Chapter 17

Transaction reporting

17.1 Application

Who?

17.1.1 R This chapter applies to:

(1) a *MiFID investment firm*;

(2) a *third country investment firm*; and to

(3) a *person* who is the operator of an *approved reporting mechanism* or of a *regulated market* or *MTF* that is used by a *firm* to report *transactions* to the *FCA*; and

(4) a firm acting in its capacity as a manager or operator of:

(a) a collective investment undertaking; or

(b) a *pension scheme*; or

(c) an *occupational pension scheme*; or

(d) a *personal pension scheme*; or

(e) a *stakeholder pension scheme*.

17.1.2 G Article 32(7) of *MiFID* requires the *FCA* to apply the *transaction* reporting requirements in Article 25 to the *UK branches* of *EEA* investment firms and branches of *credit institutions* in respect of reportable transactions arising in the course of services provided in the UK.

17.1.3 G Article 32(7) of *MiFID* provides that the branch of a *UK firm* operating from an establishment in another *EEA state* must satisfy the transaction reporting requirements of the *competent authority* in that other Member State in respect of reportable transactions arising in the course of services provided in that other Member State.

17.1.3A G In line with guidance from CESR, the *FCA* acknowledges that, from a practical point of view, it would be burdensome for *branches* of *investment firms* to be obliged to report their *transactions* to two *competent authorities*. Therefore, all *transactions* executed by *branches* may be reported to the *competent authority* of the *Host State*, if the *investment firm* elects to do so. In these cases *transaction reports* should follow the rules of the *competent authority* to which the report is made. However, where an *investment firm* chooses to report to two *competent authorities*, this choice will not be challenged by the *FCA*.

What?

17.1.4 R A *firm* which executes a *transaction*:

(1) in any *financial instrument* admitted to trading on a *regulated market* or a *prescribed market* (whether or not the *transaction* was carried out on such a market); or

(2) in any *OTC derivative* the value of which is derived from, or which is otherwise dependent upon, an equity or debt-related *financial instrument* which is *admitted to trading* on a *regulated market* or on a *prescribed market*;

must report the details of the *transaction* to the *FCA*.

[**Note**: article 25(3) of *MiFID*].

17.1.4A R ■ SUP 17.1.4 R (2) does not apply to a transaction in any *OTC derivative* the value of which is derived from, or which is otherwise dependent upon, multiple equity or multiple debt-related *financial instruments* except where the multiple *financial instruments* are all issued by the same *issuer*.

Where?

17.1.5 R This chapter applies in respect of *transactions* which are to be reported to the *FCA*.

Status of EU provisions as rules in certain instances

17.1.6 R In this chapter, paragraphs marked "EU", including ■ SUP 17 Annex 1 EU, shall apply to a *firm* as if those provisions were *rules* to the extent that it executes a transaction in a *financial instrument* which is specified by ■ SUP 17.1.4 R. but which is beyond the scope of article 25(3) of *MiFID*.

Guidance on the reporting of certain transactions

17.1.7 G (1) The movement, reallocation or transfer of *financial instruments* within the accounts of one legal entity will be reportable where the movement, reallocation or transfer is as a result of an agreement to transfer rights in a *financial instrument* to which this chapter applies between *clients* of the *firm* or between the *firm* (or a member of its *group*) and a *client*, and where the movement, reallocation or transfer involves a transaction within the meaning of Article 5 of the *MiFID Regulation*.

(2) For a rolling *spread bet*, only the initial opening of the betting contract and the final closure of the contract need to be reported. Openings and closings for technical purposes such as daily roll-over, which are intended to maintain a particular *spread bet* position, need not be reported. Final closings of a portion of a bet should be reported as required by ■ SUP 17.2.7 R.