

Market conduct

Chapter 9

Data reporting service

9.2A Consolidated tape providers

Selection of a consolidated tape provider

- 9.2A.1** **G** The *FCA* will organise a selection procedure for a single *consolidated tape provider* for the asset class of bonds, excluding exchange traded commodities and exchange traded notes.
- 9.2A.2** **G** The *FCA* will give a direction to tender for the provision of the service of a *consolidated tape for bonds* by placing a notice on the *FCA's* website inviting tenders, and providing details of the tender specification and process to be followed. As well as providing additional information to be set out in the direction to tender, tenders should include the information set out in ■ MAR 9.2A.3 and ■ MAR 9.2A.4.
- 9.2A.3** **G**
- (1) Tenders should include a programme of operations. The programme of operations should include:
 - (a) information on the organisational structure of the bidder, including an organisational chart and a description of the human, technical and legal resources allocated to its business activities;
 - (b) information on the compliance policies and procedures of the bidder, including:
 - (i) the name of the *person* or *persons* responsible for the approval and maintenance of those policies;
 - (ii) the arrangements to monitor and enforce the compliance policies and procedures;
 - (iii) the measures to be undertaken in the event of a breach which may result in a failure to meet the conditions for initial authorisation; and
 - (iv) a description of the procedure for reporting to the *FCA* any breach which may result in a failure to meet the conditions for initial authorisation; and
 - (c) a list of all outsourced functions and resources allocated to the control of the outsourced functions.
 - (2) A bidder offering services other than *data reporting services* must describe those services in the organisational chart.

- 9.2A.4** **G** A bidder should include in its tender:
- (1) a description of the processes for selection, appointment, performance evaluation and removal of *senior management* and members of the *management body*;
 - (2) a description of the reporting lines and the frequency of reporting to the *senior management* and the *management body*; and
 - (3) a description of the policies and procedures on access to documents by members of the *management body*.
- 9.2A.5** **G** After assessing each tender, the *FCA* will select a single winning bidder by applying the selection criteria in the tender documentation.
- 9.2A.6** **G**
- (1) The appointment of a *CTP* for bonds will commence on the date that an authorisation by the *FCA* of the selected bidder as the *CTP* for bonds takes effect under regulation 9(4) of the *DRS Regulations*.
 - (2) The tender contract is awarded for a maximum of 5 years, commencing from a date to be determined by the *FCA*. The tender contract term is renewable in limited circumstances for a period of no more than 2 years in accordance with regulation 6 of the *DRS Regulations*.
 - (3) Within 6 *months* before either the expiry of the tender contract term or the *FCA* cancelling an authorisation to provide a *data reporting service* as a *CTP* under regulation 10 of the *DRS Regulations*, the *FCA* will begin the process to re-tender for a *CTP* for bonds.
- 9.2A.7** **R** A *CTP* must publish information relating to its costs for establishing, maintaining and operating the *consolidated tape for bonds* in such a way as to be accessible to potential bidders in a re-tender process.
- 9.2A.8** **R** A *CTP* for bonds must take all reasonable steps to transfer without delay to a successor *CTP* the assets, data and operational information necessary to enable it to operate the consolidated tape effectively. It must also have in place agreements with its clients which enable those clients who decide to do so to transfer to a successor *CTP*.