

# Market Watch

October 2019

This edition of Market Watch provides important information to help firms prepare for a possible no-deal Brexit on 31 October.

## Brexit planning

We have continued to update Brexit material available on [our website](#). In September, our chief executive Andrew Bailey gave [a speech](#) setting out the state of play for no-deal Brexit preparations. He highlighted outstanding issues which require further action from the UK or the EU, including the prospect of overlapping EU and UK share trading obligations (STO) for MiFID firms.

Firms should consider these issues as part of their contingency planning. We stand ready to enter into dialogue with our European counterparts before we finalise our approach.

## Brexit and MiFID transaction reporting

The [temporary transitional power](#) is intended to minimise disruption for firms and other regulated entities in the event of a no-deal Brexit. It allows firms time to adapt to new requirements resulting from Brexit. But in some areas, this would not be appropriate.

One of these is transaction reporting rules under MiFID II. Receiving these reports is crucial to our ability to ensure market oversight and the integrity of financial markets. Firms and connected persons, for example Approved Reporting Mechanisms, should take reasonable steps to comply with the [changes to their regulatory obligations](#) by exit day on 31 October.

If the UK leaves the EU without a deal on Thursday 31 October, firms that are not able to comply fully with the regime at the time of the UK's withdrawal from the EU will need to be able to back-report missing, incomplete or inaccurate transaction reports as soon as possible.

## Operation of the MiFID Transparency Regime post-exit

We have provided an [update to explain how the MiFID transparency regime will work](#) if the UK leaves EU on 31 October at 23.00 without a deal. This statement covers FITRS, the DVC, equity and non-equity transparency, systematic internalisers, and tick sizes. It takes account of the [most recent ESMA statement published on 7 October](#), which provides detail on the operation of ESMA databases and the performance of MiFID II calculations in the event of a no-deal Brexit.

## Industry testing - FCA FITRS

As part of the development of the post-exit MiFID regime, industry testing for FCA FITRS (Financial Instruments Transparency System) will open on 10 October.