.** The updated benefits assessment uses the revised counterfactual introduced above: MARS is now in place. This differs from CP25/31, where the benefits were assessed against a no-equity-CT counterfactual. MARS already provides some consolidated information on market activity by publishing end-of-day post-trade data for shares listed on the Official List. This can support a limited number of use cases where end-of-day information on traded volume and value is sufficient, including understanding overall liquidity and trading activity in UK listed shares, informing listing assessments and supporting some investment or portfolio allocation decisions where historical traded volume is a relevant input.
- 108.** The benefits most directly affected by the revised counterfactual are therefore the unquantified benefits rather than the quantified benefits. In particular, some benefits that would previously have been assessed against a baseline with no consolidated equity data are now partly captured by MARS, where end-of-day post-trade data supports the relevant use case. We have consequently updated our assessment of unquantified benefits in the section below to recognise that MARS may reduce the incremental benefit of the CT for some market monitoring, listing and investment-related use cases, while also explaining why those benefits are affected only to a limited extent.
- 109.** We do not expect the revised counterfactual to materially affect the quantified benefits model. The quantified benefits are based on observed demand for pre-trade BBO display data, which provide real-time pre- and/or post-trade information at transaction level. MARS is materially different: it is end-of-day, does not provide transaction-level information, does not include pre-trade data and covers a narrower set of instruments than the CT. For most of the use cases that drive demand in the model, at least one of these missing features is essential. MARS is therefore unlikely to be a close substitute for the data underpinning the quantified demand and benefit estimates.

Income sharing impact on benefits

- 110.** Our updated modelling includes income sharing. Income sharing is treated as a risk mitigant rather than a standalone benefit. It may support unquantified benefits by reducing the risk that the CT materially weakens data contributors' incentives to invest, compete or remain active, particularly for smaller venues. This can help preserve the market structure and confidence conditions needed for the CT's wider benefits to materialise.
- 111.** For quantified benefits, income sharing affects the model through the CT price. Higher sharing rates require a higher break-even price for the CTP, which can reduce demand and therefore reduce quantified benefits from additional users and additional data use. In our modelling this effect is modest under baseline assumptions, so income sharing is not the main driver of the quantified CBA results.

List of quantified and unquantified benefits

- 112.** We have identified and quantified the following benefits:
- Consumer surplus from data use for additional data users
 - Private benefits from additional data use by existing users
 - Producer surplus from CT revenues from additional data users
- 113.** We have identified and discuss qualitatively the following benefits:
- Lower trading costs
 - Improved portfolio performance
 - Lower cost of capital and higher profits
 - Reduced listing costs
 - Better capital allocation
 - Greater demand for UK equity market infrastructure
 - Improved best execution monitoring
 - Improved transaction cost analysis
 - Common reference for prices and liquidity
 - Reduced data aggregation and licensing frictions
 - Improved market resilience
- 114.** The following are transfers between parties that are not included in our quantitative analysis or are netted out:
- Savings on data fees for data users
 - Loss of market data revenue for data providers
 - Income shared with data contributors
 - CT revenues retained by the CTP

Quantified benefits

- 115.** The benefits we quantify relate to improved access to equity trade data. We estimate these benefits through two channels.

Table 6: Channels of benefits

Benefit channel	Description	How it is captured in the model
Additional data users	Users who would not otherwise access equivalent UK equity trade data, but who would subscribe to the CT at the modelled price.	We estimate the surplus generated by these new users, including both the value they receive above the CT price and the revenue received by the CT provider.

Benefit channel	Description	How it is captured in the model
Additional data use	Existing users of UK equity trade data who would gain access to a more complete consolidated dataset through the CT than they currently use.	We estimate the value of additional venue data made available to these users, based on current data prices, liquidity available on these venues, estimated user numbers and assumptions about the proportion of users who would value the additional data.

- 116.** Our updated quantitative method has four main steps. First, we estimate initial demand for the CT using our data user survey of firms active in UK equity markets. Second, we model demand growing over the first five years to a steady state, reflecting the time needed for the CT to become established, trusted and integrated into firms' workflows. Third, we estimate steady-state demand by considering likely substitution from existing pre-trade BBO display data users, with substitution depending on the modelled CT price. Fourth, we calculate the benefits from additional users and additional data use over the 10-year appraisal period, applying the same demand growth path used in the viability assessment.
- 117.** Further details of our method and underlying assumptions are placed in Annex 3.
- 118.** There is significant uncertainty around the assumptions made in our model of quantified benefits. As discussed above, we use a baseline scenario to model the benefits presented in the main CBA and test the sensitivity of our findings to our assumptions in Annex 4.
- 119.** Table 7 below summarises the quantified benefits under the baseline modelling assumptions for the lower-end, midpoint and upper-end cost estimates. These figures should be interpreted as estimates of the quantified private benefits from improved data access only.

Table 7: Summary of benefits under different cost estimates

Cost scenario	Estimated benefits from additional use	Estimated benefits from additional users (consumer surplus)	Estimated benefits from additional users (producer surplus)	Total quantified benefits
Lower end	£42.4m	£59.7m	£18.5m	£120.7m
Midpoint	£42.4m	£47.4m	£27.3m	£117.2m
Upper end	£42.3m	£35.8m	£33m	£111.1m

- 120.** These figures are subject to the aforementioned limitations and are using the baseline modelling assumptions set out above.

Unquantified benefits

- 121.** Our assessment of unquantified benefits, which are delineated in 'List of quantified and unquantified benefits', has changed to reflect the updated counterfactual.
- 122.** MARS may support some use cases where end-of-day traded volume is sufficient. It may help inform listing decisions by providing a broader view of liquidity. This would improve the visibility of available liquidity pool, potentially encouraging listing activity and generating revenues for firms that support listings and secondary trading. It may also help firms avoid costs associated with inefficient listing choices. MARS may also support some portfolio allocation and trading decisions where historical traded volume is a relevant input.
- 123.** However, for MARS to deliver material benefits for listing and trading decisions, it would need to become a common reference point for market activity. There is a risk that it does not achieve this status, given its narrower scope of instruments and its end-of-day format. In contrast, our proposed equity CT is more likely to become the common market reference because it will cover a broader range of equities and provide more granular and timely data, thereby bringing benefits.
- 124.** The benefits of MARS for investment and trading decisions are also limited by the nature of the data it provides. It does not provide real-time data, transaction-level post-trade data, or pre-trade data. It therefore cannot efficiently support many use cases, including best execution monitoring, transaction cost analysis, or intraday trading and portfolio decisions. Its narrower coverage of instruments further limits its value.
- 125.** By contrast, a real-time CT including pre-trade data is expected to support a substantially wider and higher-value set of use cases. It will provide more timely and granular information on available liquidity. This can more meaningfully contribute to better best execution monitoring and transaction cost analysis, which will in turn support improved competition between brokers. Pre-trade tape data will also help trading, portfolio allocation, or risk management. As explained in CP25/31, better and more consistent access to equity trade data can then improve trading and investment decisions, reduce trading costs, improve investor returns and support more efficient capital allocation.
- 126.** We therefore consider that MARS will capture only a limited share of the wider unquantified benefits expected from our intervention. In fact, it may support quicker realisation of unquantified benefits by demonstrating the benefits of consolidated equity data before the CT becomes operational and thus fastening CT uptake upon launch.
- 127.** The scale of these unquantified benefits remains uncertain and difficult to estimate. It depends on market uptake and the extent to which better data improves those processes. These behavioural responses are difficult to predict and may change over time as the CT becomes established and integrated into firms' workflows. There is also a complex and indirect causal chain between improved data access and market-wide outcomes.
- 128.** For these reasons, we do not quantify these wider benefits. While the evidence we have reviewed gives us confidence that these market-wide benefits are credible, the uncertainty around their scale means that our final assessment continues to rely on regulatory judgement.

Updated costs

- 129.** Our costs assessment compares the expected outcomes under the equity CT with the counterfactual of MARS.
- 130.** We quantify the following costs:
- CTP build and running costs
 - Bidder costs from participating in the procurement process
 - APA connection and reporting costs
 - Connection costs for market data vendors and direct data users
 - FCA costs for running the tender and supervising the CTP
 - Data provider familiarisation and legal costs
- 131.** We do not quantify the following potential costs:
- Potential impacts on trading venue incentives or investment
 - Potential changes in market structure, including lit trading
 - Potential distortions associated with the single-provider model
 - Operational disruption from CT outage
 - Potential pass-through of costs to end investors
 - Administrative complexity from income-sharing arrangements beyond FCA monitoring costs
 - Potential costs to SIs from supplying quotes to the CTP.
- 132.** Below, we explain updates to our cost estimates. In discussing these costs, we note:
- Bidder numbers and bidder costs are uncertain before procurement.
 - Connection costs for APAs, vendors and direct users are based on limited evidence.
 - Income-sharing monitoring costs may change once the final model is specified.
- 133.** In 'Risks and uncertainty' and 'Competition assessment', we assess some wider risks, such as potential changes to market structure. These are analysed qualitatively because they depend on market behaviour after the CT launch, which is hard to predict with certainty.

Costs to bidders

- 134.** Firms bidding to become the CT provider will incur costs to participate in the procurement process regardless of whether the firm is successfully appointed. CP feedback suggested that bidding costs are likely to be in the £0.5m to £1.0m range per bidder. We consider these estimates to be reasonable based on our understanding of the activities required to prepare a bid. We consequently use these estimates (and assume they include the relatively small familiarisation costs).

- 135.** We provide per-firm estimates of costs as it is not possible to determine the precise number of firms who will decide to participate in the procurement process. There is a trade-off between the number of bidders and the overall costs of our proposals. Greater bidding costs will likely reduce the overall costs because more bids imply greater competition and more efficient cost of building and running of the tape. We use a range of £1m to £2m in our updated cost-benefit analysis based on the above estimates and assuming two bidders.

Familiarisation costs

- 136.** Our estimates of familiarisation costs have not changed materially since CP25/31. We updated the estimated number of SIs from 24 to 22.

Costs to APAs

- 137.** APAs may incur additional costs in connecting to the CT and processing data due to the requirement to provide data at 100ms latency instead of the 1 minute required under current regulation. We have been provided estimates for the likely cost for the 4 APAs over the first 5 years of the CT. These were in the region of £0.5m. We have included these in our calculations of costs and the net-benefit assessment annualised at £0.1m-£0.2m ongoing costs a year.

Costs of including SI quotes in the CT

- 138.** We do not quantify potential costs and benefits for including SI quotes in the CT as we are separately consulting on whether the CT should include these. The costs and benefits of including SI quotes are therefore addressed through a dedicated consultation in Annex 6 rather than an input to the costs and benefits of the CT overall.

Connection cost to the CT for data users and market data vendors

- 139.** We expect market data vendors and data users who choose to connect directly to the CT to incur costs in connecting to the CT and processing this data.
- 140.** The number of firms that directly connect to the CT is uncertain as it will depend on the demand for the CT. Higher costs of connection are likely to reduce the number of firms that directly connect to the CT (and increase the number that use a market data vendor). We note that users may also choose to access the CT through the GUI interface, if the costs for any user of connecting directly is too high.
- 141.** We might expect that there are synergies between the processing done by current users of equity market data and the data that will be available under the CT. However, we would expect firms to incur costs of connecting and processing CT data. Some of these costs will also already be captured by the implicit switching costs in our treatment of substitution demand.
- 142.** We spoke to market data vendor and redistributor firms to understand the costs of ingesting CT data into their systems. We estimate that per firm, there will be an annual cost of renting a lease line of approximately £20,000, small annual monitoring costs, and

an initial fixed project cost of approximately 100 hours software engineer time. Using our Standardised Cost Model, we estimate this to cost approximately £7,000 per firm. We estimate that there are 10-20 firms that will use the CT data in this way. Market-wide costs are therefore estimated at £70,000 – £140,000 one-off costs per five-year tender and £200,000 to £400,000 ongoing costs.

Costs to the FCA

- 143.** Based on our experience of the bond CT provider procurement process, we expect the one-off FCA costs of running the equity CT provider procurement process to equate to two full-time staff for a period of around nine months to one year. This represents a total one-off cost of £200,000.
- 144.** We also expect to incur ongoing costs in supervising the CT provider and potentially monitoring any income-sharing arrangements (to be determined). For the purposes of the CBA, we conservatively assume these costs will be £125,000 per year. This includes 1 FTE annually to monitor the CTP's compliance with its regulatory obligations, estimated at £100,000, and 0.25 FTE, estimated at £25,000, to support oversight of the CT's income-sharing arrangements. The latter estimate is uncertain and could be higher if the final model requires more detailed monitoring of the calculation, allocation and distribution of shared income, or more frequent engagement with the CTP and data contributors.

Risks and uncertainty

- 145.** Following stakeholder feedback and further analyses, we note two key areas of risk associated with the CT and the resulting uncertainties.

Impact on structure of trading

- 146.** Industry feedback included concerns that increased availability of consolidated data, particularly pre-trade data, could contribute to a decline in the proportion of trading taking place on lit trading mechanisms. We have considered this risk carefully. The CT, as currently specified, is not generally expected to be used directly for electronic order routing or algorithmic trading. Evidence from Europe Economics (2024), qualitative responses to our data user survey and bilateral engagement suggests that firms requiring low-latency data for trading will continue to rely on proprietary venue feeds. The more plausible channel is therefore indirect: the CT may improve best execution monitoring, transaction cost analysis, broker assessment and trading strategy, which could affect trading-related decisions over time.
- 147.** The pre-trade element of the CT will initially comprise attributed pre-trade BBO data from lit venues. Improved access to this data could reveal better prices or liquidity on lit venues that a broker or investor does not currently use, supporting greater visibility of liquidity across lit venues and potentially more routing between them. On its own, however, access to lit-venue pre-trade data does not create a direct incentive to move trading from lit venues to non-lit execution mechanisms.

- 148.** We recognise that SI quotes raise a related but distinct issue. Unlike quotes on trading venues, SI quotes are not accessible to all market participants and may be bespoke, but SIs are systematic, substantial and frequent liquidity providers and their quotes may carry price-forming value. We therefore intend, alongside the July Policy Statement, to consult on draft rules for including SI quotes in the equity CT. Our consultation on equity market transparency and structure will also propose changes to the SI quoting framework to increase the informational value of SI quotes. Concerns about the completeness of pre-trade transparency, including the role of SI quotes, will therefore be addressed through a dedicated consultation rather than treated as a reason not to proceed with the CT framework.
- 149.** The CT will also include more complete post-trade price and volume data from a broader set of venues and mechanisms. Better post-trade data may improve execution monitoring, transaction cost analysis, broker assessment and trading strategy. This could lead investors to route orders through brokers with broader venue access, encourage brokers to connect to additional venues or improve routing policies, or result in more order flow being routed to mechanisms that provide better outcomes for particular orders. If some firms conclude that non-lit mechanisms provide better execution for certain orders, that may indicate that those orders were previously underserved by existing data or broker arrangements. We have not received feedback suggesting that this is systematically the case, or that investors in aggregate receive poorer execution when routing to lit venues. Execution outcomes are determined by price, cost, speed, likelihood of execution and settlement, order size, the nature of the order and client objectives. Non-lit mechanisms may not provide the same immediacy, certainty of execution, transparency or displayed liquidity as lit venues.
- 150.** A specific concern is that brokers with more limited venue connectivity could respond to greater scrutiny of execution quality by routing more orders to non-lit mechanisms rather than connecting to additional lit venues. We have not identified, and respondents have not provided, readily available evidence on the costs of connecting to additional venues. Those costs are likely to vary by broker, venue, connection type, business model and existing infrastructure. We have therefore focused on the incentives facing brokers and investors, and on evidence on current venue connectivity and trading volumes. Europe Economics (2024) fieldwork and our bilateral discussions suggest that investors value several execution outcomes, including price, cost, immediacy, certainty of execution and transparency. A best execution requirement does not imply that orders receive the best execution outcomes when routed to a non-lit venue because they may not provide the same immediacy, certainty of execution, or available liquidity as lit venues. Where trades are best executed on lit markets, investors may put pressure on brokers to improve venue connectivity, route through brokers with broader access, or switch brokers rather than accept poorer outcomes.
- 151.** Overall, we consider the risk that the equity CT diverts substantial trading volume away from lit trading mechanisms to be low. Even if some trading decisions change, the affected volumes are likely to be limited, and the changes may reflect trading becoming better aligned with investors' execution preferences. This conclusion is consistent with Europe Economics (2024) and with responses to our data user survey, which indicated that inclusion of pre-trade data would be unlikely to change respondents' use of CLOBs. Nonetheless, we recognise the fundamental role of CLOBs in supporting price

formation and will continue to monitor market functioning, supported by the market integrity monitoring actions summarised in Chapter 1 of the PS and 'Monitoring and Evaluation' section in this CBA. Market monitoring, which we expect to start soon after the CT becomes operational, will provide early warnings of stress that would enable intervention before substantial, irreversible harm arose.

Operational resilience

- 152.** Some market participants expressed concerns that tape outage could disrupt the trading process. In such outage, market participants relying on the tape for trading would not have equal access to information, which could cause venues to halt trading to avoid market dysfunction.
- 153.** Market outages can cause various adverse impacts, including disrupting price discovery and transparency, affecting benchmark and index calculation, impairing hedging and risk management, or undermining investor confidence. They could also create spillover effects across interconnected markets, such as derivatives.
- 154.** Assessing scale of negative market outage effects is challenging. But we note the level of equity market activity in the UK is substantial and recent market outages lasted relatively long:
- LSEG trading statistics and transparency disclosures suggest there were over 150 million trades on LSE venues in 2023 and over 11 billion orders.
 - In recent years, LSE outages lasted from 40 minutes to over 2 hours, or 8-22% of a trading day (City AM, 2023).
- 155.** Conditional on a wide tape uptake, expecting some risk of its outage disrupting the market appears reasonable. However, we expect the risk to be limited because we will hold the CTP to high operational resilience standards and will place strong emphasis on quality and resilience in the procurement process.

Competition assessment

Impact on smaller venues

- 156.** There is a risk that revenue losses to the tape could disproportionately impact the viability of smaller venues. These arguably do not benefit from the same economies of scale or diversified revenue streams as larger venues and are therefore more vulnerable.
- 157.** But many small venues do not substantially monetise trade data. For others, trade data charges comprise limited share of total revenues and our proposal will impact only a subset of that. For venues that rely more on trade data revenues than their peers, our intervention may provide incentives to re-align operations with recent market developments.

- 158.** Small venues will to some extent be compensated by the income shared with them by the CTP. Industry feedback suggests there are users (for example in risk management) that often rely on primary venue data. If these users were to consume tape data instead, our income-sharing arrangements would generate payments to smaller venues from this demand.
- 159.** The tape may also contribute to increased visibility of the venues, enabling them to attract new orders. Therefore, particularly if there is growth in trading volumes across the market due to the CT, this could translate to a growth in trading and associated profits for smaller venues.
- 160.** Based on the above, the risk that tape leads to an exit of smaller trading venues appears constrained. Nonetheless, we will monitor the impacts of the tape on competition, including a comprehensive review of its operations after two years.

Single-provider model and market power risks

- 161.** We have carefully considered the choice of single-provider model for equity CT. As part of the [CP23/15](#) consultation, we asked for industry views on the topic, and DotEcon covered it in their [2023 report](#) on the UK CT economic model. We also consulted the industry on single-provider model for equity CT specifically in [CP25/31](#). These publications suggest that both single-provider and multiple-provider models are associated with risks, which necessitates judgement on trade-offs.
- 162.** We understand that multiple-provider model creates some important risks:
- It may deter firms from supplying the product by exposing them to substantial uncertainty. Our CP25/31 CBA demonstrated that CT set up costs can range substantially and product novelty causes uncertainty in revenues. Potential suppliers therefore risk having to exit the market, thereby losing substantial sunk costs. Such risk could deter them from entering the market, undermining competition.
 - It may undermine the value of the tape as a commonly used authoritative reference for prices and liquidity, which is among key CT benefits explained in CP25/31.
 - It may jeopardise wide adoption if the market turns out to have significant natural monopoly characteristics. A multiple-provider model would then lead to a period of inefficiently high prices as different firms compete for the market and operate at inefficient scale. This would undermine wide adoption before the market may converge to a single-provider model. Some of the reviewed evidence, including responses to CP25/31, suggests the market exhibits natural monopoly features. Users may also gravitate to a single CT because of the common reference benefits discussed above.
- 163.** Our chosen single provider model with limited contract duration is also associated with important risks:
- A key risk is monopoly power of the tape provider. Facing limited competitive pressure, the firm may charge prices that are too high and inefficiently price out users, thereby undermining policy objectives. It may also not invest sufficiently in product quality, such as operational resiliency.

- Another risk is incumbency advantage. This may arise from the incumbent investing in assets with life beyond the 5-year term, which will render it with cost advantage over new bidders. Costly and inefficient changeover processes can also contribute to entrenching the incumbent provider as retaining them will avoid inefficiencies and supply disruptions caused by changes in suppliers.

164. We have considered multiple actions that we will be taking to mitigate the above risks:

- We will rely on running a well-designed, competitive procurement process with clearly defined pricing and quality requirements. We will also include contractual provisions intended to facilitate efficient transfer to a new provider.
- We will undertake a post-implementation review, starting two years after operation begins, test the tape's progress towards our objectives, and review whether a single provider remains appropriate for subsequent contract periods. We will also ensure efficient supervision of the tape provider and collect market feedback on tape's operations on a continuous basis.

165. We also note there are some market-related factors that can mitigate market power and incumbency advantage. Reviewed evidence suggests the tape provider will be subject to competitive pressures from existing data solutions. As for incumbency advantage, we understand technological developments may reduce set up costs.

166. In conclusion, we acknowledge that our chosen single-provider model is associated with market power and incumbency advantage risks. But these will be constrained by our actions and market factors. In contrast, multiple-provider model is surrounded by important risks, too. We consider our choice of appointing one provider for the first contract appropriately balances the trade-offs between the two models.

Monitoring and Evaluation

167. Monitoring and evaluation stage is an important part of the policy development cycle. Chapter 2 of the PS explains that we will be taking multiple steps to assess the success of the equity CT:

- We will undertake a post-implementation review of the framework for the equity CT, starting 2 years after operating begins. We will assess the appropriateness of the overall regulatory framework and, among other issues, the case for a multiple-provider model and for the varying level of pre-trade data included in the equity CT.
- We will be regularly monitoring CT operations and gather data on its market impact, utilising various metrics. To inform our approach, in CP26/30, we will seek views on a robust framework for monitoring developments in UK equity markets and their functioning.
- Through CTP supervision, we will assess whether the CT is being published in a timely fashion and meets operational resiliency requirements.

- To understand whether the CT has made consolidated data more broadly available, we will gather information from the CTP, through surveys, and industry engagement, including the CTP’s consultative committee.

Response to CBA Panel feedback on this CBA

- 168.** We consulted the CBA Panel in the preparation of the CBA we published in CP 25/31 in line with requirements of s138IA(2)(a). After updating our CBA after receiving significant consultation responses on the CBA, we opted to take input from the CBA panel on the updates to the CBA made in light of the consultation responses.

Table 8: Summary of main CBA Panel recommendations and our response

CBA Panel Main recommendations	Our response
Emphasise uncertainty of analysis and its reliance on key assumptions. The CBA’s presentation of quantified benefits implies a degree of precision that is unlikely to be realistic given the uncertainty around the price of the new product, levels of adoption and user behaviour. Rather than presenting a single central estimate of quantified benefits, supported by a relatively narrow range, the CBA should acknowledge explicitly that the scale of benefits is difficult to assess ex ante and present a range of plausible scenarios based on different assumptions about adoption, switching and user valuation. Assumptions about how many existing users will switch to the consolidated tape and realise price or quality benefits, and how many new users will emerge, are fundamental to determining the magnitude of the benefits. These assumptions should therefore be stated clearly, brought to the front of the analysis, and explained with reference to the evidence or judgement on which they are based.	We have clarified uncertainties around quantified benefits. We have also more clearly outlined key assumptions and limitations, explained the supporting evidence and judgement, and included sensitivity analysis.

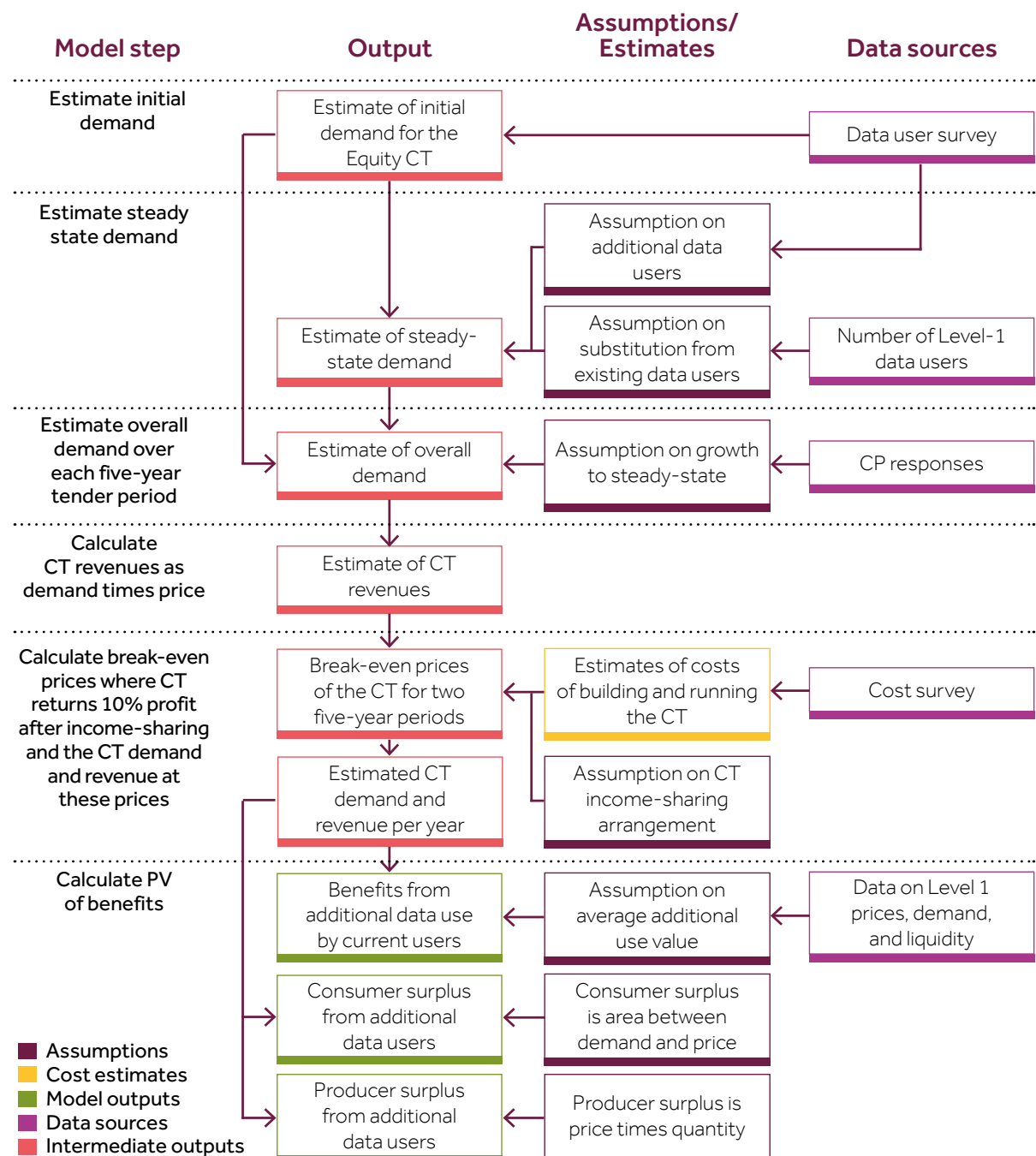
CBA Panel Main recommendations	Our response
Reinforce analysis of the market, including with international comparative evidence. The CBA should reinforce its discussion of the market for trade data, and adduce evidence from other jurisdictions, such as the US and EU. The current analysis does not clearly articulate in one place the expected effects of the proposed intervention on the supply and demand for trade data. In addition, the CBA should provide a more explicit explanation of what the consolidated tape will deliver that is not already available, including whether it constitutes a genuinely new product or primarily aggregates existing data. Clarifying whether the product is expected to be cheaper, higher quality, or both is critical to assessing adoption and benefits.	We have added information on trade data market relevant for estimation of the quantified benefits. We have also clearly set out the driving factors behind the benefits. We have explained that comparisons with US and EU are only of limited relevance.
Strengthen analysis of unquantified benefits. The CBA should provide a stronger analysis of the wider market benefits that it identifies as stemming from the proposed intervention, including the likelihood that benefits materialise, their potential scale, and the causal mechanisms involved. The analysis should distinguish clearly between private benefits, which would be reflected in users' willingness to pay, and wider market benefits that may not be captured in prices. Given that quantified net benefits are finely balanced, the Panel considers that greater transparency around these unquantified benefits is essential.	In 'Unquantified benefits' section, we have strengthened our assessment by clarifying the causal chain and delineating the impacts of pre-trade data. We also explain the challenges in assessing the likelihood and scale of the benefits. Throughout the updated CBA, we have added text clearly separating private benefits from unquantified impacts.

Annex 3

Estimation of demand, revenue, and quantified benefits

1. We have updated our model for estimating demand for the proposed CT. The below diagram summarises our overall approach to modelling demand for the CT and estimating CT revenues and benefits based on this demand.

Figure 1: Demand for CT and estimation of benefits



2. The model treats the survey evidence from the CP as an indication of initial CT demand, then assumes adoption growing over time to a steady state based on revealed preference. Steady-state demand is estimated by combining expected substitution from existing pre-trade BBO display data users with additional users who would newly subscribe at different CT price points. The CT price is modelled as the monthly per-user charge needed for the provider to recover costs, earn a margin and fund income sharing; that price then determines expected demand and the quantified benefits from additional users and expanded data use.
3. Below we provide further details of each stage of the modelling process for demand, revenue and benefits.

Estimating initial demand for the Equity CT

4. Initial demand is estimated using the FCA's data user survey, as in CP25/31. This survey-based estimate is likely to understate demand once the CT is established. In CP25/31, we therefore compared survey demand with observed demand for existing pre-trade BBO display data and modelled three adoption scenarios: limited, moderate and substantial adoption.
5. Based on data from UK equity venues, we estimated in CP25/31 that around 40,000 to 60,000 customers purchased pre-trade BBO market data in 2024, at an average cost of around £50 per month. This is around 4 to 7 times higher than our survey-based estimate of initial CT demand.
6. There are several reasons why initial survey demand may be lower than eventual CT demand. Some firms were unable to provide quantitative estimates of their likely demand for the CT, even though they were supporters of the CT and could see the value in using it. This was true of a range of firms. Predicting demand across a wide number of business areas for the CT was impractical for some firms. This is because it would require an assessment of data use at different prices points for data users across the firm. In addition, market participants may need time to understand the value of the CT, adapt workflows, and gain confidence in the CT as a reliable substitute for existing data sources.
7. In our view, observed demand for pre-trade BBO display data is an appropriate basis for estimating steady-state CT demand. However, following consultation feedback, we have revised how we move from initial demand to steady-state demand. Our updated approach treats survey evidence as an estimate of initial demand, rather than steady-state demand. We then model demand growing over the first five-year tender period towards a steady state informed by observed demand for pre-trade BBO display data. This better reflects both the evidence from existing data purchases and the time likely needed for the CT to become established and trusted.

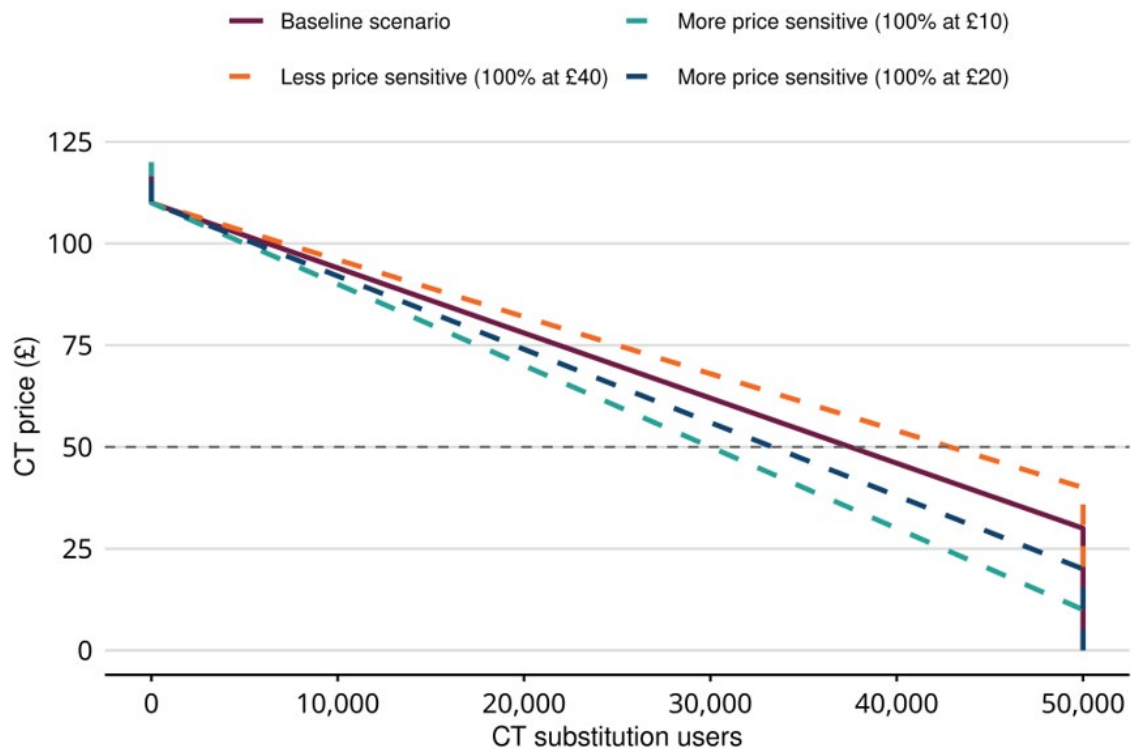
Demand in the steady state

- 8.** In the updated CBA we assume that demand grows from initial demand to a steady-state based on our estimates of substitution demand from existing pre-trade Level 1 venue feeds (50,000 users) and demand from additional data users.

Substitution demand

- 9.** The model assumes significant switching from pre-trade BBO display data users to the CT. For relevant display use cases, the proposed CT is expected to be a close substitute for existing pre-trade BBO display data feeds, while also offering additional features such as consolidation across venues, broader venue coverage and a single source of data. In our view, it is reasonable to expect that existing Level 1 customers would switch to the CT as it becomes established as a reliable source of UK equity data, provided that the CT offers a cost saving to these data users. This assumption was supported by industry feedback indicating that close to 100% of pre-trade BBO display data customers would likely switch to a well-functioning CT.
- 10.** Furthermore, the latency differential between Level 1 venue data consumed via desktop delivery through a data vendor and the CT, consumed through the same channel, will be small. We assume, based on the above, that incremental differences in latency between the equity CT and Level 1 venue data do not affect the value of display data use cases to end users. This assumption was discussed with the Secondary Markets Advisory Committee in July 2025 and in subsequent firm engagement, where stakeholders did not raise material concerns. We have also tested this assumption since in discussion with firms and did not receive feedback suggesting it was unreasonable.
- 11.** The updated model assumes that substitution is a function of the price of the CT. If the CT represents a cost saving to existing data sources, we think there should be substantial substitution. If the CT is more expensive than current data products, then there should be much more limited substitution from existing data sources. In our updated model of estimated demand, we assume the following substitution from existing pre-trade BBO data customers as a function of the price of the CT in steady state for our chosen CT design as a function of the price.

Figure 2: Modelled substitution demand

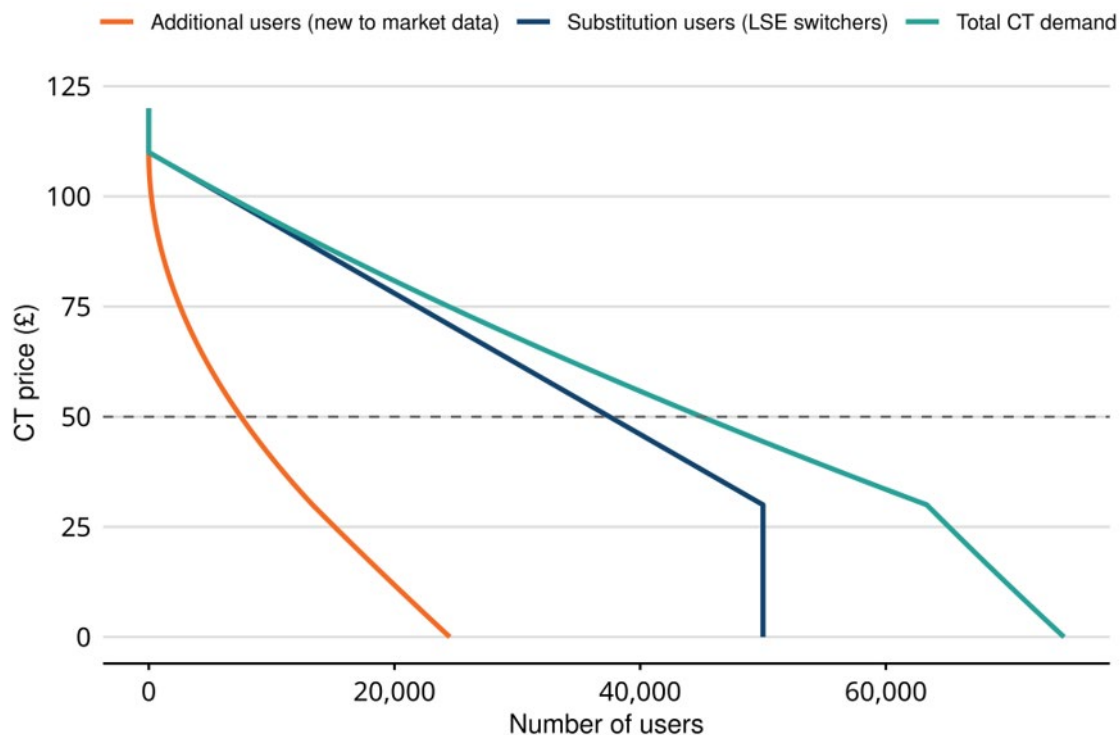


12. The baseline scenario is presented in dark red (solid line). We test three additional assumptions of the price sensitivity of substitution demand in addition to our baseline scenario. The blue and green lines show sensitivity scenarios in which substitution demand for the equity CT is less price-elastic than in our baseline assumption. The orange line shows a scenario in which the demand for the CT is more elastic than in our baseline. We discuss how these scenarios affect the estimates at the end of this section.

Additional user demand

13. In CP25/31 we assumed that additional data users are 20% of overall demand regardless of the CT price based on evidence from our survey. We have updated this approach to reflect feedback that additional-user demand should be expected to fall as price rises.
14. In the updated model, we build up additional-user demand in steady state by assuming that the proportion of additional users increases from 0% at £110 to 20% at £50 in our baseline scenario. The 20% baseline is informed by our survey, and we consider three additional scenarios in our sensitivity analysis below, 25%, 15%, and 10% at £50. We assume that this percentage continues to grow at the same rate until the CT price reaches the point at which substitution reaches 100%. Below that price point we use the elasticity implied by our survey demand function to estimate how demand continues to grow and all further demand comes from additional data users. The figure below shows how overall demand is constructed from these assumptions on substitution and additional demand. The kink at 50,000 users in the substitution users is due to our estimate of a maximum of 50,000 substitution demand users (all pre-trade BBO data users).

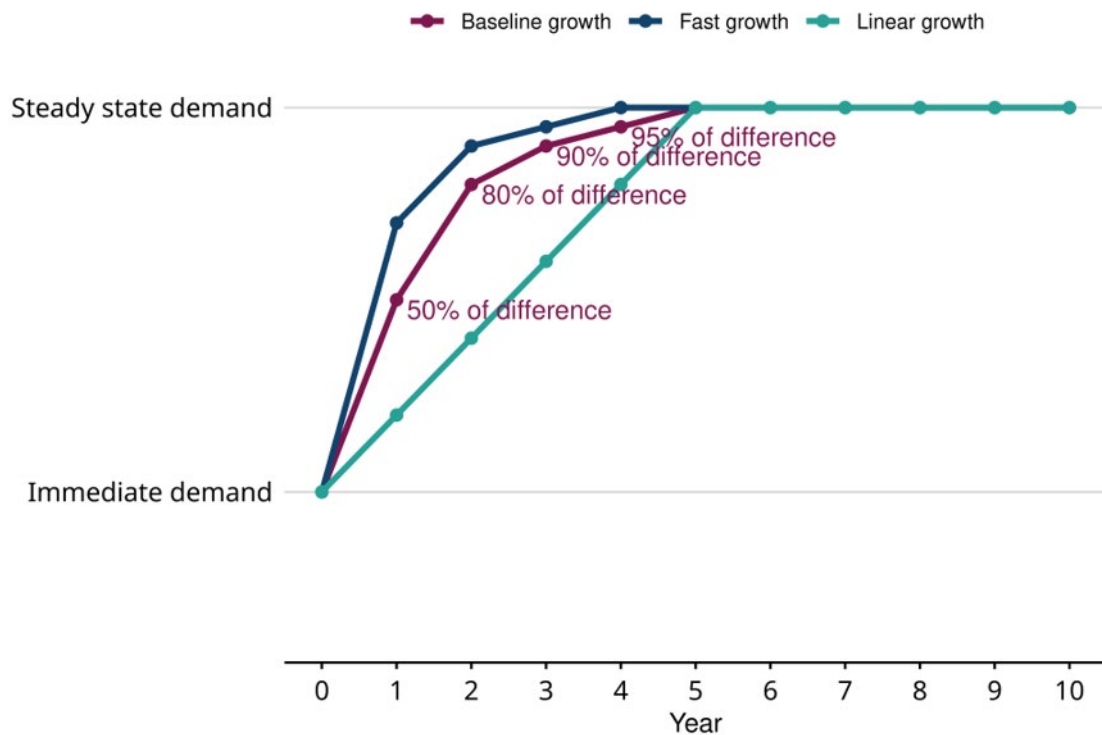
Figure 3: Overall demand curve



The growth of demand to steady state

15. The figure below summarises our assumed growth path for demand. We use the 'baseline growth' path as our baseline model. We base the baseline growth and the linear growth scenarios on feedback received by CP respondents. In our baseline scenario, demand reaches steady state towards the end of the first five-year tender period. We might reasonably expect use to reach steady state faster than this and modelled a fast growth scenario for our sensitivity analysis at the end of this section below.

Figure 4: Modelled growth path of demand

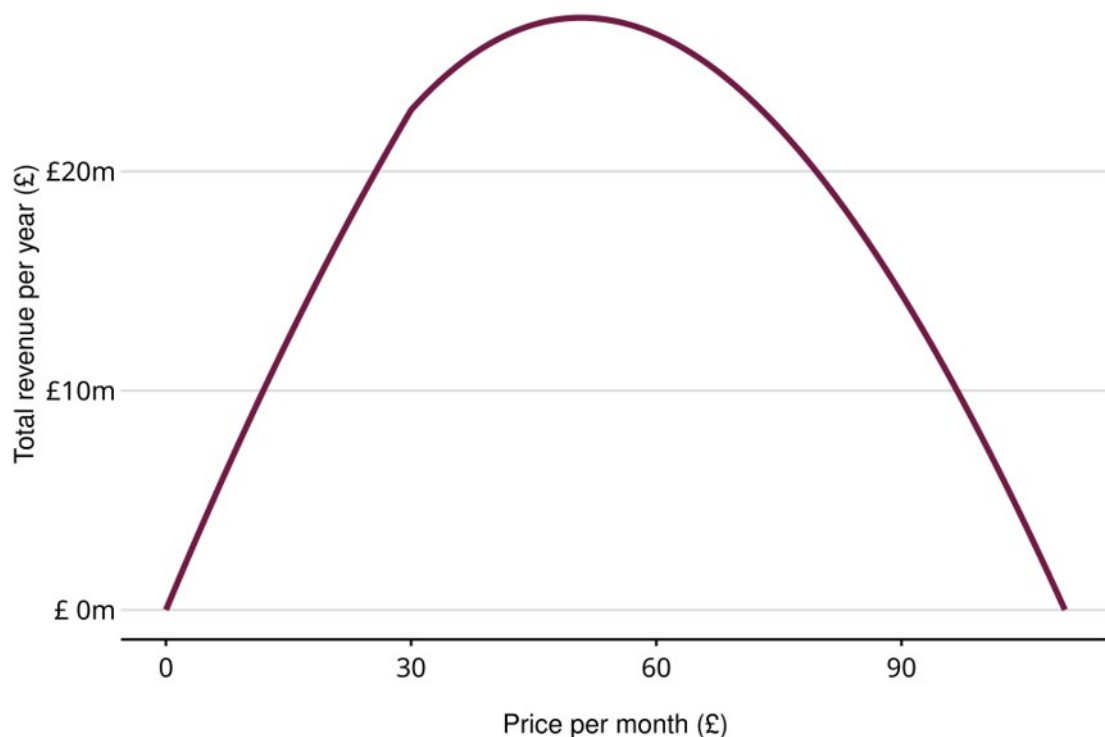


16. Zero indicates the beginning of the first CTP tender period. The stated percentages are the percentage difference between steady state demand and initial demand that we modelled the CT to reach by the end of the given year.
17. We assume that demand does not continue to grow and is static once reaching steady-state. This is a simplifying modelling assumption. In practice, demand may fluctuate or exhibit a growth trend over the whole ten-year appraisal period.
18. Publishing the market activity reporter may increase the market-wide benefits of the real-time equity CT by increasing awareness of the benefits of consolidated equity data before it 'goes live'. This means that, on the CT's launch, its uptake could be quicker and so its market-wide benefits greater. If this occurs, the 'fast growth' scenario may better reflect actual uptake.

Implied revenues

19. The CTP's revenue in steady state, as a function of the CT's price based on this demand curve, is shown below. The kink in the demand curve above is reflected as a kink in the revenue function at the price point where substitution to the CT is 100%.

Figure 5: Estimated revenue as a function of price



- 20.** All our calculations are made in terms of present values (PV). To calculate the PV of revenues in each year we take the midpoint of revenues from the beginning of the year and the end of the year to reflect that CT revenues will be growing during the year. For example, in year one we take the midpoint of revenues from immediate demand and the demand from 50% of the difference between the immediate demand and steady state demand.

Modelled profits, prices, and viability

- 21.** To estimate the number of users for the CT and its benefits, we first model the price the CTP would need to charge to recover its costs and earn a commercial return. We assume the CTP requires a 10% profit margin in present value terms over each five-year tender period. This means that, after allowing for the relevant costs and income sharing, the present value of CT revenues must be sufficient for the CTP to recover its costs and earn the assumed return.
- 22.** The required return is assessed after income sharing. In the baseline, we assume that the CTP shares 20% of the present value of its profits, measured as earnings before tax, with data contributors over each five-year period. The model therefore solves for the monthly CT price that allows the CTP to recover costs, make the required income-sharing payments and still earn the assumed 10% return.

- 23.** We assess the CT as viable if such a price can be found for each five-year tender period. The table below summarises these prices across the range of estimated CT costs in the baseline scenario.

Table 1: Estimated breakeven prices in baseline scenario

Cost scenario	Break-even prices	Cost to CTP (PV)
Lower end	£12 / £9 per month	£56.2m
Midpoint	£20.7 / £15.3 per month	£93m
Upper end	£30.6 / £22.2 per month	£129.5m

- 24.** The price in the first five-year period is always higher due to the lower demand in this period coming from the built-in ramp up in demand.

Benefit quantification

- 25.** As in our CP CBA, the quantifiable benefits of the CT arise from two sources:
- *Additional data users* who access the CT and without the CT would not be accessing pre- and post-trade equity data, and
 - *Additional data use* by users of the CT with previous access to pre- and post-trade equity data due to improved data availability in the CT relative to these sources.

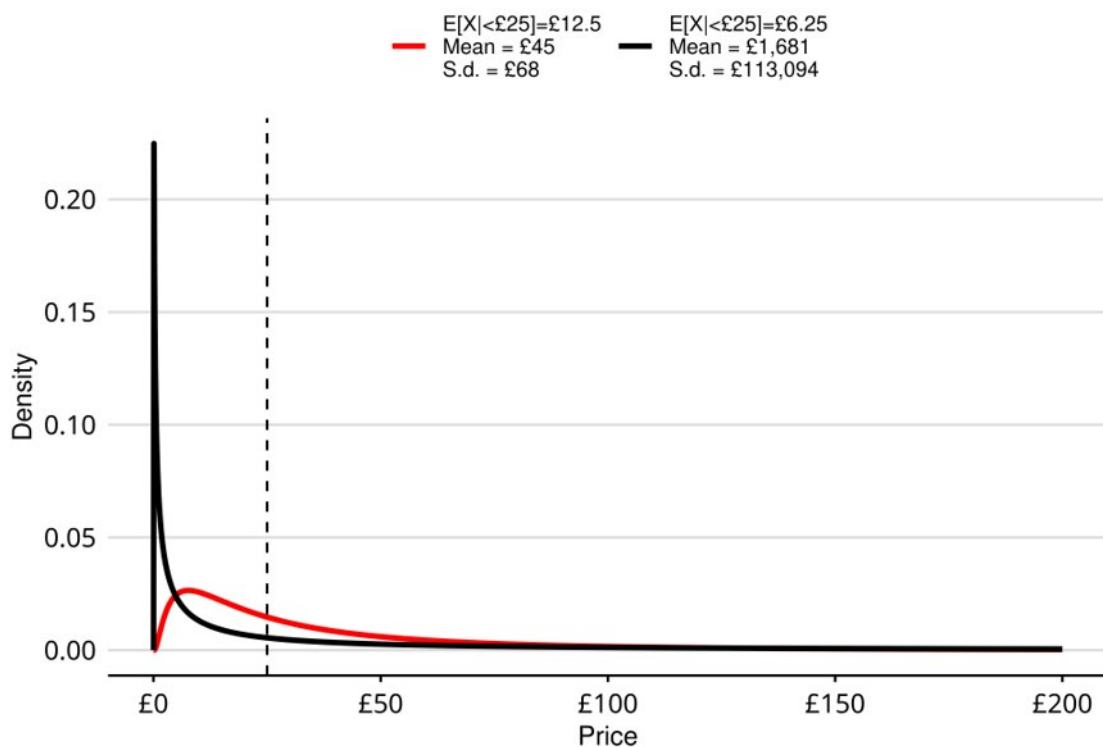
Benefits from additional data users

- 26.** The benefits arising from additional data users are the total surplus (producer and consumer) arising from their purchase of data. The producer surplus is the price of the CT multiplied by the number of additional data users. The producer surplus is a benefit for the purposes of the CBA as we have already accounted for the costs of the tape. Additional revenue for the provider is treated as a benefit in the CBA because the model assumes zero marginal cost of serving additional users. In reality, there will be some marginal cost to supply data users, but these are expected to be small. In most cases, accessing the tape would be automated with only limited human interaction for the CTP that would be unlikely to lead to material marginal costs.
- 27.** The consumer surplus is the area between the area under the demand between price of the CT and its maximum price where demand is zero. The surplus is highest for users with the highest valuation and capped at £110 minus the price of the CT per month, in accordance with revealed preference. Furthermore, given our assumed model of the relationship between the price of the CT and the demand from additional data users as the price of the tape falls, the model implies a greater number of additional users at lower prices, and very few additional users as prices approach £110.

Benefits from additional data use

- 28.** Additional data use benefits arise from users with previous access to UK equity trade data but without access to a full view of data from all venues increasing their access to data.
- 29.** Following CP feedback, we reviewed the method for the valuations of the non-LSE data sources used in the model.
- 30.** In CP25/31 we assumed that the value of these data to those that previously have not had access but value it above £0 will be on average 25% of its current price and that an equal proportion of data users value it above and below their current market price. After reviewing these assumptions, in our view they imply an unrealistically low valuation of these data sources.
- 31.** For illustration we provide plots of two log-normal distributions below where (as in our model for the valuation of Cboe, Aquis, and Turquoise data) 50% of customers with positive valuations have their valuation below the current market price). In the red line, the mean valuation for those with a valuation below the market price is 50% of the market price. In the black line the mean valuation is 25% of the market price (as in our CBA).

Figure 6: An illustrative distribution of Cboe data valuations



- 32.** This suggests that the black distribution is unrealistically skewed. To illustrate this point further, if the assumptions made in our CBA are true and the distribution of valuations for, for example, Cboe's data are distributed following a log-normal distribution, then the mean value for the whole distribution would be £1,681 per month with a standard deviation of £113,093. This would imply a large number of users with very small positive valuations, alongside a very long tail of high-value users. Given this implication, we adjust the mean value for additional data use of those that currently do not access it to be 50% of the current price rather than 25%.
- 33.** Both for users with existing access to venue data and for some of the users without current access to data, we estimate the value of this data to be £0. However, for a proportion of users without current access to data we assume the value is above £0 with a mean value halfway between £0 and the current market price of the data. In summary, we assume:
- For 25,000 users who do not currently access CBOE data the value is above £0 and below £25 with an average value of £12.5 per month.
 - For 10,000 users who do not currently access Aquis data the value is above £0 and below £25 with an average value of £12.5 per month.
 - For 10,000 users who do not currently access Turquoise data the value is above £0 and below £10 with an average value of £5 per month.
- 34.** We updated our approach to estimating the number of users that value these datasets above £0 to reflect our estimates of current users of these data sources, their current price, and the relative liquidity provided on these venues.
- 35.** When 100% of current pre-trade BBO display data customers switch to the CT the annual benefits from additional use are therefore £5.85m in steady state.² As a simplifying assumption we assume that when less than 100% of pre-trade BBO display data users switch their demand to the CT (due to the price of the CT or the growth path of demand) the additional use benefits fall proportionally with the proportion of substitution demand.

² $10,000 \times 12 \times £5 + 10,000 \times 12 \times £12.5 + 25,000 \times 12 \times £12.5$

Quantified benefits

36. We estimate the following expected benefits of the CT in the baseline scenario.

Table 2: Estimated benefits in the baseline scenario

Cost scenario	Break-even prices	Estimated Benefits	From additional use	From additional users (consumer surplus)	From additional users (producer surplus)	Cost PV	Net benefits
Lower end	£12 / £9 per month	£120.7m	£42.4m	£59.7m	£18.5m	£62.6m	£58.1m
Midpoint	£20.7 / £15.3 per month	£117.2m	£42.4m	£47.4m	£27.3m	£101.5m	£15.7m
Upper end	£30.6 / £22.2 per month	£111.1m	£42.3m	£35.8m	£33m	£140.4m	-£29.3m

37. This table shows that, given the midpoint of our cost estimates, moderate adoption, and the price implied by a 10% profit margin (after sharing 20% profits) for the CT provider, the model estimates positive net quantified benefits for the CT.
38. The quantified benefits are sensitive to the CT price. A higher price reduces expected demand. Wider market benefits are also likely to depend on take-up, because many of those benefits arise only if the CT enables broader use of consolidated data. As discussed in 'Competition assessment' section on the single-provider model and procurement, the procurement process is therefore central to maintaining price discipline, supporting adoption and ensuring the CT delivers the anticipated market benefits.
39. At the upper end of the cost estimates, the model estimates negative net quantified benefits at the upper end of the cost estimates.

Limitations

40. The model necessarily simplifies how firms may respond to the CT. It estimates demand using survey evidence, current data purchases, observed prices and assumptions about adoption, substitution from existing products and additional users. These inputs provide a reasonable basis for modelling likely demand, but they cannot fully predict how firms will behave once the CT is launched, priced and integrated into existing workflows.
41. The model also does not capture all wider market effects, including the full value of a common reference for prices and liquidity, changes in market participation, or the extent to which improved data access affects trading, investment and listing decisions.
42. The sensitivity analysis in Annex 4 addresses some of these limitations by testing how the model findings change when key assumptions on adoption, substitution, additional users, costs and income sharing are varied.

Annex 4

Sensitivity Analysis

1. Sensitivity analysis is important because the quantified results depend on assumptions that are inherently uncertain at this stage. The CT is a new product in UK equity markets, so future adoption, switching from existing data products, additional-user demand, provider costs and income-sharing arrangements cannot be observed directly before launch. Respondents and the CBA Panel also highlighted that relatively small changes in these assumptions could affect the estimated net benefits. We have therefore tested how the results change under alternative plausible assumptions, rather than relying only on a single central estimate.
2. Our baseline scenario remains, in our view, the most plausible central case. It reflects the final policy design, uses observed market data where available, incorporates consultation feedback by modelling gradual adoption rather than immediate steady-state demand, and applies assumptions on substitution and additional users that are grounded in current pre-trade BBO display data purchases and survey evidence. It also includes income sharing, consistent with the final policy position, while assuming a level that we consider compatible with CT viability. The baseline should therefore be interpreted as our central modelling case, not as a precise forecast of outcomes.
3. In this section, we first test the sensitivity of the results to the key modelling assumptions that drive the quantified CBA: the speed of adoption, the proportion of additional users, the price sensitivity of substitution demand and CT cost estimates. We then test the sensitivity of the results to alternative income-sharing mechanisms and sharing rates, including profit-sharing and revenue-sharing options.

Sensitivity to key modelling assumptions

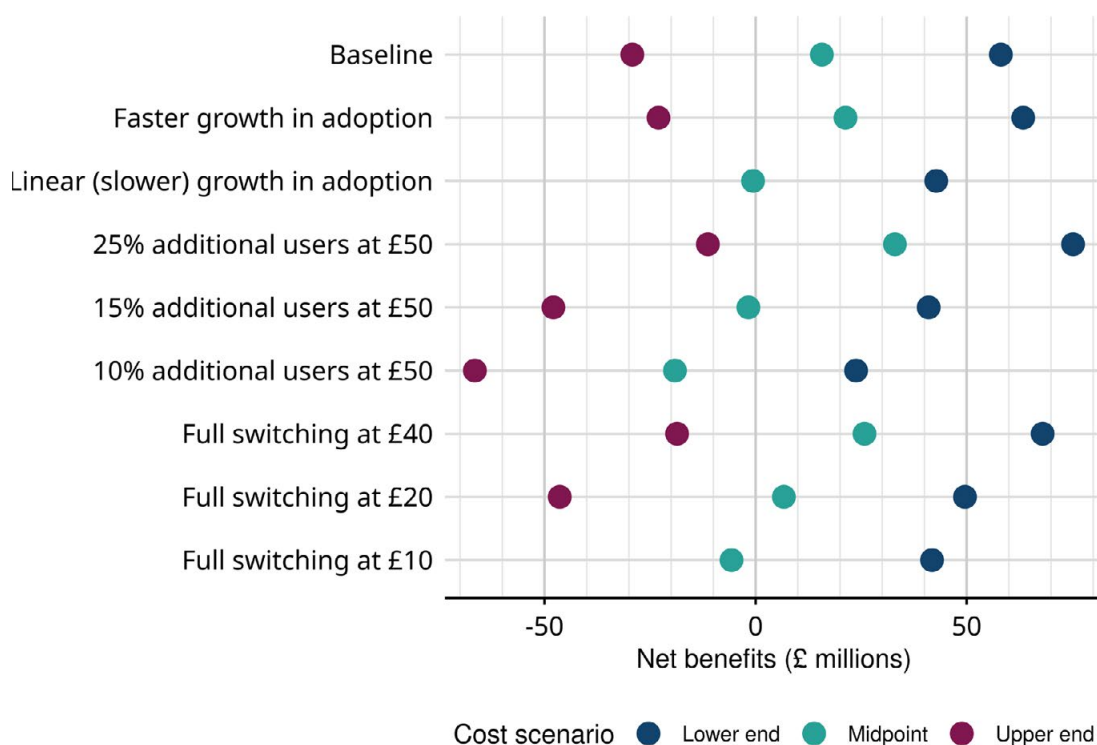
4. As outlined above, the quantified estimates depend on assumptions about adoption, substitution, additional users, CT costs and income sharing. We therefore test the sensitivity of the results to alternative plausible assumptions around each of these drivers. These tests are not intended to identify a separate preferred scenario. They show how the estimated benefits, costs, viability and net benefits would change if key assumptions were more or less favourable than in the baseline. The table below summarises the assumptions tested in this section.

Table 1: Sensitivity tests of key modelling assumptions

Assumption	Significance of assumption	Tested scenarios
Growth path of CT demand	Determines how quickly revenues and quantified benefits build after launch. Slower adoption lowers early-period revenues and benefits while most fixed costs are still incurred.	Baseline growth to steady state during the first five-year tender period; faster growth; slower (linear) growth as shown in Figure 1.
Substitution from existing pre-trade BBO display data users	Affects demand, CT revenues and additional-use benefits. If fewer existing users switch to the CT at a given price, the quantified case weakens and the price required for viability may rise.	As shown in Figure 1. Baseline price-response assumption; more price-sensitive substitution demand (full switching at £40); less price-sensitive substitution demand (full switching at £20 and £10).
Additional-user demand	Drives consumer surplus and producer surplus from users who would not otherwise buy equivalent UK equity data.	Baseline assumption of 20% additional users at £50; lower additional-user demand (15% and 10% at £50); higher additional-user demand (25% at £50).
CT build and operating costs	Costs determine the price the CTP must charge to recover costs and earn the assumed return. Higher costs raise the required CT price, reduce demand and reduce quantified net benefits.	Lower-end, midpoint and upper-end CT cost estimates.

5. The figure below provides a summary of the estimated net benefits for the scenarios introduced above.

Figure 1: Sensitivity analysis



6. This graphic shows the sensitivity of our findings to the modelling assumptions. Overall, the results range from around -£70m to +£80m NPV net benefits over the 10-year appraisal period, highlighting material uncertainty around the quantified results.
7. We modelled the sensitivity of results across three key assumptions:
 - The speed of adoption of the CT: We modelled two additional scenarios in addition to our baseline: a faster growth model and one where growth is linear in the first five years. The results are comparatively less sensitive to this assumption at the lower end and midpoint of cost estimates, where the CT remains viable and net beneficial based on quantified benefits alone. However, slower adoption increases viability risk at the upper end of cost estimates because the CTP may not generate sufficient revenues in the first five years to recover costs and earn the assumed 10% profit margin.
 - The percentage of additional users: We modelled how sensitive the results are to the assumed percentage of additional users at a CT price of £50. This is one of the most important drivers of the quantified-benefit estimate. With more additional users, the CT is close to net beneficial even at the upper end of cost estimates. However, with fewer additional users, the quantified benefits fall materially, and the CT may no longer be net beneficial at the midpoint of cost estimates based on quantified benefits alone.
 - The price sensitivity of substitution demand: We modelled the sensitivity of the results to our assumed price sensitivity of demand from existing pre-trade BBO display data users. The quantified results are less sensitive to this assumption than to the number of additional users, but lower price sensitivity reduces substitution at higher CT prices and can lower estimated benefits materially. In the least price-sensitive substitution scenario, the CT remains viable at the lower end and midpoint of cost estimates but is break-even in net benefits at the midpoint based on quantified benefits alone and is not viable at the upper end.
8. The CT remains viable across most modelled scenarios, but viability concerns concentrate at the upper end of cost estimates. In two scenarios, the least price-sensitive switching model and the slowest growth in adoption model, the CTP is unable to generate the assumed 10% profit margin in the first five years of the CT at the upper end of cost estimates. This means that, under those assumptions, the CT may not be commercially viable even before considering whether it is net beneficial based on quantified benefits alone.
9. Overall, the sensitivity analysis shows that quantified benefits are sensitive to assumptions about adoption, substitution from existing data products and additional-user demand. Faster uptake, higher substitution and stronger additional-user demand increase estimated benefits, while slower uptake or weaker demand reduces them. This reinforces that the benefits case depends on the CT being priced at a level that supports broad adoption and on users treating the CT as a valuable substitute for, or supplement to, existing data products. The analysis therefore supports the baseline benefits estimate as a plausible central case, but highlights that the scale of benefits remains uncertain and will depend on actual market take-up after launch.

Sensitivity to the mechanism and proportion of income sharing

- 10.** Our final rules include an income sharing requirement for the CT. The precise mechanism and proportion of income to be shared with data providers has not yet been finalised. In our baseline estimates, we assumed that 20% of profits (earnings before tax) are shared with data providers and that the CTP operates at a 10% profit margin (after sharing). In this section, we set out alternative profit- and revenue-sharing scenarios and their impact on net benefits and the total amount shared with data providers.
- 11.** We test the following scenarios:
- 1%, 2.5%, 5%, and 10% of CT gross revenues shared with data contributors.
 - 10%, 20%, and 30% of profits (earnings before tax) shared with data providers.
- 12.** Other than the income-sharing mechanism, each scenario reflects our baseline model and assumptions including that the CT returns a 10% profit in NPV over each five-year period.

Table 2: Income shared and net-benefits of profit- and revenue-sharing scenarios

Scenario	Cost estimate					
	Lower end		Midpoint		Upper end	
	NPV Net benefits	NPV £ shared with contributors (10-year total)	NPV Net benefits	NPV £ shared with contributors (10-year total)	NPV Net benefits	NPV £ shared with contributors (10-year total)
Gross revenue sharing						
1% revenues	£58.1m	£0.6m	£15.9m	£1m	-£28.6m	£1.4m
2.5% revenues	£58.1m	£1.6m	£15.7m	£2.6m	-£29.3m	£3.6m
5% revenues	£58m	£3.1m	£15.4m	£5.1m	-£30.6m	£7.2m
10% revenues	£57.7m	£6.2m	£14.7m	£10.3m	-£34.1m	£14.3m
Profit sharing						
10% profits	£58.1m	£0.6m	£15.9m	£1m	-£28.6m	£1.4m
20% profits	£58.1m	£1.4m	£15.7m	£2.3m	-£29.2m	£3.3m
30% profits	£58m	£2.4m	£15.5m	£4m	-£30m	£5.6m
40% profits	£57.9m	£3.8m	£15.3m	£6.2m	-£31.1m	£8.7m

- 13.** Overall, the sensitivity analysis indicates that both profit sharing and gross revenue sharing have a limited effect on estimated net benefits under the assumptions tested. Higher sharing rates increase the amount returned to data contributors but reduce quantified net benefits because the CTP must charge a higher CT price to recover costs, fund sharing payments and earn the assumed return. The effect is modest at the

lower-end and midpoint cost estimates, where the CT remains net beneficial across the scenarios considered. At the upper end of the cost range, quantified net benefits remain negative under all income sharing assumptions, and higher sharing rates increase the scale of the estimated net cost.

- 14.** The results also suggest that the choice between profit sharing and gross revenue sharing is not the primary driver of the quantified CBA results. The overall assessment remains more sensitive to CT costs, realised demand, user price, adoption and the extent to which wider market benefits materialise. Income sharing is nevertheless important qualitatively because it can mitigate risks to data contributors and support the overall policy design.
- 15.** The main difference between the two mechanisms is how risk is allocated between the CTP and data contributors. Profit sharing varies with the profitability of the CT: if the CT generates lower profits, less is shared; if it is more profitable, contributors receive more. This protects the CTP's viability because sharing payments adjust to commercial performance, but it gives contributors less certainty over the amounts they will receive. Gross revenue sharing is less variable because payments are linked to revenues rather than profits. This gives contributors a more predictable income stream but places more risk on the CTP because payments may still be due even where costs are high or profitability is low.
- 16.** In qualitative terms, profit sharing is therefore more aligned with CT viability and may be more attractive to potential bidders, while gross revenue sharing may provide stronger and more certain mitigation for data contributors. The appropriate mechanism depends on the balance between maintaining incentives for providers to bid, invest and operate the CT efficiently, and ensuring that trading venues and other contributors share sufficiently in the value created by the CT.

Annex 5

Options assessment

1. We have received feedback to our CP that we did not adequately account for the differences between a post-trade only CT and a CT with pre-trade data included. In the following section we therefore compare the expected benefits and costs of our chosen CT design separately against a CT that only contains post-trade data.

A post-trade data only CT

2. In our CP CBA, we assessed the costs and benefits of different CT designs, including a post-trade only CT. We have reconsidered that option in light of the updated modelling and consultation feedback. Our conclusion remains that a post-trade only CT would deliver some benefits, particularly for users focused on traded volumes and a consolidated post-trade record, but that it is unlikely to deliver benefits comparable to a CT that also includes attributed pre-trade BBO data.

Why a post-trade only CT would address the market failure less directly

3. A post-trade only CT would not significantly address the market power failure identified in our market failure analysis. This is because relatively few users in UK equity data markets purchase post-trade data only. Most relevant revenues and user demand relate to pre-trade BBO display data. A post-trade only CT would therefore not lower prices or expand use of pre-trade data in the same way as our chosen CT design.
4. We also recognise that consolidation of post-trade data has value. It could reduce some coordination and aggregation costs for users whose needs are focused on traded volumes. However, because it would not provide real-time attributed pre-trade BBO information, it would not meet the needs of many current pre-trade BBO display data users.

Our approach to assessing a post-trade only CT

5. In the CP CBA, we implicitly assumed that a post-trade only CT would deliver the same per-user additional-use benefits and additional-user benefits as a CT that includes pre-trade data. We have received feedback to the CP on this and now consider that assumption unlikely to hold.

6. In our view and as suggested by CP respondents our chosen CT will likely lead to significant substitution from existing pre-trade BBO display data customers to the CT. That is not a reasonable basis for estimating demand for a post-trade only product, because a post-trade only CT would not supply these users with all the data they currently purchase. We would expect some substitution from post-trade only data feeds, but our assessment is that the number of users purchasing only post-trade data is relatively limited.
7. For that reason, rather than developing a separate full demand model for a post-trade only CT, we assess this option using five judgement-based considerations. This approach reflects the uncertainty around post-trade-only demand while making clear the assumptions that drive our comparison with the chosen CT design.
8. These five judgement-based considerations are introduced below. In summary, we expect that the chosen CT design will attract more users than even a very low-priced post-trade CT (both substitution and additional users) and that the chosen CT will deliver more benefits to these users than a post-trade CT would. In conclusion then, in our view the increased benefits of the chosen CT design make up for its potentially higher cost.

1. The chosen CT design is likely to attract more demand from existing data users than even a very low-price post-trade CT

9. Our chosen CT design will include all the data that would be available on a post-trade only CT, as well as attributed pre-trade BBO data.
10. Most current equity display data users are pre-trade BBO display data users. A competitively priced version of our chosen CT design could reduce costs for many of these users by replacing existing pre-trade BBO venue feeds with a consolidated product that provides comparable pre-trade BBO data and post-trade data.
11. By contrast, a post-trade only CT would generally need to be purchased in addition to existing pre-trade venue feeds. Even if it were offered at a low price, many existing pre-trade BBO display data users would still need to retain their current pre-trade data products. For these users, our chosen CT design is more likely to reduce overall data costs and provide a closer substitute for their current data needs.

2. The chosen CT design is likely to deliver higher quantified benefits for existing data users

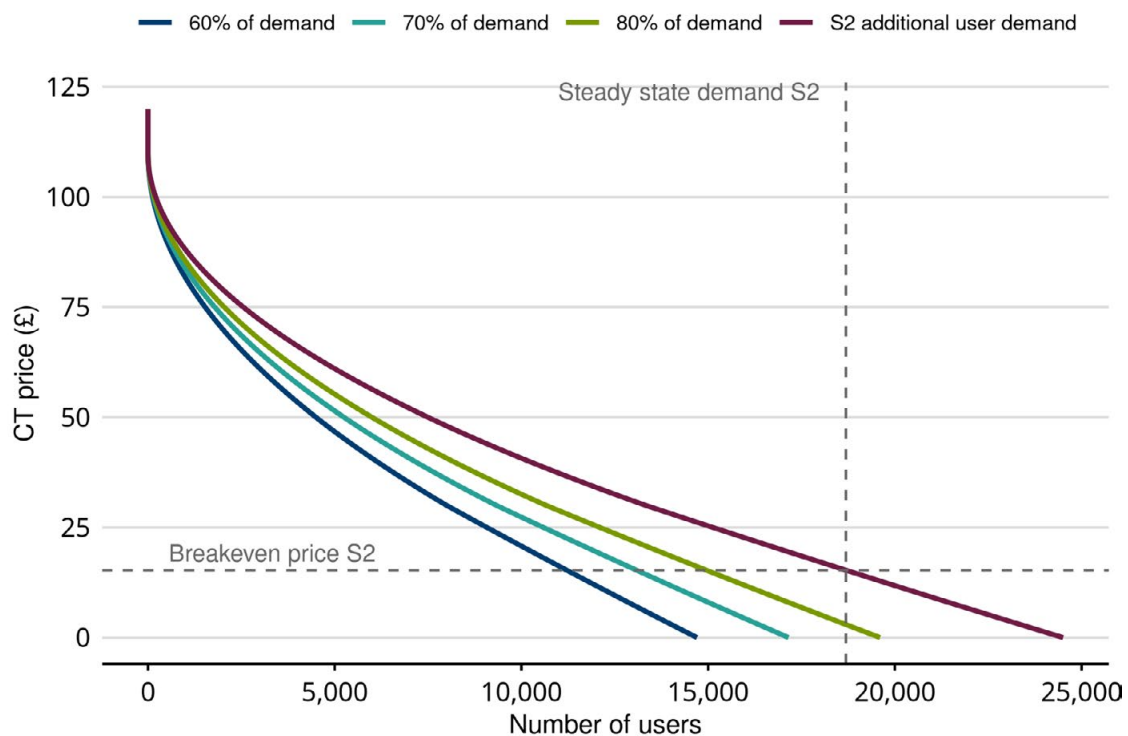
12. A post-trade only CT would deliver less additional data than our chosen CT design. Pre-trade data is valuable to existing pre-trade BBO display data users, as shown by the fact that they currently purchase it. The per-user additional-use value of a post-trade only CT would therefore be lower than under our chosen CT design.

- 13.** As shown in consideration (1), because a post-trade only CT would be a weaker substitute for current pre-trade BBO display data products, we also expect it to attract significantly less demand from existing data users even at low prices. It would therefore generate smaller total quantified benefits for existing users than the chosen CT design (less benefits for fewer users).

3. The chosen CT design is likely to deliver higher quantified benefits for additional users

- 14.** Our survey evidence suggests that unmet demand for trade data is not limited to post-trade data. For some potential new users, pre-trade information is valuable. The benefits from additional data users in our model represent the total surplus from users that previously had no access to trade data. Provided some of these users value pre-trade data, the average additional-user benefit of our chosen CT design will be higher than the additional-user benefit of a post-trade only CT.
- 15.** There is one important qualification. For additional users, a post-trade only CT could be preferable if it were offered at a sufficiently lower price. In principle, it could attract more additional users if its lower cost allowed the CTP to offer it at a large discount to the chosen CT design.
- 16.** However, our illustrative demand analysis suggests this is unlikely. Because a post-trade only CT would contain less data and support a narrower set of use cases, we would expect demand at any given price to be lower than for our chosen CT design. The illustrative curves show that, unless post-trade-only additional-user demand is very close to demand for the chosen CT design, around 80% or above, the chosen CT would attract more additional users even if the post-trade-only CT were provided for free.

Figure 1: Proportions of pre-trade CT demand required for a post-trade CT to attract more users



17. As a stress test, if a post-trade only CT attracted 80% of the additional-user demand of our chosen CT design, it would need to be offered below £4.70 per month to attract more additional users in steady state than the chosen CT design. To break even at that price, including a 10% profit margin for the CTP over the 10-year appraisal period and using our assumed demand growth path, it would need to attract 147,222 users in steady state. This significantly exceeds estimated total demand for our chosen CT design even if offered at £0 and does not appear realistic for a post-trade only CT.
18. We therefore conclude, on a judgement-basis, that a post-trade only CT would likely deliver lower quantified benefits per additional user and attract fewer additional data users than our chosen CT design.
19. Given this consideration and considerations (1) and (2), we expect our chosen CT to attract more substitution and additional users than a post-trade CT. It would therefore also attract more users in total.

4. The chosen CT design is likely to deliver larger unquantified benefits

20. There are several benefits from introducing a CT that are not quantified in our economic model. These include private benefits that may be reflected in users' willingness to pay, such as reduced aggregation costs, reduced licensing complexity and improved access to data. They also include wider market benefits that may not be fully captured

in user willingness to pay, such as a more common reference for prices and liquidity, better-informed best execution monitoring, improved transaction cost analysis, and more informed listing and investment decisions.

21. A post-trade only CT would likely deliver some of these unquantified benefits, particularly for a limited number of use cases focused on traded volumes and a consolidated post-trade record. However, it would not provide the same common view of available liquidity because it would not include attributed pre-trade BBO data. We expect it to have more limited value for a wider set of processes that depend on understanding current market depth and executable liquidity, including some best execution monitoring, broker selection, transaction cost analysis and risk management use cases. We therefore expect the wider market benefits of a post-trade only CT to be narrower than those of our chosen CT design.
22. Because we also expect the chosen CT design to attract more users, we expect total unquantified benefits to be higher for our proposed CT, although the precise scale remains uncertain.

5. The additional cost of pre-trade data is likely to be justified

23. The key question is whether the additional cost of including pre-trade data is justified by the increase in benefits. In our view, the evidence supports that conclusion. The main benefits of a CT are improved access to UK equity market data, a consolidated view of UK market liquidity, a reliable single source of truth, and wider positive effects from broader data use. To realise these benefits, the CT must both attract a substantial user base and deliver meaningful value to each user. In our view, our chosen CT design is more likely than a post-trade only CT to do both.
24. On our estimates, a post-trade CT would cost around £50m to £64m over 10 years, while our proposed CT including pre-trade data would cost around £56m to £129m to the CTP (other costs are expected to be similar). This implies an incremental cost of adding pre-trade data of approximately £6m to £65m over the appraisal period.
25. That additional cost is material. However, it should be assessed against the benefits described above: the chosen CT design is more likely to attract switching by existing users, generate higher value per user for both existing and new users, and deliver larger unquantified benefits because it includes the pre-trade information that many market participants value. We therefore consider it unlikely that the lower cost of a post-trade only CT would offset its weaker demand and lower benefits.
26. Overall, a post-trade only CT would likely deliver some benefits, particularly for some use cases focused on traded volumes and a consolidated post-trade record. However, it is unlikely to deliver the same level of benefits as a CT that includes both post-trade and attributed pre-trade BBO data.

Annex 6

Analysis on requiring the CTP to publish SI quotes

1. This section sets out our assessment of the costs and benefits of requiring the equity CTP to publish attributed SI quotes, displayed separately from pre-trade data from trading venues. This assessment should be read alongside our proposed changes to the SI transparency regime in CP26/30, which are intended to improve the quality and consistency of SI pre-trade transparency before the equity CT goes live.

Rationale for intervention

2. SIs are systematic, substantial and frequent bilateral liquidity providers in UK equity markets. Their quotes are different from those displayed on trading venues: they are bilateral, may be bespoke to clients and are not accessible by all market participants in the same way as quotes displayed on trading venues. However, where SI quotes reflect market conditions and actionable trading interest, they can contribute to price formation and provide useful information about liquidity available in the market. SI trading is a significant party of the UK equity market; it accounted for 18% of total notional traded in UK equities in 2025.³
3. The equity CT is intended to improve access to clear, consolidated and consistent information on UK equity market liquidity and prices. If the CT consolidates pre-trade data from trading venues only, users may have an incomplete view of displayed liquidity in a market where a material share of trading takes place through SIs and other bilateral mechanisms. Including SI quotes could therefore improve transparency and support better informed trading, execution monitoring and market analysis.
4. Respondent feedback was mixed on SI inclusion. However, we think there is a compelling case for requiring the CTP to publish information on SI quotes. It can support price discovery and help provide a more complete view of available liquidity in UK equity markets, particularly given the role of SIs in UK trading. We agree with respondents who said that it could cause confusion if SI quotes were commingled to quotes on trading venues. To address this, we propose that SI quotes should be displayed separately from the BBO for trading venues. Based on respondent feedback, we consider that publishing an attributed SI BBO is the most useful way to present this information, as delivers meaningful information to users and clearly distinguish between the liquidity available on venues and SIs.

3 FCA analysis of BMLL data.

Options considered

5. We considered three broad options for requiring the equity CTP to publish SI quotes:
- publishing all quotes that equity SIs are required to make public under Article 15 of UK MiFIR;
 - publishing the BBO of SI quotes in each liquid equity instrument; and
 - publishing the subset of SI quotes within the public BBO from trading venues for an instrument.
6. Publishing all SI quotes would provide the most complete view of SI quoting activity and may create stronger incentives for competition between SIs. However, it would involve the highest volume of data and could make the CT less digestible for users. It could also increase bandwidth requirements and the risk of users misinterpreting the relative significance of SI and venue liquidity.
7. Publishing a subset of SI quotes within the venue BBO would highlight quotes that improve on visible venue prices. Some respondents considered this the most useful information. However, this option is likely to be more operationally complex because the CTP would need to process SI quotes and venue BBO data simultaneously and apply filtering logic in real time.
8. On balance, we propose that the CT should publish an attributed SI BBO, displayed separately from venue pre-trade data. We consider that this option best balances delivering meaningful information to data users while minimising operational costs for the CTP. However, we acknowledge that there are potential advantages to the other two options considered. Namely, publishing a subset of SI quotes within the BBO would clearly highlight SI quotes which improve on the BBO. Requiring the CTP to publish all quotes that SIs are required to make public would provide the most comprehensive information. See Chapter 10 for a more detailed discussion of these points. We invite any further information on the relative benefits, costs and complexity of these options.

Benefits

9. We do not provide a quantification of benefits of including SI quotes but rather provide a qualitative discussion.
10. First, including SI quotes would improve the completeness of the CT as a reference point for UK equity market liquidity. SIs are an important source of bilateral liquidity. Publishing an SI BBO would give users additional information on the best prices made public by SIs, alongside the venue BBO. This may help users understand the range of liquidity available across the market.

11. Second, including SI quotes may support price formation. SI quotes may reflect actionable trading interest and current market conditions, particularly where the SI transparency regime is strengthened to improve the quality and consistency of quotes. See also the CBA in CP26/30 for a discussion on the benefits of improved SI quoting practices. Making this information easier to access through the CT could help market participants assess prices and liquidity more effectively.
12. Third, including attributed SI quotes may improve execution monitoring and market analysis. Users may be better able to compare SI quoting activity with venue prices, assess the extent to which SIs provide price improvement, and understand how bilateral liquidity interacts with trading venue liquidity. This may support best execution monitoring, transaction cost analysis and broader market monitoring.
13. Fourth, attribution could create incentives for SIs to improve the quality and competitiveness of their quotes. Where SIs' quoting activity is visible through the CT, market participants may be better able to identify which SIs offer competitive liquidity. This could support competition between SIs and improve the informational value of SI quotes.
14. These benefits are uncertain. They depend on the quality of SI quotes, the extent to which market participants use SI quote information, and whether the SI BBO is presented in a way that users can interpret correctly. The related proposals to improve the SI transparency regime are therefore important to the benefits case.

Costs

15. The proposal could create costs for SIs, firms that currently publish quotes on their behalf, the CTP and CT users.
16. SIs are already required to make firm quotes public through arrangements that comply with RTS 1. We propose that the CTP should connect to existing arrangements that SIs use to make their quotes public, provided those arrangements meet the relevant latency, data field and transmission protocol requirements. Some SIs, or firms publishing quotes on their behalf, may nevertheless incur costs to ensure data can be provided to the CTP in the required format and within the proposed latency requirements. We think it is unlikely that SIs will directly incur costs from our proposals as most meet their quoting obligations through APAs. We already included costs to APAs for submitting data to the CT in the CBA of the equity CT and based on discussion with market participants, the marginal cost of adding SI quotes to this data are expected to be low.
17. The CTP may incur additional costs from consuming, processing and publishing SI quote data. These costs may include additional data ingestion, validation, storage, monitoring and operational resilience requirements. The CTP would also need to calculate and publish the SI BBO and manage technical issues such as inconsistent, locked or crossed quotes. Respondents considered that including SI quotes could increase CTP costs and complexity, including through higher data volumes, additional filtering or calculation logic, and the need to monitor that logic. They also noted that costs may vary by display option. In particular, presenting SI quotes separately from venue quotes could increase

costs if the CTP has to process, store and display two data streams in parallel, although some respondents considered that costs may not differ materially if all SI quotes must be ingested in any case. Respondents provided mixed views on the scale of these costs, with one respondent estimating that inclusion of SI quotes could increase annual CTP costs by approximately £2m. We will seek further evidence through this consultation on the likely scale of these costs.

- 18.** CT users may also face some additional costs if including SI quotes increases the price of the CT or increases the bandwidth and processing requirements associated with consuming the CT. We consider these risks are lower under an SI BBO model than under a requirement to publish all SI quotes, because the output would be more limited and easier to consume.

Risks and mitigations

- 19.** One of the risks is that users could misinterpret SI quotes as equivalent to trading venue quotes. SI quotes are bilateral and are only accessible to an SI's clients. If displayed without appropriate separation, they could create a misleading impression of the liquidity available to all market participants.
- 20.** We propose to mitigate this by requiring SI quotes to be displayed separately from trading venue pre-trade data. Consistent with this broader approach, SI quotes would not be commingled with venue quotes. This should help users distinguish between trading venue liquidity and bilateral SI liquidity.
- 21.** A further risk is that including SI quotes could increase operational complexity for the CTP and delay implementation of the equity CT. We consider this risk can be reduced by limiting the initial SI quote output to an SI BBO and allowing SIs to provide quotes through existing publication arrangements, where these meet the relevant standards.
- 22.** Another risk is that if including SI quotes to the CT is costly to the CTP, it may increase the price the CTP needs to charge to recover its costs and deliver a return on invested capital. This increased cost may reduce demand for the CT and limit its associated benefits from increased data usage. We think the costs of including SI costs in the CT are likely to be small relative to the overall costs of building and operating the CT. The scale of this risk is therefore also likely to be limited.
- 23.** There is also uncertainty around the impact on market structure. Some respondents suggested that making SI quotes more visible could encourage trading away from CLOBs. We do not consider that publishing an SI BBO would materially increase this risk. SI quotes are already subject to public quoting obligations, and the proposal would primarily make existing information easier to access and interpret. We will nevertheless monitor the impact of the CT, including the inclusion of SI quotes, through our wider post-implementation review and market monitoring framework.

Conclusion

- 24.** Overall, we consider that requiring the CTP to publish an attributed SI BBO is likely to be proportionate, subject to clarification on costs and final technical design. We therefore invite further evidence on the likely costs, complexity and benefits of including SI quotes, including whether an SI BBO is the most appropriate way to display this information.
- 25.** The proposal should improve the completeness of the CT, support price formation and help users better understand the significant part of liquidity in UK equity markets that is bilateral. Displaying SI quotes separately from venue pre-trade data, and publishing an SI BBO rather than all SI quotes, should help manage the risks of user confusion, excessive data volumes and operational complexity.

Question 1: Do you have evidence of the relative costs and complexity of the three options for displaying SI quotes in the equity CT: publishing all SI quotes, publishing SI quotes within the venue BBO, and publishing a standalone SI BBO? Please provide quantitative estimates where possible.

Question 2: Do you agree with our assessment of the relative benefits of these three SI display options, including their usefulness for price discovery, data usability and reducing the risk of misinterpretation by users? Y/N. Please give your reasons.

Annex 7

List of respondents

We are obliged to include a list of the names of respondents to our consultation who have consented to the publication of their name. That list is:

Association for Financial Markets in Europe (AFME)

Data Boiler Technologies

EuroCTP

European Principal Traders Association (EPTA)

European Venues and Intermediaries Association (EVIA)

Financial Services Consumer Panel

FIX Trading Community

London Stock Exchange Group (LSEG)

Mark Schaedel

MarketAxess Europe Limited and MarketAxess Post-Trade Limited

The Investment Association (IA)

TP ICAP

T. Rowe Price

UK Finance

Annex 8

Compatibility statement (including for Chapter 10)

Compatibility statement for CP25/31

1. The FCA considers our compatibility statement in CP25/31 remains appropriate.
2. The FCA has updated the CBA published in CP25/31. These updates have not led to changes to the draft rules we consulted on through CP25/31.
3. The FCA has made changes to those draft rules, for the wider reasons given in this policy statement. The FCA does not consider these changes to be significant.
4. We have decided to make a high-level rule to require income sharing by the CTP for equities with its data contributors. Further detailed requirements for determining the amount of income, if any, available for sharing each year will be included in the contract with the CTP. Later in 2026, we will consult on rules about the distribution of shared income amongst data contributors. Consequently, we do not consider that the high-level rule on incoming sharing is itself a significant change. We have, however, still opted to take input from the CBA panel on how best to update our CBA to reflect our approach to income sharing.

Compliance with legal requirements (Chapter 10 – consultation on inclusion of SI quotes in the equity CT)

5. This Annex records the FCA's compliance with several legal requirements applicable to the proposals in this consultation, including an explanation of the FCA's reasons for concluding that our proposals in this consultation are compatible with certain requirements under the Financial Services and Markets Act 2000 (FSMA).
6. When consulting on new rules, the FCA is required by section 138I(2)(d) FSMA to include an explanation of why it believes making the proposed rules (a) is compatible with its general duty, under section 1B(1) FSMA, so far as reasonably possible, to act in a way which is compatible with its strategic objective and advances one or more of its operational objectives, (b) so far as reasonably possible, advances the secondary international competitiveness and growth objective, under section 1B(4A) FSMA, and (c) complies with its general duty under section 1B(5)(a) FSMA to have regard to the regulatory principles in section 3B FSMA. The FCA is also required by s 138K(2) FSMA to state its opinion on whether the proposed rules will have a significantly different impact on mutual societies as opposed to other authorised persons.

7. This Annex also sets out the FCA's view of how the proposed rules are compatible with the duty on the FCA to discharge its general functions (which include rule-making) in a way which promotes effective competition in the interests of consumers (section 1B(4)). This duty applies in so far as promoting competition is compatible with advancing the FCA's consumer protection and/or integrity objectives.
8. In addition, this Annex explains how we have considered the recommendations made by the Treasury under s1JA FSMA about aspects of the economic policy of His Majesty's Government to which we should have regard in connection with our general duties.
9. The proposals set out in this document have had due regard to the remit letter from the Chancellor of the Exchequer dated 14 November 2024. As discussed in paragraph 9.14, we consider that the introduction of an equity CT will help maintain the UK's position as a leading global financial hub, and contribute to growth in the wider economy by supporting the competitiveness of UK capital markets, and this effect will be enhanced by the inclusion of SI quotes.
10. This Annex includes our assessment of the equality and diversity implications of these proposals.
11. Under the Legislative and Regulatory Reform Act 2006 (LRRRA) the FCA is subject to requirements to have regard to a number of high-level 'Principles' in the exercise of some of our regulatory functions and to have regard to a 'Regulators' Code' when determining general policies and principles and giving general guidance (but not when exercising other legislative functions like making rules). This Annex sets out how we have complied with requirements under the LRRRA.

The FCA's objectives and regulatory principles: Compatibility statement

12. The proposals set out in this consultation are primarily intended to advance the FCA's operational objective of market integrity. They are also relevant to the FCA's operational objectives of consumer protection and competition.
13. The FCA's market integrity objective is to protect and enhance the integrity of the UK financial system. As mentioned in earlier CPs, we consider that the equity CT advances the FCA's objective by improving the transparency of the price formation process in the equity market, and extending it to SI quotes enhances that effect as they provide useful indication of bilateral liquidity and can contribute to price formation.
14. As mentioned in earlier CPs, we consider these proposals are compatible with the FCA's strategic objective of ensuring that the relevant markets function well because they are aimed at improving the functioning of equity markets by making better quality data available to a wider range of market participants. The proposals to extend this to SI quotes will enhance this effect, by providing an additional source of information to support price discovery. For the purposes of the FCA's strategic objective, "relevant markets" are defined by section 1F FSMA.

15. We consider these proposals advance the FCA's operational objective of securing an appropriate degree of protection for consumers. As mentioned in previous CPs, the equity CT advances this objective by enhancing the availability of information on trading in equity markets for market participants. This improves efficiency of price formation and make it easier for consumers to check the effectiveness of best execution arrangements, reducing implicit costs of trading for consumers. We consider this effect will be enhanced by the inclusion of SI quotes in the equity CT, as this data will help provide a more comprehensive view of liquidity in the market, which will enable more effective evaluation of execution quality between venues and intermediaries.
16. We consider these proposals advance the FCA's operational objective of promoting effective competition in the interests of consumers. As mentioned in previous CPs, the equity CT advances this objective by enhancing the ability to compare the quality of execution on different execution venues or by different intermediaries. We consider the inclusion of SI quotes will further enhance this effect as quotes will be attributed, under the draft rules, to provide transparency on which SIs offer the most competitively priced liquidity. These proposals will also level the position between SIs and trading venues in relation to pre-trade quotes which we think will avoid distortive effects whilst also improving the quality of the tape.
17. We consider these proposals comply with the FCA's secondary objective in advancing competitiveness and growth because they will enhance the improvements to transparency brought by the equity CT for market participants by further improving the availability of information on the UK equity market. This will support investors to make better, more well-informed decisions about where to invest capital and how to trade, giving them greater confidence to increase their investment and activity in the UK. This will also improve visibility to international markets by providing a more comprehensive picture of liquidity in UK equity markets, which will enable more effective comparisons with other markets and may therefore encourage both investment and listing in the UK market. A more robust listings market helps companies to access capital, helping to fund their growth and development, supporting the wider economy.
18. In preparing the proposals set out in this consultation, the FCA has had regard to the regulatory principles set out in s 3B FSMA.

The need to use our resources in the most efficient and economic way

19. We consider that the proposals to extend the equity CT to include SI quotes will help to provide a more comprehensive view of UK equity markets to help inform our work in this area going forward and make this more efficient.

The principle that a burden or restriction should be proportionate to the benefits

20. As set out in the CBA, we have estimated the costs and benefits of our proposals. We are satisfied that the net benefits of these proposals outweigh and justify the costs. Extending the equity CT to include SI quotes will enhance the improvements to data availability brought by the equity CT, improving efficiency in the functioning of equity markets.

The need to contribute towards achieving compliance by the Secretary of State with section 1 of the Climate Change Act 2008 (UK net zero emissions target) [and section 5 of the Environment Act 2021 (environmental targets)]

21. Overall, we do not consider that these proposals are relevant to contributing to these targets.

The general principle that consumers should take responsibility for their decisions

22. An equity CT may make information about equity markets more readily available to retail clients, either via direct access or via their intermediaries, therefore supporting their ability to take responsibility for their own investment decisions. This will be further enhanced by the inclusion of SI quotes which will provide a more comprehensive view of the market.

The responsibilities of senior management

23. This principle is not relevant for our proposals.

The desirability of recognising differences in the nature of, and objectives of, businesses carried on by different persons including mutual societies and other kinds of business organisation

24. We have sought to recognise differences, to the extent they are relevant, in the positions of different types of business where that is consistent with our policy objectives, for example, in calibrating the requirements on SIs carefully against other data contributors.

The desirability of publishing information relating to persons subject to requirements imposed under FSMA, or requiring them to publish information

25. We have considered this principle in our proposals. We consider that it is desirable to require SIs to provide their quotes to the equity CT as this will enhance market functioning by making price formation more transparent. A key overall aim is for the equity CT to function as a single point of information.

The principle that we should exercise of our functions as transparently as possible

26. Our consultation processes are intended to ensure that we are transparent about the rationale behind our proposals and clearly explain what we expect to achieve. We believe that this consultation meets these objectives. We have also spoken to a wide range of market participants in developing these proposals for rules changes.

In formulating these proposals, the FCA has had regard to the importance of taking action intended to minimise the extent to which it is possible for a business carried on (i) by an authorised person or a recognised investment exchange; or (ii) in contravention of the general prohibition, to be used for a purpose connected with financial crime (as required by s 1B(5)(b) FSMA).

- 27.** We do not consider these proposals relevant for this purpose, but we will continue to keep this under review.

Expected effect on mutual societies

- 28.** The FCA does not expect the proposals in this paper to have a significantly different impact on mutual societies.

Compatibility with the duty to promote effective competition in the interests of consumers

- 29.** In preparing the proposals as set out in this consultation, we have had regard to the FCA's duty to promote effective competition in the interests of consumers. As noted in CP25/31, having a single CTP for equities is not the most pro-competitive option available to us to establish an equity CT. It does not provide for competition in the market for CTP services. However, we believe having a single CTP is important to promoting our operational objectives and we will seek to design a procurement process for awarding a contract to be the equity CTP that, as far as possible, promotes effective competition for the market.
- 30.** As described in CP25/31, an equity CT will provide wider access to trade data which should promote competition by encouraging firms to compete to provide innovative products using trade data and supporting greater competition between trading venues on orders and brokers on execution quality.
- 31.** The proposals to extend the equity CT to SI quotes will further encourage competition by levelling the position between trading venues and SIs on pre-trade quotes, which will allow them to compete for orders more effectively. Additionally, making this data more widely available will provide greater transparency to help ensure SIs provide competitively priced liquidity to attract orders.

Equality and diversity

- 32.** We are required under the Equality Act 2010 in exercising our functions to 'have due regard' to the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by or under the Act, advance equality of opportunity between persons who share a relevant protected characteristic and those who do not, to and foster good relations between people who share a protected characteristic and those who do not.
- 33.** As part of this, we ensure the equality and diversity implications of any new policy proposals are considered.
- 34.** Overall, we do not consider that the proposals materially impact any of the groups with protected characteristics under the Equality Act 2010. We will continue to consider the equality and diversity implications of the proposals during the consultation period and when making the final rules.

Legislative and Regulatory Reform Act 2006 (LRRRA)

- 35.** We have had regard to the principles in the LRRRA for the parts of the proposals that consist of general policies, principles or guidance and consider that they are proportionate and consistent with the need for increased transparency.
- 36.** We have had regard to the Regulators' Code for the parts of the proposals that consist of general policies, principles or guidance and consider that the proposals are proportionate to the potential risks identified.

Annex 9

Abbreviations used in this paper

Abbreviation	Description
APAs	Approved Publication Arrangements
API	Application Programming Interface
ARM	Approved Reporting Mechanism
BBO	Best Bid and Offer
CBA	Cost Benefit Analysis
CLOB	Central Limit Order Book
CP	Consultation Paper
CSV	Comma-separated values
CT	Consolidated Tape
CTP	Consolidated Tape Provider
DRSP	Data Reporting Services Provider
DRSR	Data Reporting Services Regulations
EBT	Earnings Before Taxes
EE	Europe Economics
ESG	Environment, Social and Governance
ESMA	European Securities and Markets Authority
ETC	Exchange Traded Commodity
ETF	Exchange Traded Fund
ETN	Exchange Traded Note
EU	European Union

Abbreviation	Description
FSMA	Financial Services and Market Act
GUI	Graphical User Interface
IOSCO	International Organisation of Securities Commissions
ISO	International Organisation for Standardisation
MAR	Market Conduct Sourcebook
MARS	Market Activity Reporter for Shares
MDV	Market Data Vendor
MiFID II	Second Markets in Financial Instrument Directive
MiFIR	Markets in Financial Instruments Regulation
MMT	Market Model Typology
ms	Milliseconds
NPFT	Non-price Forming Transaction
OBOE	Off Book On Exchange
OSI	Open Systems Interconnection
OTC	Over-the-Counter
PS	Policy Statement
RCB	Reasonable Commercial Basis
RFQ	Request For Quote
RSPs	Retail Service Providers
RTS	Regulatory Technical Standard
SEC	Securities and Exchange Commission
SI	Systematic Internaliser
SLA	Service Level Agreement
SMS	Standard Market Size

Abbreviation	Description
TCA	Transaction Cost Analysis
ToTV	Traded on a Trading Venue
WDMS	Wholesale Data Market Study
WMR	Wholesale Markets Review
WTDR	Wholesale Trade Data Review

Appendix 1

Made rules (UK Equity CT Handbook instrument)

DATA REPORTING SERVICES (AMENDMENT) INSTRUMENT 2026

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in or under:
- (1) the following sections of the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 137A (The FCA’s general rules);
 - (b) section 137T (General supplementary powers);
 - (c) section 139A (Power of the FCA to give guidance);
 - (d) section 300H (Rules relating to investment exchanges and data reporting service providers); and
 - (e) section 395 (The FCA’s and PRA’s procedures);
 - (2) the following sections of the Act as applied by regulation 18 (Application of Part 11 of FSMA 2000 (information gathering and investigations)) and regulation 19 (Disciplinary measures) of the Data Reporting Services Regulations 2024 (SI 2024/107):
 - (a) section 169 (Investigations etc. in support of overseas regulator); and
 - (b) section 312J (Statement of policy); and
 - (3) the other powers and related provisions listed in Schedule 4 (Powers exercised) to the General Provisions of the FCA’s Handbook.
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 31 July 2026.

Amendments to the Handbook

- D. The modules of the FCA’s Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2).

(1)	(2)
Glossary of definitions	Annex A
Market Conduct sourcebook (MAR)	Annex B
Decision Procedure and Penalties manual (DEPP)	Annex C

Amendments to material outside the Handbook

- E. The Enforcement Guide (ENFG) is amended in accordance with Annex D to this instrument.

Notes

- F. In the Annexes to this instrument, the notes (indicated by “*Editor’s note:*”) are included for the convenience of readers but do not form part of the legislative text.

Citation

- G. This instrument may be cited as the Data Reporting Services (Amendment) Instrument 2026.

By order of the Board
30 July 2026

Annex A

Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking through indicates deleted text, unless stated otherwise.

Insert the following new definitions in the appropriate alphabetical position. The text is not underlined.

consolidated tape for equities a consolidated tape for equities including shares, depositary receipts, *ETFs*, certificates or other similar financial instruments traded on a *UK trading venue*.

Data Reporting Services Regulations 2024 the Data Reporting Services Regulations 2024 (SI 2024/107).

equities tape contract the contract awarded to a *CTP* by the *FCA* to provide a *consolidated tape for equities*.

ODAU an on-demand auction (frequent batch auction) which:

- (a) is for trading equities, including shares, depositary receipts, *ETFs*, certificates or other similar financial instruments traded on a *trading venue*; and
- (b) consists of an auction of very short duration that is triggered by an event such as a buy and sell order matching or the submission of a buy or a sell order.

OSI layer (in *MAR 9.2B*) a layer of the *OSI model* (for example, Layer 1 (Physical)).

OSI model the open systems interconnection model published by the International Organization for Standardization, which consists of the standards referred to in the International Classification of Standards using 'ICS.35.100'.

Amend the following definition as shown.

historical data (in relation to the *CTP* for bonds or the *CTP* for equities) a database of all the information published by ~~the operator of the *CTP* for bonds on that provider relating to trades~~ (including, where relevant, pre-trade bids and offers) in date and time order, including any amendments or cancellations subsequent to those trades taking place.

Annex B

Amendments to the Market Conduct sourcebook (MAR)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless stated otherwise.

9 Data reporting service

...

9.2A Consolidated tape providers

Selection of a consolidated tape provider

...

9.2A.7 R A *CTP* must publish information relating to its costs for establishing, maintaining and operating the *consolidated tape for bonds* or the consolidated tape for equities in such a way as to be accessible to potential bidders in a re-tender process.

9.2A.8 R A *CTP* ~~for bonds~~ must take all reasonable steps to transfer without delay to a successor *CTP* the assets, data and operational information necessary to enable it to operate the consolidated tape effectively. It must also have in place agreements with its clients which enable those clients who decide to do so to transfer to a successor *CTP*.

9.2B Operating requirements

...

Conflicts of interest

9.2B.2 R (1) A *data reporting services provider* other than a *CTP* must operate and maintain effective administrative arrangements, designed to prevent conflicts of interest with clients using its services to meet their regulatory obligations, and other entities purchasing data from *data reporting services providers*. ~~Such arrangements must include policies and procedures for identifying, managing and disclosing existing and potential conflicts of interest and must contain:~~

(1A) A *CTP* must operate and maintain effective administrative arrangements, designed to prevent conflicts of interest with clients of the *CTP*, those redistributing the consolidated tape provided by the *CTP* and data contributors.

(1B) The arrangements mentioned in (1) and (1A) must include policies and procedures for identifying, managing and disclosing existing and potential conflicts of interest and must contain:

(a) ...

...

- (2) The inventory of conflicts of interest referred to in ~~(1)(a)~~ (1B)(a) must include conflicts of interest arising from situations where the *data reporting services provider*:

...

...

Business continuity and back-up facilities

9.2B.4 R ...

- (3) A *data reporting services provider* must have effective business continuity arrangements in place to address disruptive incidents, including:

...

- (f) the target maximum recovery time for critical functions, which must be as short as possible and, in any case, no longer than 6 hours in the case of *approved publication arrangements (APAs)* and *consolidated tape providers (CTPs)* and until the close of business of the next working day in the case of *approved reporting mechanisms (ARMs)*; ~~and~~
- (g) staff training on the operation of the business continuity arrangements, individuals' roles, including specific security operations personnel ready to react immediately to a disruption of services; and
- (h) for the CTP for equities, the target minimum data loss, which must be zero.

...

...

Other services provided by CTPs

- 9.2B.1 R (1) A ~~CTP for bonds~~ must not provide any additional service (other than the provision of historical data in accordance with this chapter) which utilises the information it receives from *UK trading venues* and *APAs* in its capacity as a *CTP*.
- 4 (2) Where a ~~CTP for bonds~~ is a member of a *group*, a member of that *group* may provide ~~an additional~~ a service utilising information from ~~the consolidated tape for bonds~~ each consolidated tape provided by that

CTP, provided ~~it has paid for the group member~~ has accessed that information in accordance with *MAR 9.2B.36R(1)*.

...

Obligations of CTPs to ensure data quality and report information

9.2B.3 R ...
2

- (2) A *CTP* must set up and maintain appropriate arrangements to identify on receipt trade reports that are incomplete or contain information that is likely to be erroneous, and must inform the provider of the trade report in each instance. For the *CTP* for equities, these arrangements must include automated alerts for prices and volumes.

- (2A) The *CTP* for equities must maintain mechanisms through which users of the data it provides can flag to it potential inaccuracies in that data.

...

- (4) ~~The A *CTP* for bonds~~ must submit a report to the *FCA* every 6 months and a *CTP* for equities must submit a report to the *FCA* every 3 months on the quality of the data that it has received during that period. The report must include at least the following information:

...

Consolidation of data by CTPs

9.2B.3 R ~~A *CTP* must:~~
3

- (1) A *CTP* must ensure that the data it makes available publicly is consolidated from all *UK trading venues* and *APAs* into a continuous electronic data stream;.
- (2) A *CTP* must ensure that the information which must be made public is sent through all distribution channels at the same time, including when the information is made public, as close to real time as technically possible ~~or 15 minutes after the first publication; and.~~
- (3) A *CTP* must provide the *FCA* with direct and immediate access to ~~the consolidated tape for bonds~~ each consolidated tape that the *CTP* provides.

9.2B.3 G (1) Further requirements about the publication of data by the *CTP* for equities are in *MAR 9.2B.34ER* and *MAR 9 Annex 11* (including requirements about the separate presentation of certain data within the continuous electronic livestream).

3A

- (2) The FCA expects the *equities tape contract* to specify hours of operation for the *consolidated tape for equities*.

Scope of the consolidated tape for bonds and publication of information

9.2B.3 R ...
4

Scope of the consolidated tape for equities – provision of information to the consolidated tape for equities by UK trading venues and APAs

- 9.2B.3 4A R (1) Following the appointment by the FCA of a provider of a *consolidated tape for equities* (to be the CTP for equities in accordance with the *equities tape contract*), each UK trading venue and each APA must:
- (a) connect to the CTP for equities before commencing or continuing operations; and
 - (b) send the information referred to in (2) to the CTP for equities in respect of shares, depositary receipts, ETFs, certificates and other similar financial instruments traded on a UK trading venue:
 - (i) in accordance with the latency requirements in MAR 9.2B.34BR; and
 - (ii) using the means chosen by the CTP for equities in accordance with MAR 9.2B.34CR.
- (2) The information mentioned in (1)(b) is:
- (a) for a UK trading venue, the following information from that which it makes public in accordance with article 3 of MiFIR:
 - (i) the best bid and offer for each instrument and the volumes associated with that bid and offer; and
 - (ii) in respect of auctions, the price at which the auction trading system would best satisfy its trading algorithm and the volume of transactions that would potentially be executable at that price by participants in the system,
- including the details, by reference to each best bid and offer and each price at which the auction system concerned would best satisfy its trading algorithm, set out in table 2 in MAR 9 Annex 11.5R (Pre-trade data to be transmitted to, and published by, the CTP for equities);

- (b) for a *UK trading venue* or an *APA*, the information which it makes public in accordance with articles 6 and 20 of *MiFIR*, including:
 - (i) the details of a transaction specified in table 3 of Annex I to *MiFID RTS I*;
 - (ii) the appropriate flags listed in table 4 of Annex I to *MiFID RTS I*; and
 - (iii) for an *APA*, the time at which it received the details of a transaction mentioned in (b)(i) (specified to a level of granularity in accordance with the requirements set out in *MAR 9.2B.34HR*);
- (c) for a *UK trading venue*, the details, by reference to each financial instrument, set out in table 3 in *MAR 9 Annex 11.7R* that are flagged as ‘both’ in the last column of that table (Regulatory data for shares, ETFs, depositary receipts, certificates or other similar financial instruments per instrument); and
- (d) for a *UK trading venue*, the details, by reference to each trading system, set out in table 4 in *MAR 9 Annex 11.10R* that are flagged as ‘both’ in the last column of that table (Regulatory data for shares, ETFs, depositary receipts, certificates or other similar financial instruments, per order matching system).

Provision of information to the consolidated tape for equities by UK trading venues and APAs – latency requirements

- 9.2B.3 R (1) Information sent to the *CTP* for equities under *MAR 9.2B.34AR* must be
4B provided:
- (a) (in the case of the data specified in *MAR 9.2B.34AR*(2)(a) relating to orders or quotes to be executed through a continuous order book trading system or a periodic auction system), to the *CTP* for equities as close to real time as is technically possible and in any case no later than 50 milliseconds after the timestamp of the order with a 95% confidence interval measured on a daily basis;
 - (b) (in the case of the data specified in *MAR 9.2B.34AR*(2)(b) relating to transactions executed on a *UK trading venue* through a continuous order book trading system or a periodic auction system) to the *CTP* for equities as close to real time as is technically possible and in any case no later than 50 milliseconds after the timestamp of:
 - (i) the transaction; or

(ii) where publication of the transaction is deferred in accordance with article 15 of *MiFID RTS I*, the time when details of the transaction must be published in accordance with that article,

with a 95% confidence interval measured on a daily basis; and

(c) (in the case of the data specified in *MAR 9.2B.34AR(2)(b)* relating to transactions executed outside of a *UK trading venue* or to an off-book, on-exchange trade) to the *CTP* for equities as close to real time as is technically possible and in any case no later than 100 milliseconds after the timestamp of:

(i) the reception of the trade report by the *APA* from the *MiFID investment firm* or *designated reporter* concerned; or

(ii) where publication of the transaction is deferred in accordance with article 15 of *MiFID RTS I*, the time when details of the transaction must be published in accordance with that article,

with a 95% confidence interval measured on a daily basis.

(2) In (1), ‘off-book, on-exchange trade’ means a trade executed by agreement of the counterparties:

(a) other than on a *UK trading venue*; and

(b) in accordance with the rules of a *UK operator* of a *trading venue*.

(3) The requirements in (1)(a), (1)(b) and (1)(c) do not apply to information about transactions executed through a request for quote or voice trading system operated by a *UK trading venue* (‘excluded information’), or to cancellations or amendments of transactions.

(4) Excluded information must be sent to the *CTP* for equities as close to real-time as is technically possible and in any case no later than 1 minute after the timestamp of the relevant event mentioned in (1)(a), (1)(b) or (1)(c) (such as a transaction).

Provision of information to the consolidated tape for equities by UK trading venues and APAs – selection of transmission protocol

- 9.2B.3 4C **R** (1) Subject to (2), the CTP for equities must choose – from among the transmission protocols that a UK trading venue or an APA offers to other users of data it provides – which transmission protocol must be used by that UK trading venue or APA for transmitting data directly to the CTP for equities (the ‘selected protocol’).
- (2) The selected protocol must comply with the minimum requirements set out in tables 5 to 8 in MAR 9 Annex 11.
- (3) UK trading venues and APAs must ensure:
- (a) the selected protocol continues to comply with the minimum requirements set out in tables 5 to 8 without interruption; and
 - (b) information is transmitted through the selected protocol in a manner that enables the CTP for equities to comply with applicable operational resilience requirements in the FCA Handbook.

9.2B.3 4D **G** The FCA expects the equities tape contract to include more detailed operational resilience requirements.

Scope of the consolidated tape for equities – publication of information by the CTP for equities

- 9.2B.3 4E **R** (1) The CTP for equities must have adequate policies and arrangements in place to:
- (a) receive the information specified in MAR 9.2B.34AR(2) in respect of shares, depositary receipts, ETFs, certificates and other similar financial instruments traded on a UK trading venue; and
 - (b) make the information specified in (2) in respect of shares, depositary receipts, ETFs, certificates and other similar financial instruments traded on a UK trading venue available to the public as close to real time as technically possible.
- (2) The information mentioned in (1)(b) is:
- (a) the information referred to in MAR 9.2B.34AR(2)(a) to (b);
 - (b) the details, by reference to each financial instrument, set out in table 3 in MAR 9 Annex 11.7R (Regulatory data for shares, ETFs, depositary receipts, certificates or other similar financial instruments per instrument);
 - (c) the details, by reference to each trading system, set out in table 4 in MAR 9 Annex 11.10R (Regulatory data for shares, ETFs, depositary receipts, certificates or other similar financial instruments, per order matching system);

- (d) the details, by reference to each instrument and each best bid and offer price at which any auction system concerned would best satisfy its trading algorithm, set out in:
 - (i) table 9 in MAR 9 Annex 11.24R (Pre-trade market data to be disseminated by the CTP for equities – best bid and offer (BBO));
 - (ii) table 10 in MAR 9 Annex 11.26R (Pre-trade market data to be disseminated by the CTP for equities – indicative auction price (except when trading phase is set to ‘ODAU’)); and
 - (iii) table 11 in MAR 9 Annex 11.28R (Pre-trade market data to be disseminated by the CTP for equities – indicative auction price when trading phase is set to ‘ODAU’); and
 - (e) the time and date at which the CTP for equities publishes any of the information specified in (a) to (d).
- (3) When a new *UK trading venue* or *APA* starts operating, the CTP for equities must include the information provided to it by that *UK trading venue* or *APA* in accordance with MAR 9.2B.34AR in the electronic data stream of its consolidated tape as soon as possible after the start of the operations of the *UK trading venue* or *APA*.
- (4) The CTP for equities must be able to disseminate the information referred to in (2) efficiently, consistently and:
- (a) in a way that ensures fast access to the information on a non-discriminatory basis; and
 - (b) in a generally accepted format that is interoperable, easily accessible and utilisable for market participants.

Publication of historical information and market statistics by the CTP for equities

- 9.2B.3 4F R (1) The CTP for equities must have and implement adequate policies and arrangements to:
- (a) make *historical data* available in response to a request for it in accordance with MAR 9.2B.35R(2); and
 - (b) publish daily market statistics.
- (2) The CTP for equities is not required under (1) to make available *historical data* consisting of pre-trade data (but may make available such pre-trade *historical data* as it considers appropriate, using a format it considers appropriate).

- (3) In (2), ‘pre-trade data’ means the data referred to in MAR 9.2B.34AR(2)(a).

9.2B.3 4G G The FCA expects the equities tape contract to specify daily market statistics that the CTP for equities must publish.

Synchronisation of business clocks in relation to the consolidated tape for equities

9.2B.3 4H R In relation to the consolidated tape for equities, APAs and the CTP for equities must:

- (1) synchronise the business clocks they use to record the date and time of any reportable event with:
 - (a) the coordinated universal time (UTC) issued and maintained by the timing centres listed in the database maintained by the Bureau international des poids et mesures; or
 - (b) UTC disseminated by a satellite system, provided that any offset from UTC is accounted for and removed from the timestamp;
- (2) record the date and time of reportable events up to 1 millisecond or better; and
- (3) ensure that the business clocks they use to record the time of reportable events do not diverge by more than 1 millisecond from the relevant reference time in (1)(a) or (1)(b).

Machine readability and required formats for ~~CTPs for bonds~~ a CTP

9.2B.3 5 R (1) ~~The CTP for bonds~~ A CTP must publish the relevant information referred to in MAR 9.2B.34R(1) in Graphical User Interface (GUI) and at least 2 machine-readable formats: Application Programming Interface (API) and Comma Separated Value (CSV).

(1A) The relevant information mentioned in (1) is:

- (a) (for the CTP for bonds) the information referred to in MAR 9.2B.34R(1); and
 - (b) (for the CTP for equities) the information referred to in MAR 9.2B.34ER(2).
- (2) ~~The CTP for bonds~~ A CTP must make the relevant historical data available in response to a request for it in GUI and one machine-readable format.
- (2A) The relevant historical data is:

- (a) (for the CTP for bonds) the data required under MAR 9.2B.34(2);
- (b) (for the CTP for equities) the data required under MAR 9.2B.34FR.

...

- (5) ~~The CTP for bonds~~ A CTP must:

...

Obligation for ~~the CTP for bonds~~ a CTP to provide market data on a non-discriminatory basis

- 9.2B.3 R (1) ~~The CTP for bonds~~ A CTP must make market data available at the same price and on the same terms and conditions to all customers falling within the same category in accordance with published objective criteria.
- 6
- (2) ~~The CTP for bonds~~ A CTP must charge for the use of *historical data* when it is requested separately from the use of market data, except where it is provided in a machine-readable form through an API.
- (3) For the purposes of MAR 9.2B.36R(1), ~~the CTP for bonds~~ a CTP must have scalable capacities in place to ensure that customers can obtain timely access to market data at all times on a non-discriminatory basis.

...

Unbundling market data for ~~the CTP for bonds~~ a CTP

- 9.2B.3 R ~~The CTP for bonds~~ A CTP must make market data available without being bundled with other services.
- 8

Transparency obligations for ~~the CTP for bonds~~ a CTP

- 9.2B.3 R (1) ~~The CTP for bonds~~ A CTP must disclose and make easily available to the public the price and other terms and conditions for the provision of the market data in a manner which is easily accessible.
- 9
- (2) ...

Income sharing by the CTP for equities

- 9.2B.3 R The CTP for equities must establish and implement arrangements for:
- 9A

- (1) determining, in respect of each period of not more than 12 months, such sum of money as is available to be distributed among one or more categories of data contributor that send information to the CTP under MAR 9.2B.34AR (that is, UK trading venues and APAs); and

- (2) distributing any such sum.

9.2B.3 G The FCA expects the equities tape contract to include further details
9B supplementing the sharing obligation in MAR 9.2B.39AR, including:

- (1) the basis for determining any sum available for sharing; and
(2) the timing of any payments to data contributors.

Governance obligations for ~~the~~ a CTP

9.2B.4 R (1) ~~The A~~ CTP must establish a consultative committee composed of a
0 representative range of its users and data producers. CTP users and data
producers may apply to the CTP to be members of the committee.

...

...

9 **Application form to provide the service of ARM and/or APA and/or CTP**
Annex
1

9 D The form can be found at this address: [*Editor's note*: insert link]
Annex
1



ANNEX I

Application form for authorisation to provide data reporting services

...

Content

...

Information on the scope of the consolidated tape for bonds and publication of information as set out in MAR 9.2B.34R.

Information on the scope of the consolidated tape for equities and publication of information as set out in MAR 9.2B.34AR to MAR 9.2B.34HR.

...

Information on non-discrimination obligations, as set out for APAs in MAR 9.2B.20R, and for CTPs in MAR 9.2B.30R and ~~for the CTP for bonds in MAR 9.2B.36R.~~

...

...

9 Annex 8 Yearly notification form for a Data Reporting Service Provider (DRSP)

R The form can be found at this address: [*Editor's note: insert link*]



Yearly Notification Form for a Data Reporting Service Provider (DRSP)

...



I confirm that the DRSP continues to be compliant with the conditions of authorisation, as follows:

...

2.13 Information on publication arrangements (MAR 9.2B.19R ~~and~~, MAR 9.2B.34R and MAR 9.2B.34AR to MAR 9.2B.34HR)

...

Insert the following new annex, MAR 9 Annex 11, after MAR 9 Annex 10 (MIS confidentiality agreement). The text is not underlined.

9 Annex Consolidated tape for equities – receipt and transmission of data 11

- 9 Annex R (1) Table 1 below has the status of a *rule*. It defines certain notation
11.1 used in the tables in this annex for formats in which data must be received or transmitted.
- (2) A reference in table 1 to ‘ISO’, followed by a reference number and year, is to a standard published by the International Organization for Standardization.

9 Annex R Table 1 – Notation used in this annex 11.2

Notation	Data type	Definition
{DATE_TIME_FORMAT}	The date and time format as defined in ISO 8601: 2019 (on representing the date and time).	Date and time in the following format: YYYY-MM-DDThh:mm:ss.dddZ. • ‘YYYY’ is the year. • ‘MM’ is the month. • ‘DD’ is the day. • ‘T’ means that the letter ‘T’ shall be used. • ‘hh’ is the hour. • ‘mm’ is the minute. • ‘ss.dddZ’ is the second and its fraction of a second. • Z is coordinated universal time (UTC). Dates and times shall be reported in UTC.
{ISIN}	12 alphanumerical characters.	ISIN code, as defined in ISO 6166: 2019 (on the structure of international securities identification numbers (ISIN)).
{MIC}	4 alphanumerical characters.	Market identifier, as defined in ISO 10383: 2012 (on identification of exchanges and markets).
{DECIMAL-n/m}	Decimal number of up to n digits in total of which up to m digits can be fraction digits.	Numerical field for both positive and negative values. • Decimal separator is ‘.’ (full stop). • negative numbers are prefixed with ‘-’ (minus). Where applicable, values shall be rounded and not truncated.

{CURRENCYCODE_3}	3 alphanumeric characters.	3-letter currency code, as defined by ISO 4217: 2012 (on currency codes).
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Pre-trade data to be transmitted to, and published by, the CTP for equities

- 9 Annex 11.3 R (1) Table 2 below has the status of a *rule* (as set out in (2) and (3)). Table 2 is referred to in *MAR* 9.2B.34AR.
- (2) A *UK trading venue* must send to the *CTP* for equities the information described in column 3 (Description and details to be published) of table 2:
- (a) in the relevant format in the corresponding row of column 4 (Format to be populated (where relevant, as defined in table 1)) of table 2; and
- (b) labelled with the identifier in the corresponding row of column 2 (Field identifier) of table 2.
- (3) The relevant format in column 4 is:
- (a) the format within quotation marks (for example, 'BUYI') that correctly describes the trade concerned; or
- (b) if the format is a notation defined in table 1, the format within brackets (for example, {MIC}).
- 9 Annex 11.4 G A reference in table 2 to 'ISO', followed by a reference number and year, is to a standard published by the International Organization for Standardization.
- 9 Annex 11.5 R Table 2 – Pre-trade data to be transmitted to, and published by, the CTP for equities

#	Field identifier	Description and details to be published	Format to be populated (where relevant, as defined in table 1) Equivalent formats can be used, depending on the syntax used for data transmission
1	Update date and time	For non-aggregated orders or quotes, the date and time when the order or quote was received for execution, cancelled or modified into the trading system.	{DATE_TIME_FORMAT}

		For aggregated orders or quotes, the date and time when the aggregated bid price or volume or the aggregated offer price or volume was calculated following the receipt of an order for execution, cancellation, or modification into the trading system, or following an execution. For periodic auction trading systems, the date and time at which the price would best satisfy the trading algorithm and any modification of the price or quantity thereafter. For auction trading systems, the date and time at which the price would best satisfy the trading algorithm and any modification of the price or quantity thereafter. The level of granularity shall be in accordance with the requirements set out in <i>MAR 9.2B.34HR</i>. Price and quantity should be updated at the end of every trading phase.	
2	Instrument identification code	Code used to identify the instrument.	{ISIN}
3	Side	The side of the order or quote. This field is mandatory only for continuous order book trading systems.	‘BUYI’ or ‘SELL’
4	Price	The price of orders and quotes, excluding, where applicable, commission and accrued interest. For auction trading systems, the price at which the auction trading system would best satisfy its trading algorithm. The price shall be provided in the major currency unit. Where price is currently not available but pending or not applicable, this field shall not be populated.	{DECIMAL-18/13} when the price is expressed as monetary value in the case of equity and equity-like financial instruments. {DECIMAL-11/10} when the price is expressed as percentage or yield in the case of certificates and other equity-like financial instruments.

			{DECIMAL-18/17} when the price is expressed as percentage, yield or basis points in the case of certificates and other equity-like financial instruments.
5	Price currency	Major currency unit in which the price is expressed (applicable if the price is expressed as monetary value).	{CURRENCYCODE 3}
6	Quantity	Number of units of the financial instrument attached to quotes or orders. For auction trading systems, the aggregated quantity attached to the price that would best satisfy the trading algorithm.	{DECIMAL-18/17} in case the quantity is expressed as number of units in the case of equity and equity-like financial instruments. {DECIMAL-18/5} in case the quantity is expressed as monetary or nominal value in the case of certificates and other equity-like instruments.
7	Venue	Identification of the trading venue through the system of which orders and quotes are advertised. Use the segment MIC specified in ISO 10383: 2012 (on the identification of exchanges and markets) or, where the segment MIC does not exist, the operating MIC.	{MIC}
8	Trading system	Type of trading system where the order or quote is advertised. This field shall be populated for central limit order book trading systems and periodic auction trading systems.	‘CLOB’ for a central limit order book trading system. This includes a continuous order book trading system as defined in table 1 in Annex I to <i>MiFID RTS 1</i> and a trading system combining elements of a continuous order book trading system and of a periodic auction trading system.

			‘PATS’ for a periodic auction trading system. In this row, a reference to a type of trading system is to that system type as defined in table 1 in Annex 1 to <i>MiFID RTS I</i>.
9	Trading system phase	Type of trading system phase where the order or quote is advertised.	‘UDUC’ for an undefined auction. ‘SOAU’ for a scheduled opening auction. ‘SCAU’ for a scheduled closing auction. ‘SIAU’ for a scheduled intraday auction. ‘UAUC’ for an unscheduled auction. ‘ODAU’ for an on-demand auction. ‘CONT’ for continuous trading. ‘MACT’ for at market close trading. ‘OMST’ for out of main session trading. ‘OTSP’ for any other trading phase.
10	Publication date and time	Date and time when the information was published by the trading venue. The level of granularity shall be in accordance with the requirements set out in <i>MAR 9.2B.34HR</i>.	{DATE_TIME_FORMAT}

Information to be provided to the CTP for equities – regulatory data per instrument

- 9 Annex 11.6 R (1) Table 3 below has the status of a *rule* (as set out in (2) and (3)). It is referred to in *MAR 9.2B.34AR*.
- (2) A *UK trading venue* must send to the *CTP* for equities the information described in column 3 (Description) of table 3:

- (a) in the relevant format in the corresponding row of column 4 (Format (where relevant, as defined in table 1)) of table 3; and
 - (b) labelled with the identifier in the corresponding row of column 2 (Field identifier) of table 3.
- (3) The relevant format in column 4 is:
- (a) the format within quotation marks (for example, 'SUSP') that correctly describes the trade concerned; or
 - (b) if the format is a notation defined in table 1, the format within brackets (for example, {MIC}).

9 Annex R Table 3 – Regulatory data for shares, ETFs, depositary receipts, certificates
11.7 or other similar financial instruments per instrument

#	Field identifier	Description	Format (where relevant, as defined in table 1) Equivalent formats can be used, depending on the syntax used for data transmission	Input/output data field
1	Instrument identification code	Code used to identify the financial instrument.	{ISIN}	Both
2	Instrument status start date and time	Date and time from which the instrument status is valid. The level of granularity shall be in accordance with the requirements set out in <i>MAR</i> 9.2B.34HR.	{DATE_TIME_FOR MAT}	Both
3	Currency	Major currency in which the instrument trades.	{CURRENCYCODE _3}	Both
4	Dissemination date and time	Date and time on which the regulatory data is disseminated by the <i>CTP</i> for equities. The level of granularity shall be in accordance	{DATE_TIME_FOR MAT}	Output

		with the requirements set out in <i>MAR</i> 9.2B.34HR.		
5	Instrument status	Description of the status of the financial instrument. The status of the financial instrument shall be one of the following: (1) suspended from trading, on the trading venue identified in the field ‘Trading venue’; (2) removed from trading, on the trading venue identified in the field ‘Trading venue’; (3) subject to a trading halt, on the trading venue identified in the field ‘Trading venue’; or (4) available for trading after a suspension, removal or halt.	‘SUSP’ – the instrument is suspended. ‘RMOV’ – the instrument is removed. ‘HALT’ – the instrument is subject to a trading halt. ‘ACTV’ – the instrument is available for trading after a suspension, removal or halt.	Both
6	Trading venue	Identification of the trading venue on which the instrument status is valid (segment MIC where available, otherwise operating MIC). The trading venue is a regulated market or an MTF.	{MIC}	Both
7	Trading system	Type of trading system on which the instrument is traded.	‘CLOB’ for a central limit order book trading system. ‘QDTS’ for a quote driven trading system. ‘PATs’ for a periodic auction trading system.	Both

			‘RFQT’ for a request for quote trading system. ‘HYBR’ for a hybrid trading system. ‘OTHR’ for any other trading system. In this row, a reference to a type of trading system has the same meaning as in row 8 of table 2.	
8	Trading system phase	Type of trading phase of the trading system on which the instrument is traded.	‘UDUC’ for an undefined auction. ‘SOAU’ for a scheduled opening auction. ‘SCAU’ for a scheduled closing auction. ‘SIAU’ for a scheduled intraday auction. ‘UAUC’ for an unscheduled auction. ‘ODAU’ for an on-demand auction (frequent batch auction). ‘CONT’ for continuous trading. ‘MACT’ for at market close trading. ‘OMST’ for out of main session trading. ‘TROE’ for trade reporting (on exchange). ‘TROF’ for trade reporting (off exchange).	Both

			'TRSI' for trade reporting (systematic internaliser). 'OTSP' for any other trading phase.	
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Information to be provided to the CTP for equities – regulatory data per order matching system

- 9 Annex 11.8 R (1) Table 4 below has the status of a *rule* (as set out in (2), (3) and (4)). It is referred to in *MAR* 9.2B.34AR.
- (2) A *UK trading venue* must send to the *CTP* for equities the information described in column 3 (Description) of table 4.
- (3) It must send that information in the relevant format in the corresponding row of column 4 (Format (where relevant, as defined in table 1)) of table 4 and labelled with the identifier in the corresponding row of column 2 (Field identifier) of table 4.
- (4) The relevant format in column 4 is:
- (a) the format within quotation marks (for example, 'CLOB') that correctly describes the trade concerned; or
- (b) if the format is a notation defined in table 1, the format within brackets (for example, {MIC}).
- 9 Annex 11.9 G If a *UK trading venue* has an outage that disrupts its connection to the *CTP* for equities, it may provide the information in table 4 by any reasonable alternative means (such as email).
- 9 Annex 11.10 R Table 4 – Regulatory data for shares, ETFs, depositary receipts, certificates or other similar financial instruments, per order matching system

#	Field identifier	Description	Format (where relevant, as defined in table 1) Equivalent formats can be used, depending on the syntax used for data transmission	Input/output data field
1	Trading venue	Identification of the trading venue on which the order matching system status is valid (segment MIC where	{MIC}	Both

		available, otherwise operating MIC). The trading venue is a regulated market or an MTF.		
2	Trading system	Type of trading system on which the system status is provided.	‘CLOB’ for a central limit order book trading system. ‘QDTS’ for a quote driven trading system. ‘PATS’ for a periodic auction trading system. ‘RFQT’ for a request for quote trading system. ‘HYBR’ for a hybrid trading system. ‘OTHR’ for any other trading system. In this row, a reference to a type of trading system has the same meaning as in row 8 of table 2.	Both
3	System status start date and time	Date and time from which the system status is valid. The level of granularity shall be in accordance with the requirements set out in <i>MAR 9.2B.34HR</i>.	{DATE_TIME_FORMAT}	Both
4	System status dissemination date and time	Date and time on which the system status is disseminated by the <i>CTP</i> for equities. The level of granularity shall be in accordance with the requirements set out in <i>MAR 9.2B.34HR</i>.	{DATE_TIME_FORMAT}	Output
5	Trading system status	Status of the trading system.	‘ACTV’ – the system is active.	Both

			‘OTAG’ – there is an outage of the trading system. ‘POTG’ – there is a partial outage of the trading system.	
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Provision of information to the CTP for equities – performance requirements

9 Annex 11.11 R (1) Table 5 below has the status of a *rule* (as set out in (2)), except for column 3 (‘Primary OSI layers’), which has the status of *guidance* as set out in MAR 9 Annex 11.12G. Table 5 is referred to in MAR 9.2B.34CR.

(2) The selected protocol used by a *UK trading venue* or *APA* for transmitting data to the *CTP* for equities (following selection of the protocol by the *CTP* for equities) must comply with the requirements in column 2 (Minimum requirements) of table 5.

9 Annex 11.12 G Column 3 of table 5 sets out *OSI layers* to illustrate the features of the selected protocol the *FCA* considers likely to be relevant to ensuring compliance with the minimum requirements in column 2 of table 5. These are likely to be features comprised in one or more of the specified *OSI layers* (or in parts of the protocol similar to such an *OSI layer*). The relevant features may, however, also derive from other parts of the selected protocol.

9 Annex 11.13 Table 5 – Performance requirements

Metrics/features	Minimum requirements	Primary OSI layers
Latency	Latency shall be maintained below 50 milliseconds for the transmission of data to the <i>CTP</i> for equities.	Layer 3 (Network)
Throughput	Throughput shall be sufficient to meet the latency requirements in row 1 of this table 5, while handling a messages-per-second rate equal to double the peak of equivalent production volumes over the previous 6-month period.	Layer 1 (Physical) Layer 2 (Data link)
Connection setup time	The round trip time (RTT) for establishing or reestablishing a connection, including retry attempts, and being ready to transmit and receive messages, shall be less than 500 milliseconds.	Layer 4 (Transport)

Scalability	The protocol shall support operation in a clustered, load-balanced or any other resilient, high-performance environment.	Layer 2 (Data link) Layer 3 (Network) Layer 4 (Transport) Layer 7 (Application)
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Provision of information to the CTP for equities – reliability requirements

9 Annex 11.14 R (1) Table 6 below has the status of a *rule* (as set out in (2)), except for column 3 ('Primary OSI layers'), which has the status of *guidance* as set out in MAR 9 Annex 11.15G. Table 6 is referred to in MAR 9.2B.34CR.

(2) The selected protocol used by a *UK trading venue* or *APA* for transmitting data to the *CTP* for equities (following selection of the protocol by the *CTP* for equities) must comply with the requirements in column 2 (Minimum requirements) of table 6.

9 Annex 11.15 G Column 3 of table 6 sets out *OSI layers* to illustrate the features of the selected protocol the *FCA* considers likely to be relevant to ensuring compliance with the minimum requirements in column 2 of table 6. These are likely to be features comprised in one or more of the specified *OSI layers* (or in parts of the protocol similar to such an *OSI layer*). The relevant features may, however, also derive from other parts of the selected protocol.

9 Annex 11.16 Table 6 – Reliability requirements

Metrics/features	Minimum requirements	Primary OSI layers
Error detection mechanism	The protocol shall include error detection mechanisms to ensure accurate identification of data transmission errors.	Layer 2 (Data link) Layer 4 (Transport) Layer 7 (Application)
Error correction mechanism	The protocol shall incorporate error correction mechanisms to automatically rectify detected errors.	Layer 2 (Data link) Layer 4 (Transport) Layer 7 (Application)
Recovery mechanism	The protocol shall feature recovery mechanisms to swiftly recover from transmission failures or interruptions, ensuring seamless continuity of data transmission operations.	Layer 2 (Data link) Layer 3 (Network) Layer 4 (Transport) Layer 5 (Session) Layer 7 (Application)

Provision of information to the CTP for equities – security requirements

- 9 Annex 11.17 R (1) Table 7 below has the status of a *rule* (as set out in (2)), except for column 3 ('Primary OSI layers'), which has the status of *guidance* as set out in *MAR* 9 Annex 11.18G. Table 7 is referred to in *MAR* 9.2B.34CR.
- (2) The selected protocol used by a *UK trading venue* or *APA* for transmitting data to the *CTP* for equities (following selection of the protocol by the *CTP* for equities) must comply with the requirements in column 2 (Minimum requirements) of table 7.
- 9 Annex 11.18 G Column 3 of table 7 sets out *OSI layers* to illustrate the features of the selected protocol the *FCA* considers likely to be relevant to ensuring compliance with the minimum requirements in column 2 of table 7. These are likely to be features comprised in one or more of the specified *OSI layers* (or in parts of the protocol similar to such an *OSI layer*). The relevant features may, however, also derive from other parts of the selected protocol.

9 Annex 11.19 Table 7 – Security requirements

Metrics/features	Minimum requirements	Primary OSI layers
Secure transport layer	The protocol shall support a secure transport layer to ensure the confidentiality of data during transmission.	Layer 1 (Physical) Layer 2 (Data link) Layer 3 (Network) Layer 4 (Transport) Layer 5 (Session) Layer 7 (Application)
Authentication	The protocol shall implement robust authentication mechanisms such as mutual authentication via digital certificates or strong challenge response mechanisms to verify the identity of communicating parties.	Layer 4 (Transport) Layer 5 (Session) Layer 7 (Application)
Authorisation	The protocol shall implement authorisation mechanisms to control access to specific resources or functionalities based on user roles or permissions.	Layer 7 (Application)

Non-repudiation	The protocol shall incorporate non-repudiation mechanisms to ensure that the originator of a message cannot deny sending it.	Layer 7 (Application)
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Provision of information to the CTP for equities – compatibility requirements

9 Annex 11.20 R (1) Table 8 below has the status of a *rule* (as set out in (2)), except for column 3 ('Primary OSI layers'), which has the status of *guidance* as set out in MAR 9 Annex 11.21G. Table 6 is referred to in MAR 9.2B.34CR.

(2) The selected protocol used by a *UK trading venue* or *APA* for transmitting data to the *CTP* for equities (following selection of the protocol by the *CTP* for equities) must comply with the requirements in column 2 (Minimum requirements) of table 8.

9 Annex 11.21 G Column 3 of table 8 sets out *OSI layers* to illustrate the features of the selected protocol the *FCA* considers likely to be relevant to ensuring compliance with the minimum requirements in column 2 of table 8. These are likely to be features comprised in one or more of the specified *OSI layers* (or in parts of the protocol similar to such an *OSI layer*). The relevant features may, however, also derive from other parts of the selected protocol.

9 Annex 11.22 Table 8 – Compatibility requirements

Metrics/features	Minimum requirements	Primary OSI layers
Open solution	The implementation of the protocols shall adhere to non-proprietary standards.	Layer 7 (Application)
Interoperability	The protocol shall support at least one widely recognised internet standard, such as HTTPS (hypertext transfer protocol secure), TCP (transmission control protocol) or TLS (transport layer security)	Layer 7 (Application)
Backward compatibility	The protocol shall be capable of working with at least 2 older versions (N-2) of itself or previous technologies.	Layer 7 (Application)

Information to be disseminated by the CTP for equities – pre-trade data (best bid and offer (BBO))

9 Annex 11.23 R (1) Table 9 below has the status of a *rule* (as set out in (2)). It is referred to in *MAR* 9.2B.34ER.

(2) The *CTP* for equities must make available to the public the information described in column 3 (Description) of table 9, using the format in the corresponding row of column 4 (Format as defined in table 1) and labelled with the identifier in the corresponding row of column 2 (Field identifier).

9 Annex 11.24 R Table 9 – Pre-trade market data to be disseminated by the CTP for equities – best bid and offer (BBO)

#	Field identifier	Description	Format as defined in table 1 Equivalent formats can be used, depending on the syntax used for data transmission
1	Entry date and time	The information described in row 1 of table 2 (<i>MAR</i> 9 Annex 11.5R), applied to the best bids and offers entered into the order book, as reported by the trading venue. The <i>CTP</i> for equities shall publish the most recent among the dates and times of the best bids and offers entered into the order book that participate in the BBO as reported by the data contributors.	{DATE_TIME_FORMAT}
2	Instrument identification code	The information described in row 2 of table 2 (<i>MAR</i> 9 Annex 11.5R).	{ISIN}
3	Currency	Major currency unit in which the United Kingdom best bid and offer prices are expressed. This corresponds to the information described row 5 of table 2 (<i>MAR</i> 9 Annex 11.5R).	{CURRENCYCODE_3}
4	Best bid	United Kingdom best bid in continuous order books. This corresponds to the information described in row 4 of table 2 (<i>MAR</i> 9 Annex 11.5R).	{DECIMAL-18/13}

5	Best bid volume by trading venue	The aggregated volume attached to the United Kingdom best bid at each trading venue at which that price is available. This corresponds to row 6 of table 2 (<i>MAR 9 Annex 11.5R</i>). If more than one trading venue publishes the same bid price for an instrument, the number of units of that instrument attached to the bid published by each such trading venue and the identification of each such trading venue using the appropriate MIC.	{DECIMAL-18/17} {MIC}
6	BBO timestamp	Date and time of the calculation of the BBO. The level of granularity shall be in accordance with the requirements set out in <i>MAR 9.2B.34HR</i>.	{DATE_TIME_FORMAT}
7	Best offer	United Kingdom best offer in continuous order books. This corresponds to row 4 of table 2 (<i>MAR 9 Annex 11.5R</i>).	{DECIMAL-18/13}
8	Best offer volume by trading venue	The aggregated volume attached to the United Kingdom best offer at each trading venue at which that price is available. This corresponds to row 6 of table 2 (<i>MAR 9 Annex 11.5R</i>). If more than one trading venue publishes the same offer price for an instrument, the number of units of that instrument attached to the offer published by each such trading venue and the identification of each such trading venue using the appropriate MIC.	{DECIMAL-18/17} {MIC}
9	Dissemination date and time	Date and time when the data related to the order was disseminated by the <i>CTP</i> for equities. The level of granularity shall be in accordance with the requirements set out in <i>MAR 9.2B.34HR</i>.	{DATE_TIME_FORMAT}

10	Publication time and date	This corresponds to row 10 of table 2 (<i>MAR</i> 9 Annex 11.5R).	{DATE_TIME_FORMAT}
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Information to be disseminated by the CTP for equities – pre-trade data, indicative auction prices (except when trading phase is set to ‘ODAU’)

9 Annex 11.25 R (1) Table 10 below has the status of a *rule* (as set out in (2)). It is referred to in *MAR* 9.2B.34ER.

(2) The *CTP* for equities must make available to the public the information described in column 3 (Description) of table 10, using the format in the corresponding row of column 4 (Format as defined in table 1) and labelled with the identifier in the corresponding row of column 2 (Field identifier).

9 Annex 11.26 R Table 10 – Pre-trade market data to be disseminated by the CTP for equities – indicative auction price (except when trading phase is set to ‘ODAU’)

#	Field identifier	Description	Format as defined in table 1 Equivalent formats can be used, depending on the syntax used for data transmission
1	Indicative date and time	The information described in row 1 of table 2 (<i>MAR</i> 9 Annex 11.5R). The <i>CTP</i> for equities shall publish the most recent among the dates and times of the prices that participate in the <i>CTP</i> 's indicative auction price as reported by the data contributors.	{DATE_TIME_FORMAT}
2	Instrument identification code	The information described in row 2 of table 2 (<i>MAR</i> 9 Annex 11.5R).	{ISIN}
3	Lowest auction price	The information described in row 4 of table 2 (<i>MAR</i> 9 Annex 11.5R).	{DECIMAL-18/17}
4	Highest auction price	The information described in row 4 of table 2 (<i>MAR</i> 9 Annex 11.5R).	{DECIMAL-18/17}
5	Volume weighted auction price	This field corresponds to the information described in row 4 of table 2 (<i>MAR</i> 9 Annex 11.25) weighted by	{DECIMAL-18/17}

		the information described in row 6 of table 2 (<i>MAR 9 Annex 11.5R</i>).	
6	Currency	Major currency unit in which the auction price is expressed. This field corresponds to the information described in row 5 of table 2 (<i>MAR 9 Annex 11.5R</i>).	{CURRENCYCODE_3}
7	Auction volume	Total auction volume, where applicable, across venues. This corresponds to the information described in row 6 of table 2 (<i>MAR 9 Annex 11.5R</i>).	{DECIMAL-18/13}
8	Dissemination date and time	Date and time when the data related to the indicative auction price and size was disseminated by the <i>CTP</i> for equities to the subscribers. The level of granularity shall be in accordance with the requirements set out in <i>MAR 9.2B.34HR</i> .	{DATE_TIME_FORMAT}
9	Publication date and time	The information described in row 10 of table 2 (<i>MAR 9 Annex 11.5R</i>).	{DATE_TIME_`}
10	Trading venue	Identification of the trading venue conducting the auction (segment MIC where available, otherwise operating MIC). The trading venue is a regulated market or an MTF.	{MIC}

Information to be disseminated by the CTP for equities – pre-trade data, indicative auction prices in ODAU phase

9 Annex 11.27 R (1) Table 11 below has the status of a *rule* (as set out in (2)). It is referred to in *MAR 9.2B.34ER*.

(2) The *CTP* for equities must make available to the public the information described in column 3 (Description) of table 11, using the format in the corresponding row of column 4 (Format as defined in table 1) and labelled with the identifier in the corresponding row of column 2 (Field identifier).

9 Annex 11.28 R Table 11 – Pre-trade market data to be disseminated by the CTP for equities – indicative auction price when trading phase is set to ‘ODAU’

#	Field identifier	Description	Format as defined in Table 1 Equivalent formats can be used, depending on the syntax used for data transmission
1	Indicative date and time	The information described in row 1 of table 2 (<i>MAR 9</i> Annex 11.5R). The <i>CTP</i> for equities shall publish the most recent among the dates and times of the prices that participate in the <i>CTP</i> 's indicative auction price as reported by the data contributors.	{DATE_TIME_FORMAT}
2	Instrument identification code	The information described in row 2 of table 2 (<i>MAR 9</i> Annex 11.5R).	{ISIN}
3	Lowest auction price	The information described in row 4 of table 2 (<i>MAR 9</i> Annex 11.5R).	{DECIMAL-18/17}
4	Highest auction price	The information described in row 4 of table 2 (<i>MAR 9</i> Annex 11.5R).	{DECIMAL-18/17}
5	Volume weighted auction price	This field corresponds to the information described in row 4 of table 2 (<i>MAR 9</i> Annex 11.5R) weighted by the information described in row 6 of table 2 (<i>MAR 9</i> Annex 11.5R).	{DECIMAL-18/17}
6	Currency	Major currency unit in which the auction price is expressed. This field corresponds to the information described in row 5 of table 2 (<i>MAR 9</i> Annex 11.5R).	{CURRENCYCODE_3}
7	Auction volume	Total auction volume, where applicable, across venues. This field corresponds to the information described in row 6 of table 2 (<i>MAR 9</i> Annex 11.5R).	{DECIMAL-18/13}
8	Dissemination date and time	Date and time when the data related to the indicative auction price and size was disseminated by the <i>CTP</i> for equities to the subscribers.	{DATE_TIME_FORMAT}

		The level of granularity shall be in accordance with the requirements set out in <i>MAR</i> 9.2B.34HR.	
9	Publication date and time	The information described in row 10 of table 2 (<i>MAR</i> 9 Annex 11.5R).	{DATE_TIME_FORMAT}
10	Trading venue	Identification of the trading venue conducting the auction (segment MIC where available, otherwise operating MIC). The trading venue is a regulated market or MTF.	{MIC}

Annex C

Amendments to the Decision Procedure and Penalties manual (DEPP)

In this Annex, underlining indicates new text.

Sch 4 Powers Exercised

Sch 4.1 G

The following powers and related provisions in or under the <i>Act</i> have been exercised by the <i>FCA</i> to make the statements of policy in <i>DEPP</i> :	
	...
	Section 169(9) (Investigations etc in support of overseas regulator) (including as applied by <u>regulation 18 of the <i>Data Reporting Services Regulations 2024</i></u> and by paragraph 3 of Schedule 5 to the <i>Payment Services Regulations</i>)
	...
	Section 312J (Statement of policy) (including as applied by Part 1 of Schedule 1 to the <i>Pisces sandbox regulations</i> <u>and by regulation 19 of the <i>Data Reporting Services Regulations 2024</i></u>)
	...

[*Editor's note*: further changes to DEPP Sch 4.1G will take place on 13 July 2026 (see FCA 2026/16).]

...

Annex D

Amendments to the Enforcement Guide (ENFG)

In this Annex, underlining indicates new text and striking through indicates deleted text.

App 2 Non-FSMA powers

App 2.1 Statements of policy

...

App 2.1.2	G	The <i>FCA</i> 's approach to the exercise of the powers listed in the table below is consistent with the use of powers under the <i>Act</i> and the <i>FCA</i> 's general policy outlined in this guide, unless stated otherwise.
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[*Editor's note*: Further changes to ENFG App 2.1.2 will take place on 13 July 2026 (see FCA 2026/16).]

Legislation	Description	Statement of Policy
...		
The Data Reporting Services Regulations 2017 <u>2024</u> (https://www.legislation.gov.uk/uksi/2017/699/contents https://www.legislation.gov.uk/uksi/2024/107/contents)	The <i>DRS Regulations</i> implemented <i>MiFID</i>. The <i>FCA</i> has investigation and enforcement powers in relation to both criminal and non-criminal breaches of the <i>DRS Regulations</i> (including requirements imposed on <i>persons</i> subject to the <i>DRS Regulations</i> by <i>MiFIR</i> and any <i>onshored regulation</i> which was an <i>EU regulation</i> made under <i>MiFIR</i> or <i>MiFID</i>).	Public censure and penalty policy <i>DEPP</i> 6.2 and <i>DEPP</i> 6.4 (relevant factors) and <i>DEPP</i> 6.5 to <i>DEPP</i> 6.5D (regarding level of a financial penalty). Conduct of interviews in response to overseas requests Procedures in <i>DEPP</i> 7 (as required by section 169 of the <i>Act</i> for the purposes of the <i>DRS Regulations</i>).
...		

Appendix 2

Made technical standards

TECHNICAL STANDARDS (DATA REPORTING SERVICES) INSTRUMENT 2026**Powers exercised**

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in or under:
- (1) article 22(4) (Providing information for the purposes of transparency and other calculations) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012; and
 - (2) the following sections of the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 137T (General supplementary powers);
 - (b) section 138P (Technical standards);
 - (c) section 138Q (Standards instruments); and
 - (d) section 138S (Application of Chapters 1 and 2).
- B. The provisions listed above are specified for the purposes of section 138Q(2) (Standards instruments) of the Act.

Pre-conditions to making

- C. The FCA has consulted the Prudential Regulation Authority and the Bank of England as appropriate in accordance with section 138P of the Act.
- D. A draft of this instrument has been approved by the Treasury in accordance with section 138R of the Act.

Interpretation

- E. In this instrument, any reference to any provision of assimilated direct EU legislation is a reference to it as it forms part of assimilated law.

Modifications

- F. The FCA amends the following technical standard in accordance with the Annex to this instrument.

Commission Delegated Regulation (EU) 2017/577 of 13 June 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards on the volume cap mechanism and the provision of information for the purposes of transparency and other calculations.

Commencement

G. This instrument comes into force on 31 July 2026.

Citation

H. This instrument may be cited as the Technical Standards (Data Reporting Services) Instrument 2026.

By order of the Board
30 July 2026

In this Annex, underlining indicates new text and striking through indicates deleted text.

Annex

Commission Delegated Regulation (EU) 2017/577 of 13 June 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards on the volume cap mechanism and the provision of information for the purposes of transparency and other calculations.

Preamble

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012, and in particular Articles 5(9) and 22(4) thereof,

Whereas:

...

- (3) Provisions should be laid down specifying, in general terms, the common elements with regard to the content and format of data to be submitted by trading venues, and approved publication arrangements (APAs) ~~and consolidated tape providers (CTPs)~~ for the purposes of transparency and other calculations. Those provisions should be read in conjunction with Commission Delegated Regulations (EU) 2017/587, (EU) 2017/583, (EU) 2017/567, (EU) 2017/565 and (EU) 2016/2020 which describe the methodology and data necessary to perform the relevant calculations and specify the content and scope of the data necessary to perform the transparency calculations. Therefore, the content, format and quality of the data submitted with regard to trading venues, and APAs ~~and CTPs~~ should be consistent with the applicable methodology prescribed in the relevant implementing acts of Directive 2014/65/EU and Regulation (EU) No 600/2014 when performing such calculations.

...

...

Article -2

Application

This Regulation applies to:

- (1) those persons described in Article 1(2) of Regulation 600/2014/EU;
- (2) approved publication arrangements (APAs) as defined in Article (2)(1)(34) of Regulation 600/2014/EU ~~and consolidated tape providers (CTPs) as defined in Article (2)(1)(35) of Regulation 600/2014/EU;~~
- (3) the Financial Conduct Authority as a competent authority.

Article -1

Interpretation

- (1) ~~This Regulation sets out, the details of the data requests to be sent by the FCA and the details of the reply to those requests to be sent by trading venues approved publication arrangements (APAs) and consolidated tape providers (CTPs), for the purposes of calculating and adjusting the pre-trade and post-trade transparency and trading obligation regimes and in particular for the purposes of determining the following factors:~~
- (2) The definition of ~~all other~~ terms defined in article 2 of Regulation 600/2014/EU shall apply for the purposes of this Regulation.

Article 1

Subject matter and scope

- (1) This Regulation sets out the details of the data requests to be sent by the FCA and the details of the reply to those requests to be sent by trading venues, and approved publication arrangements (APAs) ~~and consolidated tape providers (CTPs)~~, for the purposes of calculating and adjusting the pre-trade and post-trade transparency and trading obligation regime and in particular for the purposes of determining the following factors:

...

Appendix 3

Draft Handbook text (inclusion of SI quotes)

DATA REPORTING SERVICES (AMENDMENT) INSTRUMENT 202X

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in or under:
- (1) the following sections of the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 137A (The FCA’s general rules);
 - (b) section 137T (General supplementary powers);
 - (c) section 139A (Power of the FCA to give guidance); and
 - (d) section 300H (Rules relating to investment exchanges and data reporting service providers);
 - (2) the following sections of the Act as applied by regulation 18 (Application of Part 11 of FSMA 2000 (information gathering and investigations)) and regulation 19 (Disciplinary measures) of the Data Reporting Services Regulations 2024 (SI 2024/107):
 - (a) section 169 (Investigations etc. in support of overseas regulator); and
 - (b) section 312J (Statement of policy); and
 - (3) the other powers and related provisions listed in Schedule 4 (Powers exercised) to the General Provisions of the FCA’s Handbook.
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on *[date]*.

Amendments to the Handbook

- D. The Market Conduct Sourcebook (MAR) is amended in accordance with the Annex to this instrument.

Citation

- E. This instrument may be cited as the Data Reporting Services (Amendment) Instrument 202X.

By order of the Board
[date]

Annex

Amendments to the Market Conduct sourcebook (MAR)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless stated otherwise.

9 Data reporting service

...

9.2B Operating requirements

...

Other services provided by CTPs

- 9.2B.14 R (1) A CTP must not provide any additional services (other than the provision of *historical data* in accordance with this chapter) which utilises the information it receives from *UK trading venues* ~~and~~, APAs and equity systematic internalisers in its capacity as a CTP.

...

Consolidation of data by CTPs

- 9.2B.33 R (1) A CTP must ensure that the data it makes available publicly is consolidated from all *UK trading venues* ~~and~~, APAs and equity systematic internalisers into a continuous electronic data stream.

...

...

Scope of the consolidated tape for equities – provision of information to the consolidated tape for equities by UK trading venues ~~and~~, APAs and equity systematic internalisers

- 9.2B.34 R (1) Following the appointment of a provider of a *consolidated tape for equities*, each *UK trading venue* ~~and each~~, APA and equity systematic internaliser must:

A

...

- (2) The information mentioned in (1)(b) is:

(a) ...

(aa) for an equity systematic internaliser, for each equity transparency instrument for which it is a systematic internaliser and for which there is a liquid market (such that it must publish firm quotes under article 14 of MiFIR),

the best bid and offer published by that *equity systematic internaliser* and the volumes associated with that bid and offer. This must include the details, by reference to each best bid and offer, set out in table 2A in MAR 9 Annex 11.5AR (Systematic internalisers – pre-trade data to be transmitted to, and published by, the CTP for equities);

...

Provision of information to the consolidated tape for equities by UK trading venues ~~and~~, APAs and equity systematic internalisers – latency requirements

- 9.2B.34 B R (1) Information sent to the *CTP* for equities under MAR 9.2B.34AR must be provided:
- (a) ~~(in the case of the data specified in MAR 9.2B.34AR(2)(a) relating to orders or quotes to be executed through a continuous order book trading system or a periodic auction system);~~ to the *CTP* for equities as close to real time as is technically possible and in any case no later than 50 milliseconds after the timestamp of the order with a 95% confidence interval measured on a daily basis; in the case of:
- (i) the data specified in MAR 9.2B.34AR(2)(a) relating to orders or quotes to be executed through a continuous order book trading system or a periodic auction system; and
- (ii) the data specified in MAR 9.2B.34AR(2)(aa);

...

...

Provision of information to the consolidated tape for equities by UK trading venues ~~and~~, APAs and equity systematic internalisers – selection of transmission protocol

- 9.2B.34 C R (1) Subject to (2), the *CTP* for equities must choose – from among the transmission protocols that a *UK trading venue* ~~or an~~, *APA* or equity systematic internaliser offers to other users of data it provides – which transmission protocol must be used by that *UK trading venue* ~~or~~, *APA* or equity systematic internaliser for transmitting data directly to the *CTP* for equities (the ‘selected protocol’).

...

- (3) *UK trading venues* ~~and~~, *APAs* and equity systematic internalisers must ensure:

...

...

Scope of the consolidated tape for equities – publication of information by the CTP for equities

9.2B.34E R ...

(2) The information mentioned in (1)(b) is:

...

(d) the details, by reference to each instrument and (where relevant) each best bid and offer price at which any auction system concerned would best satisfy its trading algorithm, set out in:

(i) ...

(ia) table 9A in MAR 9 Annex 11.24BR (Pre-trade market data to be disseminated by the CTP for equities – equity systematic internaliser quotes);

...

...

(3) When a new *UK trading venue* ~~or~~ *APA or equity systematic internaliser* starts operating, the CTP for equities must include the information provided to it by that *UK trading venue* ~~or~~ *APA or equity systematic internaliser* in accordance with MAR 9.2B.34AR in the electronic data stream of its consolidated tape as soon as possible after the start of the operations of the *UK trading venue* ~~or~~ *APA or equity systematic internaliser*.

...

Publication of historical information and market statistics by the CTP for equities

9.2B.34F R ...

(3) In (2), ‘pre-trade data’ means the data referred to in MAR 9.2B.34AR(2)(a) and (aa).

...

Income sharing by the CTP for equities

9.2B.39 A R The CTP for equities must establish and implement arrangements for:

- (1) determining, in respect of each period of not more than 12 *months*, such sum of money as is available to be distributed among one or more categories of data contributor that send information to the CTP under MAR 9.2B.34AR (that is, *UK trading venues* ~~and~~, *APAs* and equity systematic internalisers); and

...

...

9 Annex 11 Consolidated tape for equities – receipt and transmission of data

...

9 Annex 11.5 R ...

Insert the following new provisions, MAR 9 Annex 11.5AR, MAR 9 Annex 11.5BG and MAR 9 Annex 11.5CR, after MAR 9 Annex 11.5R. The text is not underlined.

Systematic internalisers – pre-trade data to be transmitted to, and published by, the CTP for equities

- | | | |
|---------------|---|---|
| 9 Annex 11.5A | R | <p>(1) Table 2A below has the status of a <i>rule</i> (as set out in (2) and (3)). Table 2A is referred to in MAR 9.2B.34AR.</p> <p>(2) An <i>equity systematic internaliser</i> must send to the CTP for equities the information described in column 3 (Description and details to be published) of table 2A:</p> <p style="margin-left: 40px;">(a) in the relevant format in the corresponding row of column 4 (Format to be populated (where relevant, as defined in table 1)) of table 2A; and</p> <p style="margin-left: 40px;">(b) labelled with the identifier in the corresponding row of column 2 (Field identifier) of table 2A.</p> <p>(3) The relevant format in column 4 is the format within brackets (for example {MIC}), as that notation is defined in table 1.</p> |
| 9 Annex 11.5B | G | <p>A reference in table 2A to ‘ISO’, followed by a reference number and year, is to a standard published by the International Organization for Standardization.</p> |
| 9 Annex 11.5C | R | <p>Table 2A – systematic internalisers – pre-trade data to be transmitted to, and published by, the CTP for equities</p> |

#	Field identifier	Description and details to be published	Format to be populated (where relevant, as defined in table 1) Equivalent formats can be used, depending on the syntax used for data transmission
1	Instrument identification code	Code used to identify the instrument.	{ISIN}
2	Bid price	The bid price published by the equity systematic internaliser, excluding, where applicable, commission and accrued interest. The price shall be provided in the major currency unit.	{DECIMAL-18/13} when the price is expressed as monetary value in the case of equity and equity-like financial instruments. {DECIMAL-11/10} when the price is expressed as percentage or yield in the case of certificates and other equity-like financial instruments. {DECIMAL-18/17} when the price is expressed as percentage, yield or basis points in the case of certificates and other equity-like financial instruments.
3	Offer price	The offer price published by the equity systematic internaliser, excluding, where applicable, commission and accrued interest. The price shall be provided in the major currency unit.	{DECIMAL-18/13} when the price is expressed as monetary value in the case of equity and equity-like financial instruments. {DECIMAL-11/10} when the price is expressed as percentage or yield in the case of certificates and other equity-like financial instruments. {DECIMAL-18/17} when the price is

			expressed as percentage, yield or basis points in the case of certificates and other equity-like financial instruments.
4	Price currency	Major currency unit in which the price is expressed (applicable if the price is expressed as monetary value).	{CURRENCYCODE 3}
5	Bid quantity	Number of units of the financial instrument attached to bids published by the equity systematic internaliser.	{DECIMAL-18/17} in case the quantity is expressed as number of units in the case of equity and equity-like financial instruments. {DECIMAL-18/5} in case the quantity is expressed as monetary or nominal value in the case of certificates and other equity-like instruments.
6	Offer quantity	Number of units of the financial instrument attached to offers published by the equity systematic internaliser.	{DECIMAL-18/17} in case the quantity is expressed as number of units in the case of equity and equity-like financial instruments. {DECIMAL-18/5} in case the quantity is expressed as monetary or nominal value in the case of certificates and other equity-like instruments.
7	Systematic internaliser	Identification of the equity systematic internaliser that published the bid and offer prices. Use the segment MIC specified in ISO 10383: 2012 (on the identification of exchanges and markets) or, where the segment MIC does not exist, the operating MIC.	{MIC}
8	Publication date and time	Date and time when the information (that is, bid and offer) was published by the equity systematic internaliser.	{DATE_TIME_FORMAT}

		The level of granularity shall be in accordance with the requirements set out in article 9(d) of <i>MiFID RTS 1</i> .	
--	--	---	--

Insert the following new provisions, MAR 9 Annex 11.24AR and MAR 9 Annex 11.24BR, after MAR 9 Annex 11.24R. The text is not underlined.

...

9 Annex R ...
11.24

Information to be disseminated by the CTP for equities – pre-trade data (equity systematic internaliser quotes)

9 Annex R (1) Table 9A below has the status of a *rule* (as set out in (2)). It is referred
11.24A to in *MAR 9.2B.34ER*.

(2) The *CTP* for equities must make available to the public the information described in column 3 (Description) of table 9A, using the format in the corresponding row of column 4 (Format as defined in table 1) and labelled with the identifier in the corresponding row of column 2 (Field identifier).

9 Annex R Table 9A – Pre-trade market data to be disseminated by the CTP for equities
11.24B – equity systematic internaliser quotes

#	Field identifier	Description	Format as defined in table 1 Equivalent formats can be used, depending on the syntax used for data transmission
1	Publication date and time	The information described in row 8 of table 2A (<i>MAR 9 Annex 11.5CR</i>), applied to the quote or quotes published by the equity systematic internaliser. The <i>CTP</i> for equities shall publish the most recent among the dates and times of the bid and offer quotes published by the equity systematic internaliser.	{DATE_TIME_FORMAT}
2	Instrument identification code	The information described in row 1 of table 2A (<i>MAR 9 Annex 11.5CR</i>).	{ISIN}

3	Currency	Major currency unit in which the bids and offers published by an equity systematic internaliser are expressed. This corresponds to the information described row 4 of table 2A (<i>MAR 9 Annex 11.5CR</i>).	{CURRENCYCODE _3}
4	Best bid	The best bid published by an equity systematic internaliser. This corresponds to the information described in row 2 of table 2A (<i>MAR 9 Annex 11.5CR</i>).	{DECIMAL-18/13}
5	Best bid volume by equity systematic internaliser	The aggregated volume attached to the systematic internaliser best bid at each equity systematic internaliser at which that price is available. This corresponds to row 5 of table 2A (<i>MAR 9 Annex 11.5CR</i>). If more than one equity systematic internaliser publishes the same bid price for an instrument, the number of units of that instrument attached to the bid published by each such equity systematic internaliser and the identification of each such equity systematic internaliser using the appropriate MIC.	{DECIMAL-18/17} {MIC}
6	BBO timestamp	Date and time of the calculation of the BBO. The level of granularity shall be in accordance with the requirements set out in article 9(d) of <i>MiFID RTS 1</i>.	{DATE_TIME_FORMAT}
7	Best offer	The best offer published by an equity systematic internaliser. This corresponds to row 3 of table 2A (<i>MAR 9 Annex 11.5CR</i>).	{DECIMAL-18/13}
8	Best offer volume by equity systematic internaliser	The aggregated volume attached to the systematic internaliser best offer at each equity systematic internaliser at which that price is available. This corresponds to row 6 of table 2A (<i>MAR 9 Annex 11.5CR</i>). If more than one equity systematic internaliser publishes the same offer price for an instrument, the number of	{DECIMAL-18/17} {MIC}

		units of that instrument attached to the offer published by each such equity systematic internaliser and the identification of each such equity systematic internaliser using the appropriate MIC.	
9	Dissemination date and time	Date and time when the data related to the bid or offer published by an equity systematic internaliser was disseminated by the <i>CTP</i> for equities. The level of granularity shall be in accordance with the requirements set out in article 9(d) of <i>MiFID RTS 1</i>.	{DATE_TIME_FORMAT}

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