

Policy Statement

PS25/17

SI regime for bonds and derivatives
and other consultation proposals

November 2025

This relates to

Consultation Paper 25/20 which is available on our website at www.fca.org.uk/publications

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Chapter 1

Summary

- 1.1** We are publishing final rules to implement proposals set out in [CP25/20](#). Chapter 3 of that consultation proposed the removal of the Systematic Internaliser (SI) regime for bonds and derivatives, as well as for structured finance products and emission allowances.
- 1.2** That consultation also proposed repealing the rule that prevents investment firms from carrying out matched principal trading (MPT) on their multilateral trading facilities (MTFs) and from operating an organised trading facility (OTF) in the same entity for which they are a systematic internaliser.
- 1.3** In addition, it proposed two changes to reference price waivers (RPW). The first was to allow trading venue operators to use a broader set of prices when crossing orders for equities under the reference price waiver. The second was to reformulate the waiver so that it would be permissible for a trading venue to derive the price from the best bid and offer prices on the lit order book where reference price orders are placed.
- 1.4** We expect these changes to simplify regulations, reduce unnecessary burdens, and support competition, innovation and growth in UK wholesale markets.
- 1.5** Most of the proposals in the consultation received very broad support. Respondents agreed on maintaining the SI regime in equities. However, for bonds and derivatives, respondents agreed the regime no longer contributes meaningfully to transparency since [PS24/14](#) confirmed the removal of pre-trade obligations for SIs in bonds and derivatives.
- 1.6** Respondents said that the existing conduct and prudential requirements remain appropriate to manage the potential conflicts of interests risks associated with matched principal trading (MPT) by MTF operators and with OTFs and SIs to operate in the same legal entity.
- 1.7** Respondents also welcomed reforms to the reference price waiver but there were different reactions to our two proposed changes. Respondents widely welcomed our proposal to allow trading venues to source the reference price from a wider set of venues. They said the current restrictions limit competition and increase the exposure of markets to outages from the primary market or the most relevant market in terms of liquidity. Respondents had mixed views on the second proposed change to the RPW, which would allow placing mid-price dark orders below large in scale on lit order books. Some had reservations about the impact on the readability of post-trade data.
- 1.8** We are adopting all the proposals we consulted on, except for the second proposed change to the reference price waiver, which we are minded to implement but only after gathering more information. Specifically, we will speak further with market participants to ensure the change does not weaken the information content of post-trade data. We expect to finalise a proposal on a change to post-trade transparency in our forthcoming consultation on equity transparency.

- 1.9** Following on from chapter 4 of CP25/20 – the discussion paper on equity markets – we will keep considering the responses. We will publish a consultation on equity markets in the first half of 2026.

Who this affects

- 1.10** This Policy Statement will primarily be of interest to:
- Systematic internalisers in all asset classes
 - Trading venues
 - UK branches of overseas firms undertaking investment services and activities
 - Investment firms
- 1.11** It may also be relevant to:
- Approved Publication Arrangements (APAs)
 - Law firms
 - Market data and analytics firms
 - Consultancies
 - Retail investors
 - Trade associations

The wider context of this policy statement

Our consultation

- 1.12** In CP25/20, we consulted on a package of reforms to the SI regime and related transparency rules. These proposals followed changes introduced in PS24/14, which removed pre-trade transparency obligations for SIs in bonds and derivatives, and PS23/4 which removed SI status as a determinant when establishing which party to an OTC trade is obligated to make the details public. The consultation also responded to feedback from the Wholesale Markets Review (WMR), which had identified the restrictions on matched principal trading (MPT) and elements of the rules relating to reference price waiver as areas where the current framework imposes unnecessary costs or complexity.

How it links to our objectives

Market integrity

- 1.13** The rule changes in this statement support our strategic objective of making sure the relevant markets function well by enhancing the integrity of the UK financial system. Removing the SI regime for bonds and derivatives and other non-equity financial

instruments and reforming the reference price waiver reduces regulatory complexity and resultant costs while preserving robust safeguards.

- 1.14** These changes are aligned with our Strategy, which emphasises the importance of rebalancing risk and enabling informed risk-taking in financial markets. Reforms to the reference price waiver (RPW) help to make sure that price formation remains robust, particularly in times of market stress, and that trading venues, can compete effectively while maintaining high standards of oversight and control.

Competition

- 1.15** Our changes will lower barriers to entry and reduce operational complexity for firms. This will enable more firms to offer competitive execution services without the need to establish separate legal structures, thereby fostering innovation and reducing costs for end users.
- 1.16** This aligns with our strategic priority to be a smarter regulator – one that is proportionate, purposeful, and predictable. By streamlining rules that no longer serve their intended purpose, we are creating a more level playing field between trading venues and OTC markets.

Secondary international competitiveness and growth objective

- 1.17** By removing burdensome or duplicative regulatory requirements, we are reducing friction in UK wholesale markets and enabling firms to operate more efficiently and flexibly. A reduced regulatory burden should lead to higher productivity growth for Systemic Internalisers and other associated firms by allowing them to produce services more cheaply, as well as lead to higher international competitiveness by making the UK a better place to do business in. The resulting growth will be generated by improving domestic capital allocation to the non-FS economy and potentially higher FS exports.
- 1.18** These changes support our strategic goal of maintaining the UK's position as a leading financial centre that attracts global capital and reinforces the UK's reputation for high standards and innovation. The reforms to the SI regime, matched principal trading and the reference price waiver are all consistent with our broader capital markets reform agenda and our commitment to unlock investment and innovation. They also reflect our intention to align with international standards where appropriate, while tailoring UK rules to the specific needs of our markets.

What we are changing

- 1.19** We are:
- Removing the SI regime for bonds, derivatives, structured finance products and emission allowances.
 - Removing the prohibition on matched principal trading by appropriately permissioned investment firms operating an MTF.

- Removing the prohibition on an investment firm that is an SI from operating an OTF.
- Reforming the reference price waiver (RPW) to allow trading venues to source prices from a broader set of venues.

Measuring success

1.20 The proposed rule changes remove unnecessary costs of compliance and barriers to innovation. These will largely be realised by removing the need for firms to incur those costs. We will monitor:

- Adoption of the new rules by firms.
- Feedback from market participants on the impact of the reforms.
- Changes in market structure or behaviour that may indicate unintended consequences.

1.21 We will also expect firms to detail in their conflicts policies the potential conflicts of interest arising from their revised arrangements and that they are managing them appropriately. We do not propose to collect new data at this stage. However, we welcome stakeholder feedback via our online [Rule Feedback Tool](#).

Equality and diversity considerations

1.22 We have considered the equality and diversity issues that may arise from the rule changes in this Policy Statement.

1.23 Overall and in consideration that these are technical rules changes in the wholesale markets, we do not consider that the proposals materially impact any of the groups with protected characteristics under the Equality Act 2010.

Environmental, social & governance considerations

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

Next steps

What you need to do next

- 1.25** The changes in this policy statement are permissive and create no new obligations on firms unless they chose to avail themselves of the new opportunities afforded by the changes. Firms so choosing should review the final rules and assess any operational or compliance updates needed. The final rules come into force on 1 December 2025.

What we will we do next

- 1.26** We have published the final legal and standards instruments (appended to this policy statement). We will update our Handbook accordingly. We will continue to engage with stakeholders and monitor the impact of these changes.

Chapter 2

Feedback on proposals and final rules

- 2.1** This chapter summarises the feedback received to each consultation question, our response to the feedback and the final rules we are making.

Removal of the SI regime for bonds, derivatives, structured finance products and emission allowances

Background and proposal

- 2.2** In CP25/20, we proposed removing the Systematic Internaliser (SI) regime for bonds, derivatives, structured finance products and emission allowances. This followed the removal of pre-trade transparency obligations for SIs in these instruments in PS24/14. The SI regime was originally extended to non-equity instruments under MiFID II to create a level playing field between trading venues and OTC execution. However, recent reforms have significantly reduced the relevance of SI status in determining transparency obligations and trade reporting responsibilities. In particular:
- SIs in bonds and derivatives are no longer subject to pre-trade transparency.
 - The Designated Reporter (DR) regime has replaced SI status for determining which firm is required to report transactions to the public.
 - The definition of an SI has been revised to be qualitative rather than quantitative - this removes the need for firms to perform calculations to determine their status.
- 2.3** Beyond pre-trade transparency, the remaining obligations applicable to SIs in these instruments are limited and largely technical. We noted in CP25/20 that the designation of SI status does not provide meaningful information in post-trade reports or contract notes, nor is it relevant to firms' best execution obligations.
- 2.4** We also proposed extending the removal of the SI regime to structured finance products and emission allowances, which are subject to the same non-equity SI framework and are not subject to pre-trade transparency requirements. Accordingly, we proposed to remove all references to SIs in bonds, derivatives, structured finance products and emission allowances from our rules. We also noted that the obligation for firms to assess and notify SI status is created in Article 18(b) of UK MiFIR. This is being revoked from 1 December 2025 (the same day as our rule changes will take effect) as a result of regulation 4 in the Financial Services and Markets Act 2023 (Commencement No.11 and Savings Provisions) Regulations 2025.

2.5 In CP25/20 we asked:

Question 1: Do you agree with our proposal to remove the SI regime for bonds, derivatives, structured finance products and emission allowances?

Feedback received

- 2.6** Almost all respondents supported our proposal. They agreed that the SI regime no longer contributes meaningfully to transparency or market integrity in respect of these instruments and stressed the importance that the rules take effect on 1 December (in line with the timing for the amendment to the SI definition arising from changes in PS24/14).
- 2.7** Some indicated that the definition of a systematic internaliser in the Financial Services and Markets Act 2023 (FSMA 2023) is asset class neutral adding that therefore, it still technically applies to non-equities. These respondents suggested, in absence of a change to legislation, some amendments be made to the rules in the Glossary (as laid down in PS24/14) that specify the definition of a systematic internaliser, including therein what constitutes dealing on an 'organised, frequent, systematic and substantial' basis. Were we to proceed without amending the definitions, respondents welcomed express confirmation that the opt-in is only available for equity SIs going forward.
- 2.8** Only one respondent preferred retaining the construct for future use, provided that there is flexibility for firms to opt in and out of the regime. They added that buy-side firms, such as asset managers, have grown accustomed to the inclusion of SIs as recognised execution venues and that this provides a level of trust and regulatory comfort. Lastly, since SIs are currently required to notify us of their status under Article 18 of UK MiFIR, and these notifications are reflected in our [SI register](#) on an asset class basis, we received a suggestion to undertake a blanket removal of all entries of non-equity SIs from the register, rather than requiring them to deregister.

Our response

We acknowledge the feedback and the support from the vast majority of respondents and will proceed with removing the SI regime for bonds, derivatives, structured finance products and emission allowances.

In respect of the points expressed about the statutory definition of an SI not explicitly being restricted to equity instruments and the changes suggested to the Glossary definition of an SI as laid out in Annex A of PS24/14: we have incorporated a new definition of equity systematic internaliser in the Glossary (as laid out in CP25/20) and replaced all references to systematic internaliser in the Handbook with that definition.

The quantitative thresholds which apply to SIs were also revoked on 23 October 2025 by regulation 2 in the FSMA 2023 (Commencement No.11 and Savings Provisions) Regulations 2025. Our new Handbook definition accordingly reflects the resulting application of Handbook requirements

to systematic internalisers in equities. We, therefore, do not consider it necessary to further specify the application of the regime as suggested by some respondents.

As raised by respondents, the new statutory definition of an SI in Schedule 2 to FSMA 2023 allows an investment firm to opt into the SI regime if it chooses to; we confirm that this opt-in is only available for equity SIs consistent with the revocation of Article 18b of UK MiFIR (from 1 December 2025).

On the suggestion for a blanket removal by the FCA of all entries relating to non-equity SIs in the register, we agree and will end-date all SI notifications on the Register in bonds and derivatives. Firms will not need to notify us to de-register.

Removal of the prohibition on an SI operating an OTF

Background and proposal

- 2.9** Under MAR 5A.3.1R(3), an investment firm that is a systematic internaliser (SI) is prohibited from operating an organised trading facility (OTF) within the same legal entity. This restriction was introduced under MiFID II and was intended to prevent potential conflicts of interest between bilateral and multilateral trading activities.
- 2.10** However, the rule is not expressed in terms of the asset class in which the firm is classified as an SI. As a result, it could be interpreted as prohibiting a firm that is an SI in equity instruments from operating an OTF in non-equity instruments. We believe this interpretation is unnecessarily restrictive and not aligned with the intended aim of the rule.
- 2.11** Moreover, if firms are no longer required to identify themselves as SIs in bonds and derivatives, the prohibition becomes redundant in respect of those instruments. We therefore proposed to delete the prohibition and revise MAR 5A.3.1R(3) accordingly.
- 2.12** In CP25/20 we asked:

Question 2: Do you agree with our proposal to remove the prohibition on an SI operating an OTF?

Feedback received

- 2.13** Respondents unanimously supported the proposal. They noted that:
- The restriction is redundant if SI status is removed for non-equity instruments.
 - Existing conflict of interest rules and non-discriminatory access requirements are sufficient to manage any risks arising from co-location of SI and OTF functions.

- The rule may be interpreted as applying across asset classes, which is unnecessarily restrictive and could inhibit operational efficiency.

2.14 Respondents did not identify any negative consequences from removing the prohibition and did not propose any rule to replace the restriction. That said, one respondent who expressed agreement with the FCA analysis, noted that allowing investment firms to operate multilateral trading systems while also dealing on own account as SIs means the distinction between neutral market infrastructure and active market participant becomes less clear.

Our response

We agree with the feedback and will remove the prohibition.

We will revise MAR 5A.3.1R(3) to reflect this change and clarify that firms may operate both an SI and an OTF within the same legal entity, subject to existing safeguards. In response to the point raised in paragraph 2.14, we highlight that investment firms are already able to operate multilateral trading facilities (MTFs) while being SIs in the same instruments. However, the main difference is that MTFs operate a multilateral system based on non-discretionary rules, whereas trades on OTFs are carried out on a discretionary basis. That said, we would expect that clients of the OTF be made aware of activities that the operator carries out in a principal capacity outside the OTF and to manage any conflict in line with conflict management provisions, which may include providing transparency to clients where an OTF operator also carries out SI activity.

Removal of the prohibition on matched principal trading by MTF operators

Background and proposal

- 2.15** Matched principal trading occurs when an investment firm interposes itself between the buyer and seller in a transaction, executing both legs simultaneously and without taking on market risk. Under MiFID II, investment firms operating a multilateral trading facility (MTF) are prohibited from engaging in matched principal trading on the MTF they operate (MAR 5.3.1AR(4)).
- 2.16** This restriction was intended to prevent conflicts of interest between the roles of the firm as a venue operator and as a broker-dealer. However, it has resulted in firms creating separate legal entities to continue offering matched principal trading, increasing operational complexity and cost.
- 2.17** We proposed removing the prohibition, suggesting that existing rules on conflicts of interest management and trading rules based on non-discretionary execution of orders already cater for these types of circumstances and provides adequate safeguards.

2.18 Permitting an investment firm to offer matched principal trading to users of its MTF in the same way as it does for other clients will reduce complexity and the associated costs and deliver greater simplicity in the execution of trades. Doing so would also alleviate the MTF operator's existing disadvantage whereby it must establish a separate legal entity to provide the same client order-routing functionality that any MTF member may currently provide. The removal of the restriction is not intended to weaken market integrity, and our rules already provide protections for clients in relation to the disclosure and management of conflict of interests. The operation of an MTF in accordance with transparent and non-discretionary rules would also strengthen the protections available to members. Moreover, the establishment of a separate legal entity may not be a proportionate way of managing those conflicts.

2.19 In CP25/20 we asked:

Question 3: Do you agree with our proposed amendment to MAR 5.3.1AR(4) to remove the ban on matched principal trading by MTF operators?

Feedback received

2.20 Most respondents supported the proposal. They highlighted that:

- The prohibition forces firms to create separate legal entities to facilitate matched principal trading, increasing operational and compliance costs.
- Existing conflict of interest and conduct rules remain appropriate to manage risks associated with matched principal trading.
- The restriction does not enhance market integrity and creates unnecessary complexity in the execution of trades.

2.21 Some respondents flagged concern that conflicts of interest between the matched principal trading and MTF business lines may not be adequately managed.

2.22 Others requested clarification regarding the permanent minimum capital requirements which an MTF would need to keep according to our Prudential sourcebook for MiFID investment firms (MIFIDPRU) if the MTF were to undertake matched principal trading in the same legal entity which operates an MTF.

Our response

We continue to be of the view that the potential risk arising from an MTF operator engaging in matched principal trading (MPT) can be managed through the arrangements required by the broader conflict management rules to which an MTF operator is subject to. This may include appropriate segregation of systems and people and limitations to access of data. We also confirm that the use of MPT by an MTF needs to remain consistent with the objective and non-discriminatory rules that characterise the operation of MTFs. We agree with most respondents to CP25/20 and will remove the prohibition.

Firms will need to hold the appropriate permission of dealing as principal and comply with the relevant conduct and prudential requirements when engaging in matched principal trading.

The relevant prudential requirements are, and remain, those in MIFIDPRU. For the avoidance of doubt, this includes that if an MTF operator chooses to trade on a matched principal basis, it deals on own account and will be subject to a permanent minimum capital requirement of £750,000. This is the same amount as for an OTF operator when it trades on a matched principal basis.

We consider this change to be proportionate and consistent with our strategic priorities to support growth and reduce friction in UK wholesale markets.

Respondents also provided broader feedback to suggest MIFIDPRU be revisited more comprehensively to further boost the competitiveness of MTF operators. We are considering this feedback separately to this policy statement.

Reforms to the reference price waiver

Background and proposals

- 2.23** The reference price waiver allows trading venues to match orders at a reference price without displaying pre-trade information. Under MiFID II, venues are restricted to using the mid-price from the venue where the instrument was first admitted to trading or the most relevant market in terms of liquidity.
- 2.24** In line with feedback to a previous consultation on equity markets (CP 22/12), and from recent engagement with industry, we have identified reliance on the price published by a single trading venue as potentially exacerbating the risk that an outage on that venue prevents firms from continuing to trade on other venues.
- 2.25** Additionally, market participants have noted that the restrictions introduced by MiFID II do not apply to SIs who can reference their own quotes when executing at the mid-price, which created level playing field concerns between types of execution venue. The WMR recommended providing a similar latitude in the source of the reference price for trading venues.
- 2.26** We therefore believe that allowing trading venues to use a reference price based on a wider set of trading venues would enable them to improve execution quality, since the reference could include multiple prices across the competitive landscape. It would also reduce operational risk by mitigating reliance on a single venue, thereby potentially avoiding a single point of failure. However, it remains necessary to ensure the quality of the reference price and we are maintaining the requirement for the reference prices to be widely published and regarded as reliable. We expect that trading venues will assess

those conditions when first using the reference price and on an ongoing basis to ensure that the reference price remains appropriate.

2.27 We proposed two changes:

- 1.** Allow trading venues to source reference prices from a broader set of venues.
- 2.** Reformulate the waiver so that it applies to individual orders rather than entire systems, enabling mid-price dark orders to be placed within a lit order book from where the reference price is derived.

2.28 These changes aim to improve execution quality, reduce operational risk, and support competition between trading venues and other execution channels.

2.29 In CP25/20 we asked:

Question 4: Do you agree with our proposal to allow trading venues operating under the reference price waiver to source the midprice from a wider set of trading venues?

Question 5: Do you agree with our proposal to reformulate the reference price waiver so that it is applicable to an order, rather than a system so that it would be possible to place midprice, dark orders on a lit order book?

Feedback received

2.30 Almost all respondents supported the first proposal on the RPW. They agreed that:

- It would improve execution quality as it would aggregate market-wide best bid offer prices.
- It would strengthen market resilience, particularly in the event of outages.
- The current restrictions limit competition in the provision of reference prices.

2.31 Only one respondent said the current system works well, and that expanding the set of allowable sources may introduce complexity, increase latency and pose risks to market resilience. The respondent said that dark pools should only be allowed to source mid-price from a wider set of trading venues when it improves client outcomes.

2.32 Additionally, some who expressed support noted that venues should at least use a consolidated combination of best bid and offer prices from where to derive the mid-price if prices from the primary market is not used.

2.33 On the second proposal to the RPW, respondents expressed mixed views. Those who opposed raised concern that if orders using the RPW are permitted to execute at the mid-price on the same trading system as lit orders, then market participants may be unable to differentiate between these two types of activity thereby creating ambiguity in post-trade transparency reports. That said, some who opposed noted that if we choose to proceed with this proposal, then to mitigate their concerns we should introduce a

distinct flag to maintain a clear delineation between lit order books and dark pools for investor understanding.

- 2.34** Other respondents who supported the change noted that applying the waiver to individual orders would reduce fragmentation and support better price formation by enabling more liquidity to interact within a single order book. However, these respondents also recommended that the execution of dark orders in lit order books is properly identified.

Our response

We agree with the respondents to the first RPW proposal. In practice, we expect that bid and offer prices from primary markets will continue to be part of reference prices used by trading venues to seek to ensure that they are sufficiently reliable, a requirement that will continue to apply to the reference price waiver. We expect trading venues to consider the extent to which the reference price appropriately reflects the liquidity available in the market. We will proceed to implement this as consulted.

On the use of a combination of bid and offer prices from which the reference price should be derived, we note that was the market practice under MiFID I, when bid and offer prices from primary markets and from a certain number of liquid MTFs were used.

We also agree with respondents on the concerns raised in relation to the second RPW proposal, including the importance of maintaining the granularity of post-trade transparency data. However, we still consider the change would offer trading venues, in particular those operating liquid and transparent order books, the ability to innovate and provide better services to clients.

We will undertake further discussions to ensure that the change can be implemented by firms in an orderly and cost-effective way. We are therefore proposing only to implement the change following consultation on how to best identify the execution of dark orders at a reference price within lit order books, including through the use of the appropriate flag or identifier so that there is no loss of information from post-trade transparency. We will do so in 2026 as part of our already planned consultation on equity market structure and transparency.

Feedback on the CP Cost and Benefit Analysis

- 2.35** In Annex 2 of CP25/20, we considered the expected costs and benefits associated with the policy proposals which were set out in the consultation.

2.36 This included:

- Removal of the SI regime for bonds and derivatives
- Removal of the matched principal restriction
- Removal of the restrictions on mid-price reference orders.

2.37 We considered each of these proposals in turn and did not think any of the changes imposed costs of more than minimal significance. We explained why for each of the proposals.

2.38 We did not receive any feedback to the consultation which suggested otherwise.

2.39 We, therefore, maintain the view that, in aggregate, the costs are still of minimal significance and that we expect the interventions to be proportionate. However, we note that we are not proceeding with the second reference price waiver proposal (to allow the reference price waiver to be applied to individual orders rather than whole systems) which was included in the consultation, as well as the CBA in Annex 2.

2.40 We also add that the minor changes which have been made to the final rules do not impact the compatibility statement as laid out in the consultation.

Annex 1

List of respondents

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

The Association for Financial Markets in Europe (AFME)

The APA Association

Aquis Exchange PLC

Blackrock

Bloomberg

CBOE Europe

European Debt Markets Association (EDMA)

European Principal Traders Association (FIA EPTA)

European Venues and Intermediaries Association (EVIA)

FIX Trading Community

International Capital Market Association (ICMA)

Instinet

The Investment Association (IA)

Investor Relations Society (IR Society)

International Swaps and Derivatives Association, Inc (ISDA) joint response with the Global Foreign Exchange Division (GXFD)

Listing Authority Advisory Panel (LAAP)

London Stock Exchange Group (LSEG)

MarketAxess

Quoted Companies Alliance

TP ICAP

UK Finance

World Federation of Exchanges

Annex 2

Abbreviations used in this paper

Abbreviation	Description
APA	Approved Publication Arrangements
CP	Consultation Paper
ESG	Environmental, social governance
FSMA 2023	The Financial Services and Markets Act 2023
HMT	Her Majesty's Treasury
MAR	Market Conduct Sourcebook
MiFID II	The second Markets in Financial Instruments Directive
MIFIDPRU	Prudential sourcebook for MiFID investment firms
MiFIR	Markets in Financial Instruments Regulations
MTF	Multilateral Trading Facility
OTF	Organised Trading Facility
RPW	Reference Price Waiver
SI	Systematic Internaliser
UK MiFID	UK Markets in Financial Instruments Directive
UK MiFIR	UK Markets in Financial Instruments Regulation
WMR	Wholesale Markets Review

Annex 3

Derivation and Changes Table

Source of provision	Handbook Reference	Subject matter	Policy change/HSD ¹ / other comment
Article 4 MiFIR	MAR 11A & TP 2	Waivers for equity instruments	Transferred to FCA Handbook with policy change relating to reference price waivers
<u>MiFID RTS 1</u>			
Article 1	Not transferred	Interpretation	Modification to refer to updated MAR sourcebook
Article 4	MAR 11A.2	Reference price waiver	Transferred to FCA Handbook with policy change
Article 5	MAR 11A.3	Negotiated transactions waiver	Transferred to FCA Handbook with HSD changes
Article 6	MAR 11A.3	Negotiated transactions waiver	Transferred to FCA Handbook with HSD changes
Article 7	MAR 11A.4	Large in scale waiver	Transferred to FCA Handbook with HSD changes
Article 8	MAR 11A.5	Order management facility waiver	Transferred to FCA Handbook with HSD changes
Article 9	Not transferred	Systematic internalisers – arrangements for the publication of a firm quote	Consequential change to reflect revocation of delegated regulation relating to data reporting services providers
Article 10	Not transferred	Systematic internalisers – prices reflecting prevailing market conditions	Consequential crossreference change
Article 14	Not transferred	Posttrade transparency	Consequential crossreference change
Article 15	Not transferred	Deferred publication of transactions	Consequential crossreference change
Article 17	Not transferred	Transparency calculations	Consequential crossreference change and timing changes
Article 17A	Not transferred	Transitional period for publication of transparency calculations	Provision revoked as one that applied up to IP completion date [31 December 2024]

¹ "HSD" means handbook style drafting. The term is used to denote instances where assimilated law has been transferred to the handbook with minor drafting changes that do not amount to a change in policy.

Article 17B	Not transferred	Most relevant market in terms of liquidity	Reformulation of material previously contained in revoked article 4 relevant to other RTS 1 provisions
Annex 1	Not transferred	Information to be made public	Amendments to waiver references in table to reflect relocation of requirements to the Handbook

Appendix 1

Made rules (legal instrument)

**MARKETS IN FINANCIAL INSTRUMENTS (SYSTEMATIC INTERNALISERS,
MULTILATERAL TRADING FACILITIES AND EQUITY TRANSPARENCY)
INSTRUMENT 2025**

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the powers and related provisions in or under:
- (1) Article 4 of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012; and
 - (2) the following sections of the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 137A (The FCA’s general rules);
 - (b) section 137T (General supplementary powers);
 - (c) section 139A (Power of the FCA to give guidance); and
 - (d) section 300H (Rules relating to investment exchanges and data reporting service providers);
 - (3) regulation 11 of the Financial Services and Markets Act 2000 (Recognition Requirements for Investment Exchanges, Clearing Houses and Central Securities Depositories) Regulations 2001 (SI 2001/995); and
 - (4) the other rule and guidance making powers listed in Schedule 4 (Powers exercised) to the General Provisions of the FCA’s Handbook.
- B. The rule-making powers listed above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. Annex B comes into force on 28 November 2025.
- D. Parts 1 and 3 of Annex A, Parts 2 and 4 of Annex C and Annex D of this instrument come into force on 1 December 2025.
- E. Parts 2 and 4 of Annex A, Parts 1, 3 and 5 of Annex C and Annex E of this instrument come into force on 30 March 2026.

Interpretation

- F. In this instrument, any reference to any provision of assimilated direct legislation is a reference to it as it forms part of assimilated law.

Amendments to the Handbook

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

(1)	(2)
Glossary of definitions	Annex A
Senior Management Arrangements, Systems and Controls sourcebook (SYSC)	Annex B
Market Conduct sourcebook (MAR)	Annex C
Supervision manual (SUP)	Annex D
Recognised Investment Exchanges sourcebook (REC)	Annex E

Notes

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

Citation

- I. This instrument may be cited as the Markets in Financial Instruments (Systematic Internalisers, Multilateral Trading Facilities and Equity Transparency) Instrument 2025.

By order of the Board
27 November 2025

Annex A

Amendments to the Glossary of definitions

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

[*Editor's note:* This Annex takes into account the changes introduced by the Markets in Financial Instruments (Non-Equity Transparency Rules) Instrument 2024 (FCA 2024/38), which come into force on 1 December 2025.]

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

Part 1: Comes into force on 1 December 2025

equity a *systematic internaliser* trading in *equity transparency instruments*.
systematic
internaliser

equity a share, depositary receipt, *ETF*, certificate or other similar *financial*
transparency *instrument* traded on a *trading venue*.
instrument

Part 2: Comes into force on 30 March 2026

benchmark a transaction executed by reference to:
trade

(a) a price calculated over multiple time instances according to a given benchmark, including transactions executed by reference to a volume-weighted average price or a time-weighted average price; or

(b) the market closing price.

relevant area the *United Kingdom* and such other countries or regions as have been specified by the *FCA* by direction for the purposes of Article 5 or Article 14 of *MiFIR*, as the context requires.

Amend the following definitions as shown.

Part 3: Comes into force on 1 December 2025

[*Editor's note:* the amendment to the Glossary definition of 'derivative' overwrites the amendment to this Glossary definition set out in the Markets in Financial Instruments (Non-Equity Transparency Rules) Instrument 2024 (FCA 2024/38), which was due to come into effect on the same date.]

<i>derivative</i>	<p>(1) ...</p> <p>(2) (in <i>REC</i>, <i>MAR 5</i>, <i>MAR 5A</i>, <u><i>MAR 11</i></u> and <i>COBS 12</i>) those <i>financial instruments</i> defined in article <u>Article 2(1)(24)(c)</u> of <i>MiFIR</i> or referred to in paragraphs 4 to 10 of Part 1 of Schedule 2 to the <i>Regulated Activities Order</i>.</p> <p>[Note: article 2(1)(29) of <i>MiFIR</i>]</p>
<i>execution venue</i>	<p>for the purposes of the provisions relating to best execution in <i>COBS 11.2</i>, <i>COBS 11.2A</i>, <i>COBS 11.2B</i> and <i>COLL</i>, execution venue means a <i>regulated market</i>, an <i>MTF</i>, an <i>OTF</i>, a systematic internaliser <u>an equity systematic internaliser</u>, or a <i>market maker</i> or other liquidity provider or an entity that performs a similar function in a third country to the functions performed by any of the foregoing.</p>

Part 4: Comes into force on 30 March 2026

<i>portfolio trade</i>	<p>(1) (<u>in <i>MAR 11</i></u>) transactions in 5 or more different bond instruments where those transactions are traded at the same time by the same client and as a single lot against a specific reference price.</p> <p>(2) (<u>in <i>MAR 11A</i></u>) transactions in 5 or more different <u><i>equity transparency instruments</i></u> where those transactions are traded at the same time by the same <i>client</i> and as a single lot against a specific reference price.</p>
<i>trading venue</i>	<p>(1) (except in <i>FINMAR</i> and <u><i>MAR 11A</i></u>) a <i>regulated market</i>, an <i>EU regulated market</i>, an <i>MTF</i> or an <i>OTF</i>.</p> <p>(2) ...</p> <p>(3) (<u>in <i>MAR 11A</i></u>) a <i>UK RIE</i>, an <i>EU regulated market</i>, a third country <u>trading venue that performs a similar function to a <i>UK RIE</i>, an <i>MTF</i> or an <i>OTF</i>.</u></p>

Annex B

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

Comes into force on 28 November 2025

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

9 Record-keeping

9.1 General rules on record-keeping

...

General requirements

...

9.1.1B R *A common platform firm* must:

- (1) at least keep the records in relation to organisational requirements as set out in the table below:

Organisational requirements	
Type of record	Summary of content
...	
Conflict of Interest record	Records as provided for under SYSC 10.1.6R and SYSC 10.1.6AAR <u>SYSC 10.1.6AAR</u>
...	

...

...

Annex C

Amendments to the Market Conduct sourcebook (MAR)

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

[*Editor's note:* This Annex takes into account the changes introduced by the Markets in Financial Instruments (Non-Equity Transparency Rules) Instrument 2024 (FCA 2024/38), which come into force on 1 December 2025.]

Part 1: Comes into force on 30 March 2026

5 Multilateral trading facilities (MTFs)

...

5.3 Trading process requirements

...

Functioning of an MTF

5.3.1A R A *firm* must:

...

- (4) not execute orders against proprietary capital, ~~or engage in *matched principal trading*~~;

[~~Note: article 19(5) of MiFID~~]

...

Part 2: Comes into force on 1 December 2025

- (6) provide the following to the *FCA*:
- (a) a detailed description of the functioning of the *MTF*, including any links to or participation by a *regulated market*, an *MTF*, *OTF* or ~~*systematic internaliser*~~ *equity systematic internaliser* owned by the same *firm*; and
 - (b) a list of its members, participants and users.

[~~Note: article 18(10) of MiFID~~ and *MiFID ITS 19* with regard to the content and format of the description of the functioning of *MTFs*]

Part 3: Comes into force on 30 March 2026

5.3.1B G The requirement in MAR 5.3.1AR(4) does not prevent a *firm*, with the appropriate *permission*, from executing orders against its proprietary capital ~~or engaging in matched principal trading~~ outside the MTF it operates.

5.3.1C G A firm with the appropriate permission may engage in matched principal trading for the purpose of executing client orders on or outside an MTF it operates. An appropriate permission comprises the permitted activity of dealing in investments as principal. When a firm engages in matched principal trading by executing an order on an MTF it operates, it does so by dealing on own account and is subject to the Handbook requirements relating to this activity and the investment service of execution of orders on behalf of clients, as applicable.

...

5.7 Pre- and post-trade transparency requirements for equity instruments: form of waiver and deferral

5.7.1A D ~~A firm that makes an application to the FCA for a waiver in accordance with article 4 of MiFIR (in relation to pre-trade transparency for equity instruments) must make it in the form set out in MAR 5 Annex 1D. [deleted]~~

~~[Note: article 4 of MiFIR and MiFID RTS 1]~~

...

MAR 5 Annex 1D is deleted in its entirety. The deleted text is not shown but the annex is marked '[deleted]' as follows.

5 Annex 1 D ~~Form in relation to pre-trade transparency [deleted]~~

Amend the following as shown.

...

5A Organised trading facilities (OTFs)

...

5A.3 Specific requirements for OTFs

Executing orders

5A.3.1 R A *firm* must:

...

- (3) ~~ensure that the operation of an OTF and of a systematic internaliser does not take place within the same legal entity, and that the OTF does not connect with another OTF or with a systematic internaliser in a way which enables orders in the different OTFs or systematic internalisers to interact.~~

~~[Note: article 20(1) to (4) and 20(6) of MiFID]~~

...

Part 4: Comes into force on 1 December 2025

6 Systematic internalisers

...

6.4 Systematic internaliser reporting requirement

- 6.4.1 R An *investment firm* must promptly notify the FCA in writing of its status as ~~a systematic internaliser~~ an equity systematic internaliser:

- (1) when it gains that status; or
- (2) if it ceases to have that status.

~~[Note: articles 15(1) and 18(4) of MiFIR]~~

...

9A Trade data

9A.1 Application

- 9A.1.1 R This chapter applies to:

- (1) a *trading venue operator*; and
- (2) ~~a systematic internaliser~~ an equity systematic internaliser.

9A.2 Trade data requirements

Making trade data available on a reasonable commercial basis

...

- 9A.2.2 R ...

- (2) ~~A systematic internaliser must ensure that the quotes published in accordance with article 18 of MiFIR are made public in a manner~~

~~which is easily accessible to other market participants on a reasonable commercial basis. [deleted]~~

- (3) ~~Paragraph (2) does not apply to a *systematic internaliser* when making market data available to the public free of charge. [deleted]~~

...

11 Transparency rules for bond transparency instruments

...

11 Category 1 instruments

Annex 1

R This is the table of *category 1 instruments*.

Note: The deferral periods shown in columns F, H and J end at 6pm on the day of publication.

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J
Grouping				LiS Threshold 1	Deferral 1	LiS Threshold 2	Deferral 2	LiS Threshold 3	Deferral 3
Asset classes	Factor1	Factor 2	Factor 3						
Bond Type	Issuer	Issue Size	Maturity						
Sovereign bonds (other than inflation linked or STRIPS) (traded on a trading venue)	UK, France, Germany, Italy, Spain or USA	≥ £2bn	≤ 5yr	£15m	1 day	£50m	2 weeks	£500m	3 months
			5 - ≤15yr	£10m		£25m		£250m	
			> 15yr	£5m		£10m		£100m	
Sovereign and Municipal bonds (traded on a trading venue)	All	≥ £2bn	All	£1m		£5m		£25m	
		< £2bn	All	£1m		£2.5m		£10m	
Bond Type	Currency	Rating	Issue Size						
Corporate, Covered, Convertible & Other bonds (traded on a trading venue)	GBP, EUR & USD	IG	≥ £500m	£1m	1 day	£5m	2 weeks	£25m	3 months
		HY	≥ £500m	£1m		£2.5m		£10m	
	All other instrument instruments			£500k		£2.5m		£10m	

...				
-----	--	--	--	--

...

Part 5: Comes into force on 30 March 2026

Insert the following new chapter, MAR 11A, after MAR 11 (Transparency rules for bond transparency instruments). The text is all new and is not underlined.

11A Pre- trade transparency rules for equity instruments**11A.1 Purpose and application**

Purpose

- 11A.1.1 G The purpose of this chapter is to set out the conditions applying to pre-trade transparency waivers in relation to *equity transparency instruments*, to be read in conjunction with Article 3 of *MiFIR* and *MiFID RTS 1*.

Application

- 11A.1.2 R This chapter applies to a *trading venue operator*.

11A.2 Reference price waiver

- 11A.2.1 R Article 3 of *MiFIR* does not apply in respect of systems matching orders based on a trading methodology by which the price of the *equity transparency instrument* is derived from:

- (1) the *trading venue* where that *financial instrument* was first admitted to trading; or
- (2) any other trading venue,

and the reference price is widely published and regarded by market participants as a reliable reference price.

- 11A.2.2 G The amount of liquidity associated with the reference price should be an indicator of whether the reference price is reliable for the purposes of *MAR 11A.2.1R*.

- 11A.2.3 R The reference price in *MAR 11A.2.1R* must be established by obtaining:

- (1) the midpoint within the current bid and offer prices of the *trading venue* to which *MAR 11A.2.1R* applies; or
- (2) when the price referred to in (1) is not available, the opening or closing price of the relevant trading session.

- 11A.2.4 R Orders must only reference the price referred to in *MAR 11A.2.3R(2)* outside the continuous trading phase of the relevant trading session.

- 11A.2.5 G The midpoint in *MAR 11A.2.3R(1)* may be derived from the current bid and offer prices of more than one *trading venue*.

11A.3 Negotiated transactions waiver

- 11A.3.1 R Article 3 of *MiFIR* does not apply in respect of systems that formalise negotiated transactions which are:
- (1) made within the current volume weighted spread reflected on the order book or the quotes of the *market makers* of the *trading venue* operating that system;
 - (2) in an illiquid *equity transparency instrument* that does not fall within the meaning of a liquid market in Article 2(1)(17) of *MiFIR*, and are dealt within a percentage of a suitable reference price, being a percentage and a reference price set in advance by the system operator; or
 - (3) subject to conditions other than the current market price of that *financial instrument*.
- 11A.3.2 R A negotiated transaction in *equity transparency instruments* to which MAR 11A.3.1R applies includes a transaction which is negotiated privately but reported under the rules of a *trading venue* where:
- (1) two members of, or participants in, that *trading venue* are involved in any of the following capacities:
 - (a) one is *dealing on own account* when the other is acting on behalf of a *client*;
 - (b) both are *dealing on own account*; or
 - (c) both are acting on behalf of a *client*; or
 - (2) one member of, or participant in, that *trading venue* is either:
 - (a) acting on behalf of both the buyer and seller; or
 - (b) *dealing on own account* against a *client* order.
- 11A.3.3 R A negotiated transaction in *equity transparency instruments* is subject to conditions other than the current market price of the *financial instrument* where the transaction is:
- (1) a *benchmark trade*;
 - (2) part of a *portfolio trade*;
 - (3) contingent on the purchase, sale, creation or redemption of a derivative contract or other *financial instrument* where all the components of the trade are meant to be executed as a single lot;

- (4) of a type listed in Article 13 of *MiFID RTS 1*; or
- (5) any other transaction equivalent to one of those described in (1) to (4) that is contingent on technical characteristics which are unrelated to the current market valuation of the *financial instrument* traded.

11A.4 Large in scale waiver

- 11A.4.1 R Article 3 of *MiFIR* does not apply in respect of orders that are large in scale compared with normal market size.
- 11A.4.2 R For the purposes of *MAR* 11A.4.1R, an order is ‘large in scale’ where, in respect of:
- (1) an *equity transparency instruments* other than an *ETF*, it is equal to or larger than the minimum size of orders set out in Tables 1 and 2 of Annex II of *MiFID RTS 1*; and
 - (2) an *ETF*, the order is equal to or larger than 1,000,000 euros.
- 11A.4.3 R Unless the price or other relevant conditions for the execution of an order are amended, the waiver in *MAR* 11A.4.2R continues to apply in respect of an order that is large in scale when entered into an order book but that, following partial execution, falls below the threshold applicable for that *financial instrument* as determined in accordance with *MAR* 11A.4.2R.
- 11A.4.4 G For the purpose of determining orders that are large in scale, the *FCA* calculates the average daily turnover in respect of shares, depositary receipts, certificates and other similar *financial instruments* traded on a *trading venue*.
- 11A.4.5 G The calculation in *MAR* 11A.4.4G:
- (1) includes transactions executed in the *relevant area* in respect of the *financial instrument*, whether traded on or outside a *trading venue*; and
 - (2) covers the period beginning on 1 January of the preceding calendar year and ending on 31 December of the preceding calendar year or, where applicable, that part of the calendar year during which the *financial instrument* was admitted to trading or traded on a *trading venue* and was not suspended from trading.
- 11A.4.6 G *MAR* 11A.4.4G and *MAR* 11A.4.5G do not apply to shares, depositary receipts, certificates or other similar *financial instruments* first admitted to trading or first traded on a *trading venue* 4 weeks or less before the end of the preceding calendar year.

- 11A.4.7 G Before a share, depositary receipt, certificate or other similar *financial instrument* is traded for the first time on a *trading venue*, the *FCA* estimates the average daily turnover for that *financial instrument*, taking into account any previous trading history of that *financial instrument* and of other *financial instruments* that are considered to have similar characteristics, and publishes that estimate.
- 11A.4.8 G The estimated average daily turnover referred to in *MAR* 11A.4.7G should be used for the calculation of orders that are large in scale during a 6-week period following the date that the share, depositary receipt, certificate or other similar *financial instrument* was admitted to trading or first traded on a *trading venue*.
- 11A.4.9 G The *FCA* calculates and publishes average daily turnover based on the first 4 weeks of trading before the end of the 6-week period referred to in *MAR* 11A.4.8G. The average daily turnover should be used for the calculation of orders that are large in scale and until an average daily turnover calculated in accordance with *MAR* 11A.4.4G and *MAR* 11A.4.5G applies.
- 11A.4.10 G Average daily turnover is calculated by dividing the total turnover for a particular *financial instrument* as specified in Article 17(4) of *MiFID RTS 1* by the number of trading days in the period considered. The number of trading days in the period considered is the number of trading days on the most relevant market in terms of liquidity for that *financial instrument* as determined in accordance with *MAR* 11A.2.

11A.5 Order management facility waiver

- 11A.5.1 R Article 3 of *MiFIR* does not apply in respect of orders held in an order management facility of a *trading venue* pending disclosure.
- 11A.5.2 R *MAR* 11A.5.1R applies in respect of an order which:
- (1) is intended to be disclosed to the order book operated by a *trading venue* and is contingent on objective conditions that are predefined by the system's protocol;
 - (2) cannot interact with other trading interests prior to disclosure to the order book operated by a *trading venue*; and
 - (3) once disclosed to the order book, interacts with other orders in accordance with the rules applicable to orders of that kind at the time of disclosure.
- 11A.5.3 R Where a portion of a quantity of an aggressive order has executed against the disclosed quantity of a reserve order and other disclosed orders in the order book of a *trading venue*, *MAR* 11A.5.1R applies to the non-disclosed quantity of the reserve order held in a *trading venue's* order management facility.

- 11A.5.4 R Where *MAR* 11A.5.3R applies, the non-disclosed quantity of the reserve order can be executed against the remainder of the quantity of the aggressive order.
- 11A.5.5 R An ‘aggressive order’, for the purposes of *MAR* 11A.5.3R, is a limit order that has been disclosed in the order book of a *trading venue* and which initiates trades.
- 11A.5.6 R A ‘reserve order’, for the purposes of *MAR* 11A.5.3R, is a limit order consisting of:
- (1) a disclosed order relating to a portion of a quantity in the order book of a *trading venue*; and
 - (2) a non-disclosed order relating to the remainder of the quantity where the non-disclosed quantity is held in the order management facility of a *trading venue*.

11A.6 Publications

- 11A.6.1 R A *trading venue operator* must:
- (1) publish in its rulebook the rules or processes it adopts to fulfil any waiver in this chapter before it implements them; and
 - (2) identify the waiver implemented by reference to the relevant *rule* in this chapter in any rule published in accordance with (1).

Amend the following as shown.

...

TP 2 Transitional provisions relating to trading venue operators and transparency investment firms

TP 2.1

...

Pre-1 December 2025 transactions

...

1.9 R ...

Trading venue operators – pre-trade transparency equity waivers

1.10 R For the period between 30 March 2026 and 30 June 2026 only, a *trading venue operator* relying on a waiver previously arising under

one or more of Articles 5 to 8 of *MiFID RTS 1* as in force immediately prior to 30 March 2026 may rely on the corresponding waivers in *MAR* 11A.3 to *MAR* 11A.5:

- (1) where it meets the conditions relating to *MAR* 11A.3 to *MAR* 11A.5 (as applicable); and
- (2) pending publication in its rulebook in accordance with *MAR* 11A.6.1R.

1.11 R For the period between 30 March 2026 and 30 June 2026 only, a trading venue operator relying on a waiver previously arising under Article 4(1)(a) of *MiFIR* as it was in force immediately before 26 November 2025 may rely on the corresponding waiver in *MAR* 11A.2.1R:

- (1) where it meets the conditions in *MAR* 11A.2 relating to reliance upon *MAR* 11A.2.1R; and
- (2) pending publication in its rulebook in accordance with *MAR* 11A.6.1R.

...

Sch 5 Rights of action for damages

...

Sch 5.2 G

Chapter / Appendix	Section / Annex	Paragraph	For Private Person?	Removed	For other person?	
...						
<i>MAR</i> 11 (all rules)			No		No	
<u><i>MAR</i> 11A</u> (all rules)			<u>No</u>		<u>No</u>	

Annex D

Amendments to the Supervision manual (SUP)

Comes into force on 1 December 2025

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

17A Transaction reporting and supply of reference data

...

17A.2 Connectivity with FCA systems

...

- 17A.2.1 G The *FCA* expects ~~a systematic internaliser~~ an equity systematic internaliser
 A that will be supplying the *FCA* with *financial instrument* reference data in
 respect of a *financial instrument* traded on its system that is not *admitted to*
 trading on a *regulated market* or traded on an *MTF* or *OTF* to establish a
 technology connection with the *FCA* for the supply of that reference data.

...

Annex E

Amendments to the Recognised Investment Exchanges sourcebook (REC)

Comes into force on 30 March 2026

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

3 Notification rules for UK recognised bodies

...

3.14A Operation of a trading venue

...

Pre- and post- trade transparency requirements for equity and non-equity instruments: form of waiver and deferral

- 3.14A.7A D ~~A UK RIE operating a trading venue that proposes to take advantage of a waiver in accordance with articles 4 or 9 of MiFIR (in relation to pre-trade transparency for equity or non-equity instruments) must make an application for it to the FCA using the form in MAR 5 Annex 1D.~~
[deleted]

~~[Note: articles 4 and 9 of MiFIR, and MiFID RTS 1 and MiFID RTS 2]~~

...

**TECHNICAL STANDARDS (MARKETS IN FINANCIAL INSTRUMENTS
REGULATION) (EQUITY TRANSPARENCY) (AMENDMENT)
INSTRUMENT 2025**

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the powers and related provisions in or under:
- (1) Article 4 (Waivers for equity instruments) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012; and
 - (2) the following sections of the Financial Services and Markets Act 2000 (“the Act”) as amended by the Financial Regulators’ Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (SI 2018/1115):
 - (a) section 137T (General supplementary powers);
 - (b) section 138P (Technical standards);
 - (c) section 138Q (Standards instruments); and
 - (d) section 138S (Application of Chapters 1 and 2).
- B. The provisions listed above are specified for the purpose of section 138Q(2) (Standards instruments) of the Act.

Pre-conditions to making

- C. The FCA has consulted the Prudential Regulation Authority and the Bank of England as appropriate in accordance with section 138P of the Act.
- D. The requirement for Treasury approval under section 138R of the Act has been met.
- E. The FCA published a draft of this instrument in accordance with section 138I(1)(b) of the Act, accompanied by the information required by section 138I(2). The FCA had regard to representations made in response to the public consultation.

Modifications

- F. The following technical standard, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, is amended in accordance with the Annex to this instrument.

Commission Delegated Regulation (EU) 2017/587 of 14 July 2016 supplementing Regulation (EU) 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards on transparency requirements for trading venues and investment firms in respect of shares, depositary receipts, exchange-traded funds, certificates and other similar financial instruments.

Commencement

- G. This instrument comes into force on 30 March 2026.

Notes

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

Citation

- I. This instrument may be cited as the Technical Standards (Markets in Financial Instruments Regulation) (Equity Transparency) (Amendment) Instrument 2025.

By order of the Board
27 November 2025

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

Annex

Commission Delegated Regulation (EU) 2017/587 of 14 July 2016 supplementing Regulation (EU) 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards on transparency requirements for trading venues and investment firms in respect of shares, depositary receipts, exchange-traded funds, certificates and other similar financial instruments.

...

CHAPTER I GENERAL

...

Article -1

Interpretation

...

4. Any reference in these Regulations to a sourcebook, including to the Market Conduct sourcebook (MAR), is to a sourcebook in the Handbook of Rules and Guidance published by the FCA containing rules made by the FCA under FSMA, ~~as the sourcebook has effect on IP completion day.~~

...

...

The following Articles are deleted in their entirety. The deleted text is not shown but the Articles are marked [deleted] as shown below.

CHAPTER II PRE-TRADE TRANSPARENCY

Section 1 Pre-trade transparency for trading venues

...

Article 4

Most relevant market in terms of liquidity (Article 4(1)(a) of Regulation (EU) No 600/2014) [deleted]

Article 5

Specific characteristics of negotiated transactions (Article 4(1)(b) of Regulation (EU) No 600/2014) [deleted]

Article 6

Negotiated transactions subject to conditions other than the current market price (Article 4(1)(b) of Regulation (EU) No 600/2014) [deleted]

Article 7

Orders that are large in scale (Article 4(1)(c) of Regulation (EU) No 600/2014) [deleted]

Article 8

Type of orders held in an order management facility (Article 4(1)(d) of Regulation (EU) No 600/2014) [deleted]

Amend the following as shown.

Section 2 Pre-trade transparency for systematic internalisers and investment firms trading outside a trading venue

Article 9

Arrangements for the publication of a firm quote (Article 14(1) of Regulation (EU) No 600/2014)

Any arrangement that a systematic internaliser adopts in order to comply with the obligation to make public firm quotes shall satisfy the following conditions:

...

- (b) the arrangement ~~complies with technical arrangements equivalent to those specified for approved publication arrangements (APAs) in Article 15 of Delegated Regulation (EU) 2017/571 that facilitate~~ facilitates the consolidation of the data with similar data from other sources;

...

Article 10

Prices reflecting prevailing market conditions (Article 14(3) of Regulation (EU) No 600/2014)

The prices published by a systematic internaliser shall reflect prevailing market conditions where they are close in price, at the time of publication, to quotes of equivalent sizes for the same financial instrument on the most relevant market in terms of liquidity as determined in accordance with Article 4 17B for that financial instrument.

[Editor's note: the number '4' above is deleted.]

...

CHAPTER III POST-TRADE TRANSPARENCY FOR TRADING VENUES AND INVESTMENT FIRMS TRADING OUTSIDE A TRADING VENUE

...

Article 14

Real time publication of transactions (Article 6(1) of Regulation (EU) No 600/2014)

...

- (2) For transactions that take place outside a trading venue, post-trade information shall be made public in the following circumstances:

[*Editor's note:* the number '4' in (a) and (b) below is deleted.]

- (a) where the transaction takes place during the daily trading hours of the most relevant market in terms of liquidity determined in accordance with Article 4 17B for the share, depositary receipt, ETF, certificate or other similar financial instrument concerned, or during the investment firm's daily trading hours, as close to real-time as is technically possible and in any case within one minute of the relevant transaction;
- (b) where the transaction takes place in any case not covered by point (a), immediately upon the commencement of the investment firm's daily trading hours and at the latest before the opening of the next trading day of the most relevant market in terms of liquidity determined in accordance with Article 4 17B.

...

Article 15

Deferred publication of transactions (Article 7(1) and 20(1) and (2) of Regulation (EU) No 600/2014)

...

- (2) The relevant minimum qualifying size for the purposes of point (b) in paragraph 1 shall be determined in accordance with the average daily turnover calculated as set out in ~~Article 7~~ MAR 11A.4.
- (3) For transactions for which deferred publication is permitted until the end of the trading day as specified in Tables 4, 5 and 6 of Annex II, investment firms trading outside a trading venue and market operators and investment firms operating a trading venue shall make public the details of those transactions either:
 - (a) as close to real-time as possible after the end of the trading day which includes the closing auction, where applicable, for transactions executed more than two hours before the end of the trading day;

- (b) no later than noon local time on the next trading day for transactions not covered in point (a).

For transactions that take place outside a trading venue, references to trading days and closing auctions shall be those of the most relevant market in terms of liquidity as determined in accordance with Article 4 17B.

[*Editor's note*: the number '4' above is deleted.]

...

...

CHAPTER IV PROVISIONS COMMON TO PRE-TRADE AND POST-TRADE TRANSPARENCY CALCULATIONS

Article 17

Methodology, date of publication and date of application of the transparency calculations (Article 22(1) of Regulation (EU) No 600/2014)

- (1) ~~At the latest 14 months after the date of the entry into application of Regulation (EU) No 600/2014 and by 1 March of each year thereafter,~~ Each year the FCA shall, in relation to each financial instrument that is traded on a trading venue, collect the data, calculate and ensure publication of the following information:
 - (a) the trading venue which is the most relevant market in terms of liquidity as set out in Article ~~4(2)~~ 17B;
 - (b) the average daily turnover for the purpose of identifying the size of orders that are large in scale as set out in ~~Article 7(3)~~ MAR 11A.4;

...

- (2) The FCA, market operators and investment firms including investment firms operating a trading venue shall use the information published in accordance with paragraph 1 for the purposes of ~~points (a) and (c) of Article 4(1)~~ MAR 11A.2, MAR 11A.4 and paragraphs 2 and 4 of Article 14 of Regulation (EU) No 600/2014, ~~for a period of 12 months from 1 April of the year in which the information is published or until such time as the information is next published in the following year in accordance with paragraph 1 or the revocation of this Article, whichever is earlier.~~

Where the information referred to in the first subparagraph is replaced by new information pursuant to paragraph 3 during the 12-month period referred to therein, competent authorities, market operators and investment firms including investment firms operating a trading venue shall use that new information for the purposes of ~~points (a) and (c) of Article 4(1)~~ MAR 11A.2, MAR 11A.4 and paragraphs 2 and 4 of Article 14 of Regulation (EU) No 600/2014.

...

The following Article is deleted in its entirety. The deleted text is not shown but the Article is marked [deleted] as shown below.

Article 17A

Transitional period for publication of transparency calculations [deleted]

Insert the following new Article after Article 17A (Transitional period for publication of transparency calculations). The text is all new and not underlined.

Article 17B

Most relevant market in terms of liquidity

- (1) For the purposes of this Article, Article 2(1)(62) of Regulation 600/2014/EU shall not apply.
- (2) The most relevant market in terms of liquidity for a share, depositary receipt, ETF, certificate or other similar financial instrument shall be considered to be the trading venue with the highest turnover within the relevant area for that financial instrument, except where paragraph 3 applies.
- (3) Where a share, depositary receipt, ETF, certificate or other similar financial instrument is admitted to trading in a third country, the most relevant market in terms of liquidity may be considered to be the third-country trading venue where that financial instrument was first admitted to trading.
- (4) For the purpose of determining the most relevant market in terms of liquidity in accordance with paragraph 1, the FCA may calculate the turnover in accordance with the methodology set out in Article 17(4) in respect of each financial instrument that is traded on a UK trading venue and for each trading venue in the relevant area where that financial instrument is traded.
- (5) The calculation referred to in paragraph 4 shall have the following characteristics:
 - (a) it shall include, for each trading venue in the relevant area, transactions executed under the rules of that trading venue, excluding:
 - (i) in the case of UK trading venues, reference price and negotiated transactions flagged as set out in Table 4 of Annex I and transactions executed on the basis of at least one order that has benefitted from a large-in-scale waiver and where the transaction size is above the applicable large-in-scale threshold as determined in accordance with MAR 11A.4; and
 - (ii) in the case of non-UK trading venues, transactions benefitting from any similar relief in the form of transparency waivers or otherwise; and
 - (b) it shall cover either the preceding calendar year or, where applicable, the period of the preceding calendar year during which the financial instrument was

admitted to trading or traded on a UK trading venue and was not suspended from trading.

- (6) Until the most relevant market in terms of liquidity for a specific financial instrument is determined in accordance with the procedure specified in paragraphs 2 to 5, the most relevant market in terms of liquidity shall be the trading venue in the relevant area where that financial instrument is first admitted to trading or first traded.
- (7) Paragraphs 4 and 5 shall not apply to shares, depositary receipts, ETFs, certificates or other similar financial instruments which were first admitted to trading or first traded on a UK trading venue 4 weeks or less before the end of the preceding calendar year.

Amend the following as shown.

...

ANNEX 1

Information to be made public

...

Table 4 List of flags for the purpose of post-trade transparency

Flag	Name	Type of execution or publication venue	Description
...			
“NTLS”	Pre-trade large in scale trade flag	RM, MTF APA CTP	Transactions that are large in scale compared with normal market size for which pre-trade transparency can be waived under Article 7 <u>MAR 11A.4.</u>
“RFPT”	Reference price transaction flag	RM, MTF CTP	Transactions which are executed under systems operating in accordance with Article 4(1)(a) of Regulation (EU) No 600/2014 <u>MAR 11A.2.</u>
“NETW”	Negotiated transaction flag	RM, MTF CTP	Transactions executed in accordance with Article 4(1)(b) of

			Regulation (EU) No 600/2014 and article 6 of this regulation <u>MAR 11A.3.</u>
...			

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