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Updated edition

MiFIR / MiFID II reforms in the EU and the UK

Implementation guide for firms operating in wholesale secondary markets

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Disclaimer

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Foreword

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As an ongoing AFME member priority, AFME has been highly engaged with the evolving EU and UK regulatory landscape on secondary capital markets. With some of the key reforms now progressed to final rules, we have been working alongside members to help them effectively understand and transition to the new frameworks across different jurisdictions.

AFME is pleased to partner with Linklaters in helping financial institutions navigate and implement regulatory requirements as it relates to MiFIR/D II. This guide analyses and outlines the key regulatory and implementation issues related to areas such as market structure, transparency, market data, consolidated tape, transaction reporting, investment research and execution of client orders, highlighting key considerations for financial institutions in the EU and UK. This guide is primarily written for sell-side firms operating in wholesale secondary markets, however, it may be of wider interest to other market participants.

MiFIR/D II is a vital piece of legislation for ensuring the competitiveness of the EU's secondary markets and fostering a truly pan-European capital market. After two years of negotiations, the final EU MiFIR/D II Review texts came into force on 28 March 2024. The EU MiFIR/D II Review presents a range of implementation milestones and a constellation of mandates, prompting the European Commission and the European Securities Markets Authority (ESMA) to provide clarifications on the new secondary capital markets architecture and transitional provisions by means of an interpretative notice and a statement, respectively (in March 2024). A second statement by ESMA followed in October 2025 to provide guidance on the application of equity and bond transparency requirements, the new regime for systematic internalisers (SIs) and the single volume cap mechanism (amongst other changes to EU MiFIR / MiFID II requirements). Since May 2024, ESMA has issued numerous tranches of consultation packages to begin work on the draft technical standards stemming from mandates in Level 1, with ESMA submitting final reports in respect of some of these in December 2024. Since our last update to this report in March 2025, the timelines for implementation of many of these key changes have become clearer. Other aspects of the EU reforms have been impacted by a wider review of the EU transaction reporting regimes.

In the UK, the Financial Conduct Authority (FCA) has been delivering the HM Treasury's Wholesale Markets Review through a structured approach and targeted consultations, a process which is still ongoing. Key developments, since the first issue of this report in October 2024, included the FCA Policy Statement on bond and derivatives transparency, a Discussion Paper and a Consultation Paper on the UK transaction reporting regime. Since our last update, the FCA has published a Consultation Paper and a Policy Statement on changes to the UK non-equity systematic internaliser regime.

The EU and the UK have also reviewed key MiFID investment research rules as part of the EU Listing Act and the UK Investment Research Review, respectively. These reviews share the common goal of bolstering EU and UK capital markets through a revised framework for the investment research ecosystem.

While many of these reforms have crystallised and are currently being implemented by market participants, some parts of the rulebooks are still pending.

We expect the regulatory agenda for secondary capital markets to remain very busy over the next 12 months as firms implement and embed, and as markets and regulators start to observe the impacts of, these key reforms. With more still to come in terms of regulatory change in both the UK and EU – such as potentially significant changes to transaction reporting regimes or equities market structure in the context of the EU Savings and Investments Union strategy, AFME will remain engaged with and on behalf of its members on the evolving rules.

Introduction

Our MiFID Implementation Guide provides a holistic yet detailed overview of the state of play and key implementation pain points for our members, which are sell-side firms operating in wholesale secondary markets. This third iteration of the guide covers regulatory developments up until 28 November 2025.

Market Structure and Transparency

Reviewing EU and UK market structure and transparency under MiFIR/D II has been high on policymakers' agenda, with progress leading to a comprehensive review of relevant frameworks across both sides of the Channel.

In our consultation responses and reports, we provided substantive evidence and/or data led analysis to ensure that the ongoing calibration of the regulatory framework in the EU and the UK meets the stated objective of promoting growth and improving competitiveness of equity and bond markets:

- On bond trading, the changes in the EU and UK MiFIR have a direct impact on the trading of government, corporate and covered bonds. As such, due to the delicate balance between levels of transparency and liquidity provision by committed market makers, it is important to prevent other market participants from altering their behaviours based on information obtained from the transparency regime. Our extensive post-trade data analysis calculated the level of "undue risk" market makers would experience, with EU and UK regulators making targeted changes to their rules in response to this feedback. The new UK bond transparency regime will come into force on 1st December 2025, with the revised EU bond transparency regime set to apply from 2 March 2026.
- While the UK Designated Reporter Regime (DRR) entered into force on 29 April 2024, the EU Designated Publishing Entity (DPE) regime became fully operational on 3 February 2025. The FCA and ESMA maintain their respective registers: a key difference is that the UK registration as a DR is at entity level while the EU registration as a DPE is at asset class level. The post-trade transparency reporting obligation now sits with the DR and DPE.
- Pre-trade transparency obligations for bonds and derivatives executed outside of a trading venue ceased as of 28 March 2024 in the EU and 31 March 2025 in the UK.
- As part of the EU Savings and Investments Union agenda, the EC launched a targeted consultation to gather feedback on obstacles to capital markets integration across the EU. In AFME's response to the consultation, we highlight our shared ambition of building deeper and more liquid markets that are competitive on a global level. However, we are concerned that some of the proposals related to equity market structure contained in the consultation are not conducive to this end.

Market Data

Data users and consumers face high market concentration which increases costs and limits choice. These higher market data costs affect the whole value chain and are cross asset in nature. In the end, private investors and pension savers suffer from fewer choices, less transparency, higher costs, lower savings, and companies may face reduced access to capital.

We have contributed to the various stages of the FCA Wholesale Data Market Study, with the final report published in March 2024. In our response, we encouraged the FCA not to wait until the consolidated tapes are launched, and to take action under a clearer and expedited timeline. We urged the FCA to provide more concrete proposals for a regulatory reform plan covering exchange data and data vendors. We reiterated this message in our response to the FCA CP 24/24 “The MiFID Organisational Regulation” which we submitted on 28 March 2025. We invite HM Treasury and the FCA to resume conversations on the regulatory framework for market data, also in view of the recent Financial Services Sector Strategy announced by the UK Government in July 2025, which includes a proposed requirement for the FCA to set out long-term strategies for how they will advance its objectives, including its secondary objective to facilitate growth and international competitiveness. The advancement of the review of the current reasonable commercial basis (RCB) framework will stimulate innovation and growth and this should not be procrastinated until after the operationalisation of the consolidated tape, as the latter will not be a panacea for the issues around market data.

The ESMA Final Report on RCB requirements prompted a similar debate in the EU. Buy-side and sell-side are deeply engaged in ensuring that pricing of market data is based on the actual cost of production and dissemination plus a reasonable margin, bearing in mind that market data is a by-product of the trading activity (and that no-value based pricing is allowed).

Solving these market data issues is of utmost importance in order for the UK and the EU to achieve their stated objectives of growth and competitiveness in their respective capital markets.

The detailed analysis in the equities market data report by Market Structure Partners ‘There is no market in market data’ (which was undertaken on behalf of Plato Partnership, AFME, EFAMA, BVI, and FIA EPTA) and, for Fixed Income, our updated report ‘Fixed Income Market Data costs-The Burden Continues to Rise’ demonstrate that characteristics and trends identified previously have persisted and, in some cases, actually accelerated.

Consolidated Tape

AFME sees the consolidated tape (CT) as a key tool for democratising access to equities and bond data, by giving a common view of the market to all investors (benchmarking tool), irrespective of resources and level of sophistication, with a comprehensive and standardised view of equities and bond trading environments.

An appropriately constructed CT will contribute to a truly pan-European market, reducing home bias and unlocking increased capital market participation.

On the bond tape, in the UK, AFME successfully advocated against any mandatory payments to data providers, either on a one-off basis or in a recurring form. This will help ensure that potential CT providers are not disproportionately burdened which could undermine the efforts for developing a successful, low-cost CT. In the EU, whilst revenue sharing as part of a bond tape is a voluntary option for a CT provider, AFME advocated that the tender process should not discriminate in the assessment process against those CT provider candidates who choose not to offer revenue sharing.

In June 2024, we published a position paper in favour of including pre-trade data in the UK equities consolidated tape. This was followed in July by the publication of a joint industry statement signed by AFME and allied trade associations restating the case for a tape with pre- and post-trade data from the date of launch. Throughout 2025, we continued to engage with the FCA as they sought further industry feedback on the inclusion of pre-trade data in the UK equity CT, on which we are expecting a consultation paper shortly.

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This should also provide greater clarity on when the UK equity CT is expected to go live. In the EU, we have welcomed the requirement for ESMA to assess the effectiveness of the consolidated tape for shares by no later than 30 June 2026, including the appropriateness of adding additional features to the equity pre-trade tape, which we would strongly support.

Transaction Reporting

On transaction reporting, rather than pressing ahead with reforms to the EU MiFIR transaction reporting requirements in isolation, in June 2025, ESMA issued a Call for Evidence on a more wide-ranging review of transaction reporting requirements across numerous regimes. In the meantime, ESMA has paused changes to MiFIR transaction reporting, reference data and order book data requirements (on which it had already consulted). We welcome this more comprehensive review, while remaining committed to ensuring that any future reforms are proportionate for firms:

- In our response to ESMA’s Call for Evidence, we highlight the need for (i) a clear delineation of reportable instruments between regimes to ensure that a single transaction in a specific type of instrument will only be reported once; (ii) the move to single-sided reporting under a clear logic to identify the report submitting entity and (iii) a review of reporting fields to ensure that the scope of the information reported is aligned with the purposes of reporting regimes.
- In January 2025, AFME had submitted our response to the ESMA consultation on transaction reporting and order book data in which we highlighted that, should the rules be finalised as proposed in the ESMA consultation, this would trigger a highly complex and burdensome implementation project for reporting firms that submit MiFID transaction reports and would bring about a disproportionate increase in the number of reporting fields. This would contradict the principles of simplification and reduction of burden of the new European Commission. As the wider EU review of transaction reporting progresses, we will continue to ensure that these messages are heard by EU regulators.
- In February 2025, we submitted our response to the FCA’s Discussion Paper on transaction reporting. We support the FCA’s intention to improve the UK transaction reporting regime and achieve a balance between the value offered to the regulator for market surveillance purposes and the level of reporting burdens on market participants.
- The FCA published its Consultation Paper on changes to the UK transaction reporting regime on 21 November 2025. We welcome the FCA’s more proportionate approach to transaction reporting. The measures proposed by the FCA will allow firms to focus resources on core activities, reduce costs, and improve operational efficiency, while maintaining the UK’s status as a competitive and well-regulated financial market. We note the principles underpinning the FCA’s long-term approach to transaction reporting and look forward to seeing how they will be applied and developed in future consultations.

Investment Research

AFME has led sell-side engagement on investment research proposals in the UK, initiated by HM Treasury’s Investment Research Review.

This included recommendations from Rachel Kent, who led the review, which called for ‘action to protect and develop the UK as a centre of excellence for investment research’. Acting on the recommendation for additional optionality for research payments ‘as soon as practical’, the FCA consulted on relevant rules in April 2024.

AFME worked closely with both sell-side and buy-side trade associations to advance our members' positions that the new payment option should be flexible and less onerous than existing payment structures, and that the UK regime should not be more restrictive or inflexible than other jurisdictions. The FCA Policy Statement on "Payment Optionality for Investment Research", introducing a new "CSA-like" payment option, was published in July 2024, with rules entering into force on 1st August 2024.

The FCA followed up with a separate consultation which extended payment optionality to pooled vehicles, with final rules published in May 2025. Following advocacy by AFME and the industry, the final FCA rules provide more flexibility to allow research budgets to be set at fund level or firm / strategy level.

In the UK, we are also advocating for increased payment optionality for corporate access services and VAT relief on payment for both investment research and corporate access.

With similar objectives in mind, in 2022 the European Commission launched the EU Listing Act Package, linked to the Capital Market Union goal to improve access to market-based sources of finance for small and large firms. During the negotiations, proposals for a new research payment option were eventually agreed in the final MiFID text, which was published in the Official Journal of the European Union in November 2024. We have welcomed the flexibility offered by the new EU rules on research payments. Member States have until June 2026 to transpose the MiFID changes under the EU Listing Act package into domestic rules. Stemming from Level 1 mandates: in April 2025, ESMA submitted its technical advice to the European Commission, which incorporates the new payment option into existing Level 2 measures (reflecting changes which AFME had advocated for when responding to ESMA's November 2024 consultation on the Level 2 requirements). In October 2025, ESMA submitted a final report on new RTS on the EU Code of Conduct for issuer sponsored research, which is expected to apply from 6th June 2026.

At this stage firms are weighing the costs and benefits brought about by the new frameworks in the UK and EU and take up remains to be seen.

Order execution policies

In the EU, new technical standards have been proposed which would impose enhanced requirements in respect of firms' order execution policies. Firms will need to implement more prescriptive processes around their order execution policies, including monitoring, regular reviews and senior management sign offs. By way of example, the new requirements would see firms having to pre-select venues eligible for client order execution per class of financial instruments and per category of client. Following advocacy, ESMA's final draft RTS no longer proposes excessively granular asset classes for these purposes. However, these RTS still require firms to identify sub-classes in certain circumstances.

The final proposed RTS were submitted to the European Commission in April 2025, although the European Commission has not yet approved these. ESMA has proposed an 18-month transition period for these new RTS, which is welcome news.

MiFIR / MiFID II reforms in the EU and the UK

Implementation Guide

This guide provides an overview of key developments arising from changes to EU MiFIR / MIFID II and from related aspects of the UK Wholesale Markets Review, as well as changes to the investment research framework in the EU and the UK.

This guide is primarily relevant to **sell-side firms operating in wholesale secondary markets**, and covers **seven topic areas**, each of which can be read on its own:

1. Market structure
2. Transparency
3. Market data
4. Consolidated tape providers
5. Transaction Reporting
6. Investment research
7. Order execution policies

For each topic, the guide provides an **"executive summary"** setting out a high-level description of some main issues, the key timings for implementation and key implementation challenges for sell-side firms. This is followed by more **in-depth analysis** on each topic. Where topics are interrelated, the guide cross-refers to other sections of the guide.

The guide predominantly includes comments on **key implementation challenges for sell-side firms** that facilitate trading in wholesale secondary markets (rather than firms that operate trading venues). While we have indicated the likely severity of these implementation challenges, firms should make their own detailed assessment of the likely impact of the upcoming changes to EU and UK requirements on them.

Note that this guide does not cover changes to commodity derivatives regimes (including position reporting requirements) in the UK or EU. While this guide flags changes to derivatives transparency requirements in the UK and EU, it does not cover these changes in any detail.

(red)	Significant implementation challenges for sell-side firms (that do not operate a trading venue). Challenges may arise from divergences between the EU and UK regimes, may be due to the complexity of underlying rule changes, or may reflect that significant changes need to be made to firms' systems and control environments.
(amber)	Some implementation challenges for sell-side firms (that do not operate a trading venue).
(green)	No or limited implementation challenges for sell-side firms (that do not operate a trading venue).

Although in some instances implementation challenges may be rated as "green" or "amber" reflecting the cost / effort of achieving regulatory compliance with a new or revised regulatory requirement, there could be broader key issues and (potentially adverse) impacts of a particular regulatory change on sell-side firms' business and the markets in which they operate. Where there are significant broader business or market impacts of a regulatory change, we have indicated this in "red" on the basis that (beyond pure regulatory compliance) firms will need to reflect on these wider business / market impacts as part of their implementation projects.

On updating the report in late 2025, we acknowledge that firms' implementation of many of the changes discussed in this report are at an advanced stage. As such, we have amended earlier RAG ratings to reflect the fact that certain implementation challenges have been resolved. However, we have retained some of the earlier commentary regarding those challenges, as this indicates some of the key implementation challenges for firms, which may be a useful reference point post-implementation. Where we have changed RAG ratings, we have highlighted this at the start of each section in this report.

The Appendices contain a general timeline showing all developments covered by this guide (as well as separate timelines for topics 1 to 7), and key AFME papers on the topics considered in this guide.

MiFIR / MiFID II reforms in the EU and the UK

1. Market structure

Executive summary

The key change in this area is a change to the definition (both in the EU and UK) of what constitutes a "systematic internaliser" (SI), which, under MiFID II, was defined as a firm that deals on own account "on an organised, frequent, systematic and substantial basis" and relied on detailed quantitative tests and calculations. Although the change is intended to simplify the analysis by moving to a qualitative assessment, in the UK, the revised definition will apply to firms dealing in non-equity instruments (as well as firms dealing in equity instruments).

However, the FCA's Consultation Paper on changes to the UK non-equity SI regime (FCA CP 25/20) strongly indicated a desire to remove all SI-specific obligations from non-equity SIs. This has now been confirmed in the FCA's Policy Statement (FCA PS25/17), which should give firms comfort that it is not necessary for them to undertake an SI assessment for their non-equity activities. Firms will need to re-assess their SI status against the new definitions, although (if the regulatory obligations placed on SIs are not too onerous) they could choose to opt into being an SI to avoid taking regulatory risk in making the assessment or to avoid other knock-on consequences of ceasing to be an SI.

It is worth noting that, in the UK, the FCA has powers to reintroduce SI-specific non-equity transparency obligations in the future, meaning that the definition of SI could become more relevant in the future for UK firms providing SI activity in the non-equity space (i.e. even if firms chose not to opt in for now, they may need to make a full assessment against the new UK SI definition at some point in the future).

The UK is also testing a new trading platform that will facilitate secondary market trading in unlisted shares (known as PISCES) in a sandbox established in June 2025. This represents an opportunity for sell-side firms to either act as an operator of such a new platform, provide services to issuers whose shares are traded on the new platform on an intermittent basis, or act as an intermediary enabling investor access to the new platform. In either case, firms will need to comply with legal and regulatory obligations relevant to either of these roles and put relevant processes in place to comply.

Overview of RAG ratings (with further detail on each topic below)

Topic	Jurisdiction	RAG rating
SI definition	EU & UK	
SI obligations	EU & UK	
Trading venue definition	EU & UK	
PISCES / intermittent trading	UK	
Direct electronic access	EU	
OTF / MTF restrictions	UK	

	EU developments	UK developments	Timeline	Key issues & implementation challenges
SI definition	The definition of "systematic internaliser" (SI) has been amended to remove the current quantitative SI calculations, replacing it with a purely qualitative definition instead. The new EU SI definition in MiFID II appears to be limited to firms dealing off-venue on own account in equity instruments on an organised, frequent and systematic basis. However, firms can also opt into being an SI, both in respect of equity and non-equity instruments. Further detail on the interpretation of the revised definition may follow in the Level 2 texts or in separate guidance. From 1 February 2025, ESMA has decided to discontinue the voluntary publication of quarterly SI calculations data and has indicated that the mandatory SI regime already no longer applies. From that date, firms did not need to perform the quantitative SI test but could continue to opt into the SI regime. ESMA's October 2025 statement on the transition for the application of certain EU MiFIR / MiFID II Review changes (coupled with amendments to ESMA Q&A on the SI regime) confirms that quantitative SI tests have ceased for both equity and non-equity instruments. At the same time, ESMA has amended its Q&A on the SI regime removing references to quantitative SI assessments and to the mandatory non-equity SI regime.	Although the UK is also moving from a quantitative to a qualitative SI definition, the UK SI definition (as amended within FSMA 2023) retains a reference to "substantial" off-venue own account dealing and is not limited to equity instruments. As in the EU, firms can continue to opt into being an SI in respect of both equity and non-equity instruments. The FCA has finalised guidance on the new UK SI definition within the "systematic internaliser" definition in the Glossary and the PERG sourcebook of the FCA Handbook.	**EU** The revised EU SI definition sits within MiFID II, meaning that the amendment was due to be implemented by Member States by September 2025. Not all EU Member States had implemented the amendments to MiFID II, including the revised SI definition, at the time of writing. ESMA's October 2025 statement on the transition for the application of certain EU MiFIR / MiFID II Review changes (coupled with changes to the ESMA Q&A on the SI regime) may suggest that the revised SI definition is already applicable (although the position is not clearly confirmed in the statement). From 1 February 2025, ESMA discontinued the voluntary publication of quarterly SI calculations data and indicated that the mandatory SI regime already no longer applied. From that date, firms did not need to perform the quantitative SI test but could continue to opt into the SI regime. **UK** The FCA guidance on the UK SI definition was finalised in November 2024 (FCA PS24/14). The change to the SI definition (which sits within FSMA 2023 but is also replicated in the FCA Handbook Glossary) and the new guidance will apply from 1 December 2025. In the meantime, the FCA will not carry out SI calculations, and firms will not have to carry out SI calculations. FCA CP25/20 on the non-equity SI regime (which included a Discussion Paper on the UK equity SI regime) closed in September 2025, and the Policy Statement was published on 28 November 2025, with the changes set to apply from 1 December 2025 (although the FCA has acknowledged that it may take some firms longer to implement relevant changes). See "Key issues & implementation challenges" column regarding steps firms should take in respect of FIRDS reference data for non-equity instruments and in respect of their transaction reporting processes, all of which should be completed by 27 March 2026 at the latest. The FCA will publish a CP on the UK equity SI regime in H1 2026.	**Commentary on divergences and UK implementation** These changes may be more challenging in the UK as the tests within the SI definition (rather than just the ability to opt in) continue to apply in respect of non-equity instruments. The related guidance on the SI definition in the FCA PS is broad and could capture firms that are not currently SIs in non-equity instruments, although the PS indicates that the FCA does not think that the SI regime has been broadened and notes that SIs operate according to "modalities similar to market makers" in that their activities are carried out on a "continuous or regular" basis (which indicates that one-off or ad hoc own account dealing / liquidity provision should not automatically pull firms into the SI regime). Given that the FCA Policy Statement on the UK non-equity SI regime has confirmed that there will be no SI-specific requirements in the non-equity space, and given that the notification requirement of firms' SI status in non-equity instruments is being deleted, it would appear that firms should not need to carry out the qualitative SI assessment in respect of their activities in non-equity instruments (unless and until SI-specific obligations are re-introduced in the future). **Commentary on EU implementation** In the EU, firms may already have opted out of being an SI for particular instruments (unless caught by the qualitative SI test for equity instruments), following the start of the new DPE regime for post-trade reporting on 3 February 2025. **Commentary on practicalities** Regarding the practicalities of notifying regulators of their (retained or changed) SI status, the FCA has indicated that UK SIs in non-equity instruments will be removed from the FCA's SI register, although for FIRDS purposes the FCA has indicated that firms that are currently SIs in non-equity instruments should terminate (but not cancel) active instrument reference data for bonds and derivatives in **FCA FIRDS** (with the termination date set as the date on which the instrument is actually terminated). The FCA has also indicated that firms may need to change their reporting processes for the "Venue" field in MiFIR transaction reports and the "Venue of execution" field in EMIR transaction reports. The FCA also noted that SI MICs should not be used following the termination of instrument reference data by the SI. Firms will also need to consider whether there are other knock-on consequences following the removal of the UK non-equity SI regime. In the EU, ESMA had intended to create a new SI register and (for these purposes) had asked existing SIs to re-notify their SI status. However, given the delay to the ITS on SI notifications (see next row below), it is unclear whether and when a new ESMA SI register will be created.

MiFIR / MiFID II reforms in the EU and the UK

	EU developments	*UK developments*	*Timeline*	*Key issues & implementation challenges*
SI obligations	SI obligations have been significantly revised. For SIs in all asset classes: • Post-trade transparency waterfalls have been decoupled from counterparties' SI status. Instead, waterfalls depend on 'designated publishing entity' (DPE) status of counterparties (with firms opting in at an asset class level) (see Transparency section below). • FIRDS reporting (Article 27 MiFIR) will become the responsibility of DPEs (instead of SIs) (see Transparency section below). • A firm's SI status is still relevant when filling in certain fields within transaction reports (as well as for ISIN creation). • The "reasonable commercial basis" (RCB) requirements (Article 13 MiFIR) have been extended to apply to SIs. They will be supplemented by new RTS which incorporate and "strengthen" current RCB guidelines (see Market data section below). • ESMA published a final report in April 2025 that included proposals for new ITS for the notification of investment firms acting as SIs to competent authorities. While firms previously had to notify their NCAs of their SI status, the ITS was intended to introduce a standard template for this notification. A first SI notification is to be submitted to the NCA when a firm commences activities as an SI in one or more classes of financial instrument or decides to opt-in. ESMA's final report also indicated that all current SIs would need to submit the notification when the ITS becomes applicable, as ESMA is intending to create a new SI register. However, the European Commission has delayed the adoption of these new ITS, which casts some doubt on whether existing SIs should submit fresh SI notifications, and whether (or when) the new ESMA SI register is to be created. Please see Timeline column for commentary on SI notifications. For SIs in equity instruments: • Requirements in respect of quoting obligations have been amended which may result in firms having to quote in certain equity instruments in larger sizes than is currently the case (see Transparency section below for an explanation of this and other changes impacting SIs in equity instruments). For SIs in non-equity instruments: • SIs no longer have to provide pre-trade transparency in respect of non-equity instruments (see Transparency section below for this and other changes impacting SIs in non-equity instruments).	In the UK, the FCA's final rules on the new UK bond and derivatives transparency regime (FCA PS24/14) do not include SI-specific requirements to provide non-equity pre-trade transparency (see Transparency section below), meaning that SIs will no longer need to provide this. However, the FCA will have the option of re-introducing SI-specific non-equity pre-trade transparency requirements in the future (with that power being hardwired into s.18 FSMA 2023). Post-trade reporting waterfalls have already been decoupled from counterparties' SI status as the UK has moved to a new designated reporter (DR) regime, with post-trade reporting waterfalls determined by counterparties' DR status, which applies at an entity level (see Transparency section below). The FCA undertook a review of remaining SI obligations and the continued relevance of the SI concept / regime more broadly. In its July 2025 CP, the FCA contemplated removing all SI-specific obligations from firms that would be SIs in bonds/ derivatives, including a removal of SI details / flags from transparency reports and contract notes, and these changes have now been confirmed in the FCA Policy Statement. The FCA Policy Statement on the UK transaction reporting regime also proposes the removal of RTS 23 reference data reporting obligations from SIs (without placing these obligations on designated reporting entities). On the equity side, the FCA sought feedback on how the SI regime could be improved, including whether there should be changes to thresholds below which equity pre-trade transparency requirements apply, or to the minimum quote size for SIs in equity instruments (noting recent changes to these under the EU regime, see Transparency section below).	**EU** Changes to post-trade reporting waterfalls / the new DPE regime started to apply on 3 February 2025. FIRDS reporting will not become a DPE responsibility (in respect of certain OTC derivatives) until changes to RTS 23 are applicable (see ESMA's commentary on Art 27 MiFIR in its interactive single rulebook). Revisions to RTS 23 have been delayed due to the commencement of a more comprehensive review of EU transactions reporting (and related) requirements (see Transaction reporting section below). The RTS on the RCB requirements were published in the Official Journal on 3 November 2025, and these RTS will apply from 23 August 2026. ESMA's final report on proposed new ITS on SI notifications was submitted to the Commission in April 2025. However, the Commission has since (as part of the EU's simplification and burden reduction drive) delayed the adoption of these ITS until at least 1 October 2027. In its October 2025 statement on the transition for the application of certain EU MiFIR / MiFID II Review changes, ESMA invites SIs to base their SI notifications on the template in final draft ITS in the April 2025 report anyway. It is not clear whether (and, if so, when) ESMA still intends to create a new SI register and to require all existing SIs to submit an SI notification in this new format (given that the ITS has not been formally adopted and published in the Official Journal). The changes to the equity SI quoting obligations rely on amendments to RTS 1 which were published in the Official Journal on 3 November 2025 and apply from 23 November 2025 (see more detail on timing in the Transparency section below). The removal of SI non-equity pre-trade transparency requirements has been effective since 28 March 2024. **UK** The removal of the SI non-equity pre-trade transparency requirements applied from 31 March 2025 (see Transparency section below). The potential removal of SI RTS 23 reference data reporting requirements is included in the FCA Consultation Paper on the UK transaction reporting regime, which was published on 21 November 2025 and closes on 20 February 2026 (see Transaction reporting section below). The UK DR regime for post-trade reporting has applied since February 2024. FCA CP25/20 on the non-equity SI regime closed in September 2025, and the Policy Statement was published on 28 November 2026, with the removal of the UK non-equity SI regime taking effect on 1 December 2025. Please refer to the row above for certain other steps firms firms may need to take. The FCA will publish a CP on the UK equity SI regime in H1 2026.	**Commentary on EU implementation** ESMA had suggested that all current SIs will need to submit an SI notification to their NCA using the template in the new ITS. However, given the delay to the new ITS, firms should await further details from ESMA regarding the creation of the new SI register, and on whether ESMA still expects current SIs to resubmit SI notifications at this stage. As the ITS on SI notifications have been delayed (and even though ESMA has suggested that firms should use the template in the final draft ITS on SI notifications) it is possible that NCAs may have different expectations as to the format of these notifications. If and when the new ESMA SI register is put in place, firms will need to update their systems to interact with / interrogate the new register. See Market data section below for further detail on potential implementation challenges relating to the RCB requirements. Under the new DPE regime, firms will need to assess any new offering against the DPE asset class taxonomy, submit elections as DPE for particular asset classes (unless they have previously elected into DPE status for the relevant asset class), and put in place processes to interrogate the ESMA DPE database (to the extent this has not been previously established) (see Transparency section below for further detail). **Commentary on UK implementation** The FCA Policy Statement on UK non-equity SI obligations confirmed the removal of SI-specific obligations for firms dealing on own account in non-equity instruments. Please refer to the row above for certain steps firms need to take in respect of FIRDS reference data reporting and their transaction reporting processes. On the UK equity SI regime, as the FCA's policy emerges with a CP in 2026, firms may need to commit further resource to advocacy and (in due course) implementation of any changes.
Trading venue definition	The trading venue definition has been moved from MiFID II into MiFIR. This does not impact ESMA's Opinion on the trading venue perimeter, which was published on 2 February 2023. The Opinion is intended to clarify the perimeter in respect to which systems should be viewed as 'multilateral systems' under MiFID II, and therefore need to be authorised as a trading venue.	There are no changes proposed to the UK definition of "multilateral system". In July 2023, the FCA issued new guidance on the regulatory perimeter for trading venues. The guidance was intended to provide greater clarity on when firms may be operating a multilateral system and so require authorisation as a trading venue.	**EU & UK** No further changes envisaged.	N/A as firms will already have considered the new ESMA and FCA guidance on the trading venue perimeter.

MiFIR / MiFID II reforms in the EU and the UK

	EU developments	UK developments	Timeline	Key issues & implementation challenges
PISCES / intermittent trading	There is currently no equivalent proposal to introduce an intermittent trading platform in the EU.	In March 2024, HM Treasury published an open consultation on the upcoming Sandbox trial of a new Private Intermittent Securities and Capital Exchange System (PISCES), which will allow intermittent secondary market trading of shares that are not already admitted to trading. PISCES is intended to help private companies to "scale-up" and transition to the UK public markets in the future, while also enabling investors to take advantage of the growth in, and success of, the UK private markets. In November 2024, HM Treasury published feedback to the CP, along with draft legislation to establish the PISCES Sandbox. These confirm that issuers whose shares are traded on PISCES would be subject to a bespoke disclosure regime, with disclosures being made to a "private perimeter" of eligible investors, rather than to the public. The "private perimeter" of eligible investors will consist of investors that (i) meet relevant legislative / regulatory requirements (such as being a professional rather than retail investor, although employees of PISCES companies and (in certain circumstances) of its immediate corporate group will be allowed to participate), and (ii) meet any additional eligibility criteria which may have been set by the PISCES operator / issuer. HM Treasury have decided not to introduce a bespoke MAR regime for shares traded on PISCES. Instead, FCA rules (FCA PS25/6) require PISCES companies to make certain compulsory disclosures and any additional disclosures to be set by the PISCES operator, such that disclosures as a whole are appropriate for the efficient and effective functioning of their market. PISCES operators are required to ensure the orderliness of trading taking place during a trading event on their market. The FCA rules also set liability standards for disclosures and require PISCES operators to take disciplinary action against PISCES companies, members and participants for rule breaches. During trading windows, PISCES operators will have to provide pre- and post-trade transparency to those entitled to participate in the relevant trading event. However, there will be no transaction reporting requirements in respect of PISCES trading.	**UK** HM Treasury's open consultation closed on 17 April 2024, and feedback to the CP and the draft legislation for establishing the PISCES Sandbox were published in November 2024. FCA CP24/29 was published in December 2024 and closed on 17 February 2024. Final rules (FCA PS25/6) were published in June 2025. The PISCES Sandbox commenced in June 2025 and will be in place for 5 years.	**Commentary on UK implementation** Implementation challenges will depend on whether firms are intending to become a PISCES operator or to act as an intermediary facilitating investor access to PISCES. Assuming the latter, for example, it will be the responsibility of those taking orders to place trades on PISCES to "believe on reasonable grounds" that an investor meets the eligibility criteria. PISCES operators will be required, under the FCA's rules, to take disciplinary action against PISCES members (amongst others) when their rules are breached, so intermediaries will need to closely scrutinize future operators' rulebooks. It is not clear whether the timeline for trading events on PISCES will allow for investment research to be produced (and this may depend on how different PISCES operators choose to run trading events on their respective platforms).
Direct electronic access	As an amendment to s.2 MiFID II, the licensing requirement for persons only dealing on own account on a trading venue via DEA is removed (on the basis that DEA providers will act as gatekeepers to ensure that DEA users have the necessary and appropriate systems and controls in place and orderly trading can be maintained).	No UK changes to DEA. There is currently an exemption from UK licensing for firms that deal on own account only, unless they are members / participants in a trading venue or have direct electronic access ("DEA") to a trading venue. In the UK (unlike the EU) this licensing exemption has not been extended to remove the licensing requirement for DEA users that only deal on own account. However, DEA users established outside the UK may be able to rely on the overseas person exclusion in order to access UK venues without the need for a UK licence.	**EU** This change is contained in MiFID II and was due to be implemented in Member States by September 2025 (with not all Member States meeting that deadline).	Sell-side firms offering DEA to clients will already have controls in place to ensure that DEA users have the necessary and appropriate systems and controls in place and orderly trading can be maintained but may wish to review the strength of these controls. While firms offering DEA previously had to confirm whether DEA users had a MiFID licence, this will no longer be required where DEA users dealing only on own account now fall into the licensing exemption.

MiFIR / MiFID II reforms in the EU and the UK

	EU developments	UK developments	Timeline	Key issues & implementation challenges
MTF / OTF restrictions	There are no EU proposals similar to the ones in the UK meaning that (if the UK changes are finalised as proposed) there would be significant divergence between the EU and UK rules.	In its consultation paper on changes to UK non-equity SI regime (FCA CP25/20), the FCA included the following proposals, which were confirmed in the FCA Policy Statement published on 28 November 2025: • Removing the prohibition on an investment firm operating both an SI and an OTF: Since the non-equity SI regime would fall away (if the FCA proposals in this CP are finalised as proposed), the FCA also proposed removing the restriction on SIs and organised trading facilities operating from the same legal entity. • Removing the restriction on matched principal trading by MTF operators: The FCA proposed to remove the restriction introduced by MiFID II which prevents MTF operators from engaging in matched principal trading on their own MTFs. The FCA indicates that it intends to maintain the prohibition against MTF operators executing orders against proprietary capital.	**UK** FCA CP25/20 on the non-equity SI regime closed in September 2025, and the Policy Statement (which confirmed the FCA's final position on the relaxations to the OTF / MTF rules) was published on 28 November 2025, with these changes set to apply from 30 March 2026.	The removal, in the UK, of the prohibition to operate an SI and an OTF in the same legal entity may be of interest to sell-side firms historically prohibited from operating OTFs by their SI status.

2. Transparency

Executive summary

The requirements on the disclosures firms have to give to the market about orders / quotes and executed trades have been significantly amended in both the EU and UK regulatory regimes. The changes impact both pre-trade and post-trade transparency requirements in respect of both equity instruments and bonds and derivatives (referred to below as non-equity instruments).

Several of the changes will be welcome – particularly the deletion (both in the EU and UK) of pre-trade transparency requirements for investment firms in the bond & derivatives space. There has also been a significant overhaul of other transparency requirements for bonds and derivatives in both markets, including "simplifying" deferrals for post-trade transparency.

In terms of implementation timelines, the direction of travel on equity and bond & derivatives transparency requirements (referred to below as non-equity transparency requirements) is clearly set in the EU (through amendments to MiFIR) and in the UK (through final rules in the equities and non-equity space). Much of the detail has now been finalised in both markets and firms are currently implementing these key changes. Please note that, while this guide touches on derivatives-related changes at a high-level, it does not assess these changes in detail (and, in particular, does not seek to cover changes to EU RTS 2 in respect of derivatives, which are expected to be finalised over the coming months).

Key implementation challenges for sell-side firms in this space include the following:

- Firms had to keep abreast of a plethora of consultations and policy papers setting out the details of these changes in both the EU and UK, which firms are now implementing. Even though many rules are now finalised, these remain, in many cases, strewn across a number of publications. In many cases, developments and final rules on related topics (such as the consolidated tape, see below) will have impacts on transparency requirements (and vice versa), resulting in sequential knock-on changes. As different requirements are set to apply at different times, implementation timelines remain complex, with incremental changes required to systems over the near- to medium-term.
- This is an area where there is divergence between changes to the EU and UK requirements, meaning that relevant systems will need to be split (or significantly adapted) for use in the two markets. Interactions between the regulatory regimes in both markets can also be complex, e.g. where the counterparties to a trade are located in the EU and UK, respectively, or where firms established in one market execute trades on trading venues in the other market.
- EU RTS 1 introduces changes relating to the definition of benchmark trades in order to be considered as negotiated transactions or transactions not contributing to the price discovery process. Under the new rules, the price calculation for benchmark trades must take place over a "sufficiently long period" to ensure "no relation to the current market price". RTS 1 also excludes give-ups from post-trade transparency requirements (in line with the UK) and mandates that SIs are obliged to make public firm quotes up to twice the standard market size.
- The "simplified" transparency framework for bonds and derivatives will significantly increase the level of real-time transparency and reduce the proportion of trades and volumes benefiting from revised and shorter deferrals. This will increase the "undue (market) risk" for market intermediaries for trades of medium and large sizes. There will also be instances where trading in certain bonds & derivatives may be impacted by divergent post-trade deferral requirements in the UK & EU, and where sell-side firms will be exposed to greater levels of "undue market risk" under the rules of one market (specifically the EU) than the other.
- While changes to the scope of transparency requirements are generally welcome, firms will need to adapt their systems to reflect these in order to avoid regulatory risk of overreporting. There are also some uncertainties about whether particular instruments (or trades) would be in scope of the revised transparency requirements, with firms having to engage legislators, regulators, and/or trade bodies to achieve consensus, or having to take some regulatory risk.
- Amendments to reporting templates and the detailed requirements around pre-trade transparency waivers and post-trade deferrals will significantly impact firms' reporting systems (as noted, in ways that differ between EU and UK regimes and often involve sequential and incremental changes). Firms will need to allow resource to implement these changes to their EU and UK systems over the near- to medium-term.

MiFIR / MiFID II reforms in the EU and the UK

Overview of RAG ratings (with further detail on each topic below)

Topic	*Jurisdiction*	*Previous RAG rating (April 2025)*	*RAG rating*
Cross-cutting issues			
Post-trade reporting waterfalls	EU		
Financial instrument reference data	EU		
Clock synchronisation	EU		
Circuit breakers	EU		
Equity transparency			
Pre-trade transparency (venues)	EU		
Pre-trade transparency (SIs)	EU & UK		
Order execution (SIs)	EU		
Tick sizes & mid-point matching (SIs)	EU & UK		
Post-trade transparency (equity-specific changes)	EU & UK		
Share trading obligation	EU		
Bond and derivatives transparency (non-equity transparency)			
Post-trade transparency (trading venues and investment firms, non-equity specific changes)	EU & UK		
Instrument scope (for derivatives)	EU & UK		
Pre-trade transparency (SIs)	EU & UK		
Pre-trade transparency (trading venues)	EU & UK		
Post-trade risk reduction services	EU & UK		

MiFIR / MiFID II reforms in the EU and the UK

	EU developments	*UK developments*	*Timeline*	*Key issues & implementation challenges*
Cross-cutting issues				
Post-trade reporting waterfalls	**Article 20 & new Article 21a MiFIR** Responsibility for post-trade reporting has been decoupled from counterparties' SI status and, instead, depends on whether counterparties have opted into being a "designated publishing entity" (DPE). The election is made at an **asset class** level. Post-trade reporting waterfalls will be as follows: • Where only one counterparty is a DPE, the DPE will have the post-trade reporting obligation. • Where both or neither counterparty are DPEs, the seller will have the post-trade reporting obligation. ESMA has set up a DPE register which counterparties check to confirm who has regulatory responsibility for post-trade reporting. The register will indicate the asset classes for which a firm is a DPE, using the following taxonomy: • **Equity instruments:** shares; depositary receipts; ETFs; certificates; other equity-like financial instruments; and • **Non-equity instruments:** bonds; ETCs; ETNs; interest rate derivatives; credit derivatives; structured finance products; emission allowances. ESMA has published further details on the information included in its DPE register. This includes the following statement: *"The DPE register allows to include EU branches of third-country firms that act as DPEs in the Member State of registration – those entities can act as DPEs for counterparties from the same Member State."* There has been industry engagement with ESMA on this, given that third-country firms may wish to act as DPEs for counterparties in Member States other than the one of the relevant branch.	**UK RTS 1 and 2** As in the EU, responsibility for post-trade reporting has been decoupled from counterparties' SI status and, instead, depends on whether counterparties have opted into being a "designated reporter" (DR). The election is made at an **entity** level. The FCA publishes a register of designated reporters, which counterparties check to confirm who has regulatory responsibility for post-trade reporting. In terms of reporting waterfalls: • DRs will have the regulatory responsibility to submit post-trade reports where they transact with any counterparty that is not itself a designated reporter. • Where two investment firms trade with each other and both counterparties are DRs, the seller will have regulatory responsibility to report, unless the buyer and seller agree that the buyer will report. • Where neither counterparty is a DR, the selling firm will report. As noted, firms elect their DR status at an entity level, meaning that they will be DRs in respect of any MiFID financial instrument they trade. Note that the new UK non-equity transparency regime has been re-written into MAR11 within the FCA Handbook, and UK RTS 2 has been deleted. The rules for the DR regime have been re-written into MAR11 at the same time.	**EU** ESMA set up its DPE register in September 2024. The DPE regime applied from 3 February 2025. The DPE register will initially be published as CSV and will be updated "regularly" in batches (with firms advised to check for updates to the register after 7.30pm CET). ESMA intends to integrate the DPE register into its IT systems from end of 2025. **UK** The UK DR regime came into force on 29 April 2024.	**Commentary on EU implementation** Firms will need to update their systems when ESMA moves from the CSV version of the DPE register to the integrated version around end of 2025. Third-country firms with an EU branch registered as a DPE and who may wish to act as a DPE for counterparties in Member States other than the one where the relevant branch is located has to consider ESMA's statement on the issue of branches acting as DPE for transactions with counterparties in different Member States. **Commentary on UK implementation** In the UK, the FCA decided against allowing designation at an asset class level. This posed an issue for firms that did not have systems to support post-trade reporting in all asset classes. The FCA amended the rules in Art 12 of UK RTS 1 (and similarly in UK RTS 2 / new MAR 11 for non-equity post-trade reporting) to give DRs the option to bilaterally arrange to move reporting responsibility to the other counterparty (provided this is also a DR). Firms should also be able to enter into assisted reporting arrangements in respect of any of their post-trade reporting obligations.

MiFIR / MiFID II reforms in the EU and the UK

	EU developments	UK developments	Timeline	Key issues & implementation challenges
Financial instrument reference data	**Article 27 of MiFIR** • Going forward, financial instrument reference data will be provided to ESMA for the purposes of the transparency requirements as well as (as is currently the case) for the purposes of transaction reporting (see the Transaction reporting section below for the latter). • The scope of the obligation to supply financial instrument reference data has been widened. The reference data reporting obligation formerly applied to financial instruments admitted to trading on regulated markets or traded on MTFs or OTFs, however, going forward the obligation will apply to financial instruments (i) admitted to trading; (ii) traded on a trading venue; (iii) where the issuer has approved trading of the issued instrument; or (iv) where a request for admission to trading has been made. • Additionally, SIs will no longer be required to report reference data for financial instruments and instead the obligation will fall on DPEs for OTC derivatives only (rather than all financial instruments) that are not covered by the aforementioned scope. This means that DPEs will be obliged to submit reference data on relevant OTC derivatives, where that reference data is not already reported by trading venues. **Identifier for OTC derivatives** In January 2025, the Commission published its Delegated Act on OTC reference data to be used for transparency purposes. In a change from earlier Commission proposals, the final DA specifies ISO 4914 UPI as an identifier for OTC interest rate swaps (complemented by additional data) and for relevant OTC credit default swaps.	The FCA have not proposed any changes to the UK reference data regime to the effect that reference data would need to be provided for transparency purposes (e.g., they have not linked the reference data reporting obligation to DRs, unlike the EU). In fact, the FCA's Consultation Paper on the UK transaction reporting regime proposes removing all reference data reporting requirements (i.e. including for transaction reporting purposes) from systematic internalisers, limiting UK FIRDS reporting to trading venues.	**EU** The new OTC derivative identifier specified in the Commission Delegated Act will be used from 1 September 2026. According to ESMA commentary in its interactive single rulebook, changes to Article 27 MiFIR will only become applicable when changes to RTS 23 start to apply. With amendments to RTS 23 now delayed due to the broader review of EU transaction reporting requirements (see Transaction reporting section below), it is not clear whether changes related to reference data reporting for transparency purposes (such as the requirement for DPEs to report reference data in respect of certain OTC derivatives) will also be delayed. **UK** The FCA's Consultation Paper on the UK transaction reporting regime was published on 21 November 2025 and closes on 20 February 2026 (see Transaction reporting section below).	**Commentary on EU implementation** Firms that are DPEs in respect of derivatives in scope of the instrument reference data requirements will need to prepare for the use of the new OTC derivative identifier.

	EU developments	*UK developments*	*Timeline*	*Key issues & implementation challenges*
Clock synchronisation	**Article 22c MiFIR** Clock synchronisation requirements will require trading venues, their members, participants and users, SIs, APAs, CTPs and designated publishing entities under the new post-trade reporting waterfalls to synchronise the business clocks they use to record the date and time of any reportable event. The **new clock synchronisation RTS** specify the level of accuracy to which clocks are to be synchronised. • ESMA has based the new RTS on the current RTS 25 (which sets out clock synchronisation requirements for venues and their participants). ESMA retains, amongst other aspects of RTS 25, UTC as the reference time. • ESMA has supplemented this with new articles and tables in the annex which set out the maximum divergence from UTC and timestamp granularity required for venues, SIs, DPEs, APAs and CTPs. • Because of the increased speed of high frequency trading (HFT), ESMA has increased timestamp granularity for venue operators with a gateway-to-gateway latency below or equal to 1 millisecond to 0.1 microseconds (from the current 1 microseconds). • ESMA has set accuracy levels for SIs according to the same gateway-to-gateway latency criterion applicable to operators of trading venues, meaning that SIs with low gateway-to-gateway latency will be subject to a 0.1 microsecond timestamp granularity. • Other venues and SIs will be subject to a 1 millisecond timestamp granularity, or (where they operate a voice trading system, request for quote system where the response requires human intervention or does not allow algorithmic trading, or a system that formalises negotiated transactions) subject to a 1 second timestamp granularity. • Members, participants and users of trading venues that employ HFT techniques will be subject to the same stringent accuracy requirements (i.e. timestamp granularity of 0.1 milliseconds), while voice trading system, request for quote system where the response requires human intervention or does not allow algorithmic trading, and systems that formalize negotiated transactions will be subject to timestamp granularity of 1 second. • For DPEs, ESMA has set an accuracy requirement of 1 millisecond for both timestamp granularity and maximum divergence from UTC, regardless of the type of trading activity they perform (although the recitals suggest that the requirements should be calibrated to reflect the "type of activities that each entity performs"). However, DPEs that are also SIs will, instead, be subject to the clock synchronisation requirements for SIs above. These could be more stringent (for DPEs / SIs with low gateway-to-gateway-latency) or less stringent (e.g. for voice traders, see above).	No changes to UK clock synchronisation requirements (except that the FCA CP on the equity CTP proposes that CTPs and APAs (in respect of equity trades) should become subject to the same clock synchronisation requirements as trading venues).	**EU** The amendments will apply once the RTS on clock synchronisation takes effect. These RTS were published in the Official Journal on 3 November 2025 and will apply from 2 March 2026. **UK** The FCA Consultation Paper on the UK equity CTP regime was published on 19 November 2025 and closes on 30 January 2026.	**Commentary on EU implementation** Sell-side firms that are members / users of trading venues, SIs and DPEs will need to implement these new requirements, noting the inherent complexity of implementing changes to timestamp requirements as these will be relevant across different parts of firms' systems. Separately, in the context of on-venue trades, references in RTS 22 (transaction reporting) to the current RTS 25 on clock synchronisation will automatically change to the new clock synchronisation RTS from 2 March 2026. However, practically, it should be noted that there is a contradiction with ESMA validation rules and reporting schemas for transaction reporting, as these have not been amended to support the new levels of accuracy outlined in the new RTS on clock synchronisation for on-venue trades.

MiFIR / MiFID II reforms in the EU and the UK

	EU developments	UK developments	Timeline	Key issues & implementation challenges
Circuit breakers	**Recast of RTS 7 into new RTS 7a** ESMA's final report on draft RTS 7a: • Establishes principles-based parameters underpinning circuit breakers, leaving a certain degree of discretion to trading venues in their calibration of circuit breakers (particularly those venues not operating a central limit order book or periodic auction trading system). The proposed rules cover the use of trading halts and/or price collars, static and dynamic circuit breakers, as well as requirements for these to be periodically reviewed. • Includes a requirement for trading venues to establish and document a methodology for the calibration of circuit breakers considering a number of listed factors (including the liquidity and volatility profiles of the relevant product), as well as requirements for a periodic review of the methodology; • Sets homogenous standards for public disclosure of information by trading venues on the circumstances leading to trading being halted or constrained. Public disclosure is intended to allow market participants to better anticipate potential trading disruptions and make informed decisions during market volatility. Disclosure should include the design and functioning of circuit breaker mechanisms (including what the effects would be if circuit breakers are triggered), the minimum time of trading halts, the range of any price collars, and whether and in what circumstances venues may make changes to circuit breakers without alerting markets ahead of the change; and • Spells out a duty for trading venues to report annually to NCAs, with ESMA specifying a template for these reports to ensure comparability. The template would include further details on the parameters related to the calibration of circuit breakers compared to what is publicly disclosed.		**EU** ESMA's final draft RTS were submitted to the Commission in April 2025 but do not appear to have been adopted by the Commission yetESMA had proposed that the recast RTS 7a should apply from 29 September 2025 (the date by which the underlying Level 1 changes to MiFID II have to be implemented by Member States).	**Commentary on EU implementation** Although organisational requirements around circuit breakers are applicable to regulated markets and MTFs (i.e. will not need to be implemented by sell-side firms), sell-side firms will need to monitor relevant public disclosures by different venues, as these will inform how trading may be impacted in volatile market conditions.

MiFIR / MiFID II reforms in the EU and the UK

	EU developments	*UK developments*	*Timeline*	*Key issues & implementation challenges*
Equity transparency				
Pre-trade transparency (trading venues)	**Article 5 MiFIR – Pre-trade transparency waivers** Currently equity pre-trade transparency requirements do not apply to equity trades executed under the reference price waiver (RPW) or negotiated trade waiver (NTW), leading to so-called 'dark' trading. The application of both waivers was, prior to the MiFIR / MiFID II Review, limited through the double volume cap (DVC) mechanism, which suspended the use of these waivers either on a particular venue or across the EU where 'dark' trading in a particular instrument exceeds 4% of total EU trading on any particular venue, or where more than 8% of total EU wide trading in the instrument is in the 'dark'. As part of the updates to MiFIR, the complex DVC mechanism is being replaced with a new single volume cap (SVC) set at 7% of EU-wide trading, which would limit the use of the reference price waiver (but not the negotiated trade waiver) for three (rather than the current six) months. ESMA's December 2024 Final Report on equity transparency included amendments to RTS 3 to reflect the changes from a DVC to a SVC mechanism (alongside a number of other changes). ESMA's December 2024 Final Report also included: • advice to the Commission to amend Commission Delegated Regulation 2017/567 on the "liquid market" definition which is relevant to equity transparency requirements (with the Commission issuing draft amendments to Delegated Regulation 2017/567 in August 2025); • amendments to Article 2 and 6 of RTS 1 which consolidates the list of transactions that can benefit from the RPW and NTW; and • amendments to Article 7 of RTS 1 which is relevant to determining the applicable large in scale (LIS) threshold.	**Pre-trade transparency waivers** In the UK, the DVC mechanism, which restricted the use of equity pre-trade transparency waivers (as explained in the EU column), has been deleted. FCA PS 23/4 confirmed the following changes to the pre-trade transparency waivers which are available to trading venues trading equity instruments: • For the purposes of a reference price waiver (RPW), the reference price may now be sourced from a third country venue where the instrument was first admitted to trading. - The FCA says that it expects venues to have the right policies in place to ensure that (as required by UK MiFIR) the reference prices used are widely published and regarded as reliable reference prices by market participants. - Having received other comments to improve the RPW, the FCA has said that it will undertake a broader review of equity pre-trade transparency waivers (e.g. whether the RPW could be set by reference to composite prices from multiple venues, or could use reference prices from a third country venue with the highest turnover in the instrument). • For the purposes of the order management facility (OMF) waiver, the FCA has removed the minimum threshold which reserve or stop orders currently need to meet before they can benefit from the waiver. Instead, venues will be able to set the minimum size of reserve or stop orders in respect of instruments traded in their systems. Venues will be able to take account of the relevant instrument and market conditions. Responding to feedback that this may lead to a "race to the bottom" impacting transparency, the FCA says that it expects venues to set the thresholds while keeping in mind their "overarching obligation to maintain fair and orderly trading".	**EU** ESMA's final report on changes to RTS 3 (on the SVC mechanism) was submitted to the Commission in April 2025 but does not appear to have been adopted by the Commission yet. The revised RTS 3 was proposed to apply from 29 September 2025 (which is date from which trading is to be monitored for the purposes of the SVC). ESMA has confirmed the switchover from the DVC to the SVC for 9 October 2025, irrespective of whether the changes to RTS 3 have become applicable. On 10 October 2025, ESMA published an updated Level 3 guidance manual on the MiFIR transparency obligations, which now contains guidance on pre-trade transparency requirements. **UK** Changes to UK equity pre-trade transparency waivers came into effect on 28 April 2023. The DVC mechanism has been deleted from the UK regime with effect from 28 August 2023.	

	EU developments	UK developments	Timeline	Key issues & implementation challenges
Pre-trade transparency (SIs)	**Article 14 – Obligation for SIs to make public firm quotes in respect of equities transactions** SIs will be required to make public firm quotes for equities transactions (i.e., shares, depository receipts, ETFs, certificates and other similar financial instruments) up to a size to be determined in ESMA RTS (but which should not be below 2x standard market size). More broadly, several details currently set out in Article 14 around quote sizes will be moved from Level 1 into an RTS. Amendments to RTS 1 set the quoting size up to which SIs will be subject to pre-trade transparency requirements. ESMA has set more granular AVT buckets for liquid shares, liquid depository receipts and ETFs, setting a new SMS for each bucket and specifying that SIs would be subject to pre-trade requirements in respect of firm quotes up to 2xSMS. In each case, ESMA has set the minimum quote size SIs have to comply with at 1xSMS.	Although currently no changes to SI quoting size have been proposed in the UK regime, **FCA CP25/20 on the SI regime for bonds and derivatives included a Discussion Paper on equity markets**. This explored a number of potential changes to SI-specific obligations, including whether there should be changes to thresholds below which equity pre-trade transparency requirements apply, or to the minimum quote size for SIs in equity instruments (noting recent changes to these under the EU regime).	**EU** The amendments to RTS 1 were published in the Official Journal on 3 November 2025. The changes to the thresholds under which SI equity pre-trade transparency applies and to the minimum quote size apply from 23 November 2025. On 10 October 2025, ESMA published an updated Level 3 guidance manual on the MiFIR transparency obligations, which now contains guidance on pre-trade transparency requirements. **UK** FCA CP25/20 on the SI regime for bonds and derivatives including the Discussion Paper on equity markets was published in July 2025 and closed in September 2025. The FCA plan to publish a Consultation Paper on the UK equity SI regime in H1 2026.	**Commentary on EU implementation** The changes to Article 14 and related changes to RTS 1 will, in practice, result in firms having to quote and trade certain equity instruments in larger sizes than is currently the case. Whereas, before the EU MiFIR/D II Review change, firms could give a better price than their quoted price above SMS, now they can only do so above 2xSMS, thereby reducing the opportunities for firms to give price improvement above SMS. **Commentary on UK implementation** Depending on the outcome of the UK SI review, it is possible that the SI quoting obligations may change. Firms will need to assess the potential impacts of any changes as the FCA's position evolves. AFME's response to the FCA's DP advocated against amending the UK SI equity pre-trade requirements in a way that mirrors the EU changes (for the reasons outlined above). AFME's response to the FCA CP suggested that, if there were demonstrable benefits, members would not be opposed to the UK following the recent EU changes to minimum quote sizes and to the trade size up to which quotes have to be honoured. However, AFME's response made it clear that this would require a more granular recalibration of standard market sizes (similarly to the EU's approach).
Order execution (SIs)	**Article 15 – Execution of client orders** New requirements have been introduced so that SIs are required to establish and implement transparent and non-discriminatory rules and objective criteria for the efficient execution of orders. SIs are required to have arrangements for the sound management of their technical operations, including the establishment of effective contingency arrangements to cope with risks of systems disruption. The content and format of notifications SIs are required to make to competent authorities were also going to be revised under new ESMA ITS. ESMA's final report in April 2025 introduced a proposed template for the notification (although these ITS are being delayed as part of the EU simplification and burden reduction drive). See Timeline column for commentary on SI notifications. **Article 16 – Obligations of competent authorities** Competent authorities are now required to check that SIs comply with the conditions for order execution and price improvement laid out in Article 15 of MiFIR as opposed to the conditions formerly laid out in Article 16 of MiFIR.		**EU** ESMA's final report containing the template for the SI notification was submitted to the Commission in April 2025. However, the Commission has since (as part of the EU's simplification and burden reduction drive) delayed the adoption of these ITS until at least 1 October 2027. In its October 2025 statement on the transition for the application of certain EU MiFIR / MiFID II Review changes, ESMA invites SIs to base their SI notifications on the template in final draft ITS in the April 2025 report anyway. It is not clear whether (and, if so, when) ESMA still intends to create a new SI register and to require all existing SIs to submit an SI notification in this new format (given that the ITS has not been formally adopted and published in the Official Journal).	**Commentary on EU implementation** ESMA had suggested that all current SIs will need to submit an SI notification to their NCA using the template in the new ITS. However, given the delay to the new ITS, firms could await further details from ESMA regarding the creation of the new SI register, and on whether ESMA still expects current SIs to resubmit SI notifications at this stage. As the ITS on SI notifications has been delayed (and even though ESMA has suggested that firms should use the template in the final draft ITS on SI notifications), it is possible that NCAs may have different expectations as to the format of these notifications, and firms should watch out for further details on this from their relevant NCAs.
Tick sizes & mid-point matching (SIs)	**Article 17a – Tick sizes and mid-point matching** Following the MiFIR / MiFID II Review, SIs are allowed to match at mid-point orders of any size, as opposed to only being able to match orders large in scale. Article 17a(2) specifies that tick size requirements and the requirement for SIs to execute orders at the quoted prices at the time of reception of the order (subject to certain exceptions) in Article 15(2) should not prevent SIs from matching orders at mid-point. This means that orders of any size which would otherwise be subject to the restrictions of tick sizes and Art 15(2) can be matched at mid-point. Quotes and transactions that are not subject to tick size or quote related restrictions will not fall within the scope of Article 17a in any case and hence do not need to benefit from the exemption.	**Tick size regime and mid-point matching** The UK tick size regime has been amended to allow UK trading venues/firms to use the same tick size used by trading venues established overseas where the overseas venues are the primary markets in the relevant financial instrument. UK rules have also been amended to allow for mid-point crossing by SIs.	**EU** The changes to the tick size requirements for SIs (Article 17a) have been applicable since 28 March 2024. **UK** Changes to UK tick size regime have applied since 28 April 2023. Mid-point matching by SIs has been permitted since 28 August 2023.	**Commentary on both EU & UK implementation** This is a permissive change.

MiFIR / MiFID II reforms in the EU and the UK

	EU developments	*UK developments*	*Timeline*	*Key issues & implementation challenges*
Post-trade transparency (other than changes to reporting waterfalls, as to which see cross-cutting changes above)	**Article 20 MiFIR** The post-trade disclosure by investment firms in receipt of shares, depository receipts, ETFs, certificates and other similar financial instruments has been slightly revised to require each individual transaction to be made public once through a single APA in the Level 1 rules (whereas currently this is set out in the Level 2 rules). Article 20 also deletes the requirement for ESMA to develop RTS specifying the party to a transaction that has to make the transaction public (reflecting the fact that post-trade reporting waterfalls are determined under the new designated publishing entity (DPE) regime (see above). **Final amendments to RTS 1** include certain changes to the equity post-trade reporting requirements in **RTS 1**, such as streamlining relevant reporting flags (amongst other changes). • ESMA is deleting the DUPL flag, as there should no longer be duplicative reporting through more than one APA. Following the UK's approach, ESMA is removing the agency crossed flag (ACTX flag) and the SI flags of 'SIZE', 'ILQD' and 'RPRI'. Although feedback to ESMA's July 2024 CP had suggested further alignments with the UK's revised post-trade reporting flags (in particular, asking ESMA to add "CLSE," "NTLS," and "TNCP" flags), ESMA's final report has not included these additional flags. • ESMA is excluding give-up and give-in trades from post-trade transparency requirements as these are technical trades. ESMA has decided to exempt these trades in line with UK developments, despite not including this point in its July 2024 CP. ESMA is retaining the current real-time publication of transactions at below 1 minute (having asked for feedback in the CP whether to reduce this, as previously considered in ESMA's MiFIR Review report on RTS 1).	**Policy Statement (PS23/4): Improving Equity Secondary Markets** The FCA has amended the equity post-trade transparency regime, covering changes to post-trade transparency reporting fields and exemptions, a new DR reporter status for OTC trades (see above), waivers from pre-trade transparency (see above) and tick size regime (see above). The new rules involved amendments to UK RTS 1, UK RTS 2 and UK RTS 11. In respect of exemptions, the FCA (i) expanded the exemption to give-ups and give-ins in the context of requests for market data, as well as amending the definition of such transactions; and (ii) introduced an exemption from post-trade transparency for inter-affiliate transactions. In respect of post-trade reporting flags, the FCA deleted SI-related flags (and other flags including "ACTX" and "DUPL"), as well as introducing the new flags "CLSE" for benchmark trades concluded at the closing price, "PORT" for portfolio transactions and "NLTS" for transactions equal or above the pre-trade LIS threshold bilaterally negotiated off-book and reported to trading venues for acceptance. The flags for negotiated transactions have been consolidated into a single trade waiver flag "NETW". In respect of reporting fields, the "Price" field will (as previously) only be populated with numerical values, but a new "Price conditions" field has been introduced. Additionally, the FCA has clarified that the "Price currency" field should be populated with major currency codes.	**EU** The amendments to RTS 1 were published in the Official Journal on 3 November 2025. Changes to RTS 1 post-trade reporting fields and flags will apply from 2 March 2026 (although other changes to RTS 1 will apply from 23 November 2025 and (for trading venues) from 1 January 2026 or 1 January 2027). On 10 October 2025, ESMA published an updated Level 3 guidance manual on the MiFIR transparency obligations. **UK** The new UK equity post-trade reporting requirements came into force on 29 April 2024.	**Commentary on EU implementation** Firms will need to amend their equity post-trade reporting systems to reflect the changes to RTS 1.
Share trading obligation	The scope of the EU STO (Article 23 MiFIR) has been limited to shares with EEA ISINs which are traded on an EU trading venue. However, trading on third-country venues will be allowed where the trade is in the local currency or a non-EEA currency. The carve-out for trades that are "non-systematic, ad hoc, irregular and infrequent" has been removed from Article 23.	The UK STO has been deleted.	**EU & UK** These changes are already effective.	**Commentary on EU implementation** Although firms do not need to "implement" the changes to the EU STO, they will need to consider its application going forward. In particular, there could conceivably be circumstances where the absence of the carve-out for trades that are "non-systematic, ad hoc, irregular and infrequent" could mean that firms are restricted to on-venue trading in circumstances where off-venue trading would be preferable.

Bond & derivatives transparency (non-equity transparency)

Post-trade transparency (trading venues and investment firms)

EU developments

Article 11 – Deferred publication of bonds, SFPs and emission allowances

Currently, competent authorities are required to authorise market operators and investment firms operating a trading venue to provide for the deferred publication of the details on transactions comprising non-equity instruments (bonds, SFPs and emission allowances) based on the size or type of the transaction.

Under the new rules, market operators and investment firms operating a trading venue may defer publication provided arrangements for the deferred publication are clearly disclosed to market participants and the public. Such arrangements must be organised by using five deferral buckets based on the size of the transaction and the liquidity of the instrument, with different price / volume deferrals applying to each bucket.

- For bonds, maximum deferral periods are set in Level 1 (with the maximum deferral for volume and price set at 4 weeks for very large trades). ESMA has powers to extend the maximum deferral period where there are significant impacts on liquidity of a particular class of instrument. There are separate provisions for transactions in sovereign bonds.
- For SFPs and emission allowances, the deferral mechanism is reserved for a new ESMA RTS (see below).

ESMA will have to report to the Commission every 2 years on how post-trade deferrals are used in practice.

The final amendments to RTS 2 include details on the calibration of the post-trade deferral regime:

- For **bonds**, price / volume deferrals depend on (i) whether the relevant bond is liquid or illiquid, and (ii) the size of the relevant transaction. ESMA also sets the length of deferral periods (up to maximum deferral periods specified in MiFIR Level 1). ESMA has (in response to feedback to the May 2024 CP) amended the way bonds are grouped for the purposes of the deferral regime, essentially making groupings more granular which, in turn, allows deferrals to be better calibrated for different instrument groups.
- For **sovereign / other public bonds**:
  - Group 1 (the most liquid bonds) are sovereign bonds (i) issued by an EU member state, the US, the UK or the EU itself, (ii) with a remaining time to maturity of up to and including 10 years, and (iii) a fixed coupon. For Group 1 bonds, those with an outstanding issuance size greater than or equal to EUR5bn will be treated as liquid, with smaller issuance sizes treated as illiquid.
  - Group 2 (the least liquid bonds) captures sovereign bonds not captured in Group 1, and all other public bonds. For Group 2 bonds, those with an outstanding issuance size greater than or equal to EUR1bn will be treated as liquid, with smaller issuance sizes treated as illiquid.

UK developments

The FCA states in its policy statement (**FCA PS24/14**) that post-trade transparency should be given in real-time, except where deferrals are available. This means that trades need to be reported within 5 minutes (as is currently the case), although for package transactions of any size the FCA allows for a delay in reporting up to 15 minutes (with the policy statement making it clear that firms should report each leg as soon as possible and should not deliberately "build in" a delay past the 5 minutes applicable to other trades). Following feedback, the FCA is also allowing a delay for reporting of portfolio trades (up to 15 minutes).

Under the FCA rules, the post-trade deferral provisions for bonds are as follows:

- **Sovereign / public bonds** will be grouped by reference to issuance size, country of issuer and maturity (as well as considering whether the bond is inflation linked or a STRIP), and **corporate / other bonds** by reference to currency, issue size and rating. This reflects the FCA's analysis (and feedback following the CP) that these factors influence liquidity and transaction size, meaning that relevant thresholds and deferral periods can be more appropriately calibrated than under the current regime (under which too many bonds can be grouped together).
- The FCA has set the bonds deferral framework so that it has three deferral durations (as opposed to two deferral durations proposed in the CP). There have also been changes to the thresholds for the different deferral buckets (such as reductions in the deferral thresholds for corporate and other bonds) and the durations of deferrals, all in response to feedback and further FCA review.
- The table in MAR11 Annex 1R in the FCA Handbook sets out the relevant bond groupings, deferral thresholds and deferral periods. The same deferral period will apply to price and volume of a trade (rather than allowing longer volume deferral, as proposed in the CP). Overall, the bond deferral framework has become more granular (compared to the proposals in the CP), distinguishing between large and very large trades, with the latter benefiting from a price / volume deferral of 3 months (whereas the maximum proposed deferral in the CP would have been 4 weeks).

For **OTC derivatives**:

- The FCA has set different maturity / tenor groups for each class of derivative, with relevant LIS thresholds / caps set differently for each group, essentially set by the FCA after considering the average daily liquidity of instruments of the relevant tenor (thereby reflecting liquidity providers' ability to hedge their exposures).
- The FCA has set a different deferral model for derivatives than the one for bonds above (reflecting feedback from the CP). Under the derivatives deferral model, the FCA has set an LIS threshold and a "cap", such that:
  - Small trades below the LIS threshold will be subject to real-time price and volume transparency;
  - Trades above the LIS threshold will benefit from price and volume deferrals until end of ay (or T+1 for swaps with broken tenors of 12 months or more, reflecting feedback from market participants on the different liquidity profile of these swaps); and

Timeline

EU

Changes to post-trade deferrals will only become applicable once the relevant changes to RTS 2 apply.

The amendments to RTS 2 (in respect of bonds, SFPs and emission allowances) were published in the Official Journal on 3 November 2025. The changes will apply from 2 March 2026.

This will be followed by the new EU bond CTP commencing operation (see CTP section below).

ESMA's further CP on RTS 2 amendments related to derivatives was published in April 2025 and closed in July 2025, with the final amendments expected to be submitted to the Commission in December 2025. This will be followed by a period for adoption and publication in the Official Journal before the revised post-trade transparency regime for derivatives can apply (with ESMA having proposed a 6-month implementation period following Official Journal publication).

On 10 October 2025, ESMA published an updated Level 3 guidance manual on the MiFIR transparency obligations. The Level 3 manual will be updated again to reflect the changes to transparency requirements for derivatives once these have been finalised.

UK

FCA PS24/14 was published in November 2024. The new UK bond and derivatives transparency regime will apply from 1 December 2025. Some drafting corrections to the final rules (including regarding the bonds in scope of the new regime) were included in FCA PS 25/1 and FCA CP 25/20.

There will be a relatively swift post-implementation review of the new transparency regime, using the first 6 months' worth of data following application of the new regime, alongside surveys of market participants. Any changes to the regime following the review would be subject to consultation.

Key issues & implementation challenges

Commentary on divergences / implementation challenges arising from divergence between the EU & UK regimes

The new calibration of deferrals may have different impacts in the different markets depending on the instrument and size of trade, as well as the type and length of deferral allowed under the different sets of rules. Although implementation of the new deferral regimes falls mainly to APAs, sell-side firms / liquidity providers could be exposed to additional "undue risk" in circumstances where the new length of deferrals is considered not to be adequate.

Commentary on EU implementation / key issues

ESMA's proposals for post-trade deferrals for bonds were not based on data analysis seeking to adequately balance the desire for greater transparency with the need of liquidity providers to be protected from "undue (market) risk". This was explained in a joint trade association statement on MIFIR RTS 2 post-trade deferrals for bonds (co-signed by AFME and four other trade associations and addressed to ESMA). As well as recommending that ESMA approach the calibration of post-trade deferrals on the basis of further data analysis, the joint statement also suggested that (i) bond groupings could be revisited by bond types with similar liquidity profiles (as opposed to on the basis of FITRS classification), (ii) there could be additional liquidity determinants (rather than just outstanding issuance size), and (iii) there could be further assessment of the time required to trade out of positions of a given size and using this as the basis for selecting appropriate size thresholds for different deferral categories.

By way of further examples, the fact that ESMA does not include in RTS 2 deferrals for illiquidity for SFPs, emission allowances and ETCs / ETNs (i.e. deferrals for post-trade transparency in these instruments is limited to trades above the LIS), and the fact that ESMA has removed the option of deferrals being extended are key concerns for sell-side firms.

As noted, the EU non-equity regime changes in respect of derivatives will be finalised at a later stage than the regime for bonds. An unintended consequence of the earlier RTS 2 amendments appears to be removal of extended / supplementary post-trade deferrals in respect of derivatives trades before the new deferral regime for derivatives is in place (although noting that ESMA has, in any event, not proposed supplementary deferrals within its CP for the RTS 2 derivatives post-trade transparency requirements). Firms will need to assess the impact of the deletion of supplementary deferrals, as well as the detailed deferral proposals by ESMA in respect of derivatives to assess whether and to what extent these may create "undue (market) risk" for liquidity providers.

Commentary on UK implementation

In the UK, firms will need to assess the impact of the actual thresholds and caps in the final FCA rules.

MiFIR / MiFID II reforms in the EU and the UK

	EU developments	UK developments	Timeline	Key issues & implementation challenges
Post-trade transparency (trading venues and investment firms)	- ESMA has set different size thresholds to determine when trades are considered to be of a medium, large or very large size for liquid and illiquid instruments (rather than setting the same trade size thresholds for liquid and illiquid instruments in the same group, as had been proposed in the CP). This means that a smaller trade size in an illiquid instrument would qualify as a medium, large or very large trade than would be the case for trades in liquid instruments, which in turn results in smaller trade sizes in illiquid instruments being eligible for post-trade transparency deferrals. In addition, ESMA has indicated that the size thresholds for the deferral buckets have been set at the lower end, so as to avoid putting liquidity providers operating in EU markets at a competitive disadvantage compared to other markets (including the UK). - Finally, in response to feedback, ESMA has set the respective price and volume deferral periods for each deferral at the maximum permitted by MiFIR Level 1 (whereas the CP had proposed shorter price deferrals for large trades than are permitted in the Level 1 text). ESMA has, however, noted that Level 1 requires them to review and recalibrate deferral durations regularly with a view to reducing them over time. • For **corporate, convertible and other bonds**: - ESMA distinguishes between investment grade bonds in the three major currencies (EUR, USD, GBP) in Group 3, and all other corporate convertible and other bonds in Group 4. - For all corporate, convertible and other bonds (irrespective of the grouping above), bonds with an issuance size equal to or greater than EUR500m are considered liquid. - For Group 4, ESMA has reduced the trade size thresholds in the deferral buckets (compared to those proposed in the CP) in order to better protect liquidity providers from undue risk. - For all corporate, convertible and other bonds (and as for sovereign / public bonds above), ESMA has set the price and volume deferral periods at the maximum permitted by MiFIR Level 1 (i.e. increasing the price deferral period for large trades, compared to what had been proposed in the CP). • For **covered bonds**: - ESMA considers those with an issuance size equal to or above EUR500m as liquid. When setting the deferral buckets, as for other bonds above, ESMA has increased the trade size thresholds for liquid instruments, while decreasing those of illiquid instruments. As for other bonds above, ESMA has set price and volume deferrals at the maximum permitted by MiFIR Level 1 (i.e. increasing the price deferral period for large trades, compared to what had been proposed in the CP).	- The largest trades above the "cap" will benefit from longer price and volume deferral. For these trades, price and volume will need to be disclosed at the end of the quarter following the one in which the trade takes place. This is a change from the CP proposals (which would have seen permanent volume masking for trades above the cap) as the FCA feels that transparency of the volume of these trades (even if retrospective) would assist in transaction cost analysis and help firms gauge the size of the market. • In response to feedback, the FCA has lowered the deferral thresholds for SONIA swaps. As noted below (Instrument scope), for Category 2 instruments, only the trading venues on which the relevant instruments are traded will need to give post-trade transparency (i.e. investment firms will not need to give post-trade transparency for OTC trades in these instruments). Venue operators would have discretion to set deferrals (i.e. deferral periods and any thresholds). As with pre-trade transparency waivers for Category 2 instruments (see below), venues would have to set out their processes for this in their rulebooks and would need to follow the FCA criteria specified for post-trade deferrals. **Exemptions from post-trade transparency** The exemptions from post-trade reporting (which are currently in UK RTS 2) are moved into the FCA Handbook. In doing so, the FCA has consolidated existing exemptions, amended certain exemptions (such as the exemptions for inter-funds transfers and give-ups and give-ins) and added a new exemption for intra-group transactions for intra-group risk management purposes. These changes reflect changes the FCA has already made to UK RTS 1 in respect of the UK equity transparency requirements. **Content of post-trade reports (reporting fields and flags)** The FCA has confirmed several changes to post-trade reporting fields, removing those that are no longer required, clarifying others in order to improve data quality and comparability, and adding new fields to improve transparency data. These include the following: • The "Instrument identification code type" field will be deleted while retaining the "Instrument identification code" field. In a change to the CP proposals, this field will be populated with UPI, where available, and otherwise with ISIN (rather than having a separate field for UPI and requiring firms to include both identifiers for OTC derivative trades, as had been proposed in the CP). The FCA acknowledges that UPI is now available for derivatives and used for other reporting purposes, indicating that the expected effect would be that firms would populate the field with UPI for OTC derivatives and with ISIN for bonds.		

MiFIR / MiFID II reforms in the EU and the UK

	EU developments	UK developments	Timeline	Key issues & implementation challenges
Post-trade transparency (trading venues and investment firms)	• For **SFPs and EUAs**: - ESMA classifies all SPFs as illiquid, allowing all transactions in SFPs to benefit from deferrals of T+2 for price and 2 weeks for volume (an increase from to T+2 volume deferral proposed in the CP). Although this mirrors more closely the current deferral regime for SFPs, going forward supplementary deferrals (which are currently routinely given by NCAs to extend deferrals in respect of SFP trades) will no longer be available due to revised MiFIR Level 1 limiting supplementary deferrals to trades in sovereign bonds. - ESMA classifies European emission allowances (allowances with sub-type "EUAE") as having a liquid market, whilst treating all other emission allowances as illiquid (although ESMA suggests that the latter are, in any event, not currently available for trading in the EU). ESMA has set the LIS thresholds for EU allowances at 5,000 tCO_2 for pre-trade and 25,000 tCO_2 for post-trade purposes (while specifying that trades in other emission allowances would breach the pre- and post-trade LIS thresholds, whatever their size). • For **ETCs and ETNs**: - ESMA has retained the current static post-trade LIS threshold at EUR 50m. ESMA has set post-trade deferrals at T+2 for price and 2 weeks for volume (an increase from to T+2 volume deferral proposed in the CP) for transactions of any size. **The amendments to RTS 2** include changes to the **post-trade reporting fields**, such as: • Prescribing the column names in reports, so that post- trade reports from different venues and APAs will become more easily comparable; • Adding a new post-trade reporting field for "Flag" to ensure more consistent reporting of applicable flags; • Adding a new field "Trading system", as this information will need to be reported by CTPs and is therefore relevant in post-trade reports; • Adding a new "Number of transactions" field for aggregated trades in sovereign debt instruments subject to post-trade deferrals; and • Removing certain information relevant to emission allowances and derivatives thereof, where that information is included in RTS 23 reference data reports. ESMA has made the following changes to flags for non-equity post-trade transparency reports: • Aligning the post-trade transparency flags with the revised post-trade transparency regime, by including new post-trade deferral flags indicating the applicable "deferral bucket" (by reference to the relevant combination of liquidity of the instrument and size of the transaction). As the final report has made changes to the post-trade deferrals (above), these have been reflected in the deferral flags (e.g. these will now distinguish between very large trades in liquid vs illiquid instruments). For ETCs, ETNs, SFPs and emission allowances there would be a single deferral flag (DEFR);	• The FCA has introduced additional fields to supplement UPI. These fields will cover effective date and maturity date of the contract (amongst other additional information). • The "Price" field is amended so that it will only be populated with numerical values going forward. A new "Price conditions" field will be used to indicate whether a price is pending (PDNG) or not applicable (NOAP). The FCA has also made clarifications to the "Price", "Price notation", Price currency", "Notional currency" and "Notional amount" fields. However, the FCA has steered clear of prescribing how "Price" should be populated for each asset class or sub-class and may (as indicated in the CP), instead, liaise with the industry to develop relevant reporting guidance (produced by the FCA or produced by industry and adopted by the FCA). • There will be a new field indicating the "LEI of the clearing house", as information about where a trade is cleared can help price formation because differences in prices can partly reflect the CCP used for clearing. The "Transaction to be cleared" field will be deleted as it is no longer needed. Key changes to reporting flags include the following: • Reflecting similar changes made in EU RTS 2, the FCA is introducing a new PORT flag for transactions in five or more different financial instruments where those transactions are traded at the same time by the same client and as a single lot against a specific reference price. Where a transaction qualifies as both a package transaction and a portfolio transaction, the package transaction flag (TPAC) should be used. • The FCA has deleted the illiquid instrument transaction flag (ILQD) and the post-trade flag for transactions above size specific to the instrument transaction (SIZE), which become redundant because of the changes the FCA is making to post-trade deferrals. • Similarly, because there will be less deferral types, redundant "supplementary deferral flags" are being deleted. The FCA only retains the volume omission flag (VOLO) and the full details flag (FULV), both of which continue to be relevant under the revised transparency regime. • The FCA has deleted the flag for agency cross-trades (ACTX), as the information is not relevant for price formation, and the flag for non-price forming transactions (NPFT), which is redundant as all non-price forming transactions will be out of scope of post-trade reporting. These changes reflect changes already made to UK RTS 1 relating to UK equity transparency requirements (see above).		

	EU developments	*UK developments*	*Timeline*	*Key issues & implementation challenges*
Post-trade transparency (trading venues and investment firms)	• Creating new supplementary deferral flags for sovereign bonds relating to volume omission and publication in aggregated form to avoid confusion between flags applicable under the old and new regimes; and • Introducing a new flag (MTCH) for all matched principal transactions. • Introducing a new flag for negotiated transactions (NEGO). • Deleting the agency-cross (ACTX) flag in response to feedback received (and reflecting developments in the UK). **Article 11a – Deferred publication of derivatives** Currently, competent authorities are required to authorise market operators and investment firms operating on a trading venue to provide for the deferred publication of the details on transactions comprising ETDs and OTC derivatives based on the size or type of the transaction. Under the new rules, trading venues may defer the publication of the details on transactions comprising ETDs and OTC derivatives based on the size or type of the transaction, provided arrangements for deferred publication are clearly disclosed to market participants and the public. Such arrangements must be organised by using five deferral buckets based on the size of transaction and the liquidity of the instrument, with different price / volume deferrals applying to each bucket. However, the maximum deferral periods are not specified in Level 1. ESMA is mandated to revise RTS 2 to reflect these new rules on deferrals in respect of derivatives. A CP was published in April 2025, with the final report due in December 2025. ESMA's proposed approach is more granular than the FCA's approach to post-trade deferrals for derivatives making it hard to compare the EU and UK regimes at a high level. In the meantime, an unintended consequence of the earlier RTS 2 amendments related to bonds etc. (see above) appears to be that the earlier RTS 2 amendment would remove the possibility of having extended / supplementary post-trade deferrals in respect of derivatives trades before the new deferral regime for derivatives is in place. Note, however, that ESMA's CP on the derivatives changes to RTS 2 does (in any event) not propose supplementary deferrals for derivatives. ESMA's CP also includes derivatives specific changes to post-trade reporting flags and fields (such as flags to reflect the new derivatives post-trade deferral regime). ESMA will have to report to the Commission every 2 years on how post-trade deferrals are used in practice. **Package orders:** For post-trade transparency purposes, each component of a package transaction will need to be reported (with prices allocated to the different component instruments), using a flag indicating that the transaction is a component of a package transaction. Post-trade deferrals may apply to individual components of package transactions.			

MiFIR / MiFID II reforms in the EU and the UK

	EU developments	UK developments	Timeline	Key issues & implementation challenges
Post-trade transparency (trading venues and investment firms)	**Article 21 – Post-trade disclosure by investment firms in respect of bonds, structured finance products, emissions allowances and derivatives** Investment firms will be permitted to defer the publication of the price or volume of bonds, structured finance products and emission allowances traded on a trading venue on the same conditions as laid down in Article 11 of MiFIR (as supplemented by RTS 2, see above). Investment firms will be permitted to defer the publication of the price or volume of OTC derivatives (as described in Article 8a(2) on the same conditions as laid down in Article 11a of MiFIR (as supplemented by RTS 2, see above).			
Instrument scope (for derivatives)	As previously, trading venues will need to give transparency for non-equity instruments traded on their venues. Investment firms will need to give post-trade transparency when trading bonds, structured finance products and emission allowances traded on a trading venue (as is currently the case). **Article 8a(2) MiFIR** But the scope of derivatives subject to transparency obligations has been revised, essentially removing the link to the "traded on a trading venue" / TOTV concept. The following derivatives will be in scope of transparency obligations going forward (with the Commission empowered to make amendments by delegated act, if needed): • Exchange-traded derivatives ("ETDs"); • OTC derivatives which are denominated in major currencies (Euro, Yen, US Dollar or pound sterling) and which are subject to the clearing obligation and actually cleared. Where these OTC derivatives are interest rate swaps, only the most liquid tenor combinations (as specified in the MiFIR Level 1 text) will be in scope; and • Credit Default Swaps ("CDS") over global systemically important banks (or which reference indices comprising global systemically important banks) which are centrally cleared (even if not in scope of the clearing obligation). The scope of OTC derivatives subject to transaction reporting obligations has also been amended in a way that reflects, but is not identical to, the above (see Transaction reporting section below).	**FCA PS24/14 – non-equity transparency regime** The FCA acknowledged (in its consultation paper FCA CP23/32) that the current instrument scope of the UK non-equity transparency regime is too wide (it captures any instruments that are traded on a UK trading venue even when those instruments are traded OTC). Therefore, in FCA PS24/14, the FCA has set a much-reduced list of instruments (Category 1 instruments) which will be subject to post-trade transparency by venues and investment firms, as well as to pre-trade transparency by venues. The following will be Category 1 instruments: • Sovereign and corporate bonds that are ToTV, as these are sufficiently standardised (although different liquidity profiles of ToTV bonds are acknowledged through the FCA setting different large in scale (LIS) thresholds). ETCs and ETNs are not included in Category 1 (as the FCA considers them to be more akin to ETFs than bonds and may review them at the same time as ETF transparency). • Certain OTC derivatives that are subject to the UK clearing obligation, as these represent the most systemically important, standardised and liquid derivative instruments. Only transactions between counterparties that are also subject to the clearing obligation (or which would be subject to the clearing obligation if established in the UK) will be within Category 1, i.e. excluding transactions between non-financial counterparties and small financial counterparties below the clearing threshold. • This means that FX derivatives and single-name credit default swaps (CDSs) – both of which are not in scope of the UK clearing obligation – would be out of scope of Category 1 (although they would be in scope of Category 2 if traded on venue, see below). This is in contrast to the final position in the EU following EU MiFID II / MiFIR Review, as the EU non-equity transparency regime will also apply to CDSs over GSIBs (or which reference indices comprising GSIBs) which are centrally cleared (even if not in scope of the EU derivatives clearing obligation). The FCA has indicated that it may consider at a later date whether to include FX derivatives in Category 1. The post-implementation review of the new regime will consider whether there should be changes to the scope of Category 1 instruments. • Category 1 is further reduced by excluding some instruments which are subject to clearing, as follows: - Forward rate agreements (FRAs), fixed-to-floating IRSs (other than those based on EURIBOR), and basis swaps and overnight index swaps (OIS) based on Japanese Yen are to be excluded from Category 1 altogether.	**EU** The revised (predominantly reduced) scope of derivatives subject to EU non-equity transparency requirements has been applicable since 28 March 2024. For derivatives that remain in-scope, current RTS 2 requirements continue to apply until any revisions to RTS 2 become applicable (see above and below). **UK** FCA PS24/14 was published in November 2024. The new UK bond and derivatives transparency regime (including its revised instrument scope) will apply from 1 December 2025. Some drafting corrections to the final rules were included in FCA PS 25/1 and FCA CP 25/20. There will be a relatively swift post-implementation review of the new transparency regime, using the first 6 months' worth of data following application of the new regime, alongside surveys of market participants. Any changes to the regime following the review (including changes to instruments within Category 1) would be subject to consultation.	**Commentary on EU & UK implementation** While changes to the scope of non-equity transparency requirements are generally welcome, firms will need to adapt their systems to reflect these in order to avoid regulatory risk of overreporting. **Commentary on EU implementation** Although this is not an area on which AFME has actively engaged with its members or relevant regulators, we also note that there are some uncertainties about whether particular instruments would be in scope of the revised transparency requirements, with firms having to engage legislators, regulators, and/or trade bodies to achieve consensus, or having to take some regulatory risk. In the EU, this includes instruments that are not TOTV (and so were not previously caught) but which are captured in scope of the transparency regime going forward (such as certain single name CDS on GSIBs). **Commentary on divergences** The divergences between the EU and UK's revised non-equity transparency regimes, such as instrument scope, detailed requirements in respect of post-trade deferrals, and different templates for relevant reports, will represent a key implementation challenge for sell-side firms operating across both UK and EU markets as firms will need to adapt and apply their reporting systems accordingly, i.e. essentially run separate systems in the UK and EU going forward. Interactions between the regulatory regimes in both markets can also be complex, e.g. where the counterparties to a trade are located in the EU and UK, respectively. This is because each counterparty would need to ensure compliance with transparency obligations in their respective jurisdictions. Firms operating in one market could put in place assisted reporting arrangements for post-trade reporting in the other market to help with local compliance.

MiFIR / MiFID II reforms in the EU and the UK

	EU developments	UK developments	Timeline	Key issues & implementation challenges
Instrument scope (for derivatives)		- For fixed-to-floating rate swaps and (other) OIS, these will be bucketed by tenor, with only the following included in Category 1: - Fixed-to-float EURIBOR (28 days to 30 years, removing the 50 year tenor proposed in the CP) - OIS SONIA (7 days to 50 years, retaining the longer tenors proposed in the CP, but adjusting the LIS threshold for post-trade deferrals above to protect liquidity provision) - OIS SOFR (7 days to 30 years, removing the 50 year tenor proposed in the CP) - OIS €STR (7 days to 3 years) - OIS FedFunds (7 days to 3 months). • Index CDS (iTraxx Europe Main and iTraxx Europe Crossover) with a 5-year tenor will be in scope of transparency going forward. These index CDS are not currently treated as liquid by the FCA transparency calculations. • For any non-equity instruments that are outside Category 1 but which are traded on venue in the UK (all of which will be classed as Category 2 instruments), the relevant venue will be subject to pre- and post-trade transparency requirements, with no transparency obligations applying to investment firms. • Category 2 instruments would include structured finance products, ETCs, ETNs, derivatives not included in Category 1, and emission allowances.		
Pre-trade transparency (SIs)	**Article 18 MiFIR – Obligation for SIs to make public firm quotes in respect of non-equity transactions** The obligation for SIs to make public firm quotes in respect of non-equity transactions (i.e., bonds, SFPs, emission allowances and derivatives) has been deleted as the EU is of the view that such quotes are tailored to individual clients and have marginal informational value to other clients. Nevertheless, SIs might fulfil pre-trade transparency requirements on a voluntary basis, for example to address needs of their retail clients. **Article 19 MiFIR** The requirement for ESMA to monitor the application of Article 18 of MiFIR has been deleted given that SIs are no longer subject to pre-trade transparency requirements for non-equity transactions.	**SI non-equity pre-trade transparency** SIs are subject to non-equity pre-trade transparency obligations under Article 18 of UK MiFIR. There are provisions within FSMA 2023 which give the FCA the power (but not the obligation) to impose and specify non-equity pre-trade transparency requirements on SIs. The FCA intends for these changes to Article 18 to coincide with the introduction of the new non- equity transparency regime. FCA PS24/14 does not contain SI-specific non-equity pre-trade transparency requirements, i.e. (as in the EU) these requirements will be deleted. SIs are proposed to be treated like any other investment firm under the new UK non-equity transparency regime and would notably not be subject to any non-equity pre-trade requirements. The FCA will, however, have the power to reintroduce SI-specific non-equity pre- trade requirements in the future. FCA CP 25/20 proposed deleting SI-specific obligations in the non-equity space, including any need to disclose SI status in relevant reports, and the FCA Policy Statement on the UK non-equity SI regime confirmed these changes (taking effect from 1 December 2025).	**EU** The removal of SI-specific non-equity pre-trade transparency requirements has applied from 28 March 2024. **UK** FCA PS24/14 was published in November 2024. From 31 March 2025, SIs no longer need to provide non-equity pre-trade transparency. The remainder of the new UK bond and derivatives transparency regime will apply from 1 December 2025. FCA CP 25/20 on the non-equity SI regime was published in July 2025 and closed in September 2025. The Policy Statement on the UK non-equity SI regime was published on 28 November 2025, with the removal of the UK non-equity SI regime applicable from 1 December 2025 (although the FCA has acknowledged that some firm may talk longer to implement relevant changes).	

MiFIR / MiFID II reforms in the EU and the UK

	EU developments	*UK developments*	*Timeline*	*Key issues & implementation challenges*
Pre-trade transparency requirements (trading venues)	**Articles 8 and 8a – Pre-trade transparency requirements for bonds, Structured Finance Products (SFPs), emission allowances and derivatives** For market operators and investment firms operating a trading venue trading bonds, SFPs and emissions allowances, as well as derivatives, only central limit order book (CLOB) and periodic auction systems (i.e., not voice or RFQ systems) will need to provide non-equity pre-trade transparency. In its **final amendments to RTS 2**, ESMA has defined: • CLOBs as continuous order book trading systems, as well as trading systems which combine elements of a continuous order book trading system and a periodic auction trading system. ESMA notes in its commentary that a key characteristic of a CLOB is its trading algorithm which executes buy and sell orders without human intervention. • Periodic auction systems as systems that match orders “on the basis of a periodic auction and a trading algorithm operated without human intervention” (i.e. retaining the existing definition in RTS 2, Annex I). • References to other trading systems are being deleted from RTS 2, Annex I, as they are no longer relevant for pre-trade reporting (although they are retained in Annex II for post-trade reporting in the context of the consolidated tape (CTP), see below). **Article 8b – Pre-trade transparency for trading venues in respect of package orders** CLOB and periodic auction systems will need to provide pre-trade transparency on package orders. Pre-trade transparency waivers can be applied for each individual component of a package order. **Article 9 – Pre-trade transparency waivers for bonds, SFPs, emission allowances and derivatives** The pre-trade transparency waivers applicable to bonds, SFPs, emission allowances and derivatives have been revised to align with the changes made to Article 8 of MiFIR and the implementation of Articles 8a and 8b of MiFIR. Notably, the Size Specific to the Instrument (SSTI) waiver for quote and voice trading systems has been deleted, while the waiver for derivatives not subject to the trading obligation has been restricted to OTC derivatives only.	**FCA PS24/14 on non-equity transparency** **Pre-trade transparency & waivers** Under the new UK non-equity transparency regime, venues will continue to give pre-trade transparency on a continuous basis during normal trading hours, giving adequate information about current bid and offer prices, actionable indications of interest and the depth of trading interests at those prices. But trading venue pre-trade transparency requirements will be limited to venues that operate continuous order books, quote-driven trading systems or periodic auction systems (i.e. taking RFQ and voice trading platforms out of scope). The FCA policy statement has made it clear that pre-trade requirements for RFQ and voice trading will fall away completely without a need for an FCA waiver (whereas the proposed drafting in the CP was ambiguous as to whether some (non-detailed) pre-trade obligations could continue to apply to these systems).	**EU** RFQ and voice trading systems no longer have to provide non-equity pre-trade transparency as of 28 March 2024. For CLOB and periodic auction systems, current RTS 2 requirements continue to apply until any revisions to RTS 2 become applicable. The amendments to RTS 2 (in respect of bonds, SFPs and emission allowances) were published in the Official Journal on 3 November 2025. The changes will apply from 2 March 2026. Regarding package orders, revised Article 8b MiFIR has been applicable from 28 March 2024. However, upcoming RTS 2 amendments will be relevant. ESMA’s interactive rulebook indicates that venues operating CLOB or periodic auction systems should continue to apply existing RTS 2 requirements, except where specified (e.g. ESMA indicates that provisions related to SSTI are no longer relevant). Changes to pre-trade SSTI waiver have been applicable since 28 March 2024. ESMA’s further CP on RTS 2 amendments related to derivatives was published in April 2025 and closed in July 2025, with the final amendments expected to be submitted to the Commission in December 2025. This will be followed by a period for adoption and publication in the Official Journal before the revised post-trade transparency regime for derivatives can apply (with ESMA having proposed a 6-month implementation period following Official Journal publication).On 10 October 2025, ESMA published an updated Level 3 guidance manual on the MiFIR transparency obligations, which now contains guidance on pre-trade transparency requirements. The Level 3 manual will be updated again to reflect the changes to transparency requirements for derivatives once these have been finalised. **UK** FCA PS24/14 was published in November 2024. From 31 March 2025, RFQ and voice trading systems no longer need to provide non-equity pre-trade transparency. The remainder of the new UK bond and derivatives transparency regime (including relevant pre-trade waivers) will apply from 1 December 2025.	**Commentary on EU & UK implementation** No implementation required by sell-side firms (although will be relevant to firms which also operate trading venues). However, sell-side firms will be impacted in terms of the level of pre-trade disclosure received from venues.

	EU developments	UK developments		Timeline	Key issues & implementation challenges
Pre-trade transparency requirements (trading venues)	In **ESMA's December 2024 final report on non-equity transparency requirements in RTS 2**, in respect of pre-trade waivers: • ESMA has deleted references to the SSTI waiver (to reflect the Level 1 change above). Provisions relating to the order management facility (OMF) waiver are not being amended. • ESMA is changing the large in scale (LIS) thresholds so that they are set "statically" within RTS 2 (rather than calculated reflecting periodic assessments). Although this is not specifically envisaged in the Level 1 changes to MiFIR, it would mirror the move away from periodic assessments in other areas (i.e. liquidity assessment and thresholds for post-trade deferrals, see above). The proposed "static" pre-trade LIS thresholds are: - EUR 5m for sovereign / other public bonds and covered bonds (which is higher than the current pre- trade LIS thresholds based on 2023 calculations); - EUR 1m for corporate, convertible and other bonds (which is lower than the current pre-trade LIS thresholds based on 2023 calculations); - EUR 900,000 for ETCs and ETNs; - EUR 250,000 for SFPs; and - 5000 tCO2 for EU Emission Allowances. • The amendments to MiFIR Level 1 change the liquid market test to a static assessment (rather than one relying on periodic calculations) for post-trade reporting purposes (see above). ESMA proposes to use the same static assessments for bonds, SFPs and EUAs for the purposes of the pre-trade "illiquid" waiver. • All ETCs and ETNs will be treated as illiquid. **ESMA CP on RTS 2 amendments in respect of derivatives** proposes, in respect of pre-trade waivers, ESMA wants to set the pre-trade LIS thresholds for derivatives at 50% of the post-trade LIS thresholds in order to protect liquidity providers and to support price discovery (by not mandating the disclosure of large orders).	**Pre-trade waivers** Venues subject to pre-trade requirements (CLOB and periodic auction systems) will be able to benefit from more streamlined pre-trade transparency waivers: • The size specific to the instrument (SSTI) waiver and the waiver for illiquid instruments will be deleted. • The large in scale (LIS) waiver will continue to apply, with the FCA setting the LIS threshold for Category 1 instruments within the Handbook. • The FCA had proposed a new negotiated trade waiver in the CP. However, this has been removed from the final rules as a consequence of the removal of any pre-trade transparency requirements for systems based on negotiation (e.g. RFQ systems, see above). Trading venues will set their own LIS thresholds for Category 2 instruments following processes they will need to specify in their rulebooks. In setting the LIS thresholds, they will need to apply criteria set out in the proposed FCA rules at MAR 11.3.4R (which include the liquidity of the relevant Category 2 instrument, whether it is traded in a standardised or frequent manner, and any adverse impacts on liquidity or orderly trading).			

	EU developments	*UK developments*	*Timeline*	*Key issues & implementation challenges*
Post-trade risk reduction services	**Article 31 – Post-trade risk reduction services** PTRR services will be defined by the Commission in a delegated act (but will include portfolio compression) and will be exempt from post-trade transparency obligations as well as the derivatives trading obligation (DTO) and best execution requirements. In addition, firms that provide post-trade risk reduction services will not be considered to operate a multilateral system and therefore would not require authorisation as a trading venue. Article 31(4) MiFIR empowers the Commission to adopt delegated acts specifying (i) what constitutes post-trade risk reduction services; and (ii) the particulars of the transactions to be recorded. The transparency obligation that applied to compression reporting has now been removed. ESMA had included a note in its interactive rulebook text of Article 31 MiFIR indicating that the changes to Article 31 (i.e. extension of PTRR services exemptions) would not be applicable until the Commission delegated act specifying relevant PTRR services was in place. However, in Summer 2025, ESMA removed this note from its interactive rulebook, thereby implying that the changes to Article 31 MiFIR were already live. The Commission published a **draft delegated act on PTRR services** in August 2025, which it adopted (with several amendments following feedback) on 25 November 2025. This makes it clear that (as in UK) PTRR services that can benefit from the relevant exemptions include portfolio compression, rebalancing and basis risk reduction. Although the requirements in the draft delegated act are similar to the UK PTRR services exemptions, there are certain differences (e.g. the Commission does not appear to extend the requirement for a portfolio compression agreement to other PTRR services). The Commission has indicated that a further delegated act on PTRR services may follow, and so it is possible that the Commission could impose additional requirements (such as a relevant agreement) which PTRR services would need to meet to benefit from the exemptions.	**FCA PS 25/2** expands the exemptions from transparency obligations (amongst other requirements) for transactions arising from PTRR. The FCA has expanded the list of eligible PTRR services that can benefit from the relevant exemptions, such that it would include (in addition to the current portfolio compression) portfolio rebalancing and basis risk optimisation, as well as other future PTRR services which meet the relevant characteristics and conditions. For PTRR services to be eligible for the exemptions, the services need to have the purpose of reducing non-market risks in derivatives portfolios and need to result in transactions that do not contribute to the price discovery process (as required by **FSMA 2023**). In addition, the FCA specifies (in MAR12 in the FCA Handbook) that PTRR services need to meet three additional criteria in order to be eligible for exemption: 1. The PTRR service must be provided by a firm that is not party to a transaction resulting from the service. 2. It must be operated on the basis of non-discretionary rules set in advance by the operator that are based on specified parameters (i.e. the risk parameters that are agreed to be minimised by the PTRR service). 3. The PTRR must result in a single set of transactions that bind all the participants. The FCA also requires PTRR service providers to fulfil a number of conditions in order for transactions resulting from their services to be exempt, as follows: • requirements in respect of service providers' agreements with market participants; • recordkeeping requirements in respect of their PTRR exercises, with providers required to share relevant records with the FCA on request; • requirements to publicly disclose the essential information about the transactions resulting from a PTRR exercise, by the end of the business day after the exercise is complete (with firms no longer required to use an APA for these disclosures). Notably, relevant transactions will not be subject to the non-equity post-trade reporting requirements (i.e. won't need to fulfil the prescribed post-trade formats or indicate with a flag that the transaction resulted from PTRR); and • a new requirement to notify the FCA of the intention to rely on the PTRR exemptions.	**EU** ESMA had included a note in its interactive rulebook text of Article 31 MiFIR indicating that the changes to Article 31 (i.e. extension of PTRR services exemptions) would not be applicable until the Commission delegated act specifying relevant PTRR services was in place. However, in Summer 2025, ESMA removed this note from its interactive rulebook, thereby implying that the changes to Article 31 MiFIR were already live. The Commission's draft delegated act on PTRR services was published in August 2025, with the Commission adopting the delegated act (with several changes) on 25 November 2025. The delegated act will apply 3 days after publication in the Official Journal (which is likely in Q1 2026). The Commission has indicated that a further delegated act on PTRR services may follow. **UK** FCA PS 25/2 on PTRR services exemptions (amongst other topics) was published in April 2025, and the extended exemptions were available for firms to use from 30 June 2025.	**Commentary on EU implementation** Firms could seek to benefit from the EU amendments to Article 31 prior to the Commission delegated act being finalised (although would need to take a risk based view on the PTRR services that may benefit from the exemptions). In terms of aligning PTRR services with conditions set out in the draft Commission delegated act, firms should keep an eye on the final version as well as any additional delegated acts that may follow on this topic. In particular, although the current draft delegated act does not require an agreement akin to a portfolio compression agreement for portfolio rebalancing or basis risk reduction, such requirements may be added in the future (which would align with UK expectations). Notably, firms will also need to consider the third party condition to benefit from the exemptions (although portfolio compressions appear to remain out of scope of post-trade transparency requirements, without needing to meet the third party condition). **Commentary on UK implementation** In the UK, in order for transactions arising from PTRR services to benefit from the exemption to the transparency rules (and other exemptions), sell-side firms will need to take implementation steps with any external PTRR service providers, such as putting in place / updating relevant agreements. Notably, firms will also need to consider the third party condition to benefit from the exemptions (although portfolio compressions appear to be out of scope of the new post-trade transparency requirements in MAR11 in the FCA Handbook, without needing to meet the third party condition). Sell-side firms not acting as PTRR service providers may also need to implement changes to exclude the relevant trades from post-trade reporting (i.e. remove them from reports to their APAs), as well as reflecting in their systems that these trades are excluded from the UK DTO. Where sell-side firms are themselves acting as PTRR service providers for other market participants, in addition to putting in place / updating relevant agreements, firms will also need to make arrangements for FCA notifications, ensure that their public disclosures can capture the essential information prescribed by the FCA for the different types of PTRR services, decide whether or not to use APAs for the publication of public disclosures, and ensure relevant recordkeeping processes adequately capture the different types of PTRR service.

3. Market Data

Executive summary

The cost of market data has been a key concern for sell-side firms.

In the EU, ESMA has published proposals which aimed at enhancing existing requirements for trading venues to provide market data on a "reasonable commercial basis" (RCB). For example, the proposals spell out (amongst other things) that users of market data should not be charged based on the value of the data to them, and that market data vendors should use licensing terms (and practices) which are fair. There will also be requirements on how market data vendors can run audits and enforce potential breaches of market data agreements.

AFME advocates that there is further room to improve transparency on market data costs and pricing. By way of an example, AFME believes that there can be a legitimate reason, based on factual elements, for certain client types to be charged different fees for market data. Market data providers should be allowed to charge different fees to professional and non-professional clients. Such differentiation can be relevant for data providers which does not allow free access to market data for private end-customers and academics. Additionally, a fee category for retail clients could, if implemented correctly, have the positive effect of encouraging more retail participation in capital markets. However, there should be no new fee categories for the same product unless a market data provider can demonstrate that they have borne additional costs to produce data for these categories.

The new RTS on RCB requirements were published in the Official Journal on 3 November 2025 and will apply from 23 August 2026.

Notably, in the UK, the FCA is not proposing to enhance RCB requirements at this stage. Instead, the FCA wants to observe the impacts of CTPs on wholesale data markets. As a result, any decision on whether the FCA may put in place additional RCB requirements will be some time away (particularly in light of the fact that the UK equity CTP is not expected to be operational until 2027).

MiFIR / MiFID II reforms in the EU and the UK

Overview of RAG ratings (with further detail on each topic below)

Topic	*Jurisdiction*	*Previous RAG rating (April 2025)*	*RAG rating*
Market data	EU & UK		
Pricing of market data (inc use cases)	EU & UK		
Licensing terms	EU & UK		
Audit and enforcement	EU		
Market data policies	EU		
Access and content of delayed data	EU		

	EU developments	*UK developments*	*Timeline*	*Key issues & implementation challenges*
Market data	**Article 13 MiFIR** Requirements to make pre- and post-trade market data available on a reasonable commercial basis (RCB) have been extended to SIs (as well as APAs and CTPs). The revised Level 1 text also requires SIs to make their market data policy available to the public free of charge in a manner which is easy to access and to understand. The existing guidelines on what it means to provide pre-trade and post-trade data on a "reasonable commercial basis" are being re-written into new ESMA RCB RTS. The recitals of the regulation amending MiFIR Level 1 do provide that the requirements be "strengthened" (rather than just moved into legislation unamended) to ensure venues, APAs, SIs and CTPs do not charge for the data based on the value it has for the user. Seemingly reflecting this, the MIFIR text adds that RCB includes "unbiased and fair contractual terms". The MiFIR text also requires ESMA to "monitor developments in the cost of data", every two years, with a view to amending the RTS where necessary.	**Market Study (MS23/1.5): Wholesale Data Market Study** This market study (published in February 2024) reviewed the UK RCB framework. We have reflected some of the FCA feedback from the Market Study in the following rows. The FCA is considering further its next steps following the market data study and, specifically, looking at where the issues identified could be addressed through the Smarter Regulatory Framework as well as existing powers. The FCA also sees its work on the UK bond and equities CTP as a first step in addressing some of the identified issues (some of which are noted in the following rows), indicating that any additional FCA action (in terms of rulemaking or guidance) may only be evaluated once the CTPs are in place. **Policy Statement (FCA PS24/14): new UK transparency regime for bonds and derivatives** The FCA PS on the UK transparency framework for the bond and derivative markets in the UK transfers the RCB provisions relating to trading venues into the FCA Handbook. **Consultation Paper (CP23/33):** The FCA CP on payments to data providers and forms for Data Reporting Services Providers (which also included the Policy Statement for the framework for UK consolidated tape), with regard to market data, focused on (and confirmed) the transfer of the RCB provisions relating to trading venues into the FCA Handbook. Certain comments of the FCA in the context of the potential tender criteria for the bond CTP appear to be based on RCB considerations (see CTP section below). The RCB provisions entered into force in the MAR sourcebook of the FCA Handbook on 5 April 2024.	**EU** The new RCB RTS was published in the Official Journal on 3 November 2025. These RTS will apply from 23 August 2026. **UK** The RCB provisions have been moved into the MAR sourcebook of the FCA Handbook effective from 5 April 2024. It is unclear whether (and, if so, when) the FCA will take further steps to enhance existing RCB rules or guidance. The FCA has developed the bond CTP tender criteria (which includes an auction element to determine the lowest cost of CTP data out of all CTP candidates that meet the quality criteria, see the CTP section below), with a view to the UK bond CTP beginning operation in H1 2026.	**Commentary on EU implementation** The RCB requirements have been extended to SIs, and sell-side firms will need to consider to what extent the requirements apply in respect of SI pre-trade, post-trade, delayed market data and market data policies.

MiFIR / MiFID II reforms in the EU and the UK

	EU developments	UK developments	Timeline	Key issues & implementation challenges
Pricing of market data (inc use cases)	**New RCB RTS** **Fees for market data** Costs and margin are relevant to the calculation of market data fees. Therefore, ESMA sets out the following 'cost categories' relevant to producing and disseminating market data, which, according to ESMA, will make it easier to identify shared / joint costs and to avoid double counting particular costs: • Infrastructure costs; • Connectivity costs to enable user access to data; • Personnel costs; • Financial costs; and • Other costs. Where any cost category relates to multiple services (i.e., not just market data services), costs will need to be 'appropriately apportioned' to the production and dissemination of market data. The final report includes an additional requirement for market data providers to review the methodology for apportioning costs annually. Audit costs would not be included in the above costs categories. ESMA has decided against setting a numerical or percentage threshold for setting an appropriate reasonable margin for market data. Instead, ESMA proposed a principles-based approach for setting a reasonable margin, requiring market data providers to set the margin: • As a percentage of the costs of data provision; • In a way that does not disproportionately exceed the costs of data provision; • (Where the provider offers other services) in a way that reasonably compares to the overall margin of the business; and • In a way that promotes fees which enable data access to the maximum number of users. The ESMA final report uses "operating profit" (rather than net profit) as a proxy of margin, with ESMA taking on board feedback that this would enable comparability across data providers and jurisdictions (where taxes may vary, making comparability of "net profit" more difficult). ESMA provides a template for how market data providers should report to NCAs on their costs and margin when requested to provide this information. The template also captures (amongst other things) the fees charged by the data provider, and reasons for applying different fees. Following feedback to the CP, the final template also requires data providers to include details of penalties imposed by them on their clients. **Non-discriminatory access to market data** Importantly, the RTS removes the possibility for data providers to create categories based on the value of data to the user. Instead, different pricing can be set based on different costs incurred by the data provider. ESMA notes that different uses of market data can require different arrangements for data provision (such as different data formats, data volume, latency and distribution channels), which can justify different pricing (on the basis that costs would differ).	The FCA, in its **Wholesale Data Market Study**, did identify that market data vendors (MDVs) had some market power which could result in harmful commercial practices (such as complex licensing terms, see below). However, the FCA did not find a trend of excessively high returns / high margins in the market data market. Indeed, the FCA did observe switching or partial switching in the market – and competition between MDVs competing on price (as well as on data coverage, customer service, reputation, fee structure and how data can be used). The FCA did, however, indicate that market data users should have reasonable certainty of their overall expenditure in respect of market data over a given period. The FCA will use the market study findings to inform its ongoing work in developing the consolidated tape for bonds and equities, in the first instance, where pricing of CTP data is a key consideration (see the CTP section below). The FCA thinks that a consolidated tape for equities could potentially challenge existing UK equities data providers to increase the value of their own product offerings through pricing and licensing terms that are more favourable to data users.	**EU** The new RCB RTS was published in the Official Journal on 3 November 2025. These RTS will apply from 23 August 2026. **UK** It is unlikely that any changes will be made to the RCB framework anytime soon, given that it will take some time before the FCA can examine the impact of CTPs on wholesale data markets.	**Commentary on EU implementation** No implementation of these requirements by sell-side firms (assuming firms that are SIs are not "engaged in a commercial activity of market data dissemination to clients"). Firms may benefit from the enhanced EU requirements. **Broader key impacts on sell-side firms and related AFME advocacy** The impact of the EU RCB RTS on the cost of market data for sell-side firms will need to be assessed over time. Meanwhile, AFME is advocating (both in the EU and in the UK) for further measures to ensure transparency of costs and market data pricing by market data vendors.

	EU developments	UK developments		Timeline	Key issues & implementation challenges
Pricing of market data (inc use cases)	Client categories can be set up, provided it is clear how they are set up and that categories are based on 'factual elements' that are 'easily verifiable'. In the final report, ESMA has added guidance on relevant "factual elements" into the recitals of the RCB RTS, indicating usage or the size of the clients could constitute such factors. The recitals also suggest that (by way of example) data providers could create different categories for data redistributors, professional clients, and non-professional clients. Categories need to have more than one user (to avoid separate fee categories being created for particular users). Different margins (set applying the principles for reasonable margin above) can be applied to different categories, although the same margin must apply to all users within each category. As noted above, for each category, margin should be based on costs (rather than on the value of the data to the user) and should be expressed as a percentage of costs. To avoid users paying several times for the same data, ESMA also stipulates that each user should only be subject to one fee category. ESMA recommends that the Commission should legislate to make firms redistributing relevant market data subject to similar requirements on non-discriminatory access, costs / margin. The RTS also set out that a list of cost types (and whether any costs are shared with other services) should be disclosed within fees. Firms should also disclose whether margins are included in fees and how firms ensure that margins are reasonable. The disclosure would cover relevant methodologies, rather than disclosing actual costs / margins.				
Licensing terms	ESMA has enhanced the requirements on contractual terms currently contained in the RCB guidelines. • ESMA stipulates that data providers should provide pre-contractual information on request, including information on the provision of data and a quote of fees and charges in line with the firm's market data policy. • There is also a new general prohibition of unfair terms and conditions in the market data agreement, which ESMA notes is intended to prevent not just unfair terms but also unfair practices (such as frequent and detailed requests from data users). In the final report, ESMA has included other examples of "unfair practices" in the recitals in response to feedback. These include the use of ambiguous language in data agreements or frequent amendments requiring clients to use resources to interpret or review terms. ESMA also mentions requests for clients to delete historical data, per-location fees and unnecessary restriction of data use in this context. • Terms will also need to be clear and concise, using the terminology defined in the RTS, and be consistent with the firm's market data policy. • Data providers should give users 90 days' notice of amendments to the terms. Fee increases would trigger a termination right (without penalties) for the data user. In response to feedback, ESMA provides that data users will also be able to withdraw from the agreement in the event of other "onerous or burdensome outcomes" resulting from the change.	The FCA has highlighted the need for data users to be able to access clear and simple licensing terms. Again, the FCA will use the market study findings to inform its ongoing work on developing the consolidated tapes for bonds and equities in the first instance (which will include requirements around CTP licensing terms, see below). As noted above, the FCA thinks that a consolidated tape for equities could potentially challenge existing UK equities data providers to increase the value of their own product offerings through pricing and licensing terms that are more favourable to data users. In the Market Study, the FCA did find evidence of bundling practices in the market data market. However, the FCA recognised that customers can benefit from bundling (and indeed unbundling products could result in higher costs as well as higher complexity in licensing). Onerous exit terms for users and complex licensing (with complexity carrying the risk of driving additional cost for users) are also observed. However, the FCA finds that issues with complex licensing terms can be linked to underlying restrictions imposed by data generators. The FCA is going to explore potential changes to the RCB framework. This could include amending the FCA Handbook rules by strengthening the RCB framework with more prescriptive requirements to address complex licensing practices by data suppliers. However, it is clear that the FCA wants to observe the impact of its work on consolidated tapes before deciding whether any potential changes to the RCB framework are necessary and proportionate.		**EU** The new RCB RTS was published in the Official Journal on 3 November 2025. These RTS will apply from 23 August 2026. **UK** It is unlikely that any changes will be made to the RCB framework anytime soon, given that it will take some time before the FCA can examine the impact of CTPs on wholesale data markets.	As above. Although the specific requirements in respect of unbiased and fair contractual terms in the RCB RTS are only applicable to firms which are "engaged in a commercial activity of market data dissemination to clients", all SIs are subject to the Level 1 requirements in Article 13 MiFIR to make relevant market data available to the public on a reasonable commercial basis, including unbiased and fair contractual terms (and firms will need to consider whether these Level 1 requirements require any changes in practice). AFME members note that the complexity and frequent amendments of licensing terms are a key challenge for market data users. The new RBC RTS may themselves trigger updates to licensing terms, and it remains to be seen whether the new RTS will resolve the onerous and costly impact of complex terms and regular updates.

MiFIR / MiFID II reforms in the EU and the UK

	EU developments	*UK developments*	*Timeline*	*Key issues & implementation challenges*
Licensing terms	• ESMA wants to prohibit clauses resulting in direct / indirect fee increases or in being charged more than once for the same data. ESMA has also expressly prohibited the practice of terminating and renewing contracts in order to increase fees. The RTS also require terms which could result in additional costs for users (such as penalties) to be grouped so that users can assess their cumulative effect. • ESMA had proposed in the CP that the requirements from the RCB guidelines on "per user" fees and data unbundling should be retained in the RCB RTS. However, in response to feedback, ESMA has changed the requirements so that fees can now only be charged on a "per client" (rather than "per user") basis, with a view to minimising the administrative burdens for clients associated with fees charged on a "per user" basis.			
Audit and enforcement	ESMA has significantly enhanced the requirements around audit practices. • ESMA prohibits the 'reverse burden of proof' currently in place. Going forward, data providers need to have a "reasonable belief" that a breach occurred before an audit can be initiated, which in turn requires there to be "specific and credible indications of a potential breach". Data providers will be required to notify users of the alleged infringement and grounds for suspecting it, limiting information requests to what is strictly necessary in relation to the alleged breach and giving users a right to comment on the facts audited and to challenge audit outcomes. • Data providers would have to disclose audit practices (including relevant procedures and notice periods) in the data agreement. • Importantly, in the final report ESMA has limited the period an audit may cover to five years from the audit notification date (which differs the proposal in the CP, which had suggested limiting the duration of audits to three years). Regarding penalties, ESMA incorporates the requirements from the RCB guidelines and also provides that penalties should generally be based on revenues that would have been generated had the user not breached the agreement. ESMA sets a new time limit of five years between the occurrence of a breach and the imposition of the relevant penalty (which is different to the three-year time limit between the breach and notification of the breach by data providers, which had been proposed in the CP).	The FCA Market Study does not specifically identify concerns about audit practices used by market data vendors or about the enforcement of breaches of market data agreements.	**EU** The new RCB RTS was published in the Official Journal on 3 November 2025. These RTS will apply from 23 August 2026.	As above. Although the specific requirements in respect of unbiased and fair contractual terms in the RCB RTS are applicable to firms which are "engaged in a commercial activity of market data dissemination to clients", all SIs are subject to the Level 1 requirements in Article 13 MiFIR to make relevant market data available to the public on a reasonable commercial basis, including unbiased and fair contractual terms (and firms will need to consider whether these Level 1 requirements require any changes in practice). AFME members note that audit practices of market data providers are a key challenge for market data users. It remains to be seen whether the new RTS will resolve these issues.
Market data policies	Regarding the content and format of market data policies: • ESMA is retaining the list of standardised terms from the current RCB guidelines with some modifications (such as adding a definition of "historical data" and making the definition of "unit of count" technology neutral). • In terms of format and content, market data policies should be comprehensive and should include information on fees, terms and conditions. ESMA suggests that market data policies should be accessible for free and on a non-discriminatory basis in a single location on the data provider's website (adding, in response to feedback, that policies should remain available for at least five years).	The FCA Market Study does not include specific commentary identifying shortcomings in market data policies.	**EU** The new RCB RTS was published in the Official Journal on 3 November 2025. These RTS will apply from 23 August 2026.	Although the specific requirements in respect of market data policies in the RCB RTS are applicable to firms which are "engaged in a commercial activity of market data dissemination to clients", all SIs are subject to the Level 1 requirements in Article 13 MiFIR to make market data policies available to the public free of charge in a manner which is easy to access and to understand.

MiFIR / MiFID II reforms in the EU and the UK

	EU developments	UK developments	Timeline	Key issues & implementation challenges
Access and content of delayed data	Under the RCB RTS, access to delayed data (free of charge after 15 minutes) should be improved by requiring data providers not to use registration processes to access delayed data. In terms of content and format of delayed data, ESMA enhances the current requirements in the RCB guidelines by requiring data providers to include (within post-trade data) all data required by Level 1 and 2 texts (i.e., including flags). ESMA also reiterates the requirement to provide delayed data in a machine-readable format, noting that this should allow automatic data extraction, with all delayed data for each trading day to be provided in the same file. In the final report, ESMA expressly acknowledges that (while delayed data should remain accessible free of charge irrespective of when it is requested) data providers should be able to recoup the costs of storing historical data.	The FCA Market Study does not specifically identify issues with the accessibility of delayed market data.	**EU** The new RCB RTS was published in the Official Journal on 3 November 2025. These RTS will apply from 23 August 2026.	The requirements in respect of delayed market data in the new RCB RTS are not limited to firms which are "engaged in a commercial activity of market data dissemination to clients". SIs should therefore review whether these requirements are applicable to them.

4. Consolidated Tape Providers

Executive summary

Both the EU and UK have taken significant steps to incentivise the creation of consolidated tape providers (CTPs) which will produce consolidated CTP data streams from collated post-trade data (and, for equity instruments, pre-trade data). In both markets, there will be one CTP per asset class, with the bond CTP being created first (for operation in 2026), followed by an equity (shares and ETF) CTP. The EU also intends to create a derivatives CTP. It should be noted that the UK equities CT is currently expected to go live in 2027 (although the FCA is considering providing the market with some form of aggregated equity market data in the interim).

Transparency requirements are being enhanced partly to improve data quality and comparability, both of which are essential to support the creation of CTPs (and these enhancements are separately outlined in the Transparency section above). Concerns about the costs of market data are (in the view of regulators) partially addressed by giving market participants access to CTP data (see Market data section above).

A key concern for sell-side firms will be around whether the CTP tender processes in the EU and UK will result in the right balance being struck between ensuring that (i) CTP data and services are of an adequate quality, and (ii) pricing and the terms of access to CTP data (such as licensing terms) are fair and reasonable.

Consumption of CTP data is not mandatory. Once CTPs are operational, it will be up to firms to assess whether CTP data (and/or data purchased directly from other market data vendors) will best serve its intended purpose. This will include firms assessing whether or not CTP data should be accessed in order to achieve best execution for clients (and in practice there may be some incentive to using CTP data for the purposes of reviewing the effectiveness of firms' execution policies, see Order execution policies section below). Where firms decide that they want to access CTP data, the relevant licensing arrangements and connectivity will need to be put in place.

Overview of RAG ratings (with further detail on each topic below)

Topic	*Jurisdiction*	*Previous RAG rating (April 2025)*	*RAG rating*
Asset classes & order of CTP appointment	EU & UK		
Tender period	EU & UK		
Data outputs from bond CTP (and related inputs)	EU & UK		
Data outputs from equities CTP (and related inputs)	EU & UK		
Revenue sharing (bond and equity CTPs)	EU & UK		
Tender criteria & process (including pricing of CTP data)	EU & UK		

	EU developments	*UK developments*	*Timeline*	*Key issues & implementation challenges*
Asset classes & order of CTP appointment	In the EU, there will be a single CTP per asset class, with the bond CTP being created first, followed by an equities CTP. Unlike the UK, the EU has also confirmed that there will be a CTP for OTC derivatives.	As in the EU, the UK will have a single CTP per asset class, with the bond CTP being created first, followed by an equities CTP. However, the FCA has not commented on whether there will be a UK CTP for derivatives. **FCA CP 23/32** (which contains final rules on the framework for the UK bond CTP) indicates that the FCA will carry out a post-implementation review of the CTP framework which will assess (amongst other things) whether the "single CTP" model is appropriate, meaning that the FCA could move away from that model once the first bond CTP has completed its tender period of five years. Until then, the FCA's concerns about the impact of the single CTP model on competition have been addressed through mitigants put in place to deal with potential incumbency advantage of the first bond CTP, including an obligation for the CTP to allow an orderly transfer to another CTP of informational assets, the use by the CTP of open data standards to receive data, and the creation of a CT consultative committee (see below) to oversee the BAU operation of the CTP and any future transfer of responsibilities to another CTP. CTPs will also need to provide for client handover to a new CTP within their client agreements. The tender process for the CTP (see below) is also intended to respond to concerns about the lack of competition in the single CTP model, such as the impact this might have on the price of CTP data and / or service levels.	**EU & UK** See below for timelines for EU & UK tender processes.	
Tender period	Each CTP will be operational for 5 years.	Each CTP will be operational for 5 years.		

MiFIR / MiFID II reforms in the EU and the UK

	EU developments	*UK developments*	*Timeline*	*Key issues & implementation challenges*
Data outputs from bond CTP (and related inputs)	The EU bond CTP will capture post-trade data (as well as information on market outages, trading suspensions or halts). **Inputs to EU bond CTP** ESMA's December 2024 final report included new RTS on input / output data for the bond CTP, as well as relevant requirements which will apply to inputs into / outputs from the CTPs for all asset classes. Inputs to CTPs will be made by trading venues and APAs, and these firms will be subject to minimum input data requirements in terms of performance (including latency optimisation), reliability, security and compatibility of input data feeds to CTPs. There will be time limits for when post-trade data (for any asset class) and pre-trade data (for equities, see below) should be submitted to the relevant CTP. Data standards and formats are also prescribed. Inputs (and consequently CTP outputs) will cross-refer to underlying RTS 2 post-trade reporting fields. They will only be supplemented by additional data indicating the trading status of the instruments traded on venue, information on the type of trading system run by the venue and its status, along with certain time stamps indicating when data was submitted to the CTP etc. The RTS also includes requirements for CTPs to check the quality of input data and to have in place cooperation procedures with data contributors to flag and resolve relevant quality issues. The CTP will also have to have an enforcement process in place which could result in a suspension of revenue distribution and/or notification of issues with input data quality to NCAs. CTPs also need to put in place processes to check the quality of their data outputs, and there will be separate RTS setting out the CTPs' annual publication of performance statistics.	The UK bond CTP will capture post-trade data. In addition, the FCA has decided to require the bond CTP to offer a historical data service (i.e. a database of trades in date and time order with subsequent amendments or cancellations reflected in the feed) separately from the live CTP data feed. **Inputs to UK bond CTP** There will be mandatory contribution of relevant post-trade data from trading venues and APAs. It will be up to venues and APAs to connect to the CTP (rather than, as is the case under the EU CTP model, the CTP connecting to different data contributors to collect data). Data will need to be transmitted from data providers and received by the CTP via a standardised, open-source API developed by the CTP. Data providers will not be compensated for their costs of connecting to the CTP. Where the CTP notices potential quality issues with submitted data, it should feed this back to relevant data providers. The CTP will also have to report to the FCA every six months on data quality. These reports will cover the timeliness of data received by the CTP and any quality issues / potentially erroneous data, as well as the timeliness of CTP outputs, performance of CTP IT systems and usage of the CTP.	**EU** The RTS related to the creation of CTPs were published in the Official Journal on 3 November 2025. These RTS apply from 23 November 2025 (although they may not be practically relevant until the first bond CTP has been created). **UK** The rules and guidance for the framework for the UK bond CTP took effect on 5 April 2024. **EU & UK** See below for timelines of EU & UK tender processes.	**Commentary on EU & UK implementation** Firms will need to consider whether to connect to the EU & UK bond CTPs for the purposes of receiving post-trade CTP data feeds (which will not be compulsory) and (if so) would need to put in place systems to connect. Firms do not need to facilitate inputs to the EU & UK bond CTPs, as relevant post-trade data will be submitted to the CTPs by APAs / trading venues. However, there have been some enhancements to the non-equity transparency requirements which are related to the creation of CTPs and which firms will need to implement (see Transparency section above).

MiFIR / MiFID II reforms in the EU and the UK

	EU developments	UK developments	Timeline	Key issues & implementation challenges
Data outputs from equities CTP (and related inputs)	The EU equities CTP will capture post-trade data in respect of shares and ETFs (as well as information on market outages, trading suspensions or halts). In addition, the EU equities CTP will need to have capability to capture certain pre-trade equities data from continuous order books or auction systems, so as to be able to publish European best bid and offer (EBBO) data (without publishing the MIC of venues contributing the pre-trade data, so as to not identify these). There is an exemption from mandatory contribution of data to the equities CTP for small regulated markets and SME growth markets meeting specified criteria, although they can opt in (in which case they will need to contribute data to the shares / ETF CTP going forward, without being able to revoke their opt in). By 30 June 2026, ESMA is to make an assessment of the equities CTP and whether the Commission should add additional features to it (such as the MIC of venues contributing pre-trade data). **ESMA's December 2024 final report** included new RTS on input/output data for the equity CTP. As is the case for input / output data from the bond CTP (see above), the new RTS related to input / output data from the equities CTP will mostly cross-refer to information fields in RTS 1, both in respect of post-trade data and pre-trade data (to the extent the latter is needed to allow the CTP to establish European best bid and offer (EBBO) and relevant data for auction trading systems). The new input / output data RTS only supplements the information already derived from RTS 1 with limited additional data (being timestamp information on when relevant information was input into the CTP etc.). The new RTS also include two tables that CTPs should disseminate on (i) data related to the status of individual financial instruments and (ii) data related to the status of systems matching orders, respectively.	The FCA's Consultation Paper (**FCA CP25/31**) on the framework for a UK equity consolidated tape proposes that the UK equity CTP should capture post-trade data in respect of shares, ETFs, depository receipts and certificates, and other similar instruments. Following significant work (including an independent study on the inclusion of pre-trade data in the tape, and industry engagement throughout 2025), the FCA has also proposed to capture pre-trade best bid and offer (BBO), i.e. top of book data, in the tape. The FCA notes that one benefit of the CTP publishing BBO would be that this could provide an alternative price in the event of an outage of the primary market, allowing liquidity to move elsewhere more easily. The FCA has suggested that BBO should be attributed to the relevant trading venue. This is in contrast to the EU equity CTP framework, which provides for anonymous BBO (although the FCA notes current discussions at EU level to amend the EU framework to enable publication of attributed BBO). The FCA does not propose including systematic internaliser quotes in the UK equity tape. However, the FCA wants to continue to explore this topic. In particular, the FCA is interested in views as to whether SI quotes could contribute to BBO (alongside trading venue quotes) or whether there could be publication by the CTP of separate SI BBO and trading venue BBO. In terms of inputs to / outputs from the UK equity CTP: • The FCA proposes to use the existing information in UK RTS 1 as the input data to a UK CTP for post-trade data. • For pre-trade data, there would be a separate table showing input data to be submitted by venues to the equity CTP. There is also a proposed table showing equity pre-trade outputs to be made by the CTP. • In contrast to EU requirements, APAs and the CTP will not need to report when they sent / received the relevant data, although the CTP will need to publish the time at which it published a transaction. • In an attempt to avoid "noise" on the tape, APAs and the CTP will not be required to flag potentially incorrect trade reports, although the CTP will need to identify potential errors and engage with data providers on data quality issues. • The FCA will require data contributors to provide certain regulatory data to the CTP (such as status of the instrument and trading systems). The FCA has aligned these requirements with the EU ones, with a view to enabling data consolidation across UK & EU markets. • The FCA will require the CTP to disseminate equity CTP data feeds using the same formats as for the bond CTP (i.e. prescribing requirements for machine readability etc.). • In contrast to the UK bond CTP, the FCA has proposed to apply latency requirements for submissions of data to the equity CTP. Separately, the equity CTP will be subject to latency requirements for its outputs. The FCA is interested in views as to whether there should be different latency requirements for pre- and post-trade data. • In addition to pre- and post-trade date, the FCA is proposing that the UK equity CTP should offer historical post-trade data (like the UK bond CTP) as well as historical pre-trade data.	**EU** The RTS related to the creation of CTPs were published in the Official Journal on 3 November 2025. These RTS apply from 23 November 2025 (although they may not be practically relevant until the first bond CTP has been created). **UK** Throughout 2025, the FCA engaged with market participants to explore different options in respect of the inclusion of pre-trade data in the UK equity CTP. The FCA Consultation Paper on the UK equity CTP was published on 19 November 2025. The consultation closes on 30 January 2026, and an FCA Policy Statement is expected in the first half of 2026. The UK equity CTP is expected to be operational in 2027 (with the FCA considering whether to publish some aggregated equity market data itself in the interim). **EU & UK** See below for timelines of EU & UK tender processes.	**Commentary on EU & UK implementation** Firms will need to consider whether to connect to the EU & UK bond CTPs for the purposes of receiving post-trade CTP data feeds (which will not be compulsory) and (if so) would need to put in place systems to connect. Firms do not need to facilitate inputs to the EU & UK equities CTPs, as relevant data will be submitted to the CTPs by APAs / trading venues. However, there have been some enhancements to the equity transparency requirements which are related to the creation of CTPs and which firms will need to implement (see Transparency section above).

MiFIR / MiFID II reforms in the EU and the UK

	EU developments	*UK developments*	*Timeline*	*Key issues & implementation challenges*
Revenue sharing (bond and equity CTPs)	Data contribution to CTPs will be free. But CTPs will not need to provide trade data free of charge after 15 minutes (except to retail investors, academics and NCAs), allowing them to earn a return. The MiFIR Level 1 text envisages certain data contributors sharing in CTP revenue from both the bond and equities CTP. For the **EU bond CTP**, revenue sharing is optional. The legislative text does not indicate how bond CTP revenue may be shared, although the implication from the recitals of the regulation amending MiFIR is that revenue sharing could be used to reward at least the smaller data contributors / bond listing venues. There will be a compulsory revenue sharing mechanism from the **EU equities CTP**. ESMA's December 2024 final report includes final draft RTS on how revenue is to be distributed from the equities / ETF CTP, applying the relative "weightings" set out in the MiFIR Level 1, which prioritises revenue distribution to small venues / SME growth markets, followed by venues of first admission for "young instruments" issued since March 2019, and finally venues that provide pre-trade transparency information to the CTP. The new RTS set out a methodology for determining the revenue shares different data contributors would receive, along with suggestions regarding the possible frequency and timing of revenue distribution. The new RTS also include principles on the suspension of revenue distribution due to data quality issues, although CTPs would themselves set the relevant suspension mechanism, applying the ESMA principles. ESMA has described suspension of revenue share as a "last resort", noting that CTPs should identify and alert data contributors to relevant issues, allowing them to correct these first.	As in the EU, contribution to the UK CTPs will be free of charge and the UK CTPs will not be required to make data available free of charge after 15 minutes (except to retail investors, academics and the FCA). In terms of remunerating data providers for the data submitted through a revenue sharing mechanism from the bond CTP, the FCA has confirmed that the UK rules would not prohibit revenue sharing from the UK bond (and presumably equity) CTP. This essentially leaves it up to firms bidding to become the UK bond or equity CTP to decide whether they wish to offer revenue sharing (which effectively reflects the position in the EU bond CTP framework, although the EU framework expressly gives bidders the option of offering a revenue sharing mechanism for data contributors). The FCA does not propose to require revenue sharing arrangements between the UK equity CTP and data contributors (in contrast to the EU equity CTP framework, which mandates revenue distribution). However, the FCA invites feedback on this and suggests that it remains open to other options on revenue sharing, as well as noting that revenue sharing would form part of its post-implementation review (meaning that (compulsory) revenue sharing from the UK equity CTP could be introduced in the future).	**EU** The amendments to EU MiFIR came into effect on the Implementation Date. The RTS related to the creation of CTPs were published in the Official Journal on 3 November 2025. These RTS apply from 23 November 2025 (although they may not be practically relevant until the first bond CTP has been created). **UK** The rules and guidance for the framework for the UK bond CTP took effect on 5 April 2024. Whether the UK bond CTP will offer revenue sharing will depend on whether firms tendering for the role offer revenue sharing as a feature for the bond CTP. See below as to timings for the bond CTP tender process. Throughout 2025, the FCA engaged with market participants to explore different options in respect of the inclusion of pre-trade data in the UK equity CTP. The FCA Consultation Paper on the UK equity CTP was published on 19 November 2025. The consultation closes on 30 January 2026, and an FCA Policy Statement is expected in the first half of 2026. The UK equity CTP is expected to be operational in 2027 (with the FCA considering whether to publish some aggregated equity market data itself in the interim).	**Commentary on key issues with EU regime** Although revenue sharing from the EU bond CTP is optional, if ESMA were to assign a higher "score" to those potential bond CTP providers in the tender process that do offer revenue sharing, this could, in practice, result in potential providers being "incentivised" to offer revenue sharing so as to not be disadvantaged in the tender process. AFME therefore advocated that the EU tender process should not discriminate against CTP candidates that choose not to offer revenue sharing.

MiFIR / MiFID II reforms in the EU and the UK

	EU developments	*UK developments*	*Timeline*	*Key issues & implementation challenges*
Tender criteria & process **(including pricing of CTP data)**	There will be separate tender processes for CTPs for the different asset classes. ESMA will consider, amongst other things, the technical capabilities and use of interfaces by applicants, processes to ensure operational resilience, methods for ensuring data quality, but also the simplicity of licences, the number of different licence types / use cases and related costs of accessing relevant data from the potential CTP. In **ESMA's second CP (May 2024)**, ESMA suggested that the CTP tender processes to select the CTP for each asset class should be run as a "competitive procedure with negotiations", under which: • A contract notice and procurement documents would be published by ESMA, triggering the 6 months tender process. These documents will set out the selection and award criteria, and the scoring methodology to be used when assessing applications against these criteria (see below), which cannot be changed once the tender process has been launched; • Potential CTP operators would submit requests to participate in the tender process (with the deadline for this being set at least 32 calendar days after the contract notice); • Requests to participate would first be assessed against exclusion and selection criteria (essentially checking that the applicant is eligible and has the required capacity to carry out the contract). Applicants that meet these criteria would be invited to submit an initial tender (with the deadline for submission being set at least 30 calendar days later); • All initial tenders would then be assessed by the evaluation committee (made up of at least three members from two ESMA departments). The committee can agree the scope of "negotiations", i.e. areas on which applicants can provide clarifications and submit modified tenders as Best and Final Offers (BAFOs); • BAFOs are assessed and scored by the evaluation committee based on pre-defined award criteria and scoring methodology, with the committee producing an evaluation report with an award recommendation; and • The authorisation officer (ESMA's Executive Director) signs off on the award decision. ESMA also set out initial reflections on CTP selection and award criteria and the scoring methodology, as follows: • Selection criteria (which are assessed earlier in the tender process, see above), award criteria (which are assessed later and are subject to negotiation), the minimum requirements and scoring methodology for each criterion may be set differently in the tender processes for the different CTPs, given specific features of the different asset classes.	The FCA published the tender criteria and documentation for the UK bond CTP tender process in March 2025, which confirm the detail of what the FCA will assess. The FCA spelt out (in **FCA CP 23/32**) how the tender process for the bond CTP has been designed to facilitate competitive pricing of CTP data, while also ensuring CTP data and quality standards of service. • The FCA runs the tender process in two stages, with the first stage focused on bidders' ability to fulfil CTP requirements, including on data quality, which itself will constrain the level of data pricing CTPs can realistically propose. • The second stage of the tender process involves a "price auction" to facilitate competitive pricing of CTP data amongst those bidders who are judged to have met the wider requirements including in relation to quality of service. CTPs will be bound to the pricing limitations arrived at in the tender process through their tender contract (which will allow for price increases to reflect inflation and potentially other circumstances when prices may be increased). The requirements on pricing data on a reasonable commercial basis (RCB) will not apply to CTPs. • The FCA has also indicated that it aims for CTP licensing arrangements "to be simple and easy to understand thereby limiting the need for extensive auditing of the use that data users make of the data", with the invitation to tender addressing issues around different licensing types (reflecting some of the feedback in the final report following the FCA's Wholesale Data Market Study, see Market Data section above). • The FCA will consider in its post implementation review of the bond CTP framework whether the CTP's pricing and charging mechanisms are operating as intended. The FCA has not specifically spelt out the tender process for the UK equities CTP, although the process described for the bond CTP should be capable of being used for the equities CTP as well (with some adjustments for specific characteristics related to equity instruments or specific features of the equities CTP). The FCA Consultation Paper on the UK equity CTP does highlight a number of considerations that will be relevant to the tender process and which suggest that a process similar to that described for the bond CTP is likely. These include the need to ensure quality of CTP service provision (including operational resilience of the equity CTP provider) whilst ensuring that CTP data is competitively priced and provided using simple licensing terms. The FCA will engage with potential bidders for the UK equity CTP in early 2026 with a view to developing the tender process and criteria.	**EU** ESMA launched the tender process for the EU bond CTP on 3 January 2025. The first EU bond CTP provider was selected in July 2025. The tender process for the shares and ETF CTP commenced in June 2025, and the first EU equities CTP is due to be selected by the end of 2025. This will be followed by authorisation of the chosen equities CTP. The EU equities CTP is expected to be operational in 2026 (at some point after relevant changes to equity transparency requirements in RTS 1 start to apply in March 2026). For the derivatives CTP, the tender process is set to commence within 3 months of the identifier for OTC derivatives being put in place, but no earlier than 6 months after commencement of the equities CTP tender process. The Commission Delegated Act on OTC reference data to be used for transparency purposes, published in January 2025, entered into force 20 days after Official Journal publication and specifies that the new OTC derivatives identifier is to be used from 1 September 2026. It also indicates that the tender process for the EU derivatives CTP is to commence in Q1 2026. **UK** The rules and guidance for the framework for the UK bond CTP took effect on 5 April 2024. The FCA published the tender documents for the UK bond CTP tender process on 7 March 2025. The UK bond CTP tender process completed in Summer 2025 (although that process is currently subject to a legal challenge). Once the appointment of the UK bond CTP is finalised, this will be followed by authorisation and verification of the chosen bond CTP. It is expected that the UK bond CTP will start operation in 2026. Regarding the UK equities CTP, the FCA has asked potential bidders to express their interest by 30 January 2026, with a view to starting conversations with potential bidders and developing the tender process and criteria. As noted above, the UK equity CTP is expected to be operational in 2027.	**Commentary on EU & UK implementation** The timelines for the EU tender processes are ambitious and don't allow for 'lessons learnt' from the bond CTP to inform the tender process for the other CTPs. This is because the timeline will likely result in CTPs for all asset classes being selected (subject to approval of relevant CTP providers) before / very shortly after the bond CTP is fully operational. Sell-side firms will be interested in following the tender processes for the EU and UK CTPs, in particular in how considerations of data / service quality are balanced with pricing of CTP data.

MiFIR / MiFID II reforms in the EU and the UK

	EU developments	*UK developments*	*Timeline*	*Key issues & implementation challenges*
Tender criteria & process **(including pricing of CTP data)**	• Tender criteria will be assessed independently, although where they are interdependent of each other this will also be considered. • ESMA has grouped criteria into the following themes: (i) resilience, cyber-risk and energy consumption; (ii) governance and organisational requirements; (iii) ability to process data and dissemination speed; (iv) data quality, modern interface and record keeping; and (v) costs, fees and revenue redistribution. Different criteria within each category will be either selection criteria (i.e. relevant in the early part of the process) or award criteria (i.e. relevant in the latter part of the process and subject to potential negotiation). • In respect of fees and costs, ESMA intends to assess the total expenditure to set up the CTP and the cost of operating it as an award criterion (i.e. in the later part of the tender process). For the assessment, ESMA will review the information on expenditure / costs provided by the CTP in line with the new RTS on RCB requirements (see Market Data section above), with ESMA intending to give more weight to operating costs (essentially in order to avoid giving undue advantage to applicants that already have systems in place to run a CTP and that would, therefore, have lower set up expenditure) – although ESMA may decide to consider these costs in conjunction to avoid applicants shifting expenditure from “operating costs” into “development costs”. ESMA will weigh the level of cost against applicants’ ability to maintain service quality over the 5-year term, including through investing in innovation. Fees and compliance with RCB requirements will also be an award criterion. For these purposes, ESMA will first score the simplicity of applicants’ fee and licensing models, suggesting that the applicant with the lowest number of fee tiers, the lowest number of user types, and the lowest number of types of licensing model, respectively, would receive the highest scores. The remaining RCB requirements (making relevant data available to the public on a reasonable commercial basis, ensuring non-discriminatory access, and providing ESMA with the required cost information) will form the second part of ESMA’s assessment. ESMA will assess compliance with Article 13 MiFIR and the new RTS on RCB (as submitted in December 2024, see Market Data section above) in the first bond CTP tender process (although, if there are changes to the final RTS on RCB, ESMA will reflect these in the bond CTP authorization process and any future CTP tender processes). ESMA will address CTP providers’ ability to offer value added services in the tender process. • Finally, ESMA will also assess whether applicants for the bond CTP intend to have a revenue distribution scheme which (if so) should “recognise the role [of] small trading venues”. • CTPs will need to provide CTP data outputs free of charge to retail investors, academics and NCAs.	The CTP will need to provide the CT data feed to the FCA free of charge. It will also need to have a mechanism in place to identify academics and retail investors to whom the CT data feed would be offered free of charge, as in the EU. Regarding “related services”, the legal entity acting as the CTP will not be able to offer value-added services, although a separate group entity would be able to do so.		

5. Transaction Reporting

Executive summary

The transaction reporting requirements in RTS 22 are subject to review in both the EU and UK.

In the EU, ESMA published a consultation paper on RTS 22 as part of the MiFIR / MiFID II Review process, which proposed significant changes, including the introduction of a very large number of new transaction reporting fields. ESMA also proposed to amend the trading venue transaction identification code (TVTIC) to transactions concluded on third-country venues, as well as proposing transaction identification codes (TIC) for off-venue transactions (amongst other changes). These changes (if finalised as proposed) would trigger highly complex and burdensome implementation projects for reporting firms that submit MiFID transaction reports.

However, these ESMA amendments have been put on hold as a more comprehensive EU review of transaction reporting requirements across different regimes (including EMIR and SFTR) commenced in June 2025 (with a report from ESMA due by Q2 2026). Although it is welcome news that transaction reporting requirements (including Level 1 rules) are being reviewed in the round, this will result in a delay to some key aspects of the EU MiFIR / MiFID II Review, as relevant changes to transaction reporting, reference data and order book data requirements have been put on hold. Firms will need to adapt their implementation programmes accordingly and may need to commit resource to following the EU review in order to assess and comment on any proposals for reform as they develop in this important area.

MiFIR / MiFID II reforms in the EU and the UK

In the UK, the FCA has published a Consultation Paper on the UK transaction reporting regime which, in contrast to the EU, envisages a scaling back of UK transaction reporting (and related) requirements. The FCA proposals include a reduction in scope (by removing instruments that are not traded on a UK trading venues and any FX derivatives from scope, as well as reducing the number of transaction reporting fields, and shortening the default back reporting period. Under the proposals, systematic internalisers would also be relieved of their obligation to submit instrument reference data. The FCA has also proposed that its FIRDS database could become the “golden source” for firms to determine the reportability of instruments. The FCA’s more proportionate approach to transaction reporting is welcome, as it will reduce costs for firms and improve operational efficiency.

As regulators in both the UK and EU are reviewing this important area in parallel, firms will need to brace themselves for divergences between UK and EU transaction reporting regimes, as well as challenges arising from diverging consultation and implementation timelines over the next few years. Significant resource may be required to track, respond to and (in time) implement changes to transaction reporting requirements in both markets. This is particularly the case as compliance with transaction reporting requirements has been a key area of focus in regulatory supervision and enforcement.

Overview of RAG ratings (with further detail on each topic below)

Topic	*Jurisdiction*	*RAG rating*
Transaction reporting	EU & UK	
Transaction reporting (non-equity instruments in scope)	EU	
Reference data reporting (FIRDS)	EU & UK	

	EU developments	*UK developments*	*Timeline*	*Key issues & implementation challenges*
Transaction reporting	**Article 26 – Revision of RTS 22** Amongst other changes envisaged to the transaction reporting RTS (RTS 22), the reference to short sale indicator flags is removed, which will enable ESMA to delete these from RTS 22 (as previously proposed by ESMA in its final review report on transaction reporting). ESMA is also required to ensure greater alignment of transaction reporting across the MiFIR, EMIR and SFTR frameworks. In addition, under the MiFIR Level 1 changes, ESMA is due to report to the Commission (after 4 years) on further integration / alignment of MiFIR, EMIR and SFTR reporting requirements. However, see below, as this more comprehensive review of EU transaction reporting requirements commenced early, in June 2025. **ESMA CP on changes to RTS 22 & June 2025 Feedback Report** In October 2024, ESMA issued a CP on changes to RTS 22. The proposed changes reflect the amendments to Article 26 MiFIR, certain instances of alignment between EMIR, SFTR and MiFIR transaction reporting, and a number of findings from ESMA’s 2021 review report on transaction reporting.	On 21 November 2025, the FCA published a Consultation Paper **(FCA CP 25/32)** on the UK transaction reporting regime (and related reference data reporting requirements, see below). The FCA has proposed significant changes to the regime, including: • Significant reductions to the instruments in scope of UK transaction reporting (see below); • The removal of several reporting fields, including the “indicator” fields (such as the short sale flag); • Additional clarity and other changes on certain transaction reporting fields (such as price and quantity fields); • Several enhancements to the requirements (including capturing in the “execution within the firm” field instances where an executing firm is providing DEA); and • Reducing the default back reporting period from five to three years. The FCA has also decided not to proceed with certain proposals (previously considered in its Discussion Paper), such as: • Moving to JSON as the messaging standard (with the FCA now confirming that it intends to retain ISO 20022 XML as the messaging standard); • The introduction of an aggregate client account linking code (although the FCA indicates that it will consult on additional guidance on use of the ‘INTC’ reporting convention in future); and • Prescriptive requirements on the creation of the TVTIC by trading venues given an improvement in matching rates following FCA supervisory work.	**EU** The changes will only apply once required revisions to RTS 22 become applicable, which have now been delayed due to the more comprehensive review of EU transaction reporting regimes (see below). ESMA’s consultation on RTS 22 closed in January 2025. In June 2025, ESMA published its Call for Evidence on the more comprehensive review of EU transaction reporting requirements across different reporting regimes. The Call for Evidence closed in September 2025, with ESMA due to produce a final report by Q2 2026. At the same time, in June 2025, ESMA published feedback received on its earlier RTS 22 CP (along with consultation feedback on RTS 23 and RTS 24). This feedback will be taken into account in the broader review. While the broader review is ongoing, the MiFIR Review changes to transaction reporting requirements will not apply, meaning that the pre-March 2024 Level 1 rules and current RTS 22 (and RTS 23 and 24) will continue to apply until relevant revisions to these RTS (and potentially to Level 1) have been made at a later stage. Greater clarity on timing should emerge when ESMA’s final report on the broader review is published in early 2026.	**Commentary on EU implementation** Firms will need to implement relevant changes to RTS 22 into their transaction reporting systems, although the scope of changes and timeline are now uncertain given the broader review of EU transaction reporting regimes. While some of these amendments (e.g. deletion of the short sale flag) will be welcome, the proposed changes to RTS 22 (if implemented as proposed in ESMA’s CP) would trigger highly complex and burdensome implementation projects for reporting firms that submit MiFID transaction reports. This is because firms would have to significantly adapt their transaction reporting systems (both in terms of fine-tuning existing outputs to reflect amendments to fields, as well as ensuring that data for the very large number of new reporting fields is collated or accessed). In addition to this, AFME has highlighted several concerns about the proposals in ESMA’s CP, including that existing problems with the creation of TVTIC have not been addressed by ESMA and have, in fact, been exacerbated by extending TVTIC to third country venues. There are also significant concerns about the new off venue TIC and the use of a new client categorisation field (amongst others). ESMA has reflected this feedback in its feedback report on RTS 22 and should take this into account when developing its final report on the broader review. In pointing out the inconsistencies in the ESMA CP regarding the implementation period for these changes to RTS 22, AFME had advocated for an implementation period of 18 months after related level 3 guidelines are published. Given the broader review and the likely complexity of upcoming change in this area (with impacts across different reporting regimes beyond MiFIR), implementation timings are likely to be a key concern for AFME members.

MiFIR / MiFID II reforms in the EU and the UK

	EU developments	*UK developments*	*Timeline*	*Key issues & implementation challenges*
Transaction reporting	Proposed changes to transaction reporting fields and identifiers include: • A very large number of new transaction reporting fields, such as a field for "effective date" and a field indicating the "entity subject to the reporting obligation" and a field identifying the client category; • The deletion of the short sale flag; • Extending TVTIC as an identifier to transactions concluded on third-country venues; • Transaction identification codes (TIC) for off-venue transactions; • A new identifier for aggregated orders (INTC); • A new code (chain identifier) to help identify chain flows; • Alignment with EMIR and SFTR reporting, as well as with EMIR Refit, such as clarifications on how price or complex trades are reported; and • Alignment with recently proposed changes to RTS 23 on reference data reporting. Amongst other changes to RTS 22, ESMA also proposes some changes to the list of exemptions from transaction reporting (and these will, in turn, be relevant for RTS 1 and 2 as these RTS cross-refer to the list of exemptions in RTS 22). ESMA proposed to: • Extend the exemptions to include disposals in the context of liquidation, bankruptcy or insolvency procedures (or similar instances), and to include auctions in emission allowances; but • Narrow the exemption for novations in derivatives so that novations would only be exempt where they are related to a clearing arrangement. **Comprehensive review of EU transaction reporting requirements – June 2025** • In June 2025, ESMA issued a Call for Evidence on EU transaction reporting regimes (including under MiFIR, EMIR, SFTR), putting on hold the above changes to RTS 22 (as well as changes to RTS 23 reference data requirements and RTS 24 order book data requirements) until that broader review has completed. • Feedback ESMA has received in response to its earlier CPs on RTS 22, 23 and 24 has been summarised in two feedback reports and should feed into the new wider review.	Transaction reporting scenarios and further guidance will follow in a new transaction reporting user pack, on which the FCA will consult in 2026. This pack will to some extent be based on existing EU non-legislative materials (such as the ESMA transaction reporting guidelines). Specific scenarios and guidance may also follow on how to report "intermediated" trades. In the longer term, HM Treasury, the FCA and the Bank of England will also work together on further streamlining reporting under UK MiFIR, EMIR and SFTR (with a cross-authority and industry working group due to be set up in Q1 2026 for these purposes).	**UK** The FCA's November 2024 Discussion Paper on the UK transaction reporting regime closed in February 2025. It informed the proposals in FCA Consultation Paper 25/32, which was published on 21 November 2025. The consultation closes on 20 February 2026, with an FCA Policy Statement to follow in the second half of 2026. The FCA has indicated that it may allow an 18-month implementation period (subject to confirmation in the Policy Statement). The FCA will consult on the new transaction reporting user pack during 2026. Over the longer term, HM Treasury, the FCA and the Bank of England will also work together on further streamlining reporting under UK MiFIR, EMIR and SFTR (with a cross-authority and industry working group due to be set up in Q1 2026 for these purposes).	**Commentary on UK implementation** Firms will need to implement relevant changes to RTS 22 into their transaction reporting systems in due course. AFME welcomes the proposed streamlining of the UK transaction reporting regime in the FCA Consultation Paper but will work with members to assess the FCA proposals in more detail with a view to responding to the consultation. **Commentary on divergences** Potential divergence between UK and EU transaction reporting requirements may mean that firms need to split existing transaction reporting systems and will add complexity to firms' implementation plans. As regulators in both the UK and EU are reviewing this important area in parallel, firms also face challenges arising from diverging consultation and implementation timelines over the next few years. Significant resource may be required to track, respond to and (in time) implement changes to transaction reporting requirements in both markets.

MiFIR / MiFID II reforms in the EU and the UK

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<tr><th></th><th>EU developments</th><th>UK developments</th><th>Timeline</th><th>Key issues & implementation challenges</th></tr>
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<td>Transaction reporting (non-equity instruments in scope)</td>
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Article 26 MiFIR - Non-equity instruments in scope of transaction reporting
The new MiFIR transaction reporting scope should result in a narrower population of OTC derivatives that are in scope of transaction reporting. This is because the revised rules remove the TOTV concept for OTC derivatives which limits the OTC derivatives in scope of transaction reporting to:
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OTC derivatives with a TOTV underlier;
OTC derivatives referencing a basket / index with a TOTV component; and
OTC derivatives that are in scope of the revised transparency regime under the new Article 8a of MiFIR (i.e., derivatives subject to the EMIR clearing obligation and CDS over global systemically important banks (or which reference indices comprising global systemically important banks) which are centrally cleared).

This reduction in scope of reportable OTC derivatives is explained in Recital 19a of MiFIR which states:
“Currently investment firms are required to report their transactions to their competent authority in any financial instrument traded on a trading venue or if the underlying is traded on a trading venue or is an index or basket composed of financial instruments that are traded on a trading venue, regardless of the transaction being executed on venue or OTC. The concept of ‘traded on a trading venue’ has proven problematic in the case of OTC derivatives, for the same reason it has proven problematic in the case of applicable transparency requirements. Therefore, the new scope for transaction reporting of derivatives clarifies that transactions in OTC derivatives executed on venue shall be reported, and those transactions in OTC derivatives executed off-venue shall only be reported if they are subject to transparency requirements, or if the underlying is traded on a trading venue or is an index or basket composed of financial instruments that are traded on a trading venue.”
Note that there are also some extensions in respect of instruments in scope of transaction reporting, as ESMA indicated in its October 2024 CP on changes to RTS 22. Transactions in OTC interest rate swaps, forward rate agreements, overnight index swaps and credit default swaps what are not ToTV and do not have an underlying that is ToTV, but which are caught within the new scope of non-equity transparency requirements (as to which see the Transparency section above) will be caught by transaction reporting requirements going forward.
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In its Consultation Paper on the UK transaction reporting regime, the FCA proposals include the following:

The FCA wants to limit the UK transaction reporting regime to instruments traded on a UK trading venue (i.e. excluding instruments that are only traded on an EU venue). Derivatives with a UK TOTV underlying will also remain in scope.
The FCA proposes removing foreign exchange derivatives from the scope of transaction reporting requirements.
To address difficulties in determining whether specific OTC derivatives are in scope of transaction reporting, the FCA is introducing new guidance specifying that an instrument would be in scope where it shares certain specified instrument reference data points with any instrument in FCA FIRDS. The FCA expressly disapplies ESMA’s 2017 opinion on “OTC derivatives traded on a trading venue” for these purposes.
The FCA is also proposing new guidance, based on instruments’ CFI codes, to indicate when firms should look at the underlying to determine reportability (i.e. even when the instrument in question is not a derivative).
Firms need to transaction report transactions in index or basket derivatives where the index / basket contains at least one UK TOTV instrument (with the FCA introducing certain changes to make validation and reporting of these derivatives less costly for firms).

The FCA also assessed whether to move to UPI as the identifier for OTC derivatives for transaction reporting purposes. However, using UPI would (because it is set based on product-level details, rather than instrument-level details like OTC ISIN) significantly increase the number of OTC derivatives in scope of transaction reporting. As such, the FCA is retaining OTC ISIN as the identifier for transaction reporting purposes. The FCA will work with international public authorities and standard-setting agencies to develop modified ISIN for transaction reporting.
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EU
The changes to the scope of transactions subject to transaction reporting requirements will not apply until required revisions to RTS 22 become applicable (see above).
UK
The FCA’s November 2024 Discussion Paper on the UK transaction reporting regime closed in February 2025. It informed the proposals in FCA Consultation Paper 25/32, which was published on 21 November 2025. The consultation closes on 20 February 2026, with an FCA Policy Statement to follow in the second half of 2026. The FCA has indicated that it may allow an 18-month implementation period (subject to confirmation in the Policy Statement).
The FCA will consult on the new transaction reporting user pack during 2026.
Over the longer term, HM Treasury, the FCA and the Bank of England will also work together on further streamlining reporting under UK MiFIR, EMIR and SFTR (with a cross-authority and industry working group due to be set up in Q1 2026 for these purposes).
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Commentary on EU implementation
Firms are unable to rely on the reduced instrument scope for transaction reporting purposes at this stage. Similarly, any extension in instrument scope will not apply until revised RTS 22 becomes applicable – with these changes being further delayed (see above).
Although the revised scope of EU transaction reporting removes the ToTV concept at the level of the OTC derivative being traded, the ToTV concept remains relevant because firms will need to determine whether relevant underliers / components of baskets / indices are ToTV. Firms will, therefore, still need to rely on external ToTV determinations for these purposes going forward.
Given the different implementation timings for changes to RTS 2 (see Transparency section above) and RTS 22, there may be discrepancies between the changes to RTS 2 and RTS 22, i.e. where changes to RTS 2 fields may not be reflected in RTS 22 for a (now extended) period.
In due course, firms will need to update their systems to strip out instruments previously in scope.
Commentary on UK implementation
The FCA’s proposals to reduce the instruments in scope of UK transaction reporting will be welcome. Firms will need to assess the FCA’s proposals on derivatives in scope of transaction reporting and the use of modified ISIN as an identifier of OTC derivatives for transaction reporting purposes.
Commentary on divergences
Potential divergence between UK and EU transaction reporting requirements, as well as likely divergence in terms of consultation and implementation timelines for the changes in both markets, will add complexity to firms’ implementation plans.
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MiFIR / MiFID II reforms in the EU and the UK

Reference data reporting (FIRDS)

EU developments

Article 27 of MiFIR

- The scope of the obligation to supply financial instrument reference data has been widened. The reference data reporting obligation formerly applied to financial instruments admitted to trading on regulated markets or traded on MTFs or OTFs, however, going forward the obligation will apply to financial instruments (i) admitted to trading; (ii) traded on a trading venue; (iii) where the issuer has approved trading of the issued instrument; or (iv) where a request for admission to trading has been made.
- Additionally, SIs will no longer be required to report reference data for financial instruments and instead the obligation will fall on DPEs for OTC derivatives only (rather than all financial instruments) that are not covered by the aforementioned scope.

ESMA's May 2024 CP on amendments to RTS 23

- RTS 23 is being amended to reflect (amongst other things) amendments to Article 27 MiFIR to the effect that relevant instrument reference data is going to be used not just for transaction reporting purposes going forward (as is currently the case) but also for transparency purposes.
- ESMA proposes a common daily reporting frequency for all reference data for both transaction reporting and reference data purposes.
- Given that transparency calculations are changing (including, in due course, in RTS 1 and 2, see above) following the MiFID II / MiFIR Review, ESMA is adapting RTS 23 to reflect what information will be needed to support the revised calculations. There will need to be further amendments to RTS 23 to reflect the final position on derivatives transparency in RTS 2.
- Other RTS 23 changes reflect the fact that DPEs will become responsible for reporting reference data of certain non-ToTV instruments. Amongst other changes, ESMA also clarifies that, where both counterparties are DPEs, both need to report reference data (as opposed to just the seller DPE, as is the case for post-trade reporting).
- Having been tasked with bringing RTS 23 reporting in line with EMIR and SFTR reporting, ESMA has also undertaken a line-by-line comparison of reporting fields and instructions, resulting in a number of changes to align reference data reporting fields and instructions accordingly.
- ESMA is also suggesting some changes to RTS 23 which would support publications under CSDR.
- ESMA proposes changes to reference data fields:
  - Addition of new fields to identify benchmark administrators, fund managers, minimum trading values, DPEs, venues of admission, actions types (i.e. new, modification, termination or error), and the delivery period for commodity derivatives;
  - Deletion of fields specifying the seniority of bonds, transaction types specified by venues, final price type, reference rate, and FX type.
  - Amendments to fields including aligning certain field names and changes to the field indicating the date of admission and first trading of an instrument (to ensure it reflects where instruments have been delisted and subsequently re-admitted), amongst other changes.
  - Note that changes to RTS 23 will be delayed due to the more comprehensive review of EU transaction reporting (and related) requirements across different regimes (beyond MiFIR) (see above and timing column).

UK developments

In its Consultation Paper on the UK transaction reporting regime, the FCA has proposed the following on UK FIRDS / reference data reporting:

- The FCA proposes to delete the requirement for systematic internalisers (SIs) to submit instrument reference data to FIRDS (as proposed in the FCA discussion paper). Reference data previously submitted by SIs to FIRDS would remain in the database to enable back reporting of transactions.
- Regarding venues' obligation to submit instrument reference data, the FCA is proposing several changes with a view to reducing the reporting burden. These include changes to how regularly venues need to submit reference data to FIRDS, and a reduction of reference data reporting fields.

Separately, the FCA has suggested that its FIRDS database could be used by firms as a "golden source" to determine whether a transaction is reportable (without having to put in place their own controls to determine reportability). This means that firms would determine reportability using FIRDS and would be able to conclude that a transaction is not reportable if the instrument (or its underlying) is not in FCA FIRDS by T+7 following trade execution. It is worth noting that:

- The FCA would not take action against firms that reasonably assume that an instrument is in scope of transaction reporting, even where it is not available in FIRDS (which could be the case for pre-admission trading).
- Where trades are executed on a UK venue, these trades should be automatically considered to be in scope of transaction reporting irrespective of whether the instrument appears on FCA FIRDS.

Timeline

EU

Changes to FIRDS reporting will only apply once the revised RTS 23 is applicable.

In June 2025, ESMA published a Call for Evidence on a more comprehensive review of EU transaction reporting (and related) requirements across different reporting regimes (see above). The Call for Evidence closed in September 2025, with ESMA due to produce a final report by Q2 2026.

At the same time, in June 2025, ESMA published feedback received on its earlier RTS 22 CP (along with consultation feedback on RTS 23 and RTS 24). This feedback will be taken into account in the broader review.

While the broader review is ongoing, the MiFIR Review changes to reference data requirements will not apply, meaning that the pre-March 2024 Level 1 rules and current RTS 23 (and RTS 22 and 24) will continue to apply until relevant revisions to these RTS (and potentially to Level 1) have been made at a later stage. Greater clarity on timing should emerge when ESMA's final report on the broader review is published by Q2 2026.

In addition to the RTS 23 amendments that were covered in ESMA's earlier CP, further amendments to RTS 23 will be needed to reflect amendments to transaction reporting requirements in RTS 22 and non-equity transparency requirements for derivatives in RTS 2. A CP on these RTS 2 amendments was published in April 2025 (see Transparency section above).

UK

The FCA's November 2024 Discussion Paper on the UK transaction reporting regime closed in February 2025. It informed the proposals in FCA Consultation Paper 25/32, which was published on 21 November 2025. The consultation closes on 20 February 2026, with an FCA Policy Statement to follow in the second half of 2026. The FCA has indicated that it may allow an 18-month implementation period (subject to confirmation in the Policy Statement).

The FCA will consult on the new transaction reporting user pack during 2026.

Over the longer term, HM Treasury, the FCA and the Bank of England will also work together on further streamlining reporting under UK MiFIR, EMIR and SFTR (with a cross-authority and industry working group due to be set up in Q1 2026 for these purposes).

Key issues & implementation challenges

Commentary on EU implementation

The addition of new reference data fields to identify benchmark administrators, fund managers, minimum trading values (as proposed by ESMA) will create additional work for firms.

Systematic internalisers should note that changes to Art. 27 MiFIR will not apply until the relevant changes to RTS 23 become applicable, meaning that existing reference data reporting requirements (including as to which instruments are in scope) will continue to apply for some time. However, some firms may cease to be SIs as a result of opting out of the SI regime or following the changes to the SI definition in September 2025 (see Market Structure section above) and would cease to be subject to reference data reporting obligations under Art. 27 at that time. Such firms would (if they are DPEs in the relevant asset class) need to be ready to recommence reference data reporting (in respect of the reduced scope of certain OTC derivatives only) when the revisions to RTS 23 start to apply.

Firms will need to watch proposed implementation timelines carefully as they become clearer in 2026.

Commentary on UK implementation

We note the proposed deletion of reference data reporting requirements for SIs, and the proposals to allow FCA FIRDS to be used as a "golden source" for determining whether instruments are in scope of UK transaction reporting requirements (except that trades carried out on a UK trading venue always being in scope). Firms will need to consider these changes and will, in due course, need to adapt their systems accordingly.

6. Investment Research

Executive summary

In both the EU and UK markets, new rules will allow buy-side firms to pay for investment research and execution services on a different basis by making joint payments for research and execution fees. The new payment option is, in both markets, subject to a number of conditions / “guardrails” which buy- side firms need to meet. The guardrails are intended to ensure adequate transparency about the costs of research, quality control and conflict of interest management.

In the UK, where the new payment option has been available to the buy-side since 1 August 2024, the guardrails are more prescriptive and onerous than in the EU. For example, the UK rules require buy-side firms wishing to use the new payment option to put in place a structure for allocating payments to different research providers. These could be similar to commission sharing agreements (CSAs), although the FCA requirements might go beyond requirements in other major jurisdictions. The buy-side and sell-side recommendation to allow pooled vehicles to use the same payment options as segregated mandates has been fulfilled by the FCA in a subsequent consultation which introduces increased flexibility for fund managers. In the UK, we are also advocating for increased payment optionality for corporate access services and VAT relief on payments for both investment research and corporate access.

The EU rules (which will be applicable from June 2026), on the other hand, are more flexible as to the processes required to facilitate joint payments for investment research and execution services by the buyside (although sellside firms will still be required to unbundle fees for execution and research services and to assess the quality and value of research, amongst other requirements). In addition, the UK rules require ex ante and ex post costs and charges disclosures indicating the expected annual costs and actual annual costs of research bought alongside execution services, while the EU rules will only require total costs attributable to third-party research (not just research received alongside execution services) provided to the firm to be disclosed to clients on an annual basis, and then only where these costs are known to the firm. However, firms will need to monitor how the new EU payment option is implemented in different EU Member States and will need to take account of any potential nuances in local implementation. In our view the divergence is manageable and firms will be able to switch to the new payment option if they choose to do so.

Sell-side firms which provide research and execution services to the buy-side will need to stand ready to support buy-side firms wishing to take up the new UK and EU payment options. This may involve putting in place arrangements to collect amounts in respect of research and distribute these to relevant research providers. As well as putting in place relevant contracts with buy-side firms, sell-side firms will need to ensure proper governance over these payment arrangements. It should be possible to start putting in place arrangements which could meet both the UK and EU guardrails and help buy-side firms set up research payment models that can operate across multiple jurisdictions (if required).

	EU developments	UK developments	Timeline	Key issues & implementation challenges
Joint payment option for research and execution (and related conditions)	The EU **Listing Act package** amends the MiFID II investment research rules (Article 24(9a) MiFID II) such that they will give firms the option to bundle research / execution payments (irrespective of the size of the issuer). Going forward, this new payment optionality will sit alongside existing ways in which EU firms can pay for investment research, i.e. payments for research from a firm’s own resources (P&L) and payments for research from a research payment account (RPA) for specific clients. The existing rule (introduced in February 2022 following the EU MiFID II ‘Quick Fix’) which allows buy-side firms to rebundle fees for research and execution services where the research relates to SME issuers, provided certain other conditions are met, will be deleted from Article 24(9a) MiFID II.	**FCA Policy Statement 24/9** The FCA has introduced the option for UK firms to pay for third-party investment research and execution services through joint payments. Certain requirements need to be met for firms to avail themselves of the new payment option (see below). These include the use of a structure for allocating payments to different research providers (such as a CSA-like structure, although with additional guardrails compared to pre-MiFID II CSAs), meaning that the new UK payment option does not allow buy-side firms to fully “rebundle” payments as they will still need to identify (when using joint payments for research and execution) amounts attributable to research. As in the EU, this new payment optionality will sit alongside existing ways in which firms can pay for investment research, i.e., payments for research from a firm’s own resources (P&L) and payments for research from a research payment account (RPA) for specific clients. The FCA is not changing existing rules on these other payment options. The specific minor non-monetary benefit (MNMB) introduced in the 2021 UK quick fix which effectively allowed rebundling of fees for research on SMEs with execution fees has been deleted. Corporate access relating to SMEs will continue to be a MNMB.	**EU** The Listing Act package was published in the Official Journal on 14 November 2024. Following publication in the Official Journal, the amendments to MiFID II entered into force 20 days later and Member States will then have until 6 June 2026 to implement the Level 1 changes. **UK** FCA PS24/9 was published on 26 July 2024. The rule changes applied from 1 August 2024, meaning that, from that date, buy-side firms can avail themselves of the new payment option, provided they meet the conditions / guardrails. FCA CP24/21 closed in December 2024. Final rules amending COBS18 are expected in H1 2025.	**Commentary on EU & UK implementation** It is unclear how many managers will take up the joint payment option, due, in particular, to the commercial challenge of justifying a switch from P&L based payments to clients and managing cost allocations where a subset of clients object to the joint payment option. As a result, some managers may implement “hybrid” models that enable joint payments as well as other payment options for research. On the other hand, managers that currently operate a hybrid payment model for investment research (for example to accommodate different regulatory considerations in respect of these payments in the US and EU) may wish to revisit their hybrid model in light of the upcoming EU changes. Sellside firms may wish to engage with buyside firms and consider updating relevant documentation to enable the use of the joint payment option(s) on a standalone basis, or alongside other payment options, as needed, It is uncertain whether this option would have an impact on the quantity and quality of research produced.

Overview of RAG ratings (with further detail on each topic below)

Topic	Jurisdiction	RAG rating
Joint payment option for research and execution (and related conditions)	EU & UK	
Unbundling of research and execution services (broker requirements)	EU & UK	
Other changes to inducement rules	EU & UK	
Code of conduct for issuer-sponsored research	EU & UK	
Creation of research platform	UK	
Increasing retail access to investment research	UK	
Bespoke regime for investment research	UK	
Other potential changes related to investment research	UK	

MiFIR / MiFID II reforms in the EU and the UK

	EU developments	*UK developments*	*Timeline*	*Key issues & implementation challenges*
Joint payment option for research and execution (and related conditions)	Firms wishing to pay for investment research and execution services on a joint / bundled basis will need to: • Agree a **payment methodology with the research provider**, including how the **cost of research is taken into account** in total investment services charges. • **Disclose their choice of payment method to clients** – i.e., whether they apply a separate or joint payment method for third-party research and execution services. • Have a **policy for research payments** in place (explaining, where providing joint payments, the firm's measures to prevent conflicts of interest) which they should provide to clients. • **Assess the quality, usability and value of the research they use** (not just research received alongside execution services), as well as the ability of the research used to contribute to better investment decisions, on an annual basis. ESMA is empowered to produce guidelines on how firms should conduct these assessments. • Keep a **record of total costs attributable to third-party research** (not just research received alongside execution services) provided to the firm and, on request, make such **information available to clients** on an annual basis, but only where these costs are known to the firm. The Level 1 text does not include an express requirement for buy-side firms to collate information on research costs. In October 2024, ESMA published a **consultation paper on amendments to the research provisions in the MiFID II Delegated Directive** (submitting the final technical advice to the Commission in April 2025), following changes introduced in the MiFID II Level 1 text by the Listing Act. ESMA has decided to amend the Delegated Directive with only high-level requirements which reflect the Level 1 changes, promote conflict of interest management and some level of convergence, whilst retaining flexibility for firms in how to meet the Level 1 requirements associated with the new joint payment option. Overall, the EU Level 1 and (proposed) Level 2 requirements for the new payment option remain less prescriptive than the "guardrails" that need to be met by buyside firms wishing to use the new UK joint payment option. Some amendments will also be required to ESMA's investor protection Q&A to account for the new payment option.	Firms wishing to use the new UK payment option will need to meet a number of conditions / "guardrails", which are intended to prevent opacity of prices paid for research services, allow firms to compare prices paid across research providers, and preserve competition in the separate markets for research and trade execution. The guardrails require: • A CSA-like **structure for allocating payments to different research providers** – both to brokers providing research alongside execution services, as well as independent research providers. • **Account management and administration** to ensure timely payments to research providers in line with the other guardrails. The FCA rules expressly clarify that buy-side firms can outsource the administration of the joint payments research account (and of the payment allocation structure above), although the buy-side firm will continue to be responsible for ensuring that the conditions are complied with. • A **written policy on joint payments**, which will need to set out the firm's approach and processes for complying with the "guardrails". Governance and controls for research acquired via joint payments will need to be separate from those for trade execution. • **Arrangements specifying the methodology for identifying research costs within joint payments**. The FCA has tweaked this in the final rules so that it is no longer necessary to have a "written agreement" with firms providing research and execution services. • A **research budget specifically for research bought on a joint basis**, updated at least annually. The budget should be based on the expected cost of research, rather than linked to execution volumes or values. The FCA's final rules clarify that the budget could be set at "a level of aggregation that is appropriate to [the firm's] investment process, investment products, investment services, and clients", rather than necessarily at individual client level. This is intended to give firms increased flexibility compared to the examples given in the consultation paper, which indicated that budgeting could be done at the level of an investment strategy or group of clients. The FCA indicates in the policy statement that the rules (including those on disclosures below) do not require firms to disclose the overall budget amounts, as this may be commercially sensitive information. It would be possible to **exceed a research budget**, but firms would need to have a policy on how to deal with this circumstance and would need to make certain disclosures to clients (with the final rules clarifying that disclosures on budgets being exceeded should be made "as soon as reasonably practicable and, at the latest, as part of a firm's next periodic report on costs and charges", i.e. do not necessarily require a separate communication to clients).	**EU** The Listing Act package was published in the Official Journal on 14 November 2024. Following publication in the Official Journal, the amendments to MiFID II entered into force 20 days later and Member States will then have until 6 June 2026 to implement the Level 1 changes. The Level 1 text does not provide a deadline for ESMA to produce guidelines on the quality assessment. ESMA consultation on amendments to the MiFID II Delegated Directive closed in January 2025. ESMA provided its technical advice to the Commission in April 2025. The timing of any updates to ESMA Q&A is uncertain. **UK** FCA PS24/9 was published on 26 July 2024. The rule changes applied from 1 August 2024, meaning that, from that date, buy-side firms can avail themselves of the new payment option, provided they meet the conditions / guardrails. FCA CP24/21 closed in December 2024. Final rules amending COBS18 were published in May 2025, with the new payment option available for fund managers from 9 May 2025.	**Commentary on divergences and EU & UK implementation** Sell-side firms who wish to support their buy-side clients in making use of the new payment optionality will need to support buy-side firms' compliance with the EU & UK conditions / guardrails. This may involve formalising a methodology for identifying research costs within bundled research and supporting buy-side firms in complying with relevant budgeting and disclosure obligations, in particular by providing the information buy-side firms will require (such as breakdowns of research and execution fees). **Commentary on UK implementation** The UK rules allow buy-side firms to delegate administration of accounts for the payment for research and the management of the mechanism for making payments to different research providers. This requires sell-side firms to provide CSA-style (or similar) support to the buy-side in order for buy-side firms to make use of the new payment option. Sell-side firms may be paid a fee for the services provided. However, this alone should not result in firms holding these amounts as client money, as the amounts are due to the relevant firm until it receives an instruction to send the monies to a research provider and are not owed to the client. **Commentary on EU implementation** The new EU payment option will need to be implemented in different EU Member States, and there could be nuances in local implementation. Sell- side firms supporting the buy-side in using the new payment option will need to monitor local implementation to ensure that arrangements with the buy-side take account of these potential nuances. AFME welcomed the high-level approach of ESMA to the advice on Level 2 measures.

	EU developments	UK developments	Timeline	Key issues & implementation challenges
Joint payment option for research and execution (and related conditions)		• **Fair allocation of research costs across clients** at an allocation level "appropriate to its business model" (rather than allocating research costs directly to individual clients). Research cost allocation should be reasonable and fair across clients, ensuring that relative costs allocated are commensurate with the relative benefits received. This is intended to avoid cross-subsidisation for research costs, such as where different clients of a firm have different payment arrangements for research. The final rules allow firms some latitude as to the allocation level, provided that they are appropriate to the firm's investment process, products, services and clients (similarly to the budgeting guardrail above and the disclosure of research providers below). • A **periodic (at least annual) assessment of the value, quality and use of research bought making a joint payment**, as well as how such research contributes to decision-making. In a notable change from the consultation, the final rules require firms to **ensure that relevant research charges are "reasonable"**, but no longer prescribe that there needs to be benchmarking of pricing for research received alongside execution services against "relevant comparators". Guidance in the final Handbook text suggests that firms could meet the requirement if they use benchmarking for this purpose, but other approaches would now be available to firms. • A number of **disclosures** to ensure continued transparency, which will need to be made **before providing services to clients and then at least annually, or more often on request**. Buyside firms would disclose to clients that joint payments are used, and (if relevant) how these are combined with other ways to pay for investment research. They would also summarise or provide their policy on research payments (see above). Importantly, *ex ante* and *ex post* costs and charges disclosures would need to show expected annual costs and actual annual costs of research paid for with a joint payment. This would be done as part of firms' costs and charges disclosures. - In the final rules, the FCA has amended the guardrail on providing **expected annual costs to clients, as part of ex ante disclosures** on costs and charges. As previously proposed, these had to be based on *both* the budget-setting and cost allocation procedures and the actual costs for prior annual periods. They now only need to be based on *the most appropriate* of these. This facilitates asset managers calculating one method only where this is appropriate (e.g. where there is a track record of stable research charges that are unlikely to change) but selecting another method when this is more appropriate (e.g. a new product for which a research budget has been set for the first time, or an existing product where the level of research expenditure is expected to change).		

MiFIR / MiFID II reforms in the EU and the UK

	EU developments	UK developments	Timeline	Key issues & implementation challenges
Joint payment option for research and execution (and related conditions)		- Firms would also disclose to clients the **most significant benefits and services received from research providers** (by total amount paid) and the **most significant types of research provider** from which these services are purchased "at a level of aggregation appropriate to the firm's investment products, investment services and clients". The latter is a change from the FCA consultation, which had proposed disclosure of the most significant research providers. Guidance in the final Handbook text suggests that a breakdown showing the use of independent research providers and non-independent research providers would be one way of showing the types of providers used. The policy statement confirms that the requirements do not necessitate disclosure of the actual amounts paid to research providers (which may be commercially sensitive or uninformative), but that these disclosures are intended to determine significance more generally. The FCA consulted in November 2024 on making equivalent changes to COBS 18, which applies to UK AIFMs and UCITS managers (FCA CP24/21), and these were finalised in May 2025 (DCA PS25/4). In response to the CP, buy-side and sell-side commented on excessive granularity of the FCA proposal around fund-level budgeting which does not take into consideration the way research is typically procured, with budgeting usually set at firm or strategy level (because research is undertaken by portfolio managers for a mix of accounts). The FCA's final rules do (in response to this feedback) allow greater flexibility to set research budgets either at the fund level or for more than one fund at a level of aggregation which is appropriate to firms' investment processes for managing the investments of the fund or funds, which should allow firm or strategy level budgeting.		
Unbundling of research and execution services (broker requirements)	Brokers will still need to price research and execution services separately (unless the relevant requirements in Article 13 of the MiFID Delegated Directive are amended / removed at a later stage).	Brokers will still need to price research and execution services separately (COBS 2.3C), as well as operating CSA-like structures (see above).	N/A	**Commentary on EU & UK implementation** Sell-side firms in the UK will continue to provide separate pricing for execution and research under the revised UK rules (and also under the revised EU rules, as these requirements are not proposed to be removed from Article 13 of the MiFID Delegated Directive). As such, from the perspective of the provider of research and execution services, neither the new UK nor the new EU payment option represent a full "rebundling".
Other changes to inducement rules	Other revisions to the EU inducement rules include the following: • Deletion of the current option to rebundle payments for SME research and execution services on certain conditions (discussed above). • Sales and trading commentary and other bespoke trade advisory services intrinsically linked to the execution of a transaction in financial instruments are expressly not considered to be research for these purposes. Changes relating to issuer-sponsored research which are introduced as part of the Listing Act package are outlined below.	The FCA's final rules also include the following changes (as consulted on): • Deletion of the specific minor non-monetary benefit (MNMB) introduced in the 2021 UK quick fix which effectively allowed rebundling of fees for research on SMEs with execution fees. • A clarification that best execution rules continue to apply unamended and that research received (e.g. when bundled with execution services) should not be taken into account as a factor when assessing best execution. • A new MNMB for short-term commentary without substantive analysis, as well as for bespoke trade advisory services intrinsically linked to execution of a transaction. This is aimed at addressing a concern raised in FCA discussions with industry that buy-side firms should be able to obtain such commentary or advisory services both from (US) brokers and investment advisers.	**EU** The Listing Act package was published in the Official Journal on 14 November 2024. Following publication in the Official Journal, the amendments to MiFID II entered into force 20 days later and Member States will then have until 6 June 2026 to implement the Level 1 changes. **UK** FCA PS24/9 was published on 26 July 2024. The rule changes applied from 1 August 2024, meaning that, from that date, buy-side firms can avail themselves of the new payment option, provided they meet the conditions / guardrails.	

MiFIR / MiFID II reforms in the EU and the UK

	EU developments	*UK developments*		*Timeline*	*Key issues & implementation challenges*
Code of Conduct for issuer-sponsored research	The Listing Act package also introduces MiFID provisions allowing issuer-sponsored research, provided it is produced in compliance with an EU code of conduct, which is intended to ensure the quality of this research. This is because the changes to the unbundling rules (see above) are seen as not being sufficient to improve the research coverage of small and medium-cap companies. Issuer-sponsored research is seen as one way of increasing SME research coverage. In December 2024, ESMA published a CP setting out proposed RTS establishing an EU code of conduct ("CoC") for issuer-sponsored research, and ESMA submitted the final draft RTS to the Commission in October 2025. The EU CoC aims to set standards of independence and objectivity for issuer-sponsored research providers and specifies procedures and measures for the effective identification, prevention and disclosure of conflicts of interest, with the view to enhancing the trust in and use of issuer-sponsored research. Investment firms will be expected to ensure that all issuer-sponsored research that they produce or intend to distribute to potential clients complies with the EU CoC, or otherwise to distribute non-compliant research as a marketing communication. Among other things, ESMA proposes that: • research providers should establish, implement and maintain an effective conflict of interest policy (that in many ways mimics that of firms that provide fully independent research, ie investment research as defined in Article 36(1) Commission Delegated Regulation (EU) 2017/565 ("MiFID Org Reg")); • issuers and research providers should only enter into an agreement where the minimal initial term of the contract is two years and where, at a minimum, 50% of the annual remuneration is paid upfront; • research providers update issuer-sponsored research during the contract period; and • research that is fully paid for by the issuer should be made public free of charge. EU authorities will have the powers to suspend the distribution of 'issuer-sponsored research' not prepared in accordance with the EU code of conduct. In our advocacy, we sought to distinguish between "investment research" which, to qualify as such, must be independent and objective. and issuer sponsored research which is produced in accordance with a Code that requires it to be objective but which should not be presented as independent. We also argued that, in view of potential legal and reputational risk, dissemination of issuer sponsored research to the public, when the research is fully paid for by the issuer, should be optional.	In July 2023, the **UK Investment Research Review** recommended introducing a code of conduct for all issuer-sponsored research. It proposes introducing a code to enhance the integrity of sponsored research as a potential useful source of information in its own right. However, unlike the EU, the UK review also recommends that the code should be voluntary and may be industry-led (although the FCA could consider recognising the code).		**EU** The Listing Act package was published in the Official Journal on 14 November 2024. Following publication in the Official Journal, the amendments to MiFID II entered into force 20 days later and Member States will then have until 6 June 2026 to implement the Level 1 changes. ESMA's final report on RTS on issuer-sponsored research was submitted to the European Commission in October 2025. This will be followed by a period for adoption and publication in the Official Journal. The RTS on issuer-sponsored research is set to apply from 6 June 2026. The RTS and new EU CoC are set to apply from 6 June 2026, i.e. when the underlying changes to MiFID II Level 1 are set to apply. **UK** The UK Chancellor confirmed in July 2023 that the government had accepted all the recommendations made in the Investment Research Review. However, the position of the new UK government on this topic has not been confirmed.	**Commentary on EU & UK implementation** Firms providing issuer-sponsored research will need to ensure compliance with the new code(s) of conduct, once established.

MiFIR / MiFID II reforms in the EU and the UK

	EU developments	*UK developments*	*Timeline*	*Key issues & implementation challenges*
Creation of a Research Platform	A proposal from the European Parliament for an EU-wide marketplace for SME research has not been included in the final **Listing Act amendments to MiFID II**. However, there is a note in the recitals to the directive amending MiFID II to suggest that Member States or ESMA can continue to explore this idea.	The **UK Investment Research Review** proposed the creation of a 'Research Platform'. This would provide a central, independent facility run by a single platform provider to encourage the promotion, sourcing and dissemination of research on issuers. The review envisages the Research Platform covering research on smaller cap companies, which would address the current disparity of available research between larger cap companies and smaller cap companies. However, the review notes that the Platform could also cover publicly listed companies, private companies contemplating a listing, and/or those companies traded on the new 'intermittent trading venues' (PISCES). A key proposal is for research produced by the Platform to be freely available, including to retail investors and other non-institutional investors, to ensure maximum visibility of the participating issuers. This raises the crucial question of how the Platform would be funded. This is not answered by the review, which indicates that funding could be through a levy on issuers, or could be funded by exchanges, through a contribution from government, by investors in issuers covered by the Platform (perhaps combined with a stamp taxes rebate), or through a levy on financial services firms.	**UK** The UK Chancellor confirmed in July 2023 that the government had accepted all the recommendations made in the Investment Research Review. However, the position of the new UK government on this topic has not been confirmed.	**Commentary on UK implementation & key UK issues** While contribution of sell-side firm research to a UK research platform should not require significant implementation costs / effort, there may be broader impacts on sell-side firms' business models. These include a potential need to re-assess risks associated with the provision of investment research if contribution of research to the new research platform could result in liability issues (for example, if retail investors were able to access research that was not intended for them). The issue of how the research platform would be funded is also still to be resolved, meaning that firms may need to re-assess their research provision in light of any cost implications of participation in the new research platform.
Increasing retail access to investment research		The UK Investment Research Review includes a recommendation aimed to increase retail access to investment research.	**UK** Timing unclear and the position of the new UK government has not been confirmed.	In AFME's view, firms should not be compelled to make research available to the retail market. This is because mandatory distribution of investment research to retail investors could discourage the production of research by firms in the UK due to concerns about potential liability issues (similar to those described in the context of the investment research platform above).
Bespoke regime for investment research		The UK Investment Research Review includes a recommendation tasking the FCA to consider clarifying aspects of the UK regulatory regime for investment research and consider introducing a bespoke regime.	**UK** Timing unclear and the position of the new UK government has not been confirmed.	The existing rules in respect of investment research reflect global standards, are well understood and integrated in sell-side firms' business models. It is AFME's view that retaining the existing requirements (rather than imposing revised or new requirements which would be costly to assess, implement and integrate into global business models) would not put the UK at a competitive disadvantage against other key financial centres.
Other potential changes related to investment research		Other recommendations by the UK Investment Research Review, which the FCA is tasked to consider, include recommendations to: • Involve academic institutions in supporting investment research initiatives; and • Review the rules relating to investment research in the context of IPOs.	**UK** Timing unclear and the position of the new UK government has not been confirmed.	Implementation challenges will depend on specific regulatory changes but may require some implementation efforts from sell-side firms providing investment research.

MiFIR / MiFID II reforms in the EU and the UK

7. Order execution policies

Executive summary

In the EU, new technical standards are being introduced which impose enhanced requirements in respect of firms' order execution policies. Firms will need to implement more prescriptive processes around their order execution policies, including monitoring, regular reviews and senior management sign offs. By way of example, the new requirements would see firms having to pre-select venues eligible for client order execution per class of financial instruments and per category of client. Following advocacy, ESMA's final draft RTS no longer proposes excessively granular asset classes for these purposes. However, these RTS still require firms to identify sub-classes in certain circumstances.

ESMA's final draft RTS on order execution policies were submitted to the European Commission in April 2025. These RTS have not been adopted by the Commission yet, and the reasons for this delay are unclear. However, in terms of application timings, AFME's advocacy for a longer implementation period has been successful, as ESMA's final report has recommended an 18-month implementation period.

	EU developments	UK developments	Timeline	Key issues & implementation challenges
Changes to order execution policies	**Article 27 MiFID II** Amendments to Article 27 introduce specific requirements for firms to monitor their order execution arrangements, in particular whether execution venues they use provide for the best possible result. If necessary, firms are required to change their order execution arrangements. ESMA is mandated to develop new RTS setting out criteria that should be taken into account for the purpose of defining and assessing the order execution policy, taking into account the difference between retail and professional clients. ESMA issued a **July 2024 CP on the new RTS on order execution policies**, followed by a **final report in April 2025**. The new RTS specify the criteria for how investment firms establish and assess the effectiveness their order execution polices. Whilst the draft RTS draw on existing requirements, they are more prescriptive and include new requirements for investment firms. For example, ESMA is suggesting that firms should pre-select the venues eligible for client order execution per class of financial instruments and per category of client (although ESMA's final draft RTS acknowledges that firms may specify a single venue if certain requirements are met). The ESMA CP had originally proposed a very granular taxonomy for how financial instruments should be classified for the purposes of the order execution policy requirements, which would have been extremely onerous as firms will be required to apply all other requirements in the proposed RTS for each class of instrument. However, ESMA's final draft RTS would still require firms to identify sub-classes within each instrument class on certain conditions. ESMA also proposes prescriptive monitoring and review requirements, as well as requirements for firms dealing on own account when executing client orders.		**EU** The changes to Article 27 MiFID II were due to be implemented by Member States by 29 September 2025 (although not all Member States have met this deadline). ESMA's final report on the RTS on order execution policies was submitted to the Commission in April 2025. At the time of writing, the Commission had not yet adopted these RTS, with the reason for the delay being unclear. We note that, while the Commission has delayed making changes in respect of order execution policies to MiFID II Delegated Regulation 2017/565 (Article 66 of which contains requirements on execution policies) until at least 1 October 2027, the adoption of the new RTS on order execution policies has not been delayed. Therefore, we still expect the new RTS to be adopted and published in the Official Journal at any time. In terms of implementation timings, ESMA's final report has recommended an 18-month implementation period for these requirements.	**Commentary on EU implementation** Firms will need to review their existing order execution policies and monitoring / review processes in light of the new RTS on order execution policies given the more prescriptive nature of the proposed RTS and the fact that relevant requirements would need to be met per asset class and investor category (and, although ESMA's final draft RTS no longer proposes excessively granular asset classes for these purposes, these RTS still require firms to identify sub-classes in certain circumstances).

MiFIR / MiFID II reforms in the EU and the UK

Appendix 1:Timelines

Timeline 1: All developments covered by this guide

Legend:
- Market structure
- Transparency
- Market data
- Consolidated tape
- Transaction reporting
- Investment research
- Order execution policies
- General /Other

UK

Dec 2023: FCA PS on UK bond CTP

Feb 2024: Final FCA report in UK Wholesale Data Market Study

Apr 2024: Designated reporter Regime started to apply

1 Aug 2024: Option to make joint payments for research and execution started to apply

Nov 2024: FCA PS on non-equity transparency regime (inc SI definition)

Nov 2024: FCA DP on transaction reporting

Mar 2025: Non-equity pre-trade transparency requirements for SIs, RFQ & voice systems disapplied

9 May 2025: Option to make joint payments for research and execution available for fund managers

10 Jun 2025: PISCES Sandbox commenced & FCA PS on rules for PISCES platforms

30 Jun 2025: Changes to PTRRS & scope of DTO applied

Jul 2025: FCA CP on non-equity SI regime & DP on equity SI regime

Q3 2025: Selection of UK bond CTP

19 Nov 2025: FCA CP on UK equity CTP (closing 30 Jan 2026)

21 Nov 2025: FCA CP on transaction reporting (closing 20 Feb 2026)

28 Nov 2025: FCA PS on non-equity SI regime

1 Dec 2025: Revised non-equity transparency regime (and removal of non-equity SI regime) will apply

2026: Bond CTP may become operational

H1 2026: FCA CP on equity SI regime

By 27 Mar 2026: Firms to terminate active non-equity reference data in FCA FIRDS and change transaction reporting processes to reflect end of UK non-equity SI regime)

30 Mar 2026: Removal of restrictions on operation of trading venues by investment firms will apply

H1 2026: FCA PS on UK equity CTP

During 2026: FCA CP on transaction reporting user pack

H2 2026 FCA policy statement on transaction reporting (with possible 18 month transition period indicated in CP)

Ca Q3 2026: FCA non-equity transparency post-implementation review

2027: UK equity CTP expected to be operational (with FCA possibly making some aggregated equity data available ahead of this time)

EU

Mar 2024: Amendments to MiFID II / MiFIR published in OJ, entering into force on 28 March, subject to transitional provisions

Nov 2024: Listing Act package published in OJ

Dec 2024: ESMA CP on RTS on issuer-sponsored research

Dec 2024: ESMA final reports on RTS 1, RTS 2 and RTS on RCB, CTP-related RTS and RTS on clock synchronisation

3 Feb 2025: Designated publishing entity regime started to apply

Apr 2025: ESMA CP on RTS 2 amends and CTP-related RTS for derivatives

Apr 2025: Final ESMA advice on Level 2 investment research changes

Apr 2025: ESMA final reports on RTS 3 (single volume cap), ITS on SI notifications, RTS 7a (circuit breakers) and RTS on order execution policies

Jun 2025: ESMA CfE on transaction reporting regime & feedback on RTS 22, 23 and 24

Jul 2025: Selection of EU bond CTP

29 Sep 2025: Amendments to MiFID II implemented

Oct 2025: Commission delay of Level 2 acts

9 Oct 2025: Move to Single Volume Cap

10 Oct 2025 Second ESMA statement on implementation timings

10 Oct 2025: Revised ESMA Level 3 guidance manual

Oct 2025: ESMA final report on issuer-sponsored research

Nov 2025: Commission adopted delegated act on PTRRS

3 Nov 2025: OJ publication of RTS 1 & 2, RCB, clock sync & CTP-related RTS, with some changes applicable 23 Nov

Dec 2025: ESMA final report on RTS 2 derivatives changes

Dec 2025: Selection of EU equity CTP

Jan 2026: Tender process for derivatives CTP to commence

1 Jan 2026: Certain RTS 1 changes apply (for trading venues)

2 Mar 2026: RTS 2 (bonds), certain RTS 1 changes & clock sync RTS apply

By Q2 2026: ESMA report on transaction reporting review

Jun 2026: Listing Act reforms apply

23 Aug 2026: RCB RTS apply

1 Sep 2026: Delegated Reg on OTC derivatives identifier for transparency purposes applies

1 Jan 2027: Certain changes to RTS 1 to apply (for trading venues)

Timeline 2: Market Structure

UK

Nov 2024: FCA PS on non-equity transparency regime (inc SI definition)

Mar 2025: Non-equity pre-trade transparency requirements for SIs, RFQ & voice systems disapplied

10 Jun 2025: PISCES Sandbox commenced & FCA PS on rules for PISCES platforms

28 Nov 2025: FCA PS on non-equity SI regime

1 Dec 2025: Revised non-equity transparency regime (and removal of non-equity SI regime) will apply

H1 2026: FCA CP on equity SI regime

By 27 Mar 2026: Firms to terminate active non-equity reference data in FCA FIRDS and change transaction reporting processes to reflect end of UK non-equity SI regime)

30 Mar 2026: Removal of restrictions on operation of trading venues by investment firms will apply

EU

Mar 2024: Amendments to MiFID II / MiFIR published in OJ, entering into force on 28 March, subject to transitional provisions

Apr 2025: ESMA final report including on ITS on SI notifications

29 Sep 2025: Amendments to MiFID II implemented

Oct 2025: Commission delay of Level 2 acts

10 Oct 2025: Second ESMA statement on implementation timings

Timeline 3: Transparency

UK

Apr 2024: Designated reporter Regime started to apply

Nov 2024: FCA PS on non-equity transparency regime (inc SI definition)

Nov 2024: FCA DP on transaction reporting

Mar 2025: Non-equity pre-trade transparency requirements for SIs, RFQ & voice systems disapplied

30 Jun 2025: Changes to PTRRS & scope of DTO applied

Jul 2025: FCA CP on non-equity SI regime & DP on equity SI regime

28 Nov 2025: FCA PS on non-equity SI regime

1 Dec 2025: Revised non-equity transparency regime (and removal of non-equity SI regime) will apply

H1 2026: FCA CP on equity SI regime

Ca Q3 2026: FCA non-equity transparency post-implementation review

EU

Mar 2024: Amendments to MiFID II / MiFIR published in OJ, entering into force on 28 March, subject to transitional provisions

Dec 2024: ESMA final reports including on RTS 1, RTS 2 and RTS on clock synchronisation

3 Feb 2025: Designated publishing entity regime started to apply

Apr 2025: ESMA CP on RTS 2 amends for derivatives

Apr 2025: ESMA final reports including on RTS 3 (single volume cap)

Oct 2025: Commission delay of Level 2 acts

9 Oct 2025: Move to Single Volume Cap

10 Oct 2025: Second ESMA statement on implementation timings

10 Oct 2025: Revised ESMA Level 3 guidance manual

3 Nov 2025: OJ publication of RTS 1 & 2 and RTS on clock synchronisation, with some changes applicable 23 Nov

Nov 2025: Commission adopted delegated act on PTRRS

Dec 2025: ESMA final report on RTS 2 derivatives changes

1 Jan 2026: Certain RTS 1 changes apply (for trading venues)

2 Mar 2026: RTS 2 (bonds), certain RTS 1 changes & clock sync RTS apply

1 Sep 2026: Delegated Reg on OTC derivatives identifier for transparency purposes applies

1 Jan 2027: Certain changes to RTS 1 to apply (for trading venues)

Timeline 4: Market Data

UK

Feb 2024: Final FCA report in UK Wholesale Data Market Study

EU

Mar 2024: Amendments to MiFID II / MiFIR published in OJ, entering into force on 28 March, subject to transitional provisions

Dec 2024: ESMA final reports including on RCB RTS

Oct 2025: Commission delay of Level 2 acts

3 Nov 2025: OJ publication of RCB RTS

23 Aug 2026: RCB RTS apply

Timeline 5: Transaction Reporting

UK

Nov 2024: FCA DP on transaction reporting

21 Nov 2025: FCA CP on transaction reporting (closing 20 Feb 2026)

H2 2026 FCA policy statement on transaction reporting (with possible 18 month transition period indicated in CP)

During 2026: FCA CP on transaction reporting user pack

EU

Mar 2024: Amendments to MiFID II / MiFIR published in OJ, entering into force on 28 March, subject to transitional provisions

Jun 2025: ESMA CfE on transaction reporting regime & feedback on RTS 22, 23 and 24

Oct 2025: Commission delay of Level 2 acts

By Q2 2026: ESMA report on transaction reporting review

MiFIR / MiFID II reforms in the EU and the UK

Timeline 6: Consolidated Tape Providers

UK

Dec 2023: FCA PS on UK bond CTP

Q3 2025: Selection of UK bond CTP

19 Nov 2025: FCA CP on UK equity CTP (closing 30 Jan 2026)

2026: Bond CTP may become operational

H1 2026: FCA PS on UK equity CTP

2027: UK equity CTP expected to be operational (with FCA possibly making some aggregated equity data available ahead of this time)

EU

Mar 2024: Amendments to MiFID II / MiFIR published in OJ, entering into force on 28 March, subject to transitional provisions

Dec 2024: ESMA final reports including on CTP-related RTS

Apr 2025: ESMA CP including on CTP-related RTS for derivatives

Jul 2025: Selection of EU bond CTP

3 Nov 2025: OJ publication of CTP-related RTS, applicable 23 Nov

Dec 2025: Selection of EU equity CTP

Jan 2026: Tender process for derivatives CTP to commence

Timeline 7: Investment Research

1 Aug 2024: Option to make joint payments for research and execution started to apply

Nov 2024: Listing Act package published in OJ

Dec 2024: ESMA CP on RTS on issuer-sponsored research

Apr 2025: Final ESMA advice on Level 2 investment research changes

9 May 2025: Option to make joint payments for research and execution available for fund managers

Oct 2025: ESMA final report issuer-sponsored research

June 2026: Listing Act reforms apply

Appendix 2: AFME papers

EU MiFIR/D II Review				
No.	*Implementation Guide Chapter*	*Issue*	*Consultation doc.*	*AFME's related work*
1	Market structure	Systematic Internalisers notification	Closed	AFME response to ESMA consultation: 16 October 2024
2	Transparency	Equity transparency - input/output data for shares and ETFs CTP; RTS 2 - the flags	Closed	AFME response to ESMA consultation: 30 September 2024
3	Transparency	Volume Cap (RTS 3); Circuit Breakers (RTS 7)	Closed	AFME response to ESMA consultation:16 October 2024
4	Transparency	Bond Transparency	Closed	AFME response to ESMA consultation: 28 August 2024 ; Annex ; Press Release
5	Market data	Reasonable Commercial Basis	Closed	AFME response to ESMA consultation: 28 August 2024 ; Press Release
6	Consolidated tape providers	Consolidated Tape Providers and DRSPs; Business clocks synchronisation	Closed	AFME response to ESMA consultation: 28 August 2024 ; Clock Sync Drafting Suggestions ; Press Release
7	Transaction reporting	RTS 22 (Transaction reporting) & RTS 24 (order data)	ESMA Call for Evidence – Comprehensive approach for the simplification of financial transaction reporting ESMA Final Report on RTS 22 & RTS 24 (review paused)	AFME response to ESMA Call for Evidence:19 September 2025 AFME response to ESMA consultation on RTS 22 & RTS 24: 17 January 2025
8	Transaction Reporting	RTS 23 (Reference Data)	ESMA Final Report on RTS 23 (review paused)	AFME response to ESMA consultation: 28 August 2024
9	Order Execution policies	Criteria for establishing and assessing the effectiveness of investment firms' order execution policies	Closed	AFME response to ESMA consultation:16 October 2024

Other briefing notes and position papers

Systematic Internaliser for bonds and derivatives: Trading and liquidity provision unaffected by SI de-registrations (AFME/ICMA/ISDA, October 2025)

AFME and Market Structure Partners report on Equities Market Data (AFME, MSP, January 2025)

AFME report on Fixed Income Market Data (AFME, February 2025)

AFME outlines its vision for CMU for the next institutional cycle (AFME, July 2024)

AFME's Recommendations for the MiFIR/DII Review Trilogues (AFME, April 2023)

The health of price formation in European equity markets (AFME, July 2022)

A Cross-Industry Consensus on the EU Equity Consolidated Tape Proposal (AFME, BVI, Cboe, EFAMA, May 2022)

AFME recommendations on the MiFIR review (AFME, June 2022)

The vital role of SIs in European equities markets (AFME, February 2022)

SIU Strategy - EU Capital Markets Integration					
No.	Implementation Guide Chapter	Issue		Consultation doc.	AFME's related work
1	N/A	EC targeted consultation on integration of EU capital markets		Closed	

EU Listing Act				
No.	Implementation Guide Chapter	Issue	Consultation doc.	AFME's related work
1	Investment Research	EU code of conduct for issuer-sponsored research	Closed	AFME response to ESMA consultation: 18 March 2025
2	Investment Research	Amendments to research provisions in the MiFID II Delegated Act	Closed	AFME response to ESMA consultation: 28 January 2025
3	Investment Research	EU Listing Act – Level 1	Closed	EU Listing Act - Summary of recommendations (March 2022)

UK Wholesale Market Review				
No.	Implementation Guide Chapter	Issue	Consultation doc.	AFME's related work
1	Market structure	SI obligations	Closed	AFME response to FCA 25/20: The SI regime for bonds and derivatives including discussion paper on equity markets: 10 September 2025 AFME response to FCA PS24/14: DP on the future of the SI regime: 10 January 2025
2	Transparency	Equity Transparency	Closed	AFME response to FCA CP22/12: Improving Equity Secondary Markets: 16 September 2022
3	Transparency	Bond Transparency	Closed	AFME response to FCA CP23/32: Improving transparency for bond and derivatives markets: 6 March 2024 AFME / The IA Joint Proposal for FCA (6/03/2024)
4	Market data	Reasonable Commercial Basis	Closed	AFME response to FCA Market Study MS23/1.5: April 2024 PR AFME response to FCA CP 24/24 on MiFID Organisational Regulation: 28 March 2025
5	Consolidated tape providers	Consolidated Tape Providers and DRSPs	FCA CP 25/31: The framework for a UK equity consolidated tape	AFME response to FCA CP23/33: Payments to data providers and forms for DRSPs: 9 February 2024 AFME response to FCA CP23/15: The Framework for a UK Consolidated Tape: 15 September 2023 Joint Statement on the "Establishment of a UK Consolidated Tape for Equities and ETFs" (July 2024) AFME position paper "The case for including pre-trade data on the UK equities consolidated tape" (June 2024)
6	Transaction reporting	RTS 22, RTS 23 and RTS 24	FCA CP 25/32: Improving the UK transaction reporting regime	AFME response to FCA DP 24/2: Improving the UK transaction reporting regime: 14 February 2025

UK Investment Research Review				
No.	Implementation Guide Chapter	Issue	Consultation doc.	AFME's related work
1	Investment Research	Payment Optionality for Fund Managers	Closed	AFME response to FCA CP 24/21 on Payment Optionality for Fund Managers:16 December 2024
2	Investment Research	Payment Optionality for Investment Research	Closed	AFME response to FCA PS 24/9 [CP 24/7]: Payment Optionality for Investment Research 5 June 2024 PR Joint AIMA/The IA/ AFME corporate access letter to the FCA (November 2024)
3	Investment Research	Rachel Kent Call for Evidence	Closed	AFME response: 24 April 2024

Other briefing notes and position papers
Systematic Internaliser for bonds and derivatives: Trading and liquidity provision unaffected by SI de-registrations (AFME/ICMA/ISDA, October 2025)
AFME and Market Structure Partners report on Equities Market Data (AFME, MSP, January 2025)
AFME report on Fixed Income Market Data (AFME, February 2025)
Priorities for UK Financial Markets (AFME, July 2024)
AFME reaction to key UK ministerial appointments (AFME, July 2024)

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