

Consultation Paper

CP26/39**

Income sharing distribution and
operational incident reporting for
consolidated tape providers

October 2026

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Chapter 1

Summary

- 1.1** We are seeking views on our proposed approach for sharing income among data contributors to a UK equity consolidated tape (CT). We are also consulting on proposals for enhanced operational incident reporting requirements for all CT providers.
- 1.2** In July 2026, we published our Policy Statement (PS) on the framework for a UK equity consolidated tape and next steps for delivery ([CP26/31](#)). This confirmed the fundamental aspects of an equity CT in the UK, as we move from design to implementation.
- 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' covers shares, exchange-traded funds (ETFs), depository receipts and certificates, and other similar instruments.
- 1.4** In our consultation on the framework for the equity CT ([CP25/31](#)), we did not propose to require income sharing between the equity consolidated tape provider (CTP) and data contributors. This is because our analysis indicated that, under plausible income sharing arrangements, the amount received by individual data contributors could be relatively small.
- 1.5** However, most respondents were in favour of requiring income sharing arrangements. This feedback convinced us that, over the long term, income sharing can better align incentives between data contributors and the CTP in implementing a high-quality equity CT, notably by giving contributors an economic interest in its success. Hence, the PS set a requirement that the equity CTP must share a portion of its income with data contributors.
- 1.6** Nevertheless, over the short to medium term, we do not expect any one data contributor to receive significant amounts from the equity CT. We are also not seeking to compensate data contributors for specific costs incurred from fulfilling their regulatory obligations regarding providing information to the CT. It is crucial that the required income sharing mechanism is consistent with an economically viable, commercially attractive business model for the equity CTP.
- 1.7** There are 2 key stages to implementing income sharing arrangements:
 - **We will specify in our 5-year contract (Concession Agreement) with the equity consolidated tape provider (CTP) what share of income is to be paid to data contributors.** Our Call for Input (Chapter 11 of [CP26/31](#)) sought views on the appropriate metric and percentage. We will confirm our requirements in a Feedback Statement (FS) in early 2027.

- **We will also set rules and guidance in the Handbook on how that share of income is to be split among data contributors.** This CP makes proposals and seeks views on this topic. These rules would apply irrespective of the metric and percentage of income sharing specified in the Concession Agreement.

- 1.8** Chapter 2 of this CP proposes an income distribution model under which all UK trading venues, and Approved Publication Arrangements (APAs), are eligible to receive money. The amount each trading venue or APA would receive would be determined by the relative value of the trades they submit to the equity CT. Under our proposed model, half of the shared income would be reserved for central limit order book (CLOB) or periodic auction trading systems, which will provide pre-trade data to the CT. There would also be a greater weighting for trades executed on smaller trading venues.
- 1.9** We consider that our proposed model will both give a broad range of data contributors an economic interest in the success of the CT and support UK equity market structure. We consider providing greater support for CLOB and periodic auction trading systems will incentivise the submission of high-quality pre-trade data to the equity CT. By applying an additional weighting for trades on smaller trading venues, we aim to help align their incentives with the delivery of the CT as they scale and grow. We consider that, at this stage, the costs of providing data to the equity CT may be more acutely felt by these venues.

Operational incident reporting requirements

- 1.10** The delivery of high-quality CTs requires us to hold CTPs to high standards of operational resilience. We expect that CTs will be sources of market data for a wide range of market participants. So, it is important that we take steps to mitigate the risk of and any impact from outages. As such, the bond and equity CTPs are subject to the operational resilience requirements in SYSC 15A and MAR 9. In addition, in Chapter 3, we propose to apply enhanced operational incident reporting requirements under SUP 15.18 to all CTPs.
- 1.11** We consider this will build on existing requirements to help ensure that significant incidents affecting CTPs are reported to us in a timely and consistent way. This would hold CTPs to equivalent operational incident reporting standards as other providers of key market infrastructure, including UK recognised investment exchanges (RIEs). See operational incident and third party reporting ([PS26/2](#)) for further details.

The wider context

- 1.12** Our work on the framework for bond and equity CTs contributes to both our strategic and operational objectives and our secondary international competitiveness and growth objective.

- 1.13** CTs will ensure that access to consolidated UK trade data is straightforward and affordable, and so:
- Support market integrity by providing market participants with a clear, consistent picture of liquidity in UK markets.
 - Promote competition between the CTP and existing data vendors for the provision of aggregated data.
 - Help ensure those trading on behalf of consumers have well-informed trading and investment strategies.
 - Enhance our international competitiveness and growth by improving UK market functioning and liquidity and increasing the international visibility of UK markets.
- 1.14** The proposals in this consultation further support these objectives by helping to ensure the delivery of high-quality, operationally resilient CTs. As such, we consider they support our strategic priority to support economic growth.

Next steps

- 1.15** This consultation closes on 17 December 2026. Please respond by using our online form or by email to cp26-39@fca.org.uk.
- 1.16** We will consider all feedback and make necessary amendments to rules and guidance in our Handbook. We aim to publish our PS in spring 2027.
- 1.17** In parallel, by early 2027, we intend to publish:
- A PS confirming our final rules on the inclusion of systematic internaliser (SI) quotes in the equity CT (see Chapter 10 of CP26/31) and an FS on our Call for Input.
 - Key procurement documents, notably a Tender Notice, Invitation to Tender (ITT) and draft Concession Agreement.
- 1.18** Following these publications and the procurement process, we intend for the CTP to start operating in 2027 or early 2028.

Chapter 2

Income sharing distribution model

- 2.1** In CP26/31, we confirmed that the equity CTP will be required to share a portion of its income with data contributors. This chapter seeks views on how the income should be shared among data contributors.
- 2.2** Our overarching aim for income sharing is to, over the long term, better align incentives between data contributors and the equity CTP in implementing a high-quality equity CT.
- 2.3** We also recognise the importance of considering our proposals on the equity CT in the context of our broader work on the structure of UK equity markets – to help ensure they remain liquid, resilient and efficient. So as part of our income distribution model, we also aim to incentivise the provision of meaningfully executable lit liquidity on CLOB and periodic auction trading systems that supports the price formation process.
- 2.4** Finally, we want the income sharing distribution model to be as simple as possible and to have predictable, objective and transparent outcomes. We consider this will minimise any frictional costs or uncertainty for the equity CTP and data contributors.

Distribution between types of data contributors

- 2.5** Given these objectives, we propose to introduce an income distribution model that ensures all UK trading venues, and APAs, that contribute data to the equity CTP are eligible to receive income. We consider this will help better align incentives between the CTP and a broad range of data contributors.
- 2.6** We also propose that a portion of income is reserved for CLOB or periodic auction trading systems. By providing pre-trade data to the CT, venues which operate such systems will incur additional operational complexity and so it is especially important that their incentives are aligned with the delivery of a high-quality CT. Further, we think that encouraging venues to offer meaningfully executable lit liquidity will benefit broader UK equity market structure.
- 2.7** We consider these two aspects of income distribution are equally important and so we propose to split the pool of shared income in half. The model would be:
- 50% of the total income to be shared would be distributed among all trading venues and APAs that contributed post-trade data to the equity CTP in the relevant period. The division between these data contributors would be determined by their share of the total value of all trades submitted to the equity CT in the relevant period. Where an APA reports a trade on behalf of a trading venue, we propose that the trading venue would receive the income from the value of that trade.

- We would exclude any trades flagged as non-price forming trades (NPFT) or trades not contributing to the price discovery process (TNCP). As discussed in CP26/30, we consider that these trades do not reflect liquidity available for interaction by market participants and are not sufficiently connected to price formation in the market.
- Paragraph 4.14 of CP26/30 notes that, subject to Treasury legislative changes, we propose to extend the current exemption from post-trade transparency currently applicable to certain trades executed OTC to the same types of trades when executed on trading venues. This means that the NPFT flag would be redundant because no trades using that flag will need to be reported going forward. We consider that this would not have any impact on the outcomes of the distribution of income among data providers.
- The remaining 50% will be distributed between trading venues operating CLOB and periodic auction trading systems only. The division between these data contributors would be determined by their proportion of the total value of all trades executed on CLOB and periodic auction trading systems submitted to the equity CT in the relevant period (excluding NPFT and TNCP trades).

- 2.8** We propose to determine the amount of income shared by reference to value traded, rather than number of trades. We consider this is a stronger and more consistent measure of the proportion of trading activity reported by each contributor. Individual trades can vary significantly in size so the number of trades may not accurately reflect the scale of trading activity reported by each contributor and so the informational value of their data.
- 2.9** While a specific portion of income is reserved for CLOB or periodic auction trading systems only, venues operating these systems would be rewarded for the value of the post-trade data they send to the equity CTP – rather than pre-trade data. While the value of post-trade data is not a direct proxy for the value of pre-trade data, we consider it to be a more robust and straightforward measure of meaningfully executable liquidity. See paragraphs 2.36-2.41 for further details.
- 2.10** The equity CTP will be subject to income sharing requirements over the course of its 5-year contract period. Under MAR 9.2B.39A, they must choose the frequency over which income sharing will be measured – provided this period does not exceed 12 months. For instance, the CTP may choose a period which aligns with the calendar year, financial year or their accounting year. See paragraphs 2.64-2.70 for further details on proposed deadlines for the CTP's payments and disclosures to data contributors.

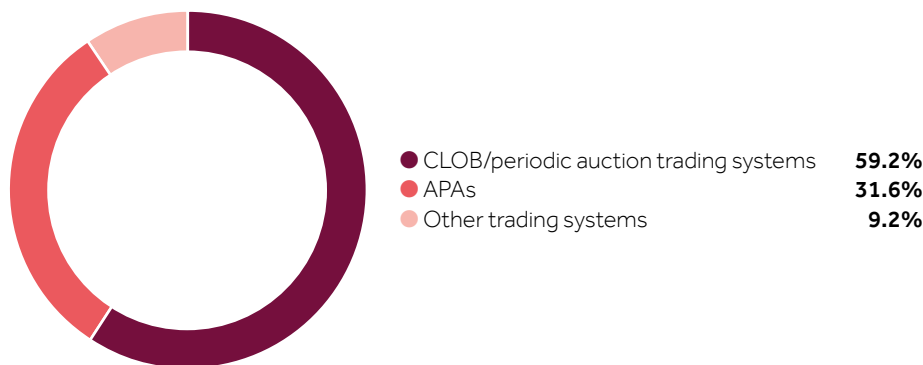
Estimates of potential income distribution

- 2.11** The graph below illustrates the potential income distribution from applying such a model. It is important to note:

- Our analysis is based on historic trading data (September 2025 – August 2026), not estimates or forecasts of trading activity once the equity CT is introduced.
- 'Other trading systems' includes Request for Quote (RFQ) systems and trading systems with no pre-trade transparency ('dark pools'). In addition, the category includes off-book on-exchange (OBOE) trades.

- We used segment MICs, FIX MMT classifications and BMLL analysis in our categorisation of trades. See paragraphs 2.48-2.49 for further details.

Figure 1: Estimated percentage share of distributed income among data contributors under 50:50 model



Source: BMLL Technologies, FCA analysis.

Note: Trades reported without segment MICs have been attributed based on BMLL analysis or to the reporting venue. Trades flagged as NPFT/TNCP have been excluded.

Smaller trading venue weighting

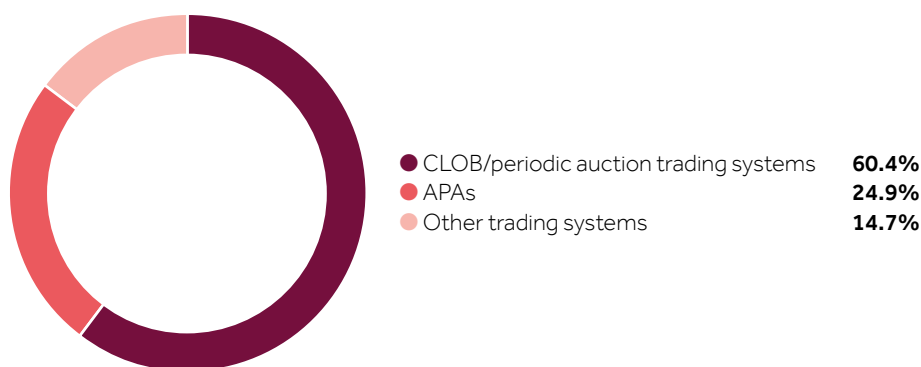
- 2.12** A key question is whether to apply an extra weighting for trades executed on smaller venues, such as SME growth markets.
- 2.13** A few respondents to CP25/31 and the Call for Input in CP26/31 suggested that income sharing is especially important for smaller venues (particularly SME growth markets) and for supporting competition among trading venues. Respondents noted that income from market data may account for a greater proportion of these firms' revenues, compared to other trading venues. Further points raised included that income sharing could help mitigate the risk that the introduction of the equity CT materially reduces such venues' revenues and viability, or disincentivises them from investing in their systems. It was argued that we should seek to, at minimum, compensate smaller venues for any implementation costs.
- 2.14** In CP26/31, we acknowledged that income sharing could potentially help mitigate the risk that the CT reduces revenues for trading venues, particularly smaller venues that may be more vulnerable to such effects. However, we were clear that any income sharing model must be consistent with an economically viable and commercially attractive business model for the equity CTP. This is key to ensuring there is a competitive bidding process to be the CTP that delivers a high-quality CT at a keen price.
- 2.15** It is not possible to fully predict how much money data contributors may receive from any income sharing model. Depending on the model, this will depend on the CTP's realised revenues and/or costs, as well as the relative value of trades reported by different data contributors. However, we are clear that – under a plausible model – we do not expect any one data contributor to receive significant amounts from the

equity CT, over the short to medium term. We are also not seeking to compensate data contributors for specific costs incurred from fulfilling their regulatory obligations regarding providing information to the CT.

- 2.16** Nevertheless, we consider there is a case for applying an extra weighting for trades on smaller trading venues. This would require us to set the threshold for defining a smaller venue, which we propose would be venues whose trades account for less than 5% of the value of trades (excluding NPFT and TNCP trades) provided to the equity CT.
- 2.17** Applying such a weighting would ensure that new venues receive a greater proportion of income as they scale and grow. CP26/31 confirmed that new data contributors will need to provide data to the CTP as soon as possible from the time they start operating. This will help ensure the CT provides a comprehensive and complete view of trading in UK markets. We do not expect that the incremental costs of sending data to the equity CTP will be significant for such venues, as the equity CTP will connect to one of the feeds these venues establish to send information to market participants. However, we recognise that, at an early stage of development, these venues may have smaller profit margins and so any costs from supporting the equity CT may be more acutely felt. Recognising this, we think we should prioritise aligning such venues' incentives with the delivery of a high-quality CT.
- 2.18** We also think that applying a smaller venue weighting would support UK equity market structure. Sharing a greater proportion of income with such venues could, over the long term, help support competition among venues of different sizes. Our analysis also indicates that the proposed weighting would apply to all current UK SME growth markets. These markets play an important role in offering smaller companies straightforward access to capital, helping them to scale up. The smaller venue weighting could therefore help ensure access to diverse trading and investment opportunities for investors, as well as funding opportunities for the real economy.
- 2.19** More broadly, smaller trading venues will have a lower value traded and so, without such a weighting, would receive a lower share than larger venues under our income distribution model. We think this could result in smaller venues having significantly less of an economic interest in the equity CT. This would not be in line with our objectives and so the proposed weighting seeks to mitigate this risk.
- 2.20** By way of comparison, in the EU, a 4.5x 'small market' weighting applies to all SME growth markets or regulated markets whose trades account for less than 1% of total EU trading volumes annually. This is in a context where such venues are not required to provide data to the equity CT, unless they meet certain conditions. Given the relative size of the UK market, we consider a 5% value traded threshold is more appropriate.
- 2.21** However, it is important to note that applying such a weighting also comes with trade-offs. It would mean that larger trading venues and APAs receive a lower proportion of shared income. It is therefore important that the scale of the weighting strikes an appropriate balance between providing extra support to smaller trading venues, with ensuring an adequate proportion of income is received by a broader range of data contributors.

- 2.22** In line with the EU, we propose to apply a 4.5 weighting. Practically, this means that we would retain the proposed 50/50 split between income distributed among all trading venues and APAs, and income distributed among CLOB and periodic auction trading systems only. Within this model, the value of any trades reported by smaller trading venues would be multiplied by 4.5.
- 2.23** We estimate that applying such a weighting would roughly triple the proportion of total income received by smaller venues, from 11.8% to 34.6%. Our analysis indicates that it could result in the following income distribution among different types of data contributors:

Figure 2: Estimated percentage share of distributed income among data contributors under 50:50 model and with 4.5x multiplier for smaller venue trades



Source: BMLL Technologies, FCA analysis.

Note: Trades reported without segment MICs have been attributed based on BMLL analysis or to the reporting venue. Trades flagged as NPFT/TNCP have been excluded.

- 2.24** We consider this scale of weighting strikes a good balance between our objectives. If we were to apply a higher weighting, this would further increase the share received by smaller trading venues (including SME growth markets) but decrease the share for other data contributors (and vice versa if we applied a lower weighting).
- 2.25** 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, including for income sharing, remain appropriate.

Data from systematic internalisers (SIs)

- 2.26** In designing our proposals, we considered how to account for the provision of data from SIs. CP26/31 confirmed that post-trade data from SIs will be included on the equity CT. We also consulted on the inclusion of SI pre-trade data on the CT.

- 2.27** We expect that, in line with current market practice, most pre- and post-trade data from SIs will be reported to the CTP via APAs. In these circumstances, SIs remain responsible for the accuracy and completeness of the information submitted, while APAs play an important role in maintaining high publication standards. In particular, APAs carry out data quality checks and ensure the timely submission of the data to the CTP following receipt, using the required transmission protocols.
- 2.28** Given the important role APAs will play in validating, processing and sending SI data to the equity CTP, we propose that they receive any income shared based on the value of SI post-trade data. In line with our approach to trading venues, we do not intend to distribute income on the basis of the value or volume of any pre-trade data included on the equity CT.

Alternative options

- 2.29** Looking beyond our proposed model, we also considered the following alternative options. We discuss our thinking on the following alternative models in turn below.

Reserving income for SME growth markets or applying an additional weighting for less liquid stocks

- 2.30** A few respondents to CP25/31 and CP26/31 suggested that we should:
- Require the CTP to ringfence a portion of its income for SME growth markets or define a minimum level of income that they should receive from the equity CTP.
 - Apply an additional weighting to trades in less liquid stocks. We consider this suggestion is closely related to that concerning SME growth markets, which frequently facilitate trading in less liquid stocks.
- 2.31** It was suggested that implementing such options could:
- Safeguard the viability of SME growth markets.
 - Encourage more trading and liquidity provision in less liquid stocks.
 - Align more closely with the EU and US CT income distribution models.
- 2.32** A report by Europe Economics (EE) also suggested that a weighting for less liquid stocks could encourage venues to extend the range of equities they offer trading in and to be more proactive in attracting liquidity in such equities to their venues. Over time, they thought this could lower the cost of trading in these equities.
- 2.33** We recognise the potential advantages of these options, given the important role of SME growth markets in facilitating trading in a wide range of stocks. However, as per paragraph 2.18, we expect that our proposed smaller trading venue weighting will apply to all current SME growth markets. We therefore consider that our proposals will, to a significant extent, meet the objectives underlying these alternative suggestions in a straightforward manner.

- 2.34** In our view, reserving income for SME growth markets or providing an additional weighting for less liquid stocks could add complexity to the income distribution model without proportionate benefits.
- 2.35** It would be especially complex to introduce an additional weighting for 'less liquid stocks' because of the need to perform calculations on a stock-by-stock basis. This could increase frictional costs and complexity for the CTP, as well as reduce the predictability of payments for data contributors.

Distributing income based on pre-trade data

- 2.36** We also considered whether to design a model that distributes income based on pre-trade data submitted to the equity CT. One CP25/31 respondent suggested that the income sharing distribution model should reward both high-quality pre- and post-trade data, to recognise the role of pre-trade data in the price formation process.
- 2.37** EE's report also suggested that this model could be particularly beneficial for less liquid instruments, where bids and offers can provide useful information for market participants as trading activity may be limited in these markets. Distributing income based on the provision of pre-trade data would also align more closely with the US income distribution approach.
- 2.38** Our proposed approach already reserves a portion of income from trades executed on CLOB or periodic auction trading systems and applies an additional weighting for trades executed on smaller trading venues. Therefore, we consider that it will incentivise the provision of meaningfully executable lit liquidity, including in less liquid stocks.
- 2.39** In our view, the value of post-trade data is a stronger metric for distributing income to such data contributors. A high volume or value of displayed pre-trade data may not necessarily equate to a high volume or value of meaningfully executable liquidity.
- 2.40** We also consider that distributing income based on pre-trade data could potentially pose some risks by incentivising behaviour aimed at increasing the share of income instead of for proper trading purposes. For example, displaying quotes that are not intended to be executed, which would give the appearance of trading activity without meaningfully contributing to executable liquidity. As such, adopting such a model may harm the quality of the pre-trade data on the equity CT, which would not be consistent with our objective of delivering a high-quality CT.
- 2.41** Certain distribution models could help mitigate this potential risk, such as solely rewarding orders for the amount of time they spend at the CT's best bid and offer (BBO). However, we consider they will still pose a greater risk than our proposed model of distributing income based on the value of post-trade data.

Distributing income to lit trading venues only

- 2.42** We also considered sharing income with lit venues only, based on post-trade data – in line with a recommendation by EE. Some respondents to CP25/31 also supported this model on the grounds that it would recognise the commercial value of pre-trade data and its contribution to price formation. It was suggested that this could incentivise the provision of high-quality pre-trade data.
- 2.43** In CP25/31, we indicated that such an approach could potentially be justified on the grounds that pre-trade data is generally more expensive than post-trade data. This means that an equity CT could have a greater impact on the revenues of lit venues. However, at that point, we did not propose to require income sharing because our analysis indicated that, under a plausible model, the amount received by each individual venue may be relatively small.
- 2.44** We later decided to require income sharing as we were convinced by arguments that it could help better align incentives between data contributors and the equity CTP. Given this objective, we do not think it would be appropriate for the equity CTP to share income with lit trading venues only. We think our proposed approach will be more effective in giving a broad range of data contributors a clear economic interest in the CT's success. It also recognises the value of CLOB and periodic auction trading systems to price formation.

Cost recovery

- 2.45** Finally, we are not seeking to compensate data contributors for specific costs incurred from fulfilling their regulatory obligations. Therefore, a 'cost recovery' model which seeks to directly reimburse firms for any costs incurred from providing data to the CTP would not be appropriate.

Questions

- Question 1:** Do you agree that all trading venues and APAs should be eligible to receive income, and that half of the shared income should be reserved for CLOB and periodic auction trading systems? Y/N. Please give your reasons.
- Question 2:** Do you agree that we should apply an additional weighting for smaller trading venues? Y/N. Please give your reasons.
- Question 3:** Do you agree with our proposed threshold for smaller trading venues and the proposed scale of the weighting? Y/N. Please give your reasons.

Operational considerations

- 2.46** The following section discusses how the equity CTP should operationalise an income distribution model.

Identifying trades executed on lit trading venues

- 2.47** Our proposed model reserves a portion of income for trades executed on CLOB or periodic auction trading systems. This will require the equity CTP to identify such trades. We have considered how this could be done in a way that minimised cost and complexity.
- 2.48** In our view, it should be possible for the equity CTP to identify such trades using a combination of segment MICs and/or FIX MMT Market Mechanism codes. The provision of such information as part of post-trade data submitted to the equity CTP should allow them to attribute a trade to a specific trading system and identify whether it is a CLOB or periodic auction system.
- 2.49** Segment MICs and FIX MMT codes are very widely used by UK equity trading venues, which should make such an approach feasible. However, we recognise that the use of FIX MMT codes is not mandated. Moreover, under UK RTS 1 (Commission Delegated Regulation 2017/587), when segment MICs do not exist, firms may use operating MICs.
- 2.50** We therefore welcome views on whether such an approach could pose any significant operational issues or costs for the equity CTP or data contributors. We also welcome views on any alternative approaches by which the equity CTP could identify trades executed on CLOB or periodic auction trading systems based on post-trade data received by the CTP.
- 2.51** As an alternative to our proposal, we could require the equity CTP to identify 'lit' trades using the existing flags in Table 4 of Annex 1 to UK RTS 1 and available MICs.
- 2.52** This would follow a similar methodology to the EU model. For instance, the equity CTP could exclude any trades flagged as:
- NPFT
 - TNCP
 - Pre-trade large in scale trades (NTLS)
 - Reference price transactions (RFPT)
 - Negotiated transactions (NETW)
 - Benchmark transactions (BENC)
 - Portfolio trade transactions (PORT)
- 2.53** A potential advantage of this alternative approach would be that it may be easier for the CTP to operationalise, as it would be based on a fixed set of existing UK RTS 1 flags. Further, these UK RTS 1 flags should be reported more consistently by firms than FIX MMT codes as their reporting is a regulatory requirement.

- 2.54** However, in Table 4 in Annex I of UK RTS 1, flags are based on the characteristics of a trade, not the trading system on which a trade was executed. MICs may cover multiple types of trading systems.
- 2.55** Therefore, this alternative option could result in a list of lit trades which includes trades executed via RFQ systems and OBOE trades executed using a variety of systems. This alternative option would likely result in the weighting methodology for lit trading being less closely aligned with trading systems which contribute pre-trade data to the equity CTP. This outcome would be less effective in supporting our objective of aligning incentives among data contributors and the CTP to deliver a high-quality equity CT.
- 2.56** Therefore, we have proposed rules based on the trading system identification model, outlined in paragraphs 2.47-2.49 above. However, given the potential implementation challenges, we welcome feedback on this approach and suggestions of any alternatives.

Question 4: Do you agree with our proposed approach for identifying lit trades, for the purpose of income sharing calculations? Y/N. Please give your reasons and explain any alternatives you think we should consider.

Treatment of trades whose price is reported in different formats

- 2.57** In the context of the CT, 'equity' encompasses a wide range of instruments, which may be reported in varying formats. These include shares, exchange-traded funds (ETFs), depository receipts and certificates, and other similar instruments.
- 2.58** We have considered how to address any issues arising from these differences in reporting format. We want to make sure the income sharing distribution model remains administratively simple to minimise frictional costs for the CTP and data contributors. The sections below discuss our proposals for how the equity CTP should handle:
- Trades reported in non-monetary values
 - Trades reported in non-sterling currencies

Trades reported in non-monetary values

- 2.59** Table 3 in Annex I of UK RTS 1 allows for equities to be reported in varying formats, including non-monetary values (eg percentages or basis points). This reflects the fact that instruments such as certificates may reference a fixed income instrument.
- 2.60** We consider it would be challenging for the CTP to calculate a 'value traded' for instruments reported in such formats and so considered whether we need to address how the CTP should deal with such trades in rules or guidance. However, we understand that trading in certificates accounts for a negligible proportion of trades, with trading in structured products mainly taking place in financial instruments such as exchange-traded commodities (ETCs) and exchange-traded notes (ETNs).

- 2.61** As a result, we do not expect such trades will have a significant impact on the income sharing distribution calculations or pose a practical challenge for the equity CTP. Therefore, we do not think it necessary to specify the treatment of such trades. However, we welcome feedback on this.

Trades reported in non-sterling currencies

- 2.62** Trades in equities may also be reported in non-sterling currencies. This raises the question of when the equity CTP should calculate currency conversions and what type of exchange rate they should use to do so.
- 2.63** We do not intend to require a specific currency conversion methodology. We consider it is for the equity CTP to decide on an appropriate methodology, in discussion with its consultative committee. In our view, it would be sufficient for the equity CTP to conduct these conversions at the end of the relevant period, using appropriate Bank of England daily spot rates. Such a methodology would be relatively simple to implement and ensure consistent treatment across different types of trades and data contributors.

Question 5: **Do you agree with our proposed approach to trades reported in different formats? Y/N. Please give your reasons.**

Timing of payments, disclosures and dispute resolution

- 2.64** As per paragraph 2.10, we currently require the CTP to choose an appropriate frequency at which to measure income sharing. This period must be no longer than 12 months.
- 2.65** We propose that the CTP would have a total of 6 months from the end of the period to make the final income payments to data contributors. We think this would give the CTP sufficient time to complete, and deal with questions relating to, the necessary calculations whilst also ensuring that data contributors receive timely payments.
- 2.66** We also propose that, within 1 month of the end of the relevant period, the CTP must share statements with each data contributor. These should set out its calculations of the percentage share of the overall income pool the data contributor is entitled to receive.
- 2.67** Under our proposals, the CTP would also need to put in place appropriate arrangements for a dispute resolution mechanism, based on these disclosures. This would work as follows:
- Data contributors would have up to a month to request further information and make initial representations to the CTP.
 - The CTP would respond to any such request or representation as soon as reasonably practicable and, in any case, within 2 weeks.
 - If a data contributor is not satisfied with this response, then they would have an additional 2 weeks to make any further representations to the CTP.

- The CTP would respond to any further representations and confirm its final decision on the matter as soon as reasonably practicable and, in any case, within a further 2 weeks.

2.68 We consider these requirements will allow issues with the calculations of percentages to be resolved quickly and fairly. In turn, we think this will strengthen the robustness of the income sharing methodology and increase the confidence in the process. Any dispute resolution would take place prior to any income being paid out to data contributors.

2.69 We will consider, as part of our contractual requirements, what assurance should be provided in relation to the CTP's calculations of the total amount of income to be shared. For instance, our Call for Input in CP26/31 sought views on whether any profit figures should be subject to an independent assurance mechanism, such as an audit opinion. We intend to confirm our position on the income sharing metric and the appropriate level of assurance in an FS in early 2027. To support transparency, we propose that, by the end of the 6-month period, the CTP must publish on its website the final amount paid to each data contributor.

2.70 Overall, we expect the CTP to act with procedural fairness and independence when determining the amount of income to be shared with each data contributor – in line with its regulatory obligations. We note that, under MAR 9.2D.1R, a CTP must have effective arrangements for the investigation and resolution of complaints regarding its performance of its functions. This includes arrangements for complaints to be investigated by an independent complaints investigator.

Question 6: Do you agree with our proposed approach to the timing of payments, disclosures and dispute resolution mechanisms?
Y/N. Please give your reasons.

Adjustments for persistent data quality issues

2.71 A key aim of income sharing is to help ensure the delivery of a high-quality equity CT by aligning incentives among data contributors and the equity CTP. This relies on data contributors providing accurate data at the required latency and using the correct transmission mechanisms. We therefore think there is a strong case for requiring the equity CTP to reduce payments to data contributors with serious and persistent data quality issues.

2.72 However, a key disadvantage of this proposal is it could add cost and complexity for the CTP in determining the income sharing calculations. It could also reduce the predictability of payments for data contributors. The section below proposes a framework designed to help mitigate these issues, which we welcome views on.

Proposal

- 2.73** We propose that the CTP would reduce payments to a data contributor if they:
- 1.** Repeatedly fail to provide required data or repeatedly provide data that is identified by the CTP as incomplete, such that it will not be published according to the CTP's policies and procedures.
 - 2.** Breach the daily 95% confidence interval for latency.
 - 3.** No longer meet the minimum requirements for transmission protocols set out in Tables 5 – 8 of MAR 9 Annex 11.
 - 4.** No longer meet their clock synchronisation requirements.
- 2.74** However, we would not expect the equity CTP to reduce payments if the data contributor can demonstrate that the breaches occurred due to extenuating circumstances (i.e. those that could not have been reasonably foreseen and avoided by taking reasonable precautions). This could include periods of heightened volatility with very high trading volumes.
- 2.75** We would expect the CTP to consult with its users and engage with their consultative committee to operationalise this framework in their rulebook, in line with our requirements. We think this will help ensure a practical and transparent framework.
- 2.76** As part of this process, we would expect the CTP to establish a clear threshold for when it would regard a data contributor as having repeatedly failed to provide data, or to have repeatedly provided data that is incomplete such that it will not be published. However, we have set out guidance that relevant factors in determining whether a breach occurred repeatedly include the number of occurrences of the issue and the time period over which they occurred.
- 2.77** We do not propose to set any further guidance on this point, as we consider the CTP, its users and its consultative committee are best placed to operationalise this requirement. However, we are open to considering alternative options. If feedback indicates that we should set a precise threshold, we would be minded to define a repeated issue as one which occurred on 3 out of 5 consecutive days, or at least once a week for at least 3 weeks within a month.
- 2.78** If the equity CTP concludes that it is necessary to reduce the amount of income to be paid to a data contributor, they must pro rate the amount of money paid to the data contributor according to the total number of affected days. We propose that the residual sums must be redistributed among data contributors, in line with the income distribution model outlined above. As above, we would expect the CTP to operationalise this framework in their rulebook, in consultation with its users and consultative committee.
- 2.79** We consider that our proposed approach will help disincentivise serious data quality issues, while remaining proportionate in its treatment of data contributors which generally submit good quality data but face minor issues, or extenuating circumstances.

2.80 To ensure the process for applying adjustments is robust and consistent, the CTP must be transparent with data contributors about potential breaches. It must also give them the opportunity to provide any additional relevant information. We propose that:

- 1.** Where the equity CTP has identified a breach, it must inform the data contributor as soon as possible and, in any case, within 2 business days. In this notification, they must:
 - a.** Identify the relevant breaches and the number of days which may be excluded from income sharing.
 - b.** Provide information supporting its assessment.
- 2.** The data contributor may then, within 2 weeks, request information about the breach from the CTP and/or provide additional information to the CTP seeking to prove that the data requirements were not breached, or that an exceptional circumstance occurred. The data contributor may request that the CTP reviews its assessment based on the additional information.
- 3.** The CTP must then review its assessment, taking into account any additional information provided by the data contributor, as soon as reasonably practicable and within 2 weeks.
- 4.** If the data contributor is not satisfied, it may make further representations within 2 weeks of the CTP's response.
- 5.** The CTP must confirm its final decision within a further 2 weeks.

2.81 As per paragraph 2.70, we expect the CTP to act with procedural fairness and independence when determining any adjustments for data quality issues.

Question 7: Do you agree that we should require the equity CTP to apply adjustments to the income received by data contributors for persistent data quality issues? Y/N. Please give your reasons.

Question 8: Do you agree with our proposed thresholds and process for the application of adjustments? Y/N. Please give your reasons.

Chapter 3

Operational incident reporting

Current operational resilience requirements for CTPs

- 3.1** We expect CTs to be an important source of data for a wide variety of market participants and so it is crucial that we hold CTPs to high standards of operational resilience. We confirmed in CP26/31 that we will apply our SYSC 15A requirements to the equity CTP. This is in line with our existing approach to the bond CTP. This requires CTPs to establish and maintain operational resilience arrangements to ensure they can prevent, adapt to, respond to, recover from and learn from operational disruptions affecting their important business services.
- 3.2** We also confirmed that the MAR 9 operational resilience requirements would apply to both the bond and equity CTPs as data reporting service providers (DRSPs). These include:
- **Business continuity and service disruptions:** MAR 9.2B.4R requires a DRSP to have effective business continuity arrangements. It also requires a DRSP to make public any service interruption or connection disruption by publishing information on its website. The DRSP must also promptly inform its clients and the FCA of the interruption or disruption (including the estimated time needed to resume a regular service).
 - **Information security breaches:** MAR 9.2B.6R requires DRSPs to maintain appropriate physical and electronic security measures to protect information. Where there is a breach of those security measures, the provider must promptly notify the FCA. Additionally, they must provide an incident report setting out the nature of the incident, the measures adopted to address it and the steps taken to prevent similar incidents. It must also notify clients affected by the security breach.
- 3.3** CP26/31 noted that we need to consider CTPs as part of our broader work with the Bank of England to strengthen the resilience of the UK financial system. In March 2026, we published PS26/2, which introduced new rules in SUP 15.18, SUP 15.19 and SUP 16.33 covering the following two areas. They will come into force in March 2027:
- **Material third party reporting requirements**, intended to give us better visibility of third party arrangements which, if disrupted or if performance failed, could cause serious harm to a firm, its clients or the wider financial system.
 - **A standardised framework for operational incident reporting**, intended to give us timely, structured and comparable information about incidents that could affect our statutory objectives.

- 3.4** The SUP 15.19 and SUP 16.33 provisions on material third party reporting apply to CTPs. In short, CTPs will be required to notify us when they enter into a material third party arrangement or make a significant change to one. They must also submit an annual register of their material third party arrangements to us. This will give us greater visibility of key arrangements that support the CTP's services.
- 3.5** The SUP 15.18 provisions on operational incident reporting do not currently apply to CTPs. This consultation proposes to extend their scope to include CTPs, to help ensure that they report significant operational incidents to us in a timely, structured and consistent way. The section below outlines what these requirements would entail, explains why we consider them appropriate for CTPs and seeks views on our proposals.

SUP 15.18 operational incident reporting requirements

- 3.6** SUP 15.18 requires those in scope to notify us of operational incidents which pose a risk:
- Of causing intolerable harm to consumers.
 - To the safety and soundness of the firm and/or market participants.
 - To market stability, market integrity or confidence in the UK financial system.
- 3.7** Operational incidents are events that disrupt a firm's operations, resulting in disruption to the delivery of its service, or impacting the availability, authenticity, integrity or confidentiality of information or data.
- 3.8** Firms must assess whether an operational incident meets the relevant criteria. If it does, they must report it to us via Connect, our online system for submitting applications and notifications, using the operational incident reporting framework.
- 3.9** The SUP 15.18 operational incident reporting framework operates on a 2-tier basis, comprising 'standard' and 'enhanced' reporting. Standard reporting applies to most firms. Enhanced reporting applies to certain firms and market infrastructure entities where we consider requiring more detailed and timely reporting to be appropriate due to the nature of their activities and potential impact of operational disruption to their services. This includes, for example, UK RIEs, registered trade repositories and registered credit rating agencies.
- 3.10** Standard incident reporting is a single report requiring firms to provide basic information about an operational incident. Firms must submit this report as soon as practicable, and we expect this to be within 24 hours. In some cases, depending on the severity of the incident and quality of information submitted, we may request more information.
- 3.11** Enhanced incident reporting is more detailed, with firms reporting in 3 phases over the lifecycle of the incident. They must:
- Submit an initial phase report as soon as practicable, and we expect this to be within 24 hours.

- Notify us of any relevant intermediate phase updates, noting significant changes (such as resolution of the incident).
- Finalise their report, usually within 30 working days of the incident being resolved.

Further information on how firms should submit operational incident reports under SUP 15.18 is available in [FG26/3](#).

Proposal

- 3.12** We propose to amend SUP 15.18 to bring CTPs within scope of the enhanced operational incident reporting requirements.
- 3.13** Applying these SUP 15.18 requirements to CTPs would build on existing MAR 9 requirements to ensure that significant operational incidents affecting CTPs are reported in a timely and standardised way. We think this will further strengthen our assessments of the impact of incidents affecting CTPs, monitoring of how CTPs manage incidents and identification of any market-wide risks.
- 3.14** We consider that applying enhanced reporting requirements to CTPs would be appropriate and proportionate. We expect that all CTPs will play an important role in providing market participants with a clear, consistent and comprehensive picture of trading in UK markets. As such, it is important that we receive regular updates from a CTP on how an incident is progressing. This will help us understand its potential impact on market participants and work with the CTP to help minimise it. Requiring enhanced reporting would also mean that the CTP must submit a final report covering the incident's root cause, recovery performance and lessons learned. This would help us ensure that the CTP takes steps to lower the likelihood of serious operational incidents in future. Overall, applying enhanced reporting requirements would also align with the requirements we apply to other providers of key market infrastructure, including UK RIEs.

Interaction with existing MAR 9 requirements

- 3.15** As in paragraph 3.2, under MAR 9, bond and equity CTPs are already required to notify both us and their clients about certain types of operational incidents. These MAR 9 requirements will continue to play an important role in keeping both us and the CTP's clients informed of a wide range of operational incidents. Therefore, we propose that, when a CTP assesses that an operational incident does not meet the SUP 15.18 reporting threshold, these existing MAR 9 requirements will continue to apply in the usual way.

- 3.16** SUP 15.18 has a different reporting threshold. It is not limited to particular categories of incident. Rather it applies to an operational incident which disrupts the delivery of the firm's services or impacts information or data, and the reporting requirement is triggered where an operational incident is sufficiently serious. For example, because it causes or could cause material harm to clients or market participants, or has wider market, consumer or systemic impacts. SUP 15.18 would therefore introduce a structured reporting process for significant operational incidents that meet that threshold.
- 3.17** However, we want to mitigate the risk of duplicative reporting requirements when a serious operational incident meets the thresholds in both SUP 15.18 and the existing MAR 9 requirements on business continuity and information security breaches (MAR 9.2B.4R and MAR 9.2B.6R, respectively). To reduce costs for the CTP, we propose to impose new rules that will provide that, in these circumstances, the CTP should report the incident to the FCA through the SUP 15.18 process only.
- 3.18** Nevertheless, we consider that, where a matter is urgent and the CTP is unable to provide the CTP service within normal hours of operation, the CTP must notify us immediately. This is in line with our requirements for UK RIEs. We propose to add a new rule in MAR 9 on this. We will add guidance to clarify that this requirement applies whether or not a CTP must also report an incident under SUP 15.18. We propose that the immediate notifications be made using the ad hoc form in MAR 9 Annex 9R and welcome views on this.
- 3.19** Overall, we consider that this approach will balance strengthening our oversight of CTPs' operational resilience with ensuring that its reporting requirements remain proportionate and avoid unnecessary duplication.

Question 9: Do you agree with our proposal to apply the SUP 15.18 enhanced operational incident reporting requirements to consolidated tape providers? Y/N. Please give your reasons.

Question 10: Do you agree with our proposed approach to the interaction between SUP 15.18 and MAR 9? Y/N. Please give your reasons.

Proposed technical changes

- 3.20** We also propose a few technical changes to the FCA Handbook:
- The material third party reporting framework (including the notification and annual register requirements) uses potential harm to a firm's clients as one factor in determining whether a third party arrangement is material. To ensure a clear understanding of who is a CTP's client, our Handbook defines them as a person who purchases a bond CT. This reflects that, at the time the rules were drafted, we had not decided whether to establish a UK equity CT. To prevent any ambiguity on how our rules apply to other CTPs, we propose to define a CTP's clients as anyone who purchases a CT.

- In CP26/31, we set final rules on the pre-trade data which data contributors must provide to the equity CTP, included specified trading phase codes. We sought to align these codes with that of the EU, to help reduce costs for data contributors operating across jurisdictions. However, the current code for the continuous trading phase ('CONT') does not align with the most recent FIX standards or EU RTS 1 (both of which use 'COTR'). We propose to replace 'CONT' with 'COTR'.

Question 11: Do you agree with our proposed technical changes? Y/N.
Please give your reasons.

Chapter 4

How to respond

We are asking for comments on this Consultation Paper (CP) by **17 December 2026**.

You can send them to us using the form on our website at:

<https://www.fca.org.uk/publications/consultation-papers/cp26-39-income-sharing-distribution-operational-incident-reporting-consolidated-tape-providers>

Or in writing to:

Fiona Mitchell
Financial Conduct Authority
12 Endeavour Square
London E20 1JN

Email: cp26-39@fca.org.uk

To read how we will use your response and how it will be disclosed, visit:

[Consultation responses: your confidentiality and personal data | FCA](#)

Further information about the FCA's use of personal data can be found on the FCA website at: <https://www.fca.org.uk/privacy>.

If you choose not to respond using our online form, please let us know whether you consent to your name and response being made available to the public.

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).

Annex 1

Questions in this paper

- Question 1:** Do you agree that all trading venues and APAs should be eligible to receive income, and that half of the shared income should be reserved for CLOB and periodic auction trading systems? Y/N. Please give your reasons.
- Question 2:** Do you agree that we should apply an additional weighting for smaller trading venues? Y/N. Please give your reasons.
- Question 3:** Do you agree with our proposed threshold for smaller trading venues and the proposed scale of the weighting? Y/N. Please give your reasons.
- Question 4:** Do you agree with our proposed approach for identifying lit trades, for the purpose of income sharing calculations? Y/N. Please give your reasons and explain any alternatives you think we should consider.
- Question 5:** Do you agree with our proposed approach to trades reported in different formats? Y/N. Please give your reasons.
- Question 6:** Do you agree with our proposed approach to the timing of payments, disclosures and dispute resolution mechanisms? Y/N. Please give your reasons.
- Question 7:** Do you agree that we should require the equity CTP to apply adjustments to the income received by data contributors for persistent data quality issues? Y/N. Please give your reasons.
- Question 8:** Do you agree with our proposed thresholds and process for the application of adjustments? Y/N. Please give your reasons.
- Question 9:** Do you agree with our proposal to apply the SUP 15.18 enhanced operational incident reporting requirements to consolidated tape providers? Y/N. Please give your reasons.
- Question 10:** Do you agree with our proposed approach to the interaction between SUP 15.18 and MAR 9? Y/N. Please give your reasons.
- Question 11:** Do you agree with our proposed technical changes? Y/N. Please give your reasons.

Annex 2

Cost benefit analysis

1. The Financial Services and Markets Act 2000 requires us to publish a cost benefit analysis (CBA) of our proposed rules. Specifically, section 138I(2)(a) of FSMA requires us to publish a CBA of proposed rules, defined in section 138I of FSMA as 'an analysis of the costs, together with an analysis of the benefits that will arise if the proposed rules are made'
2. Section 138L(3)(b) of FSMA provides an exemption from the requirement to produce a CBA in cases where we consider there will be an increase in costs arising from the rule proposals, but that the increase will be of minimal significance in comparison to the position where the proposed rules would not be made.
3. In July 2026, we published our final framework for the equity consolidated tape (CT) in CP26/31, including a high-level rule requiring the equity consolidated tape provider (CTP) to establish and implement arrangements to share a portion of its income with data contributors and guidance setting out our expectation that our contract with the CTP would include further details supplementing the income-sharing obligation. The accompanying CBA assessed the costs and benefits of that rule, including the effects of different income-sharing mechanisms and rates.
4. The proposals in this consultation primarily implement and operationalise that rule and unlock its associated benefits by:
 - specifying how income shared by the equity CTP would be allocated among data contributors; and
 - introducing associated calculation, disclosure, and review arrangements.
5. In addition, the proposals in this consultation make minor technical amendments relating to the CT framework and extend the enhanced operational incident reporting framework in Chapter 15 of the Supervision manual (SUP 15) to CTPs.
6. We assess the incremental impacts of these rule proposals below.

Cost of calculating the allocation of shared income

7. The equity CTP will need to calculate each contributor's share of any income distribution at most annually. However, we assume the equity CTP will already hold the data required to undertake these calculations as part of operating the equity CT and publishing attributed trading data. We therefore expect the cost for undertaking any additional calculation required as a result of our proposals to be of minimal significance.

Cost of income-sharing disclosure and review arrangements

8. The proposals also introduce reporting and disclosure requirements relating to income sharing. These include publication of income-allocation calculations, arrangements for contributors to request a review of those calculations, and deadlines for completing distributions. We expect the associated costs to be limited, as these requirements rely largely on information and processes the CTP will already need to calculate and distribute shared income. We also expect review requests to arise only occasionally, because the underlying data is published by the equity CT and the calculation formula is transparent. We therefore expect the costs associated with these proposed rules to be of minimal significance.

Cost of enhanced operational incident reporting for CTPs

9. The proposed rules in this CP would extend the enhanced operational incident reporting aspects of the standardised framework introduced in PS26/2 to CTPs. CTPs for bonds and, in future, equities, are already subject to business continuity/service disruptions and information-security breach notification requirements under the Market Conduct sourcebook (MAR). The proposals would bring CTPs within the enhanced reporting framework (in SUP 15), avoid duplicative reporting to the FCA under MAR where an incident would also be reportable under SUP 15, and therefore provide a more structured process for notifying significant operational incidents, reporting material developments and confirming resolution of the incident. The identified cost in the CBA of CP24/28 assessing the enhanced operational incident reporting framework is a one-off familiarisation and gap analysis cost. We do not identify any new ongoing costs arising from the proposals, as the CTPs would already be required to report incidents and provide full information to us. We do not expect significant costs for CTPs from the requirement to notify us immediately if an operational incident is urgent. We therefore consider the total costs associated with the proposed rule to be of minimal significance.

Assessment

10. Taken together, we consider that any increase in costs arising from these proposals will be of minimal significance compared with the position where the proposed rules were not made. We have therefore not produced a separate CBA, in line with s138L(3)(b) of FSMA.

Annex 3

Compatibility statement

Compliance with legal requirements

1. This Annex records the FCA's compliance with a number of 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).
2. 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, and (d), under section 138EA(2) FSMA, to consider anything HMT has specified we are required to have regard to that are relevant to the making of the rules in question. The FCA is also required by section 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.
3. 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.
4. In addition, this Annex explains how we have considered the recommendations made by the Treasury under s 1JA FSMA about aspects of the economic policy of His Majesty's Government to which we should have regard in connection with our general duties.
5. 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. 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, as discussed in paragraph 1.13 of this CP, and this effect will be enhanced by the proposals in this CP.
6. This Annex includes our assessment of the equality and diversity implications of these proposals.

7. 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.
8. The framework for the equity CT will comprise both regulatory and contractual elements. Where conduct gives rise to a breach of both a rule and a provision of the concession agreement, the FCA will consider whether regulatory action and/or the exercise of its rights or remedies under the contract is the most appropriate mechanism for enforcement.

The FCA's objectives and regulatory principles: Compatibility statement

9. The proposals in this CP are designed to support the successful delivery of both the equity and bond CTs and are therefore 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.
10. The FCA's market integrity objective is to protect and enhance the integrity of the UK financial system. As mentioned in CP23/15 and CP25/31, we consider that the equity and bond CTs advance this objective by improving the transparency of the price formation process across these markets. By enhancing our oversight of CTPs' operational resilience and better aligning incentives for data contributors to the equity CT, these proposals will enhance this effect by making the service and data provided by CTPs more reliable.
11. We consider these proposals are compatible with the FCA's strategic objective of ensuring that the relevant markets function well because they support the functioning of both the equity and bond CTs, which seek to improve the functioning of these markets by making better quality data available to a wider range of market participants. Our proposals will enhance this effect by better aligning incentives for data contributors to support a high-quality equity CT and improving our oversight of CTPs' operational resilience. For the purposes of the FCA's strategic objective, "relevant markets" are defined by section 1F FSMA.
12. We consider these proposals also advance the FCA's operational objective of securing an appropriate degree of protection for consumers. These proposals seek to enhance the quality of the equity CT by better aligning incentives for data contributors, providing greater transparency of execution quality across different execution venues or by different intermediaries. This will help consumers to make informed decisions regarding their trading activity.

- 13.** The FCA's competition objective is to promote 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 proposals in this CP will also promote competition by ensuring that our income sharing model appropriately balances the aim of aligning incentives for data contributors in delivering a high-quality equity CT with the need to ensure that the CTP's business model remains commercially attractive and encourages a competitive bidding process to deliver a high-quality CT at a keen price.
- 14.** As noted in paragraph 1.12-1.14 of this CP, we consider these proposals comply with the FCA's secondary objective in advancing international competitiveness and growth because they will enhance the improvements to transparency brought by the equity CT for market participants by further improving the quality of data provided to the equity CT. These changes 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.
- 15.** 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

- 16.** Our proposals are targeted and seek to operationalise existing rules and strengthen our frameworks for both the equity and bond CTs efficiently and economically.

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

- 17.** As set out in Annex 2, we expect that the incremental costs imposed by these proposals will be limited. The proposals will bring benefits in terms of better aligning incentives for data contributors in the delivery of a high-quality equity CT and improving our understanding of CTPs' operational resilience.

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)

- 18.** 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

19. An equity CT may make information about equity markets more readily available to retail clients, either via direct access or via their intermediaries. This will be enhanced by our proposals which seek to better align incentives for data contributors in delivering a high-quality equity CT, helping to ensure this data is reliable and comprehensive.

The responsibilities of senior management in relation to compliance with requirements imposed under FSMA, especially where they relate to consumers

20. We consider that the proposals would come within scope of existing requirements applicable to a CTP's senior management body.

The desirability of exercising our functions in a way that recognises the differences in the nature of – and objectives of – businesses carried on by different persons including mutual societies and other kinds of business organisation

21. We have sought to recognise differences, to the extent they are relevant, in the nature and objectives of businesses carried on by different persons, where that is consistent with our policy objectives. For example, our proposals recognise the difference between lit trading venues and other data contributors to the equity CT in determining their relative share of the income pool to be shared.

The desirability of publishing information relating to persons subject to requirements imposed under FSMA, or requiring them to publish information to advance our operational and secondary objectives

22. We have considered this principle in our proposals. We consider that it is desirable to require the CTP to make its calculations regarding income sharing public, as this will enhance transparency and predictability for data contributors, better aligning their incentives to support a high-quality equity CT.

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

23. 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.

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).

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

Expected effect on mutual societies

25. 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

26. 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.
27. We consider that our proposals to require income sharing for the equity CT adequately balance our aims of better aligning incentives for data contributors with the need to ensure the CTP's business model remains attractive and therefore support a competitive procurement process.
28. Additionally, 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. Our proposals seek to strengthen the quality of this data, and therefore enhance this effect.

Compatibility with the requirement to detail engagement with statutory panels

29. We have engaged with relevant FCA statutory panels on a variety of issues concerning the equity CT, and their views have been considered as part of developing our proposals for this consultation.

Equality and diversity

- 30.** 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, and to foster good relations between people who share a protected characteristic and those who do not.
- 31.** We have considered the equality and diversity issues that may arise from the proposals in this Consultation Paper.
- 32.** Overall, we do not consider that the proposals materially impact any of the groups with protected characteristics under the Equality Act 2010 (in Northern Ireland, the Equality Act is not enacted but other anti-discrimination legislation applies). 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.
- 33.** In the meantime, we welcome your input to this consultation on this.

Environmental, social & governance considerations

- 34.** In developing this Consultation Paper, we have considered the environmental, social and governance (ESG) implications of our proposals and our duty under ss. 1B(5)(a) and s.3B(1)(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. We will keep this issue under review during the course of the consultation period and when considering whether to make the final rules.
- 35.** In the meantime, we welcome your input to this consultation on this.

Legislative and Regulatory Reform Act 2006 (LRRRA)

- 36.** 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 are targeted only where action is needed.
- 37.** 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 they help provide guidance to support firms to meet their regulatory obligations. This consultation also provides a simple way for affected firms to engage with the proposals and provide their views.

Annex 4

Measuring success

1. As outlined in Chapter 1, the aim of these proposals is to support the delivery of high-quality CTs. As such, the success measures discussed in CP26/31 and CP23/33 also apply to these proposals.
2. Notably, the success of the bond and equity CTs will be determined by whether there is:
 - Increased use of consolidated UK bond and 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 equity markets, improving brokers' ability to ensure they achieve the best outcomes for end clients and clients' ability to monitor their performance.
3. The proposals in this consultation are part of a broader regulatory and contractual framework which seeks to achieve these outcomes by ensuring that:
 - There are authoritative accounts of overall equity and bond trading that are timely and relevant for a wide range of use cases.
 - The cost of accessing such consolidated data, together with simpler licensing terms, allows greater access to market data and reduces trading costs.
 - There are incentives for the CTPs and market data vendors to offer innovative products and service offerings.
4. To help assess the success of this framework we will:
 - Monitor the operation of the CTs and gather data on their market impact – using a variety of metrics to assess the impact of the CTs on the secondary trading of bonds and equities in the UK.
 - Based on our supervision of the CTPs, assess whether the CT – and the underlying pre- and post-trade data – is being published in a timely fashion. We will also ensure that the CT meets relevant requirements to be operationally resilient.
 - Gather information from the CTPs, and through surveys and discussion with industry (including each CTP's consultative committee), to understand whether the CTs have made consolidated data more broadly available.
5. We will conduct post-implementation reviews of both the bond and equity CT frameworks. Each of these reviews will start 2 years after the relevant CT began operating.

Annex 5

Abbreviations used in this paper

Abbreviation	Description
APA	Approved Publication Arrangement
BBO	Best Bid and Offer
CBA	Cost Benefit Analysis
CLOB	Central Limit Order Book
CP	Consultation Paper
CT	Consolidated Tape
CTP	Consolidated Tape Provider
DRSP	Data Reporting Service Provider
EE	Europe Economics
ESG	Environmental, Social and Governance
ETC	Exchange Traded Commodity
ETF	Exchange Traded Fund
ETN	Exchange Traded Note
EU	European Union
FS	Feedback Statement
FSMA	Financial Services and Markets Act 2000
ITT	Invitation to Tender
LRRA	Legislative and Regulatory Reform Act 2006
MAR	Market Conduct Sourcebook
MIC	Market Identifier Code

Abbreviation	Description
MMT	Market Model Typology
NPFT	Non-Price Forming Trade
OBOE	Off-Book On-Exchange
OTC	Over-the-Counter
PS	Policy Statement
RFQ	Request for Quote
RIE	Recognised Investment Exchange
SI	Systematic Internaliser
SME	Small and Medium-sized Enterprise
SUP	Supervision Manual
SYSC	Systems and Controls Sourcebook
TNCP	Trade Not Contributing to Price Discovery
UK RTS 1	Commission Delegated Regulation 2017/587

Appendix 1

Draft Handbook text

Data Reporting Services (Amendment) Instrument 202X**Powers exercised**

- A. The Financial Conduct Authority ('the FCA') makes this instrument in the exercise of the powers and related provisions in or under the following sections of the Financial Services and Markets Act 2000 ('the Act'):
- (1) section 137A (The FCA's general rules);
 - (2) section 137T (General supplementary powers);
 - (3) section 139A (Power of the FCA to give guidance); and
 - (4) section 300H (Rules relating to investment exchanges and data reporting service providers).
- B. The rule-making powers listed above are specified for the purposes 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 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) below.

(1)	(2)
Glossary of definitions	Annex A
Senior Management Arrangements, Systems and	Annex B

Controls sourcebook (SYSC)	
Market Conduct sourcebook (MAR)	Annex C
Supervision manual (SUP)	Annex D

Instructions and notes

- E. In the Annexes to this instrument, the instructions (indicated by '**Instruction:**') set out the nature of the amendments being made to the legislative text. The notes (indicated by '**Editor's note:**') are included for the convenience of readers but do not form part of the legislative text.

Citation

- F. This instrument may be cited as the Data Reporting Services (Amendment) Instrument 202X.

By order of the Board

[*date*]

Annex A

Amendments to the Glossary of definitions

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

consolidated tape

a consolidated tape for bonds or a consolidated tape for equities.

CTP service

has the meaning given in regulation 2(1) (Interpretation) of the *Data Reporting Services Regulations 2024*.

eligible CTP contributor

- (a) the operator of a *UK trading venue* that has sent, or on behalf of which an *APA* has sent, post-trade data referred to in *MAR 9.2B.34AR(2)(b)* to the *CTP* for equities in a period in respect of which calculations under *MAR 9.2B.39CR* are required to be made or have been made; or
- (b) an *APA* that has sent post-trade data referred to in *MAR 9.2B.34AR(2)(b)* to the *CTP* for equities in a period in respect of which calculations under *MAR 9.2B.39CR* are required to be made or have been made, where the *APA* was not acting on behalf of an operator of a *UK trading venue*.

lit venue contributor

an *eligible CTP contributor* that is the operator of a *UK trading venue* that offered either:

- (a) a continuous auction order book trading system within the meaning described in row 1 of Table 1 of Annex I to *MiFID RTS 1*; or
- (b) a periodic auction trading system within the meaning described in row 3 of Table 1 of Annex I to *MiFID RTS 1*,

in a period in respect of which calculations under *MAR 9.2B.39CR* are required to be made or have been made.

Annex B

Amendments to the Senior Management Arrangements, Systems and Controls sourcebook (SYSC)

Instruction: In this Annex, underlining indicates new text and striking through indicates deleted text.

SYSC 15A Operational resilience

SYSC 15A.1 Application

Application

...

SYSC 15A.1.5A | R

This chapter applies in relation to a *consolidated tape provider* as if a reference to a *client* includes a *person* who purchases a ~~*consolidated tape for bonds*~~ *consolidated tape* from:

- (a) a *consolidated tape provider*; or
- (b) a *data vendor*.

...

Annex C

Amendments to the Market Conduct sourcebook (MAR)

Instruction: In this Annex, underlining indicates new text and striking through indicates deleted text.

Editor's note: This Annex takes into account the changes introduced by the Notification of Third Party Arrangements and Operational Incident Reporting Instrument 2026 (FCA 2026/6), which come into force on 18 March 2027.

MAR 9 Data reporting service

...

MAR 9.2B Operating requirements

...

Business continuity and back-up facilities

MAR 9.2B.4 | R

...

(5) ...

(6) A consolidated tape provider is not required to inform the FCA of any service interruptions or connection disruptions under (5) if the consolidated tape provider is required to submit a report to the FCA about the incident in accordance with SUP 15.18.6R.

...

Security

MAR 9.2B.6 | R

...

(4) ...

- (5) A consolidated tape provider is not required to notify, or provide an incident report to, the FCA under (4) if the consolidated tape provider is required to submit a report to the FCA about the incident in accordance with SUP 15.18.6R.

...

Income sharing by the CTP for equities

...

MAR 9.2B.39B | G

...

Calculation of income sharing sums by the CTP for equities

MAR 9.2B.39C | R

The CTP for equities must, in respect of each period to which MAR 9.2B.39AR refers:

- (1) divide the sum of money to which MAR 9.2B.39AR refers into two amounts:
- (a) an amount equal to 50% of that sum, to be distributed to *lit venue contributors*; and
 - (b) an amount equal to 50% of that sum, to be distributed to *eligible CTP contributors*; and
- (2) calculate:
- (a) each *lit venue contributor*'s share of the amount referred to in (1)(a) in accordance with MAR 9.2B.39DR;
 - (b) each *eligible CTP contributor*'s share of the amount referred to in (1)(b) in accordance with MAR 9.2B.39ER; and
 - (c) the sum of the amounts calculated in respect of each *lit venue contributor* under (a) and (b).

Calculation of a lit venue contributor's share

MAR 9.2B.39D | R

Each *lit venue contributor's* share of the amount referred to in MAR 9.2B.39CR(1)(a) is equal to:

$$\left(\frac{A}{B} \times X \right) \times \left(\frac{P - N}{P} \right)$$

where:

- (1) 'A' is the aggregate value of all of the lit venue eligible transactions for which post-trade data was sent to the CTP for equities by, or on behalf of, the *lit venue contributor* in the period to which the calculations refer;
- (2) 'B' is the aggregate value of all of the lit venue eligible transactions for which post-trade data was sent to the CTP for equities by, or on behalf of, all of the *lit venue contributors* in the period to which the calculations refer;
- (3) 'X' is the amount referred to in MAR 9.2B.39CR(1)(a) in respect of the period to which the calculations refer;
- (4) 'N' is the number of *working days*, in the period to which the calculations refer, that the *lit venue contributor* met a condition in MAR 9.2B.39GR; and
- (5) 'P' is the number of *working days* in the period to which the calculations refer.

Calculation of an eligible CTP contributor's share**MAR 9.2B.39E | R**

- (1) Each *eligible CTP contributor's* share of the amount referred to in MAR 9.2B.39CR(1)(b) is equal to:

$$\left(\frac{C}{D} \times Y \right) \times \left(\frac{P - N}{P} \right)$$

where:

- (a) 'C' is the aggregate value of all of the eligible CTP transactions for which post-trade data was sent to the CTP for equities by, or on behalf of, the eligible CTP contributor in the period to which the calculations refer;
 - (b) 'D' is the aggregate value of all of the eligible CTP transactions for which post-trade data was sent to the CTP for equities by, or on behalf of, all of the eligible CTP contributors in the period to which the calculations refer;
 - (c) 'Y' is the amount referred to in MAR 9.2B.39CR(1)(b) in respect of the period to which the calculations refer;
 - (d) 'N' is the number of working days, in the period to which the calculations refer, that the eligible CTP contributor met a condition in MAR 9.2B.39GR (but see (2)(b)); and
 - (e) 'P' is the number of working days in the period to which the calculations refer.
- (2) For the purposes of this rule:
- (a) references in MAR 9.2B.39GR to a lit venue contributor are to be read as references to an eligible CTP contributor; and
 - (b) MAR 9.2B.39GR(5) is replaced by the following:
 - '(5) The eligible CTP contributor did not comply with:
 - (a) (where the eligible CTP contributor is an APA) its obligations in MAR 9.2B.34HR; or
 - (b) (where the eligible CTP contributor is a UK trading venue) its obligations as the operator of a trading venue under MiFID RTS 25.'

Guidance on calculation of a contributor's share

MAR 9.2B.39F | G

- (1) The calculations in MAR 9.2B.39DR and MAR 9.2B.39ER include an adjustment to the calculation of a data contributor's share of an amount to be distributed by the CTP for equities, by reference to the number of *working days* on which a condition in MAR 9.2B.39GR has been met. These conditions relate to breaches of requirements for the provision of information to the CTP for equities.
- (2) Those adjustments will result in an amount being left over from the amounts referred to in MAR 9.2B.39CR(1)(a) and (b). MAR 9.2B.39JR sets out the *rule* for the distribution of these residual amounts.

Conditions for the determination of 'N'

MAR 9.2B.39G | R

- (1) The conditions relevant to the determination of 'N' in MAR 9.2B.39DR and MAR 9.2B.39ER are the conditions in (2) to (5).
- (2) The *lit venue contributor* has repeatedly:
 - (a) failed to comply with a requirement to send information referred to in MAR 9.2B.34AR(2)(a) or (b) to the CTP for equities; or
 - (b) sent information referred to in MAR 9.2B.34AR(2)(a) or (b) to the CTP for equities but in a manner, or to a degree of incompleteness, such that the CTP for equities considers, having operated the arrangements and mechanisms required by MAR 9.2B.32R, that it is inappropriate to make the information available publicly as required by MAR 9.2B.33ER.
- (3) The *lit venue contributor* did not comply with the latency requirements in MAR 9.2B.34BR in respect of information it sent to the CTP for equities.
- (4) The *lit venue contributor* did not comply with the minimum requirements set out in tables 5 to 8 in MAR 9 Annex 11.

- (5) The *lit venue contributor* did not comply with its obligations as the operator of a trading venue under *MiFID RTS 25*.
- (6) But a *lit venue contributor* is not to be treated as having met one of the conditions above if the circumstances causing the condition to be met could not reasonably have been foreseen and avoided by taking reasonable precautions.
- (7) References in this *rule* to a '*lit venue contributor*' are to be read as including references to an *APA* acting on behalf of the *lit venue contributor*.

'Repeated' breaches in MAR 9.2B.39GR(2)

MAR 9.2B.39H | G

In interpreting the meaning of 'repeatedly' in *MAR 9.2B.39GR(2)*, the *FCA* would have regard to the number of instances of the relevant act or omission, and the period in which those instances occurred.

Definition of terms used in MAR 9.2B.39DR and MAR 9.2B.39ER

MAR 9.2B.39I | R

In *MAR 9.2B.39DR* and *MAR 9.2B.39ER*:

- (1) 'eligible CTP transaction' means a transaction executed in respect of a share, depositary receipt, *ETF*, certificate or other similar financial instrument, but excluding a transaction within the scope of either of the following terms (as described in Table 4 of Annex I to *MiFID RTS 1*):
 - (a) 'NPFT' (Non-price forming transactions flag); or
 - (b) 'TNCP' (Transactions not contributing to the price discovery process flag, other than where covered by BENC, CLSE or PORT flags);
- (2) 'lit venue eligible transaction' means an eligible CTP transaction executed on:

- (a) a continuous auction order book trading system within the meaning described in row 1 of Table 1 of Annex I to *MiFID RTS 1*; or
 - (b) a periodic auction trading system within the meaning described in row 3 of Table 1 of Annex I to *MiFID RTS 1*;
- (3) 'post-trade data' means information sent to the CTP for equities in accordance with *MAR 9.2B.34AR(2)(b)*, but disregarding for this purpose whether or not the information was sent:
 - (a) in accordance with the latency requirements in *MAR 9.2B.34BR*;
 - (b) using the transmission protocol chosen by the CTP for equities in accordance with *MAR 9.2B.34CR*; or
 - (c) in accordance with any other operational resilience requirements required by the CTP for equities;
- (4) 'smaller venue' means a *UK trading venue* the operator of which has sent, or on behalf of the operator of which an *APA* has sent, post-trade data to the CTP for equities in the period to which the calculations refer, where the aggregate value of all of the eligible CTP transactions executed on that venue, and referred to in that post-trade data, is less than 5% of the aggregate value of all of the eligible CTP transactions referred to in post-trade data sent to the CTP for equities by, or on behalf of, all of the *eligible CTP contributors* in the period to which the calculations refer; and
- (5) 'value' means:
 - (a) if the *UK trading venue* is not a smaller venue, the product of:
 - (i) the traded price of the transaction, excluding commission and accrued interest, as described in row 3 (Price) of Table 3 of Annex I to *MiFID RTS 1*; and
 - (ii) the number of units of the financial instruments in respect of which the transaction has been executed, as

described in row 6 (Quantity) of Table 3 of Annex I to MiFID RTS 1; or

- (b) if the UK trading venue is a smaller venue:
 - (i) the traded price of the transaction, excluding commission and accrued interest, as described in row 3 (Price) of Table 3 of Annex I to MiFID RTS 1;
 - (ii) the number of units of the financial instruments in respect of which the transaction has been executed, as described in row 6 (Quantity) of Table 3 of Annex I to MiFID RTS 1; and
 - (iii) 4.5; and
- (c) if the post-trade data for the transaction does not include the information set out at (a)(i) and (ii), or (b)(i) and (ii), as applicable:
 - (i) if the UK trading venue is not a smaller venue, the nominal or monetary value of the transaction, as described in row 6 (Quantity) of Table 3 of Annex I to MiFID RTS 1; or
 - (ii) if the UK trading venue is a smaller venue, the product of:
 - (A) the nominal or monetary value of the transaction, as described in row 6 (Quantity) of Table 3 of Annex I to MiFID RTS 1; and
 - (B) 4.5.

Distribution of residual amounts

MAR 9.2B.39J | R

- (1) The CTP for equities must establish and implement appropriate arrangements for the distribution of any amount remaining from the amounts referred to in MAR 9.2B.39CR(1)(a) and (b) after

making the calculations required by MAR 9.2B.39DR and MAR 9.2B.39ER.

- (2) The arrangements referred to in (1) must provide for:
 - (a) amounts to be distributed according to a formulation similar to the calculations referred to in MAR 9.2B.39DR and MAR 9.2B.39ER;
 - (b) the timing for, and publication of the amount of, such payments to be in accordance with MAR 9.2B.39NR; and
 - (c) calculations to be included in the statement under MAR 9.2B.39LR.

Notification of conditions to data contributors

MAR 9.2B.39K | R

- (1) If it appears to the CTP for equities that an *eligible CTP contributor* has met a condition in MAR 9.2B.39GR, the CTP for equities must inform the *eligible CTP contributor* as soon as practicable and, in any event, within 2 working days.
- (2) The information provided under (1) must specify:
 - (a) the relevant condition that has been met;
 - (b) the number of *working days* in respect of which the condition has been met; and
 - (c) any other information relevant to the circumstances of the condition having been met.
- (3) The CTP for equities must establish, implement, and publish on its website appropriate arrangements for an *eligible CTP contributor* to:
 - (a) request further information from the CTP for equities about the condition or the circumstances; and

- (b) make representations to the CTP for equities about the condition or the circumstances.
- (4) The arrangements in (3) must provide for:
 - (a) a request or representations under (3) to be made within 2 weeks of the date on which the *eligible CTP contributor* receives the information referred to in (1) and (2);
 - (b) the CTP for equities to respond to the request or representations as soon as reasonably practicable and, in any event, no later than 2 weeks after receiving them;
 - (c) an *eligible CTP contributor* that is not satisfied with the response in (b) to make further representations to the CTP for equities within 2 weeks of receiving that response;
 - (d) the CTP for equities to take any such further representations into account and make a decision about whether the condition has been met as soon as reasonably practicable and, in any event, no later than 2 weeks after receiving them; and
 - (e) the CTP for equities to notify the *eligible CTP contributor* of its decision promptly.

Statements to data contributors

MAR 9.2B.39L | R

- (1) The CTP for equities must provide a statement to each *eligible CTP contributor* of its calculations under MAR 9.2B.39CR, MAR 9.2B.39DR, MAR 9.2B.39ER and (where applicable) MAR 9.2B.39JR in respect of that *eligible CTP contributor*.
- (2) The statement under (1) must be provided within 1 *month* of the end of the period to which the calculations refer.

Calculation dispute resolution procedures

MAR 9.2B.39M | R

- (1) The CTP for equities must establish, implement, and publish on its website appropriate arrangements for an *eligible CTP contributor* to:
 - (a) request further information about a calculation made in respect of it under MAR 9.2B.39CR, MAR 9.2B.39DR, MAR 9.2B.39ER and (where applicable) MAR 9.2B.39JR; and
 - (b) make representations to the CTP for equities about that calculation.
- (2) The arrangements in (1) must provide for:
 - (a) a request or representations under (1) to be made within 1 month of the date on which the *eligible CTP contributor* receives the statement referred to in MAR 9.2B.39LR;
 - (b) the CTP for equities to respond to the request or representations as soon as reasonably practicable and, in any event, no later than 2 weeks after receiving them;
 - (c) an *eligible CTP contributor* that is not satisfied with the response in (b) to make further representations to the CTP for equities within 2 weeks of receiving that response;
 - (d) the CTP for equities to take any such further representations into account and make a decision on the issue as soon as reasonably practicable and, in any event, no later than 2 weeks after receiving the representations; and
 - (e) the CTP for equities to notify the *eligible CTP contributor* of its decision promptly.

Payment and publication of income sharing sums

MAR 9.2B.39N | R

- (1) The CTP for equities must, no later than 6 months after the end of the period to which the calculations refer:

- (a) pay to each *lit venue contributor* the sums calculated in respect of it under *MAR 9.2B.39CR(2)(c)* and (where applicable) *MAR 9.2B.39JR*;
 - (b) pay to each *eligible CTP contributor* which is not a *lit venue contributor* the sums calculated in respect of it under *MAR 9.2B.39CR(2)(b)* and (where applicable) *MAR 9.2B.39JR*;
and
 - (c) publish on its website the amount of each payment.
- (2) If the amounts paid differ from the amounts shown on the statements sent under *MAR 9.2B.39LR*, the *CTP* for equities must, no later than when it makes the payment, send a new statement to each affected contributor setting out the calculation of the payment due to it.

...

MAR 9.3 Notification and information

...

Ad hoc notifications to the FCA

MAR 9.3.10 | R

- (1) *A data reporting services provider* must promptly complete the ad hoc notification form in *MAR 9 Annex 9R* to notify the *FCA* in respect of all matters required by the *rules* in *MAR 9.2B.5R(3)*, *MAR 9.2B.6R(4)*, *MAR 9.2B.10R(8)* and *MAR 9.3.10R(2)* and *MAR 9.3.11AR*.

...

MAR 9.3.11 | G

...

Further CTP notification obligations

MAR 9.3.11A | R

Where, because of the occurrence of any event or circumstances, a CTP is unable to provide a CTP service within its normal hours of operation, it must immediately give the FCA notice of that inability and inform the FCA:

- (1) which CTP service it is unable to provide;
- (2) what event or circumstance has caused it to become unable to provide that CTP service within those hours; and
- (3) what action, if any, it is taking or proposes to take to enable it to recommence the provision of that CTP service.

MAR 9.3.11B | G

- (1) Consolidated tape providers are reminded that they are required to make notifications to the FCA under SUP 15.18 (Notification of operational incident).
- (2) 'Finalised Guidance: Operational Incident Reporting' (FG26/3) applies to a consolidated tape provider in the same way as it applies to an enhanced reporting firm as set out in paragraph 1.4 of that guidance.
- (3) Some matters that need to be notified by a CTP under MAR 9.3.11AR may also have to be notified under SUP 15.18. A CTP should make separate notifications under both MAR 9.3.11AR and SUP 15.18 in this situation.
- (4) In (3), reference to SUP 15.18 includes reference to SUP 15.6.1R to SUP 15.6.6G (Inaccurate, false or misleading information) as applied to CTPs by SUP 15.18.12R.

...

MAR 9 Annex 11 Consolidated tape for equities – receipt and transmission of data

...

Pre-trade data to be transmitted to, and published by, the CTP for equities

...

MAR 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
...			
9	...	...	... ~~'CONT'~~ ' <u>COTR</u> ' for continuous trading. ...
...			

Information to be provided to the CTP for equities – regulatory data per instrument

...

MAR 9 Annex 11.7 | R

Table 3 – Regulatory data for shares, ETFs, depositary receipts, certificates or other similar financial instruments per instrument

#	Field identifier	Description	Format (where relevant, as defined in table 1)	Input/output data field
...			Equivalent formats can be used, depending on the syntax used for data transmission	
8	...	...	... 'CONT' 'COTR' for continuous trading. ...	
...				

Annex D

Amendments to the Supervision manual (SUP)

Instruction: In this Annex, underlining indicates new text and striking through indicates deleted text.

Editor's note: This Annex takes into account the changes introduced by the Notification of Third Party Arrangements and Operational Incident Reporting Instrument 2026 (FCA 2026/6), which come into force on 18 March 2027.

SUP 15 Notifications to the FCA

SUP 15.1 Application

Who?

...

SUP 15.1.3C | R

In addition to *firms*, the *rules* and *guidance* in SUP 15.18 also apply to:

...

- (3) *registered trade repositories*; ~~and~~
- (4) *registered credit rating agencies*; ~~and~~ and
- (5) consolidated tape providers.

...

SUP 15.18 Notification of operational incident

Application

SUP 15.18.1 | R

This section applies to:

...

- (4) a *registered trade repository*; ~~and~~
- (5) a *registered credit rating agency*; ~~and~~ and
- (6) a consolidated tape provider.

SUP 15.18.2 | R

In this section, a reference to a *firm* includes the entities listed in SUP 15.18.1R(2) to ~~(5)~~ (6).

SUP 15.18.3 | R

In this section, a *firm* is an 'enhanced reporting *firm*' if it is:

...

- (9) a *registered trade repository*; ~~or~~
- (10) a *registered credit rating agency*; ~~or~~ or
- (11) a consolidated tape provider.

...

General provisions

SUP 15.18.12 | R

SUP 15.6.1R to SUP 15.6.6G (Inaccurate, false or misleading information) also apply to *payment service providers*, *UK RIEs*, *registered trade repositories* ~~and~~, *registered credit rating agencies* and consolidated tape providers that are required to make notifications in accordance with this section as if a reference to *firm* in SUP 15.6.1R to SUP 15.6.6G were a reference to the relevant entity.

...

SUP 15.19 Notification of material third party arrangements

Application

...

SUP 15.19.4 | R

For the purposes of the definition of *material third party arrangement*, a reference to a *client*:

...

- (2) in relation to a *consolidated tape provider* includes a *person* who purchases a ~~*consolidated tape for bonds*~~ *consolidated tape* from:
 - (a) a *consolidated tape provider*; or
 - (b) a *data vendor*; and

...

SUP 16 Reporting requirements

...

SUP 16.33 Material third party arrangements register

Application

...

SUP 16.33.4 | R

For the purposes of the definition of *material third party arrangement*, a reference to a *client*:

...

- (2) in relation to a *consolidated tape provider* includes a *person* who purchases a ~~*consolidated tape for bonds*~~ *consolidated tape* from:
 - (a) a *consolidated tape provider*; or
 - (b) a *data vendor*; and

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