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## Press release

### AFME welcomes UK Consolidated Tape proposal

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In response to the Financial Conduct Authority (FCA)'s announcement today that it will consult the industry on reforms to improve markets and bolster competitiveness, including a UK consolidated tape, **Adam Farkas, CEO of the Association for Financial Markets in Europe (AFME) commented:**

*"The UK financial regulator has today set out further details of how it plans to make UK markets more competitive, including a focus on a single consolidated tape provider per asset class. This is a welcome step as it will help to ensure that associated data costs remain as low as possible, while addressing the current fragmentation of post-trade transparency data. A single consolidated tape provider will also be easier for the official sector and industry to monitor.*

*"AFME supports the development of a consolidated tape and the role it plays in improving data quality. However we recognise that even an appropriately constructed consolidated tape will not fully address the current unacceptably high cost of market data. We trust that the FCA's extensive work on wholesale data will help address anomalies in this area, which are detrimental to financial markets and their users.*

*"Open and constructive engagement with industry stakeholders is an important process for the development of high quality regulation, which in turn promotes strong and healthy financial markets and, ultimately, growth." AFME advocates for evidence-based policy making and we are extremely supportive of the rigorous approach that the FCA has adopted in relation to the cost benefit analysis supporting its policy positions."*

On the development of a UK consolidated tape, AFME's position is:

- **A single independent consolidator for each asset class** (i.e. shares and bonds) is appointed.
- The consolidated tape is offered at **fair and appropriate price levels for professional and non-professional users** respectively to ensure that is commercially successful.
- The consolidated tape is sold with a **simple, single market data licensing framework** covering a variety of use cases.
- With industry stakeholders' involvement, **data quality is addressed** alongside the development of the consolidated tape, and the FCA is empowered to monitor and enforce the quality of data provided to consolidated tape providers.
- **Mandatory contribution from all venues** to the tape is required.
- **There is no mandatory consumption** of the consolidated tape.
- **On the bond Consolidated Tape**, the post-trade consolidated tape ensures committed liquidity providers are not exposed to undue risk, especially when trading in illiquid instruments or transactions above a certain size, given that there are relatively long timeframes to unwind or hedge the trade in such instances.

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- **On the Equities Consolidated Tape**, the consolidated tape includes an ambitious level of pre and post-trade data. This tape should be continuous and operate in real time to ensure that it gives users a complete picture of the market while remaining commercially viable.

AFME looks forward to analysing the details of the papers and to engaging with the FCA on this fundamental issue.

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#### **Notes:**

AFME (Association for Financial Markets in Europe) promotes fair, orderly, and efficient European wholesale capital markets and provides leadership in advancing the interests of all market participants. AFME represents a broad array of European and global participants in the wholesale financial markets. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. AFME participates in a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association (ASIFMA) through the GFMA (Global Financial Markets Association). For more information, please visit the AFME website: [www.afme.eu](http://www.afme.eu). Follow us on Twitter [@AFME\\_EU](https://twitter.com/AFME_EU)