

**Market conduct**

## Chapter 9

# Data reporting service

## 9.5 Frequently Asked Questions

9.5.1 **G** [deleted]

9.5.2 **G** Q.We are a *trading venue* operator. Can you please clarify how we can provide a *data reporting service* under the derogation from needing authorisation in regulation 5(b) to (d) of the *DRS Regulations*?

A.

- (1) The derogation (or exception) in article 59(2) of *MiFID* allowed Member States to allow a *trading venue* operator to provide a *data reporting service* without prior authorisation, if the operator verified that they complied with Title V of *MiFID*.
- (2) The *United Kingdom* adopted this derogation in regulation 5(b) to (d) of the *DRS Regulations*.
- (3) As a result a *trading venue* operator must apply for verification of its rights to provide a *data reporting service* using the form in [MAR 9 Annex 1D](#).
- (4) The application process for a *trading venue* operator to become a *data reporting services provider* is the same as for a *person* to become a *data reporting services provider*, except for the requirements for the *management body* of a *market operator* addressed in [MAR 9.5.3G](#) below.
- (5) Successful applicants will become *data reporting services providers* and will be required to comply with the regulatory framework in [MAR 9.1.3G](#). They will be subject to fees charged by the *FCA* in [MAR 9.5.4G](#).

9.5.3 **G** Q.We are a *market operator*. Can we use the same members of our *management body*?

A.Yes. Where the members of the *management body* of the *APA*, the *CTP* or the *ARM* are the same as the members of the *management body* of the *regulated market* you will be deemed to have complied with the *management body* requirement in regulation 13(1)(a) and (b) of the *DRS Regulations*. You will only be required to complete the full name and personal national identification number or equivalent thereof fields of [MAR 9 Annex 2D](#) for each of these members of the *management body*. For any additional members of the *management body* of the *APA*, the *CTP* or the *ARM* that are not the same as the members of the *management body* of the *regulated market*, you must notify us of these persons by completing all

fields of ■ MAR 9 Annex 2D. You must notify us of any change in membership using ■ MAR 9 Annex 6D.

9.5.4 **G** Q.Where can I find out information about fees to be charged in respect of *data reporting services providers*?

A.See ■ FEES 3.2.7R and ■ FEES 4 Annex 11R.

9.5.5 **G** Q.How do we go about applying to be an *ARM*?

A.In summary:

- (1) You should complete:
  - (a) all of the questions in the application form at ■ MAR 9 Annex 1D; and
  - (b) the notification form for the list of members of the *management body* at ■ MAR 9 Annex 2D.
- (2) You should sign the *MIS confidentiality agreement* at ■ MAR 9 Annex 10D.
- (3) You should provide the documents referred to in:
  - (a) (1)(a) and (b) together with supporting documentation to the *FCA* as set out in ■ MAR 9.2.6D; and
  - (b) (2) to the *FCA* as set out in ■ MAR 9.3.4D.
- (4) After receiving the documents referred to in (3) and subject to our review of them, we will provide you with a copy of our *Market Interface Specification (MIS)*.
- (5) If you consider that you can meet our specifications you should obtain the *FCA MDP on-boarding application form* at ■ MAR 9 Annex 7D and provide the completed form and any relevant documents to us together with the associated fee in ■ FEES 3.2.7R and ■ FEES 4 Annex 11R. Our consideration of your application for authorisation as an *ARM* is dependent on us reviewing a completed *FCA MDP on-boarding application form*.
- (6) We may at any time request additional information to proceed with the assessment of the application.
- (7) During our consideration of your application for authorisation or verification, we will normally invite you to work with us to undertake the appropriate testing required for you to establish connection to us.
- (8) Having obtained and examined the necessary information we require from you, we will do one of three things in relation to your application for authorisation:
  - (a) authorise you as an *ARM*; or
  - (b) issue a *warning notice* that we propose to authorise you as an *ARM* with the imposition of a requirement on your authorisation; or

(c) issue a *warning notice* that we propose to refuse the application for authorisation.

(9) If we issue a *warning notice*, the procedure in *DEPP* applies.

(10) If we approve your application for authorisation or verification, we will confirm your authorised status.

9.5.6

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**Q.** Does an *investment firm* need to be authorised as an *ARM* to send *transaction reports* to the *FCA*?

**A.** No. If you are a *MiFID investment firm* that wishes to send *transaction reports* to us to satisfy your own transaction reporting obligations under *MiFIR* or a *third country investment firm* subject to a similar obligation pursuant to ■ GEN 2.2.22AR,

you do not need to become authorised as an *ARM*. You are permitted to connect directly to us although there will be a requirement to sign a *MIS confidentiality agreement* with us, to satisfy connectivity requirements and to undertake testing associated with connecting to our systems. For the associated costs please see ■ FEES 3.2.7R for relevant on-boarding costs. If you want to connect to us to send reports on behalf of other *investment firms* then you must become authorised as an *ARM*.

9.5.7

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**Q.** Where can I find a list of *data reporting services providers*?

**A.** Regulation 6 of the *DRS Regulations* requires the *FCA* to maintain a register of *data reporting services providers*.

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**Q.** I am a *data reporting services provider* and am experiencing technical issues. What do I do?

**A.** In the first instance please contact Market Data Processor support at MDP.technicalOnboarding@soprasteria.com and copy DRSP supervision at MRT@fca.org.uk with a succinct summary of the technical issue(s) encountered.

9.5.9

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**Q.** Can any *trading venue* report *transactions* for the purposes of article 26 of *MiFIR* to the *FCA* using an *ARM*?

**A.** Yes. The ability of a *trading venue* to submit data to an *ARM* is consistent with the definition of an *ARM* which enables a *trading venue* to submit information, on its own behalf, to an *ARM*. It is also consistent with paragraph 2 of article 9 [Security] of *MiFID RTS 13*, which enables a third party to submit information to an *ARM* on behalf of others. More generally, it supports the purpose underlying *MiFIR* and *MiFID* of facilitating the detection of cases of *market abuse*.

9.5.10

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**Q.** Can a group of *investment firms* aggregate their reporting via an internal hub?

**A.** Yes. A group of *investment firms* may use a hub to assist with aggregating transaction reporting data for each legal entity that is an *investment firm* in the group for the purposes of article 26 of *MiFIR* provided that the hub is either an *ARM* or the hub uses an *ARM* to report the transaction data to the *FCA*. Paragraph 2 of article 9 [Security] of *MiFID RTS 13* confirms that an

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*investment firm* ('reporting firm') may use a third party ('submitting firm') to submit information to an *ARM*.

**9.5.11** **G** **Q.**Which form should I use if I wish to cancel some, but not all, of my *data reporting service*?

**A.**You should use the form at ■ **MAR 9 Annex 3D**. If you expect the wind-down (run-off) of the service that you wish to cancel to take longer than six *months* you should discuss this with your usual supervisory contact.

**9.5.12** **G** **Q.**I intend to apply to be authorised to provide the *data reporting service* of an *APA*. May I establish connectivity requirements while my application for authorisation is being considered?

**A.** Yes. The *MIS confidentiality agreement* is available on our website at [www.fca.org.uk/markets/market-data-regimes/market-data-reporting-mdp](http://www.fca.org.uk/markets/market-data-regimes/market-data-reporting-mdp) together with instructions on how to obtain the *Market Interface Specification (MIS)* for connectivity.