Consultation Response

FCA Consultation Paper 26/34: Preparing for the new transaction reporting regime

6 November 2026

The Association for Financial Markets in Europe (AFME) welcomes the opportunity to comment on the **FCA's Consultation Paper 26/34**. 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. We advocate stable, competitive, sustainable European financial markets that support economic growth and benefit society.

AFME is the European member of the Global Financial Markets Association (GFMA) 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) in Asia.

AFME is registered on the EU Transparency Register, registration number 65110063986-76. We summarise below our high-level response to the consultation, which is followed by answers to the individual questions raised.

Executive Summary

AFME welcomes the proposed guidance in CP26/34 to support implementation of the new UK transaction reporting regime. Greater clarity on the new rules and regulatory expectations will provide a consistent and operationally workable basis for implementation.

In particular, we highlight the following key areas of our consultation response:

- **Clear and accessible guidance:** The Transaction Reporting User Pack (TRUP) should identify which existing EU non-legislative materials have been retained, amended or withdrawn, with robust version control and a clear process for incorporating any existing FCA MarketWatch guidance or future guidance.
- **Further clarification on the client indicator fields:** Additional worked examples are needed to clarify regulatory expectations regarding the population of MAR 14 fields 8 and 17.
- **Conditional Single-Sided Reporting (CSSR)**: The CSSR regime remains complex, particularly where data provided by the sending firm is late or inaccurate or multiple intermediaries are involved. We recommend restricting CSSR to well-defined scenarios pending finalisation of the UK's long-term approach to report once.
- **Certainty on branch execution and reporting scope:** We welcome the FCA's confirmation that its branch-execution guidance codifies existing expectations rather than expanding reporting scope. Further examples would also be helpful to clarify the relevant reporting obligations.
- **Transition to the new regime:** We broadly support the transitional provisions but seek confirmation that corrections and back-reporting of pre-implementation transactions will accommodate valid legacy reporting treatments. Early removal of EU-only instruments from FCA FIRDS could create additional implementation burdens. If this is pursued before 3 April 2028, sufficient notice should be provided.

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Questions

1. Do you agree with our proposed treatment of EU non-legislative materials for transaction reporting? If not, please explain why.

Yes. We support the creation of a consolidated UK TRUP and broadly agree with the proposal to carry forward relevant EU non-legislative materials, subject to those materials being updated where UK policy, FCA interpretation or validation requirements differ.

To support auditability and consistent implementation, we request the FCA to publish:

- A clear mapping showing what has been carried across, amended or withdrawn across the current EU non-legislative materials.
- A versioning and change-control approach so firms can identify additions, deletions and changes over time.

We also encourage the TRUP to extend the existing "Reporting of different types of instruments" scenario set to cover lifecycle events and all relevant economic fields across asset classes, consistent with the FCA's stated aim to fill scenario gaps.

Moreover, we suggest that the FCA also explains in its feedback to this CP (i) how the regulatory guidance will evolve to cater for new scenarios and Q&As (ii) whether and to what extent the TRUP will include existing Market Watch guidance (such as in relation to IDM/EDM in Market Watch 74).

2. Do you make use of the XML representations in existing EU non-legislative materials? If so, what value do they provide?

There are different levels of use of XML by AFME members.

In general, XML representations included in guidance are not the primary artefacts used for systems development. Implementation is driven principally by the formal schema, validation rules and associated technical materials.

Illustrative XML may nevertheless provide value when it demonstrates how a regulatory example maps to the schema, particularly given the divergence in reporting frameworks and schema design between UK and EU MiFIR.

We would therefore support the publication of XML representations within the TRUP in a way that can be easily accessed and utilised by industry (e.g. in a machine-readable format). If the FCA does not plan to publish XML representations until the schema is finalised, we ask that the final schema and validation rules fully specify field conditionality and the FCA publish a field-by-field RTS 22 to MAR 14 mapping to support build and testing.

3. Do you agree with our proposed guidance in the 'Client indicator field' section of Appendix 2? If not, please explain why.

AFME broadly agrees with the guidance and particularly the proposed guidance that Fields 8 and 17 should be assessed from the perspective of the executing entity.

Although we understand that there will be no change to the existing logic, further clarification regarding the definition of "client" and its differentiation from market participants would be beneficial, particularly to clarify certain scenarios such as when there is a client of a client. For the latter scenario, clarification would be needed if for reporting purposes one should look at the agent or the client.

To support consistent application, we also request the FCA to provide additional guidance clarifying the scenarios proposed in the **Annex**.

4. Do you agree with our proposed guidance on CSSR as provided in Appendix 2? If not, please explain why.

We emphasise the complexity of CSSR and expect this to be a focus for the longer-term industry agenda on report once.

Moreover, we note that **the proposed guidance in CP26/34 does not provide an example of a client failing to meet the agreed time limit for sending the required data or providing inaccurate data**. The key question is whether, in those cases, (i) the clients must build reporting infrastructure to be able to self-report, while the receiving firm must also report on its own behalf, or (ii) the receiving firm must report on its own behalf, wait for the client data, and then cancel and submit a new report pursuant to the CSSR version. Further clarification would also be necessary on the nature of agreement(s)/documentation required between the parties and how/when an error would be attributable to the receiving firm.

Additionally, clarification will be needed on **whether E&O forms will be updated to include the CSSR information**.

Furthermore, the examples in Appendix 2 of CP 26/34 would imply that there is more than one client-server relationship in place. It would therefore be useful to clarify whether the FCA expects firms to offer CSSR only to clients or to other market participants as well.

With respect to those examples, we note the following:

Example 6: Further guidance would be beneficial for a scenario in which one firm acts as both a receiving firm and a sending firm in a multi-firm chain, particularly in relation to how the final receiving firm identifies the direct transmitter and any underlying firm.

We understand from Example 6 that, where an order passes through multiple investment firms under CSSR, Fields 25 and 26 are intended to identify the original sending investment firm, rather than necessarily the firm that transmitted the order directly to the final receiving firm. We would welcome confirmation that this interpretation is correct and is intended to apply generally to all multi-firm CSSR chains.

We would also welcome further guidance on the information that must pass through the chain to enable the final receiving firm to identify and report the original sending firm correctly, particularly where one or more intermediate investment firms sit between the original sender and final receiving firm. It also needs to be clarified if two agreements should be put in place.

In addition, it would be helpful for the FCA to clarify the intended regulatory treatment of the intermediate investment firms (Investment Firm X in Example 6) where those firms are not represented in the buyer, seller or sending-firm identification fields of the final report. In particular, the question is whether the FCA is comfortable that the reporting scenario outlined in Example 6 sufficiently evidences that the applicable reporting obligations have been fulfilled by all investment firms involved in the multi-firm chain, given that in Example 6, the reporting outcome does not evidence the involvement of an intermediary firm (Investment Firm X) in the multi-firm chain.

Finally, we would welcome an additional worked example based on the same multi-firm chain, but where the relevant firm is acting on behalf of a client, including a MTCH or AOTC scenario, showing the appropriate population of the buyer, seller, client-indicator, trading-capacity and sending-firm identification fields.

Example 7: Reports 1 and 2 have the Trading Capacity field set to “DEAL”, while showing “INTC” in the Seller Identification Code field and the National ID of a retail client in the Buyer Identification Code field.

Our understanding is that this may be inconsistent with draft updated validation rule CON-280, under which either the buyer or seller must be identical to the executing entity when a Trading Capacity of DEAL is reported. We would welcome clarification from the FCA on this point, with a view to ensuring that any guidance included within the TRUP can be fully reconciled with the published validation rules. The example also raises questions as to how Firm Y will be able to obtain and retain the National ID of Firm X' retail client.

In view of the above complexities, we suggest that the FCA restricts the offering of CSSR to certain well-defined scenarios only, until the UK's long-term approach to report once is finalised.

5. Do you agree with our proposed examples in Appendix 2 to support MAR 14.3.1G(7) on 'Meaning of a transaction'? If not, please explain why.

We broadly agree with the proposed treatment of new contracts, increases and decreases in economic exposure, and partial and full terminations. The guidance would, however, benefit from further detail on the Price field.

6. Do you agree with our proposed guidance in the 'Branch execution' section of Appendix 2? If not, please explain why.

We welcome the FCA's written response to questions posed by AFME members, which confirmed that the branch-execution guidance in MAR 14.13.27G to MAR 14.13.32G is intended to codify existing expectations and is not intended to bring into scope transactions for which the FCA would not currently expect a transaction report under UK MiFIR.

We would also welcome these written responses being reflected directly in the relevant MAR guidance. This should make explicit that the provisions codify existing expectations and prior bilateral advice provided to firms, and do not expand the existing UK MiFIR transaction-reporting scope, while clearly setting out the circumstances in which the involvement or supervisory responsibility of a UK branch gives rise to a reporting obligation. This would give firms a clear and generally applicable basis for determining scope and implementing the appropriate governance and supervisory arrangements.

With regard to **Example 9** in Appendix 2 of CP26/34, although we agree with the proposed guidance, we query the need to report the details of Trader 1 in the Paris branch, i.e. a non-UK branch that is not regulated by the FCA.

We also stress the cross-border data-sharing concerns that may arise in that reporting example.

7. Do you agree with our proposed guidance in the 'Equity swaps' section of Appendix 2? If not, please explain why.

AFME is not responding to this question.

8. Do you have any feedback on an approach to reporting equity swap transactions where both legs comprise underlying equity instruments? Please provide details of any scenarios for which additional guidance would be helpful.

AFME is not responding to this question.

9. Do you agree with our proposed guidance in the 'Strike price' section of Appendix 2? If not, please explain why.

AFME is not responding to this question.

10. Do you agree with our proposed guidance on 'Package transactions' in Appendix 2? If not, please explain why.

Yes, we agree. Furthermore, we would welcome clarification via examples on the "single economic agreement" section in MAR 14.13.20R.

11. Are there any scenarios that are not currently covered in sufficient detail? If so, please explain the scenario, the relevant product or transaction type, the reporting issue that arises and what additional guidance or examples would help firms report consistently.

We would welcome the FCA's consideration of additional reporting scenarios to ensure, where appropriate, the development of clear written guidance which can be applied consistently by all investment firms. AFME is currently aiming to prepare a detailed set of scenarios where further FCA guidance would be helpful. This analysis will be separately submitted to the FCA.

12. Do you agree with our proposed transitional provisions contained in the draft legal instrument in Appendix 1?

Yes. We broadly support the transitional provisions and the clarification that a firm correcting or submitting a pre-implementation transaction after 3 April 2028 will use the new MAR 14 format without having to supply information that was not required when the original transaction was executed.

We would, however, welcome clarification as to whether the updated validation rules will be applied to submissions with a trading date and time prior to the entry-into-force date, including corrections and back-reporting.

In particular, it would be helpful to receive confirmation that a report would not be rejected solely because a transaction was validly reported under the requirements in force on its execution date but does not comply with updated validation rules introduced after the entry-into-force date.

This could arise, for example, where a pre-implementation report used MTCH capacity and showed the executing entity in a buyer or seller field, but the equivalent report is submitted or corrected after implementation in relation to a separate reporting issue. Application of the updated validation could then prevent the firm from correcting the transaction report.

We believe that a workable transition will require the new format and the associated validation arrangements to accommodate legacy reporting treatments (e.g. relaxed validation depending on the reported transaction validation date), and we would welcome further clarification regarding how the FCA envisages this operating in practice in the context of TP 5.2.5. and 5.3.3.

13. Would you have concerns with us removing EU-only financial instruments from FCA FIRDS ahead of 3 April 2028?

Yes. A potential removal from FCA FIRDS of financial instruments that are only tradable in the EU before 3 April 2028 would force all firms to make changes earlier than the go-live date of the new transaction reporting regime. This is because, once this removal takes place, firms would be expected to rely on FCA FIRDS as the golden source.

If the FCA proceeds with that change ahead of 3 April 2028, we propose that the FCA continues to accept any submitted transaction reports that may relate to EU-only financial instruments. This will minimise the impact of transaction reporting rejections on firms that plan to update their reporting processes on 3 April 2028.

An additional concern is that any rejections will remain in the system for 7 days, leading to increased incident management efforts for firms.

If the proposal to proceed with the removal on an earlier date is confirmed, we propose that the FCA gives as much warning as possible.

To support firms' implementation planning, we would welcome clarification regarding:

- whether trading venues or firms would be expected to take any action in relation to instrument reference data; and
- the criteria and filtering methodology the FCA proposes to use to identify EU-only financial instruments.

14. Do you agree with our proposed changes to the Glossary of definitions, COBS, MAR, REC, SYSC and Technical Standards as set out in Appendix 1?

Yes, we agree.

Annex

Question 3: Proposed reporting scenarios regarding the client indicator fields.

We recommend that the FCA adds examples for outsourced dealing desk chains, non-UK affiliate routing into a UK execution, and market-making against a market counterparty, showing AOTC, MTCH and DEAL outcomes, building on Examples 1 to 3 below.

Example 1: Client order received through an outsourced dealing desk

- Client A, an asset manager, is a client of Investment Firm X. Client A has outsourced its dealing to Investment Firm Y.
- Acting in any other capacity for Client A, Investment Firm Y sends an order to Investment Firm X to buy a financial instrument.
- Investment Firm X, acting in a matched principal capacity, executes the order on Trading Venue M.
- The transaction settles between Investment Firm X and Client A. However, Investment Firm X received the order from Investment Firm Y and cannot see Client A on the order.

Comment: We expect the client indicator fields to be populated as follows.

N	***Field***	***Values reported by Investment Firm Y***	***Values reported by Investment Firm X***
4	Executing entity identification code	{LEI} of Investment Firm Y	{LEI} of Investment Firm X
7	Buyer identification code	{LEI} of Client A	{LEI} of Investment Firm Y
8	Client indicator for the buyer	TRUE	TRUE
16	Seller identification code	{LEI} of Investment Firm X	{LEI} of CCP for Trading Venue M
17	Client indicator for the seller	FALSE	FALSE
28	Trading capacity	AOTC	MTCH
34	Venue	XOFF	{MIC} of Trading Venue M

Example 2: Client order routed by a non-UK group entity

- Client A, a US client, is a client of Investment Firm Z.
- Investment Firm Z is a US group affiliate of Investment Firm X and is not a transaction reporting firm.
- Investment Firm Z, acting in a matched principal capacity, sends Client A's order to Investment Firm X.
- Investment Firm X then executes it on Trading Venue M, a UK trading venue, also in a matched principal capacity.
- The leg between Client A and Investment Firm Z is not reportable.

Comment: We expect the client indicator fields to be populated as follows.

N	Field	Investment Firm Z (not reported, shown for illustration)	Values reported by Investment Firm X
4	Executing entity identification code	{LEI} of Investment Firm Z	{LEI} of Investment Firm X
7	Buyer identification code	{LEI} of Client A	{LEI} of Investment Firm Z
8	Client indicator for the buyer	TRUE	FALSE
16	Seller identification code	{LEI} of Investment Firm X	{LEI} of CCP for Trading Venue M
17	Client indicator for the seller	FALSE	FALSE
28	Trading capacity	MTCH	MTCH
34	Venue	XOFF	{MIC} of Trading Venue M

Example 3: Market making against a market counterparty

- Investment Firm X, a market maker dealing on its own account, sells a financial instrument over the counter to Investment Firm W.
- For this flow, Investment Firm X treats Investment Firm W as a market counterparty, not a client.
- Investment Firm W may also be a client of Investment Firm X for other business, and Investment Firm X has no order-level flag that tells the two relationships apart.

Comment: When trading capacity is DEAL, we expect the client indicator fields to be populated as follows.

N	Field	Values reported by Investment Firm X
4	Executing entity identification code	{LEI} of Investment Firm X
7	Buyer identification code	{LEI} of Investment Firm W
8	Client indicator for the buyer	FALSE
16	Seller identification code	{LEI} of Investment Firm X
17	Client indicator for the seller	FALSE
28	Trading capacity	DEAL
34	Venue	XOFF