

## MARKETS IN FINANCIAL INSTRUMENTS (NON-EQUITY TRANSPARENCY RULES) INSTRUMENT 2024

### Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the powers and related provisions in or under:
- (1) articles 8, 9, 10, 11 and 21 of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012;
  - (2) the following sections of the Financial Services and Markets Act 2000 (“the Act”):
    - (a) section 137A (The FCA’s general rules);
    - (b) section 137T (General supplementary powers);
    - (c) section 139A (Power of the FCA to give guidance); and
    - (d) section 300H (Rules relating to investment exchanges and data reporting service providers);
  - (3) regulation 11 of the Financial Services and Markets Act 2000 (Recognition Requirements for Investment Exchanges, Clearing Houses and Central Securities Depositories) Regulations 2001 (SI 2001/995); and
  - (4) the other rule and guidance making powers listed in Schedule 4 (Powers exercised) to the General Provisions of the FCA’s Handbook.
- B. The rule-making powers listed above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

### Commencement

- C. This instrument comes into force on 1 December 2025 for all purposes except Part 1 of Annex A, Part 2 of Annex B and Part 4 of Annex B which, where indicated, come into force on 1 December 2024.

### Interpretation

- D. In this instrument, any reference to any provision of assimilated direct legislation is a reference to it as it forms part of assimilated law.

### Amendments to the Handbook

- E. The Glossary of definitions is amended in accordance with Annex A to this instrument.
- F. The Market Conduct sourcebook (MAR) is amended in accordance with Annex B to this instrument.

**Amendments to material outside the Handbook**

- G. The Perimeter Guidance manual (PERG) is amended in accordance with Annex C to this instrument.

**Notes**

- H. In the Annexes to this instrument, the notes (indicated by “**Note:**” or “*Editor’s note:*”) are included for the convenience of readers, but do not form part of the legislative text.

**Citation**

- I. This instrument may be cited as the Markets in Financial Instruments (Non-Equity Transparency Rules) Instrument 2024.

By order of the Board  
31 October 2024

## Annex A

## Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

Insert the following new definitions in the appropriate alphabetical position. The text is not underlined.

**Part 1: Comes into force on 1 December 2024**

*trading venue operator* (1) a *UK operator* of a *trading venue*; or

(2) an *overseas firm* which operates a *trading venue* from an establishment in the *UK*.

*transparency investment firm* a *person* who is either:

(1) a *MiFID investment firm*, except a *collective portfolio management investment firm*; or

(2) a *third country investment firm* subject to *GEN 2.2.22AR*, who *deals on own account* or executes orders on behalf of *clients*.

**Part 2: Comes into force on 1 December 2025**

*actionable indication of interests* messages from one member or participant to another within a trading system in relation to available trading interest that contains all necessary information to agree on a trade.

*aggressive order* an order that has been released in the order book and which initiates trades.

*category 1 instrument* a *financial instrument* of a type specified in column A of the table in *MAR 11 Annex 1R* which fulfils the conditions set out in columns B to D (as applicable) of that table.

*category 2 instrument* a *debt security, derivative, structured finance product* or *emission allowance* which is not a *category 1 instrument*.

*designated reporter* a *transparency investment firm* that appears on the *FCA's register of designated reporters*.

*package transaction* either:

- (1) a transaction in a *transparency instrument* contingent on the simultaneous execution of a transaction in an equivalent quantity of an underlying physical asset (also known as an ‘exchange for physical’ (EFP) transaction); or
- (2) a transaction which involves the execution of 2 or more component transactions in a *transparency instrument*:
  - (a) which is executed by 2 or more counterparties;
  - (b) where each component of the transaction bears meaningful economic or financial risk related to all the other components; and
  - (c) where the execution of each component is simultaneous and contingent upon the execution of all the other components.

<i>per user basis</i>	the charging by <i>trading venue operators</i> and <i>systematic internalisers</i> for the use of market data according to the use made by the individual end-users of the market data.
<i>portfolio trade</i>	transactions in 5 or more different bond instruments where those transactions are traded at the same time by the same client and as a single lot against a specific reference price.
<i>post-trade transparency information</i>	information about a transaction as set out in <i>MAR 11 Annex 2 Tables 1, 2 and 4</i> , using the applicable flags listed in <i>MAR 11 Annex 2 Table 3</i> .
<i>pre-trade transparency information</i>	the information set out in the table in <i>MAR 11.2.2R</i> by reference to the <i>relevant trading system</i> used.
<i>request for quote system</i>	a trading system where the following conditions are met: <ol style="list-style-type: none"> <li>(1) a quote by a member or participant is provided in response to a request for a quote submitted by 1 or more other members or participants;</li> <li>(2) the quote is executable exclusively by the requesting member or participant; and</li> <li>(3) the requesting member or participant may conclude a transaction by accepting the quote provided to it on request.</li> </ol>
<i>register of designated reporters</i>	the register maintained by the <i>FCA</i> in accordance with article 12(8) of <i>MiFID RTS 1</i> .

<i>relevant organisation</i>	HM Treasury, the Bank of England or the central banks of the following countries: Australia, Austria, Belgium, Brazil, Bulgaria, Canada, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, Iceland, Ireland, India, Italy, Japan, Latvia, Lithuania, Luxembourg, Malta, Mexico, Netherlands, Norway, People's Republic of China, Poland, Portugal, Republic of Korea, Romania, Singapore, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey and the United States of America.
<i>relevant trading system</i>	a trading system described in the table in <i>MAR 11.2.2R</i> .
<i>reserve order</i>	a <i>limit order</i> consisting of a disclosed order relating to a portion of the quantity and a non-disclosed order relating to a remainder of the quantity, where the non-disclosed quantity is capable of execution only after its release to the order book as a new order.
<i>transparency firm</i>	a <i>person</i> who is either: <ul style="list-style-type: none"> <li>(1) a <i>trading venue operator</i>; or</li> <li>(2) a <i>transparency investment firm</i>.</li> </ul>
<i>transparency instrument</i>	a <i>category 1 instrument</i> or a <i>category 2 instrument</i> .

Amend the following definitions as shown.

<i>derivative</i>	(1) ...
	(2) (in <i>REC</i> , <i>MAR 5</i> , <del>and <i>MAR 5A</i></del> <u>and <i>MAR 11</i></u> ) those financial instruments defined in article 2(1)(24)(c) of <i>MiFIR</i> or referred to in paragraphs 4 to 10 of Part 1 of Schedule 2 to the <i>Regulated Activities Order</i> .
	...
<i>emission allowance</i>	...
	(3) (in <i>MAR 10</i> (Commodity derivative position limits and controls and position reporting) <u>and <i>MAR 11</i> (Transparency rules for transparency instruments)</u> ) in addition to (1), any derivative of such an allowance, whether falling under paragraph (4) or (10) of <del>Section C of Annex I of <i>MiFID</i> Part 1</del> of Schedule 2 to the <i>Regulated Activities Order</i> .
<i>market maker</i>	...

- (2) (in *COBS* and *MAR 11*) a *person* who holds ~~himself or herself~~ themselves out on the financial markets on a continuous basis as being willing to deal on own account by buying and selling *financial instruments* against that *person*'s proprietary capital at prices defined by that *person*.

...

*systematic  
internaliser*

an *investment firm* which:

- (a) ~~on an organised, frequent, systemic and substantial basis, deals on own account~~ is dealing on own account when executing client orders outside a ~~regulated market~~ UK RIE, UK MTF or UK OTF without operating a *multilateral system*; and
- (b) either:
- (i) ~~satisfies the criteria set out in Article 12, 13, 14, 15 or 16 of the MiFID Org Regulation assessed, in accordance with Article 17 of that Regulation~~ does so on an organised, frequent, systematic and substantial basis; or
- (ii) has chosen to opt-in to the systemic internaliser regime.

For these purposes:

- (A) ~~the frequent and systemic basis is to be measured either by the number of OTC trades in the financial instrument carried out by the investment firm on own account when executing client orders; and dealing takes place on an 'organised, frequent, systematic and substantial' basis where it is:~~
- (i) carried on in accordance with rules and procedures in an automated technical system, such as an electronic execution system, which is assigned to that purpose;
- (ii) available to counterparties on a continuous or regular basis; and
- (iii) held out as being carried on by way of business, in a manner consistent with article 3(2)(a) of the Business Order in respect of the relevant financial instrument.
- (B) ~~the substantial basis is to be measured either by the size of the OTC trading carried out by the investment firm in relation to the total trading of the investment firm in a specific financial instrument or by the size of the OTC trading carried out by the investment firm in relation to the total trading in the relevant area (within the meaning of article 14(5A) of MiFIR) in a specific financial instrument).~~  
[deleted]

[Note: article 2(1)(12) and (12A) of *MiFIR*]

## Annex B

### Amendments to the Market Conduct sourcebook (MAR)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

#### Part 1: Comes into force on 1 December 2025

##### 5 Multilateral trading facilities (MTFs)

...

##### 5.7 Pre- and post-trade transparency requirements for equity ~~and non-equity~~ instruments: form of waiver and deferral

5.7.1A D A *firm* that makes an application to the *FCA* for a waiver in accordance with ~~articles~~ article 4 or 9 of *MiFIR* (in relation to pre-trade transparency for equity ~~or non-equity~~ instruments) must make it in the form set out in *MAR 5 Annex 1D*.

[~~Note: articles~~ article 4 and 9 of *MiFIR*; and MiFID RTS 1 and MiFID-RTS 2]

5.7.1C D A *firm* intending to apply to the *FCA* for deferral in accordance with articles ~~7 or 11~~ of *MiFIR* in relation to post-trade transparency for equity ~~or non-equity~~ instruments must apply in writing to the *FCA*.

[~~Note: articles 7 and 11~~ of *MiFIR*; and MiFID RTS 1 and MiFID-RTS 2]

...

MAR 5A.10, MAR 5A.11, MAR 6.1, MAR 6.2 and MAR 6.4A are deleted in their entirety. The deleted text is not shown but the sections are marked [deleted] as shown below.

**5A.10 Pre-trade transparency requirements for non-equity instruments: form of waiver [deleted]**

**5A.11 Post-trade transparency requirements for non-equity instruments: form of deferral [deleted]**

**6.1 Application [deleted]**

**6.2 Purpose [deleted]**

**6.4A Quotes in respect of non-equity instruments [deleted]**

Amend the following as shown.



**9.2B Operating requirements**

...

Details to be published by the APA

- 9.2B.19 R (1) An *APA* must make public:
- (a) for transactions executed in respect of shares, depositary receipts, *exchange-traded funds (ETFs)*, *certificates* and other similar *financial instruments*, the details of a transaction specified in Table 2.3 of Annex I to *MiFID RTS 1* and use the appropriate flags listed in Table 3.4 of Annex I to *MiFID RTS 1*; and
  - (b) for transactions executed in respect of bonds, *structured finance products*, *emission allowances* and derivatives, the details of a transaction specified in Table 4.2 of Annex II to ~~*MiFID-RTS-2 MAR 11 Annex 2R*~~ and use the appropriate flags listed in Table 2.3 of ~~Annex II to *MiFID-RTS-2 MAR 11 Annex 2R*~~.

...

...

Scope of the consolidated tape for bonds and publication of information

- 9.2B.34 R ...
- (3) The information referred to in (1) must include the details of a transaction specified in Table 4.2 of ~~Annex II to *MiFID-RTS-2 MAR 11 Annex 2R*~~ and use the appropriate flags listed in Table 2.3 of ~~Annex II to *MiFID-RTS-2 MAR 11 Annex 2R*~~.

...

...

**Part 2: Comes into force on 1 December 2024**

Insert the following new chapter, MAR 9A, after MAR 9 (Data reporting service). The text is all new and is not underlined.

**9A Trade data****9A.1 Application**

- 9A.1.1 R This chapter applies to:

- (1) a *trading venue operator*; and
- (2) a *systematic internaliser*.

## 9A.2 Trade data requirements

Making trade data available on a reasonable commercial basis

- 9A.2.1 R (1) A *trading venue operator* must make the information published in accordance with articles 3, 4 and 6 to 11 of *UK MiFIR* available to the public on a reasonable commercial basis and ensure non-discriminatory access to the information.
- (2) A *trading venue operator* must make available the information in (1) free of charge 15 minutes after publication.
- (3) Paragraph (2) does not apply to a *trading venue operator* when making market data available to the public free of charge.

- 9A.2.2 R (1) A *systematic internaliser* must ensure that the quotes published in accordance with article 15(1) of *UK MiFIR* are accessible to other market participants on a reasonable commercial basis.
- (2) A *systematic internaliser* must ensure that the quotes published in accordance with article 18 of *UK MiFIR* are made public in a manner which is easily accessible to other market participants on a reasonable commercial basis.
- (3) Paragraph (2) does not apply to a *trading venue operator* when making market data available to the public free of charge.

Providing market data on the basis of cost

- 9A.2.3 R (1) The price of market data must be based on the cost of producing and disseminating such data and may include a reasonable margin.
- (2) The cost of producing and disseminating market data may include an appropriate share of joint costs for other services provided by a *trading venue operator* or a *systematic internaliser*.

Providing market data on a non-discriminatory basis

- 9A.2.4 R (1) A *trading venue operator* or *systematic internaliser* must make market data available at the same price and on the same terms and conditions to all customers falling within the same category in accordance with published objective criteria.
- (2) Any differentials in prices charged to different categories of customers must be proportionate to the value which the market data represents to those customers, taking into account:

- (a) the scope and scale of the market data, including the number of *financial instruments* covered and their trading volume; and
  - (b) the use made by the customer of the market data, including whether it is used for the customer's own trading activities, for resale or for data aggregation.
- (3) For the purposes of (1), a *trading venue operator* or *systematic internaliser* must have scalable capacities in place to ensure that customers obtain timely access to market data at all times on a non-discriminatory basis.
- 9A.2.5 R (1) A *trading venue operator* or a *systematic internaliser* must:
- (a) charge for the use of market data according to the use made by the individual end-users of the market data; and
  - (b) put arrangements in place to ensure that each individual use of market data is charged only once.
- (2) A *trading venue operator* or a *systematic internaliser* may decide not to make market data available on a *per user basis* where to charge on a per user basis is disproportionate to the cost of making that data available, having regard to the scale and scope of the data.
- (3) A *trading venue operator* or a *systematic internaliser* must provide grounds for the refusal to make market data available on a *per user basis* and publish those grounds on their webpage.

#### Unbundling and disaggregating market data

- 9A.2.6 R A *trading venue operator* or a *systematic internaliser* must:
- (1) make market data available without being bundled with other services; and
  - (2) offer pre-trade and post-trade transparency data separately.

#### Transparency

- 9A.2.7 R (1) A *trading venue operator* or a *systematic internaliser* must disclose the price and other terms and conditions for the provision of the market data in a manner which is easily accessible to the public.
- (2) The disclosure for the purposes of (1) must include:
- (a) current price lists, including:

- (i) fees per display user;
  - (ii) non-display fees;
  - (iii) discount policies;
  - (iv) fees associated with licence conditions;
  - (v) fees for pre-trade and for post-trade market data;
  - (vi) fees for other subsets of information, including those required in accordance with *MiFID RTS 14*; and
  - (vii) other contractual terms and conditions regarding the current price list;
- (b) advance disclosure with a minimum of 90 *days*' notice of future price changes;
- (c) information on the content of the market data, including:
- (i) the number of instruments covered;
  - (ii) the total turnover of instruments covered;
  - (iii) pre-trade and post-trade market data ratio;
  - (iv) information on any data provided in addition to market data; and
  - (v) the date of the last licence fee adaption for market data provided;
- (d) revenue obtained from making market data available and the proportion of that revenue compared with the total revenue of the *trading venue operator* or *systematic internaliser*; and
- (e) information on how the price was set, including the cost accounting methodologies used and the specific principles according to which direct and variable joint costs are allocated and fixed joint costs are apportioned, between the production and dissemination of market data and other services provided by the *trading venue operator* or *systematic internaliser*.

### **Part 3: Comes into force on 1 December 2025**

Insert the following new chapter, MAR 11, after MAR 10 (Commodity derivative position limits and controls, and position reporting). The text is all new and is not underlined.

## 11 Transparency rules for transparency instruments

### 11.1 Purpose and application

#### Purpose

- 11.1.1 G The purpose of this chapter is to set out the pre-trade and post-trade transparency *rules* applying to *transparency instruments* made by the FCA under articles 8, 9, 10, 11 and 21 of *MiFIR*. The *transparency instruments* to which this chapter applies are categorised as *category 1 instruments* or *category 2 instruments*.

#### Application

- 11.1.2 G (1) This chapter applies to *trading venue operators* and *transparency investment firms* in respect of orders and transactions in *transparency instruments*.
- (2) *MAR 11.2* contains pre-trade transparency requirements. These only apply to *trading venue operators*, in respect of all *transparency instruments*.
- (3) *MAR 11.3* sets out the waivers from the pre-trade transparency requirements. *MAR 11.3.1R* sets out the waivers applying to all *transparency instruments*, and *MAR 11.3.2R* and *MAR 11.3.3R* contain the *rules* for the size waivers applying to *category 1 instruments* and *category 2 instruments*, respectively.
- (4) *MAR 11.4* contains post-trade transparency requirements. These apply to *trading venue operators* in respect of all *transparency instruments* and to *transparency investment firms* in respect of *category 1 instruments* only.
- (5) *MAR 11.5.1R* sets out the deferrals applicable to *category 1 instruments* (relevant for all *transparency firms*). *MAR 11.5.2R* sets out the *rules* regarding deferrals for *category 2 instruments* (relevant for *trading venue operators* only).

#### Exceptions

- 11.1.3 R This chapter does not apply in respect of the following transactions:
- (1) transactions listed in article 2(5) of *MiFID RTS 22*; or
- (2) transactions where the counterparty is a *relevant organisation*, and where:
- (a) the transaction is entered into in the performance of monetary, foreign exchange and financial stability policy which the *relevant organisation* is legally empowered to pursue;

- (b) the *relevant organisation* has given prior notification to the *transparency firm* that the transaction is exempt; and
- (c) the transaction is not entered into by the *relevant organisation* for the performance of an investment operation connected with:
  - (i) the management of its own funds;
  - (ii) administrative purposes or for the staff of the member of the *relevant organisation*, including in the capacity of administrator of a pension scheme for its staff; or
  - (iii) its investment portfolio pursuant to obligations under national law.

#### Suspension of transparency requirements

- 11.1.4 G (1) The *FCA* has the power, under article 9(4) of *MiFIR*, to suspend the pre-trade transparency requirements in *MAR* 11.2, and under articles 11(3) and 21(8) of *MiFIR*, to suspend post-trade transparency requirements in *MAR* 11.4, either for a particular instrument or class of instruments. The *FCA* may only do this if it considers that it is necessary to do so to advance the *FCA*'s integrity objective (as defined in section 1D of the *Act*) and having regard to its consumer protection and competition objectives (under sections 1C and 1D of the *Act*, respectively).
- (2) Where the *FCA* decides to use this power, it must publish a notice identifying the relevant *transparency instruments* and specifying the period for which the suspension will have effect. The notice must be published in a manner best calculated to bring it to the attention of *persons* likely to be affected by it.

## 11.2 Pre-trade transparency (trading venue operators only)

### Pre-trade transparency requirement

- 11.2.1 R A *trading venue operator* must publish the pre-trade transparency information in *MAR* 11.2.2R:
- (1) on a continuous basis during normal trading hours; and
  - (2) in respect of *transparency instruments* traded on a *trading venue* it operates,
- when operating a continuous order book, quote-driven or periodic auction trading system.

11.2.2 R Table: Pre-trade transparency information to be published, by reference to type of system

Type of system	Description of system	Information to be published
Continuous auction order book trading system	A system that by means of an order book and a trading algorithm operated without human intervention matches sell orders with buy orders on the basis of the best available price on a continuous basis.	For each <i>financial instrument</i> , the aggregate number of orders and the volume they represent at each price level, for at least the 5 best bid and offer price levels.
Quote-driven trading system	<p>A system where transactions are concluded on the basis of firm quotes, including <i>actionable indications of interest</i> that are continuously made available to participants, which requires the <i>market makers</i> to maintain quotes in a size that balances:</p> <ul style="list-style-type: none"> <li>• the needs of members and participants to deal in a commercial size; and</li> <li>• the risk to which the <i>market maker</i> exposes itself.</li> </ul>	<p>For each <i>financial instrument</i>, the best bid and offer by price of each <i>market maker</i> in that instrument, together with the volumes attaching to those prices.</p> <p>The quotes made public should be those that represent binding commitments to buy and sell the <i>financial instruments</i> and that indicate the price and volume of <i>financial instruments</i> in which the registered <i>market makers</i> are prepared to buy or sell. In exceptional market conditions, however, indicative or one-way prices may be allowed for a limited time.</p>
Periodic auction trading system	A system that matches orders on the basis of a periodic auction and a trading algorithm	For each <i>financial instrument</i> , the price at which the auction trading system would best satisfy its trading

	operated without human intervention.	algorithm and the volume that would potentially be executable at that price by participants in that system.
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### 11.3 Waivers from pre-trade transparency requirements

Waivers for all transparency instruments

- 11.3.1 R *MAR 11.2.2R* does not apply in respect of orders relating to a *transparency instrument* held in an order management facility of the *trading venue operator* which:
- (1) are intended to be disclosed to the order book operated by the *trading venue operator* and are contingent on objective conditions that are predefined by the system's protocol;
  - (2) cannot interact with other trading interests prior to disclosure to the order book operated by the *trading venue operator*, except that where a portion of a quantity of an *aggressive order* has executed against the disclosed quantity of a *reserve order* and other disclosed orders in the order book, the non-disclosed quantity of the *reserve order* held in the order management facility is a type of order for which pre-trade disclosure is waived and which can be executed against the remainder of the quantity of the *aggressive order*; and
  - (3) once disclosed to the order book, interacts with other orders in accordance with the rules applicable to orders of that kind at the time of disclosure.

Size waivers for category 1 instruments

- 11.3.2 R *MAR 11.2.2R* does not apply to orders relating to a *category 1 instrument* which is larger than the size specified in the column G in the row corresponding to the particular instrument in *MAR 11 Annex 1R*.

Size waivers for category 2 instruments

- 11.3.3 R (1) *MAR 11.2.2R* does not apply to orders or *actionable indication of interest* relating to a *category 2 instrument* which is larger than the size specified by the *trading venue operator* in accordance with *MAR 11.3.4R*.
- (2) A *trading venue operator* must establish, implement and maintain an internal process or rules for determining the size thresholds applicable to those orders or *actionable indications of interest* in



*category 2 instruments* under (1) for which it will not publish *pre-trade transparency information*.

- (3) A *trading venue operator* must publish in its rulebook the rules or processes it adopts to fulfil (2) before it implements them.
- (4) A *trading venue operator* must promptly inform the *FCA* of any significant breaches of the process or rules in (3) which give rise to a material risk of price distortions in, or unfair valuations of, *category 2 instruments*.

11.3.4 R In determining the appropriate size thresholds and any other characteristics applicable to those orders or *actionable indications of interest* in *category 2 instruments* for which it will not publish *pre-trade transparency information* under *MAR 11.3.3R(2)*, in compliance with the pre-trade transparency requirement in *MAR 11.2.1R*, the *trading venue operator* must have regard to at least the following factors:

- (1) the level of liquidity in the *category 2 instrument*, including whether there are ready and willing buyers and sellers on a continuous basis and the number, type and ratio of market participants active in the particular *category 2 instrument*;
- (2) any other characteristics of the *category 2 instrument*, including the extent to which it is traded in a standardised or frequent way and the average size of spreads, where available;
- (3) any disincentivising effect on those who wish to provide capital or otherwise to facilitate larger trades in the *category 2 instrument*;
- (4) any negative effect on the fair and orderly trading of the *category 2 instrument* on the *trading venue* operated by the *trading venue operator*; and
- (5) the nature and extent of public information that would assist *firms* to fulfil their best execution obligations in *COBS 11.2* to *COBS 11.2B*, including the *MiFID Org Regulation*.

11.3.5 G The waivers in *MAR 11.3.1R* apply in respect of all *transparency instruments* regardless of size. *MAR 11.3.2R* contains the *rules* regarding size waivers for *category 1 instruments* and *MAR 11.3.3R* and *11.3.4R* contain the *rules* regarding size waivers for *category 2 instruments*.

11.3.6 R A *trading venue operator* that is planning to use a waiver set out in *MAR 11.3* must notify the *FCA* of this in advance.

#### Withdrawal of waivers

11.3.7 G If the *FCA* considers that any of the waivers in *MAR 11.3* are being used in a way that deviates from its original purpose or to avoid the pre-trade transparency requirements in *MAR 11.2*, the *FCA* has the power under

article 9(3) of *MiFIR* to withdraw the waiver by giving notice to the relevant *person* who the *FCA* considers to be misusing the waiver.

#### 11.4 Post-trade transparency (all transparency firms)

##### Application

- 11.4.1 R (1) The *rules* in *MAR* 11.4 apply in respect of:
- (a) transactions in *transparency instruments* executed by a *trading venue operator* on a *trading venue* that it operates; or
  - (b) transactions in *category 1 instruments* concluded by a *transparency investment firm* acting in that capacity.
- (2) The *rules* in *MAR* 11.4 do not apply in respect of the following types of transactions:
- (a) a transaction executed by a *transparency investment firm* when providing the investment service of *portfolio management*, which transfers the beneficial ownership of *financial instruments* from one fund to another and where no other *investment firm* is a party to the transaction other than for the sole purpose of providing arrangements for the execution of such non price-forming transactions;
  - (b) a ‘give-up transaction’ or ‘give-in transaction’, which means:
    - (i) a transaction where a *transparency investment firm* passes a client trade to, or receives a client trade from, another *investment firm* for the purpose of post-trade processing; or
    - (ii) where a *transparency investment firm* executing a trade passes it to, or receives it from, another *investment firm* for the purpose of hedging the position that it has committed to enter into with a client; or
  - (c) inter-affiliate transactions, which means transactions between entities within the same *group* carried out exclusively for intra-group risk management purposes.

##### Post-trade transparency requirements

- 11.4.2 R Where *MAR* 11.4.1R applies, a *transparency firm* must publish *post-trade transparency information* about the transaction, as close to real time as is technically possible:
- (1) in respect of a *package transaction* or a *portfolio trade*, having regard to the need to allocate prices to the relevant instruments and

- in any case within 15 minutes of execution of the relevant transaction; and
- (2) in respect of any other transactions, and in any case within 5 minutes of the execution of the relevant transaction.
- 11.4.3 G *Post-trade transparency information* should only be published close to the prescribed maximum time limit in exceptional cases where it is not technically possible or the systems available do not allow for publication in a shorter period. *Transparency firms* should take reasonable steps to ensure their systems can support their MAR 11.4.2R obligation to publish as close to real time as possible.
- 11.4.4 R A *transparency investment firm* must:
- (1) where there are 2 matching trades entered at the same time and for the same price with a single party interposed, treat the 2 trades as a single transaction and take all reasonable steps to ensure that the *post-trade transparency information* relating to such trades is published as if they relate to a single transaction; and
- (2) publish *post-trade transparency information* once for each transaction, through a single APA.
- 11.4.5 R Where a *transparency firm*:
- (1) cancels a previously published trade report containing the *post-trade transparency information*, it must publish a new trade report containing all the details of the original trade report and the cancellation flag specified in MAR 11 Annex 2 Table 3;
- (2) amends a previously published trade report containing *post-trade transparency information*, it must publish:
- (a) a new trade report containing all the details of the original trade report and the cancellation flag specified in MAR 11 Annex 2 Table 3; and
- (b) a new trade report that contains the correct *post-trade transparency information* and the amendment flag as specified in MAR 11 Annex 2 Table 3.
- 11.4.6 R A *transparency firm* must give access, on reasonable commercial terms and on a non-discriminatory basis, to the arrangements they put in place for the publication of *post-trade transparency information*.
- 11.4.7 G *Trading venue operators* and *transparency investment firms* which are *systematic internalisers* should refer to MAR 9A for the *FCA rules* regarding access to trade data.

Which investment firm reports?

- 11.4.8 R (1) Where 2 *transparency investment firms* conclude a transaction outside the rules of a *trading venue*, only the *transparency investment firm* that is registered as a *designated reporter* must publish details of the transaction in accordance with *MAR 11.4.2R*.
- (2) Where neither *transparency investment firm* party to the transaction is a *designated reporter*, only the *transparency investment firm* acting as the selling firm must publish details of the transaction in accordance with *MAR 11.4.2R*.
- (3) Where each *transparency investment firm* party to the transaction is registered as a *designated reporter*, only the *transparency investment firm* acting as the selling firm must publish details of the transaction in accordance with *MAR 11.4.2R*.
- 11.4.9 R The *transparency investment firm* that acts as the selling firm and is required by *MAR 11.4.8R(3)* to publish the *MAR 11.4.2R* information can fulfil this requirement by arranging for the buyer to publish the relevant details instead.

## 11.5 Post-trade transparency deferrals

Category 1 instruments – all transparency firms

- 11.5.1 R (1) A *transparency firm* subject to *MAR 11.4.2R* may defer publication of *post-trade transparency information* for *category 1 instruments*, for the applicable maximum deferral duration periods, when the transaction is of a size larger than the one set out in the row corresponding to the particular instrument in *MAR 11 Annex 1R*.
- (2) Where a transaction fulfils the conditions for an applicable volume deferral in accordance with *MAR 11.5.1R(1)*, the *transparency firm* must use the VOLO flag for the first trade report, omitting the relevant details, and use the FULV flag for the full trade report once it is published.
- (3) Where one or more of the components of a *package transaction* fulfils the conditions for an applicable deferral in accordance with *MAR 11.5.1R(1)* and (2), publication of the *post-trade transparency information* about all the components of the *package transaction* may be deferred until the applicable maximum deferral period has lapsed.
- (4) For the purposes of *MAR 11.5.1R(3)*, where one or more of the components of a *package transaction* comprises a *category 2 instrument*, publication of *post-trade transparency information* about a *category 1 instrument* may be deferred until the end of the next day following execution.

Category 2 instruments – trading venue operators only

- 11.5.2 R (1) *A trading venue operator may defer the publication of post-trade transparency information relating to transactions in category 2 instruments where it considers such deferral to be necessary for the purposes of achieving efficient price formation and fair evaluation of such category 2 instruments.*
- (2) *A trading venue operator must have regard at least to the factors set out in MAR 11.3.4R(1) to (5) in considering whether it would be necessary for the purposes of achieving efficient price formation and the fair evaluation of category 2 instruments to:*
- (a) *defer the publication of post-trade transparency information and, if so, the duration of such deferral; or*
- (b) *apply size thresholds to such transactions and, if so, what the thresholds should be.*
- (3) *A trading venue operator must establish, implement and maintain an internal process or rules for determining the applicable deferral size thresholds, durations and type of post-trade transparency information, the publication of which it will defer, under (1), in respect of category 2 instruments.*
- (4) *A trading venue operator must publish in its rulebook the rules or processes it adopts to fulfil (3) before it implements them.*
- (5) *A trading venue operator must promptly inform the FCA of any significant breaches of the process or rules in (3) which give rise to a material risk of price distortions in, or unfair valuations of, category 2 instruments.*

**11**      **Category 1 instruments**  
**Annex 1**

R This is the table of *category 1 instruments*.

**Note:** The deferral periods shown in columns F, H and J end at 6pm on the day of publication.

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J
Grouping				LiS Threshold 1	Deferral 1	LiS Threshold 2	Deferral 2	LiS Threshold 3	Deferral 3
Asset classes	Factor 1	Factor 2	Factor 3						
Bond Type	Issuer	Issue Size	Maturity						
Sovereign bonds (other than inflation linked or STRIPS)	UK, France, Germany, Italy, Spain or USA	≥ £2bn	≤ 5yr	£15m	1 day	£50m	2 weeks	£500m	3 months
			5 - ≤15yr	£10m		£250m			
			> 15yr	£5m		£100m			
Sovereign and Municipal bonds	All	≥ £2bn	All	£1m		£5m		£25m	
		< £2bn	All	£1m		£2.5m		£10m	
Bond Type	Currency	Issuer Rating	Issue Size						
Corporate, Covered, Convertible & Other bonds	GBP, EUR & USD	IG	≥ £500m	£1m	1 day	£5m	2 weeks	£25m	3 months
		HY	≥ £500m	£1m		£10m			
	All other instrument		£500k			£2.5m		£10m	
Derivative Type (Having the	Settlement currency	Reference index	Maturity (greater than -						

common attributes set out in note 1)			less than or equal to)						
Fixed-to-Float	EUR	EURIBOR 3M, EURIBOR 6M	27D-3M	€1,250m	End of day (1 day for non-benchmark tenors with maturity longer than 12 months - see note 3)	€1,750m	Price: end of day (1 day for non-benchmark tenors with maturity longer than 12 months - see note 3)		
			3M-6M	€750m		€1,500m			
			6M-1Y	€500m		€1,000m			
			1Y-2Y	€250m		€500m			
			2Y-5Y	€150m		€350m			
			5Y-10Y	€125m		€200m			
			10Y-20Y	€75m		€150m			Volume: end of the following quarter
			20Y-30Y	€50m		€75m			
			OIS	USD		FEDFUNDS			6D-3M
SOFR	6D-3M	\$500m			\$1,000m				
	3M-6M	\$250m			\$500m				
	6M-1Y	\$200m			\$350m				
	1Y-2Y	\$150m			\$250m				
	2Y-5Y	\$100m			\$200m				
	5Y-10Y	\$50m			\$100m				





Derivative Type / Underlying Type (Having the common attributes set out in note 2)	Settlement currency	Reference index	End of day	Price: end of day Volume: end of the following quarter
SWAP / Index CDS	EUR	iTraxx Europe Main	£50m	£70m
		iTraxx Europe Crossover	£15m	£20m

Note 1: Common Attributes	
Settlement currency type	Single currency
Optionality	No
Notional type	Constant or variable
CFI code	SRC(C/D/I/Y)S(C/P)
Asset class of the underlying	Interest rate

Contract type	SWAP
---------------	------

Note 2: Common Attributes	
CFI code	SCIC(C/S/L)(C/P/A)
Sub-type	Untranching index
Geographical zone	Europe
Maturity	5Y
Asset class of the underlying	Credit
Contract type	Swaps
Series	On -the-run and first off-the-run

**Note 3:** Benchmark tenors are those that have standard maturities including, 3, 6 and 9 months, as well as 1 year and annual increments thereafter. The calculation should follow the current market convention where the tenor is calculated as the difference between the effective date after execution and the expiry date (or termination date). The effective date should be adjusted so that it always falls on a business day at the time of execution, while the expiry date is not (ie it applies regardless of whether it is on a business day or not).

## Definition of terms

Term	Definition	
CDE	carbon dioxide equivalent.	
convertible bond	an instrument consisting of a bond or a securitised debt instrument with an embedded derivative, such as an option to buy the underlying equity.	
corporate bond	a bond that is issued by:	
	(a)	a <i>Societas Europaea</i> established before <i>IP completion day</i> in accordance with Council Regulation (EC) No 2157/2001; or
	(b)	a company incorporated in the <i>UK</i> with limited liability or equivalent in third countries.
covered bond	a bond issued by a <i>credit institution</i> which is subject by law to special public supervision designed to protect bondholders and, in particular, protection under which:	
	(a)	sums deriving from the issue of the bond must be invested in conformity with the law in assets;
	(b)	during the whole period of validity of the bond, those sums are capable of covering claims attaching to the bond; and
	(c)	in the event of failure of the issuer, those sums would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.
EOD	by the end of the daily trading hours of the relevant trading venue.	
fixed to float	a derivative of the type which is required to be cleared by a <i>CCP</i> in accordance with article 4(1) and (2) of <i>EMIR</i> (as listed in Table 2 of the Bank of England Public Register for the Clearing Obligation as at 24 April 2023).	

	For these purposes, a reference to a ‘financial counterparty’ also includes a <i>third country investment firm</i> when it carries on <i>MiFID or equivalent third country business</i> from an establishment in the <i>United Kingdom</i> .	
HY	(a)	a bond rated below BBB/Baa or equivalent by any one credit rating agency chosen by a <i>transparency firm</i> for this purpose; or
	(b)	a bond which is not rated by the credit rating agency, or agencies, chosen by a <i>transparency firm</i> for this purpose.
IG	a corporate bond that is not HY.	
municipal bond	a bond issued by any of the following:	
	(a)	in the case of a federal state, a member of that federation;
	(b)	a special purpose vehicle for several states;
	(c)	an international financial institution established by 2 or more states that has the purpose of mobilising funding and providing financial assistance to the benefits of its members where they are experiencing or are threatened by severe financial problems;
	(d)	the European Investment Bank;
	(e)	the International Finance Corporation;
	(f)	the International Monetary Fund; or
	(g)	a public entity which is not an issuer of a sovereign bond as described below.
OIS	a derivative of the type which is required to be cleared by a <i>CCP</i> in accordance with article 4(1) and (2) of <i>EMIR</i> (as listed in Table 4 of the	

	<p>Bank of England Public Register for the Clearing Obligation as at 24 April 2023.</p> <p>For these purposes, a reference to a ‘financial counterparty’ also includes a <i>third country investment firm</i> when it carries on <i>MiFID or equivalent third country business</i> from an establishment in the <i>United Kingdom</i>.</p>
other bond	a bond that is not within the descriptions of any of the bond types described in this table.
sovereign bond	a bond issued by:
	(a) the <i>EU</i> ;
	(b) the <i>UK</i> , including a government department, agency or special purpose vehicle of the <i>UK</i> ;
	(c) a state other than the <i>UK</i> , including a government department, agency or special purpose vehicle of the state; or
(d) any other sovereign entity not listed in (a) to (c) above.	
swap/index CDS	<p>a <i>derivative</i> of the type which is required to be cleared by a <i>CCP</i> in accordance with article 4(1) and (2) of <i>EMIR</i> (as listed in Table 5 of the Bank of England Public Register for the Clearing Obligation as at 24 April 2023).</p> <p>For these purposes, a reference to a ‘financial counterparty’ also includes a <i>third country investment firm</i> when it carries on <i>MiFID or equivalent third country business</i> from an establishment in the <i>United Kingdom</i>.</p>

[*Editor's note:* This annex will consist of the 4 tables previously located at Annex II of the UK version of Commission Delegated Regulation (EU) 2017/583 of 14 July 2016 supplementing MiFIR with regard to regulatory technical standards on transparency requirements for trading venues and investment firms in respect of bonds, structured finance products, emission allowances and derivatives, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. Where amendments are to be made to the content of the tables, underlining indicates new text and striking through indicates deleted text.]

**11**            **Details of transactions to be made available to the public**  
**Annex**  
**2R**

<b>Table 1: Symbol table for Table 2</b>		
<b>SYMBOL</b>	<b>DATA TYPE</b>	<b>DEFINITION</b>
...		
{MIC}	...	...
<u>{UPI}</u>	<u>UPI code</u>	<u>This field should use an ISO 4914 code</u>
<u>{LEI}</u>	<u>20 alphanumeric characters</u>	<u>This field should use an ISO 17442 code</u>

<b>Table 2: List of details for the purpose of post-trade transparency</b>				
<b>Details</b>	<b>Financial instruments</b>	<b>Description/Details to be published</b>	<b>Type of execution/publication venue</b>	<b>Format to be populated as defined in Table 1</b>
Trading date and time	...	...	...	...
Instrument identification code type	For all financial instruments	Code type used to identify the financial instrument	RM, MTF, OTF APA, CTP	<u>'UPI' = UPI-code, where UPI is available; or where it is not</u> <u>'ISIN' = ISIN-code, where ISIN is available</u>

				'OTHR' = other identifier
Instrument identification code	...	...	...	{UPI}; or {ISIN} <u>Where Instrument identification code is not an ISIN, an identifier that identifies the derivative instrument based on the fields 3 to 5, 7 and 8 and 12 to 42 as specified in Annex IV and fields 13 and 24 to 48 as specified in the Annex of Delegated Regulation (EU) 2017/585 and the grouping of derivative instruments as set out in Annex III.</u>
<u>Effective date of the contract</u>	<u>For derivatives</u>	<u>Start date of the contract</u>	<u>RM, MTF, OTF APA, CTP</u>	{DATEFOR MAT}
<u>Maturity date of the contract</u>	<u>For derivatives</u>	<u>Termination date of the financial instrument's contract</u>	<u>RM, MTF, OTF APA, CTP</u>	{DATEFOR MAT}
Price	...	...	...	{DECIMAL- 18/13} in case the price is expressed

				<p>as monetary value</p> <p>{DECIMAL-11/10} in case the price is expressed as percentage or yield</p> <p><del>“PNDG” in case the price is not available</del></p> <p>{DECIMAL-18/17} in case the price is expressed as basis points</p>
<u>Price conditions</u>	<u>For all financial instruments</u>	<u>Where price is currently not available but pending, the value should be ‘PNDG’.</u>	<u>RM, MTF, OTF</u> <u>APA, CTP</u>	<p><u>‘PDNG’ when price is currently not available but pending</u></p> <p><u>‘NOAP’ where price is not applicable</u></p>
...				
Notation of the quantity in measurement unit	For commodity derivatives, emission allowance derivatives and emission allowances except in the cases described under Article 11(1) letters (a) and (b) of this Regulation certain cases.	...	...	...



<p>Quantity in measurement unit</p>	<p>For commodity derivatives, emission allowance derivatives and emission allowances except in the cases described under Article 11(1) letters (a) and (b) of this Regulation <u>certain cases.</u></p>	<p>...</p>	<p>...</p>	<p>...</p>
<p>Quantity</p>	<p>For all financial instruments except in the cases described under Article 11(1) letters (a) and (b) of this Regulation <u>certain cases</u></p>	<p>The number of units of the financial instrument, or the number of derivative contracts in the transaction. <u>Not to be populated for bonds.</u></p>	<p>RM, MTF, OTF APA CTP</p>	<p>{DECIMAL-18/17}</p>
<p>Notional amount</p>	<p>For all financial instruments except in the cases described under Article 11(1) letters (a) and (b) of this Regulation <u>certain cases.</u></p>	<p>Nominal amount <u>multiplied by volume for (i) all bonds except ETCs and ETNs and (ii) structured finance products or notional amount</u>  <u>Price multiplied by the quantity field for</u></p>	<p>...</p>	<p>...</p>

		<p><u>ETCs and ETNs bond types, emission allowance derivatives and contracts for differences.</u></p> <p><u>Notional amount, as applicable</u></p> <p>For spread bets, the notional amount shall be the monetary value wagered per point movement in the underlying financial instrument.</p> <p>For credit default swaps, it shall be the notional amount for which the protection is acquired or disposed of.</p> <p>The information reported in this field shall be consistent with the value provided in field Price</p>		
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Notional currency	For all financial instruments except in the cases described under Article 11(1) letters (a) and (b) of the Regulation certain cases.	Currency in which the notional is denominated. <u>This field should use an ISO 4217 currency code for a major currency.</u>	RM, MTF, OTF APA CTP	{CURRENCYCODE_3}
...				
Transaction Identification Code	...	...	...	...
<del>Transaction to be cleared</del>	<del>For derivatives</del>	<del>Code to identify whether the transaction will be cleared.</del>	<del>RM, MTF, OTF APA CTP</del>	<del>'true'— transaction to be cleared 'false'— transaction not to be cleared</del>
<u>Spread</u>	<u>For derivatives</u>	<u>The spread on the floating leg.</u>	<u>RM, MTF, OTF APA, CTP</u>	<u>{DECIMAL-11/10}</u>
<u>Upfront payment</u>	<u>For derivatives</u>	<u>The upfront payment exchanged as part of CDS transactions.</u>	<u>RM, MTF, OTF APA, CTP</u>	<u>{DECIMAL-18/13}</u>
<u>LEI of clearing house</u>	<u>For derivatives</u>	<u>Clearing house through which the transaction will be cleared.</u>	<u>RM, MTF, OTF APA, CTP</u>	<u>{LEI} if cleared</u>

**Table 3: List of flags for the purpose of post-trade transparency**

	Flag	Name of Flag	Type of execution/ publication venue	Description
...				
	“ACTX”	Agency cross transaction flag	APA CTP	Transactions where an investment firm has brought together two clients’ orders with the purchase and the sale conducted as one transaction and involving the same volume and price.
	“NPFT”	Non-price forming transaction flag	RM, MTF, OTF CTP	All types of transactions listed under Article 12 of this Regulation and which do not contribute to the price formation.
...				
	“ILQD”	Illiquid instrument transaction flag	RM, MTF, OTF APA CTP	Transactions executed under the deferral for instruments for which there is not a liquid market.
	“SIZE”	Post-trade SSTI transaction flag	RM, MTF, OTF APA CTP	Transactions executed under the post-trade size specific to the instrument deferral.
	“PORT”	<u>Portfolio transaction flag</u>	<u>RM, MTF, OTF, APA, CTP</u>	<u>Portfolio transactions.</u>
	“TPAC”	...	...	Package transactions which are not exchange for physicals as defined in Article 1.

	“XFPH”	...	...	Exchange for physicals as defined in Article 4.
...				
SUPPLEMENTARY DEFERRAL FLAGS				
Article 11(1)(a)(i).	“LMTF”	Limited details flag	RM, MTF, OTF APA CTP	First report with publication of limited details in accordance with Article 11(1)(a)(i).
	“FULF”	Full details flag		Transaction for which limited details have been previously published in accordance with Article 11(1)(a)(i).
Article 11(1)(a)(ii).	“DATF”	Daily aggregated transaction flag	RM, MTF, OTF APA CTP	Publication of daily aggregated transaction in accordance with Article 11(1)(a)(ii).
	“FULA”	Full details flag		Individual transactions for which aggregated details have been previously published in accordance with Article 11(1)(a)(ii).
Article 11(1)(b) <u>MAR</u> <u>11.5.1R(2)</u>	“VOLO”	Volume omission flag	RM, MTF, OTF APA CTP	Transaction for which limited details are published in accordance with Article 11(1)(b).
	“FULV”	Full details flag		Transaction for which limited details have been previously published in accordance with Article 11(1)(b).
Article 11(1)(c)	“FWAF”	Four weeks aggregation flag	RM, MTF, OTF	Publication of aggregated transactions in

			APA CTP	accordance with Article 11(1)(c).
	“FULJ”	Full details flag	RM, MTF, OTF APA CTP	Individual transactions which have previously benefited from aggregated publication in accordance with Article 11(1)(c).
Article 11(1)(d)	“IDAF”	Indefinite aggregation flag	RM, MTF, OTF APA CTP	Transactions for which the publication of several transactions in aggregated form for an indefinite period of time has been allowed in accordance with Article 11(1)(d).
Consecutive use of Article 11(1)(b) and Article 11(2)(c) for sovereign debt instruments	“VOLW”	Volume omission flag	RM, MTF, OTF APA CTP	Transaction for which limited are published in accordance with Article 11(1)(b) and for which the publication of several transactions in aggregated form for an indefinite period of time will be consecutively allowed in accordance with Article 11(2)(c).
	“COAF”	Consecutive aggregation flag (post volume omission for sovereign debt instruments)	RM, MTF, OTF APA CTP	Transactions for which limited details have been previously published in accordance with Article 11(1)(b) and for which the publication of several transactions in aggregated form for an indefinite period of time has consecutively been allowed in accordance with Article 11(2)(c).

<b>Table 4: Measure of volume</b>	
<b>Type of instrument</b>	<b>Volume</b>
All bonds except ETCs and ETNs and structured finance products	<del>Total nominal value of debt instruments traded</del> <u>Nominal value per unit multiplied by the number of instruments at the time of the transaction</u>
ETCs and ETNs bond types <u>and securitised derivatives</u>	Number of <del>units traded</del> <u>instruments exchanged between the buyers and sellers multiplied by the price of the instrument exchanged for that specific transaction (or the price field multiplied by the quantity field)</u>
Securitised derivatives	Number of units traded
<u>Structured finance products</u>	<u>Nominal value per unit multiplied by the number of instruments at the time of the transaction</u>
...	
Credit derivatives	<del>Notional amount of traded contracts</del> <u>for which the protection is acquired or disposed of</u>
...	
C10 derivatives	<del>Notional</del> <u>Resulting amount of traded contracts the quantity at the relevant price set in the contract at the time of the transaction (or the price field multiplied by the quantity field)</u>
Emission allowance derivatives	<del>Tons of Carbon Dioxide equivalent</del> <u>Resulting amount of the quantity at the relevant price set in the contract at the time of the transaction (or the price field multiplied by the quantity field)</u>
...	

Amend the following as shown.

**Sch 5 Rights of action for damages**

...

Sch 5.2 G

Chapter / Appendix	Section / Annex	Paragraph	For Private Person?	Removed	For other person?
...					
All rules in <i>MAR 3</i> except <i>MAR 3.5.7E</i>			Yes	<del>Yes</del> <i>MAR 3.1.5R</i>	No
<i>MAR 4</i> (all rules)			Yes	No	No
<u><i>MAR 9A</i></u> (all rules)			<u>No</u>		<u>No</u>
<u><i>MAR 11</i></u> (all rules)			<u>No</u>		<u>No</u>

**Part 4: Comes into force on 1 December 2024**

Insert the following new chapter, MAR TP 2, after MAR TP 1 (Transitional provisions). The text is all new and is not underlined.

**TP2 Transitional provisions relating to trading venue operators and transparency investment firms**

**TP 2.1**

	Application		
1.1	R	(1)	The rules in MAR TP 2 apply in respect of:
		(a)	trading venue operators; and
		(b)	transparency investment firms.



	(2)	The <i>rules</i> apply in respect of the period 1 December 2024 to 30 November 2025, except where indicated otherwise.
Trading venue operators		
1.2	R	A <i>trading venue operator</i> is subject to the transparency requirements previously arising under <i>UK MiFIR</i> , including <i>MiFID RTS 2</i> , as it had effect immediately before 1 December 2024 and applied to it, except where <i>MAR TP 2 1.4R</i> applies.
1.3	G	<i>MAR TP 2 1.2R</i> provides for continuity of transparency requirements for <i>trading venue operators</i> .
1.4	R	For the period between 31 March 2025 and 30 November 2025, a <i>trading venue operator</i> is not subject to a transparency requirement under Title II, Chapter 2 of <i>UK MiFIR</i> in respect of a <i>request for quote system</i> or voice trading system when operated by the <i>trading venue operator</i> .
Systematic internalisers		
1.5	R	A <i>systematic internaliser</i> is subject to the transparency requirements previously arising under <i>UK MiFIR</i> , including <i>MiFID RTS 2</i> , as it had effect immediately before 1 December 2024 and applied to it, except where <i>MAR TP 2 1.7R</i> applies.
1.6	G	<i>MAR TP 2 1.5R</i> provides for continuity of transparency requirements for <i>systematic internalisers</i> .
1.7	R	For the period between 1 December 2024 and 30 March 2025 only, a <i>systematic internaliser</i> is subject to the pre-trade transparency requirements previously arising under article 18 of <i>UK MiFIR</i> , including <i>MiFID RTS 2</i> , as it had effect immediately before 1 December 2024 and applied to it.

**Part 5: Comes into force on 1 December 2025**

Pre-1 December 2025 transactions		
1.8	G	In respect of a trade concluded before 1 December 2025, the <i>FCA</i> will treat anything done by a <i>transparency firm</i> for the purposes of complying with <i>MAR TP 2 1.2R</i> and <i>MAR TP 2 1.5R</i> as if it were done for the purposes of any equivalent new transparency provision in <i>MAR 11</i> in force after 1 December 2025.
1.9	R	Where a <i>transparency firm</i> publishes (via an <i>APA</i> or otherwise) a trade report before 1 December 2025 in accordance with <i>MAR TP 2 1.2R</i> or <i>MAR TP 2 1.5R</i> and amends the report after 1 December 2025, it may make the new trade report required by <i>MAR 11.4.5R(2)(b)</i> either in accordance with <i>MAR 11 Annex 2</i> or in accordance with <i>MAR TP 2 1.2R</i> or <i>MAR TP 2 1.5R</i> , as they previously applied .

## Annex C

## Amendments to the Perimeter Guidance manual (PERG)

In this Annex, underlining indicates new text and striking through indicates deleted text.

### 13 Guidance on the scope of the UK provisions which implemented MiFID

...

#### 13.2 General

...

**Q10. Is there any change to the “by way of business” test in domestic legislation?**

...

**Q10a. The Glossary definition of ‘systematic internaliser’ (SI) says that SI activity must be ‘held out as being carried on by way of business, in a manner consistent with article 3(2)(a) of the Business Order’. What does this mean?**

The SI activity must be carried out in a manner consistent with the ‘by way of business’ test applicable to the regulated activity of ‘dealing in investments as principal’ in article 14 of the RAO. For these purposes, this means that the activity must form a part of the services the *MiFID investment firm* typically or ordinarily offers to clients in the relevant *financial instrument* to be considered SI activity.

A *MiFID investment firm* will not be considered to be carrying on SI activity purely as a result of some degree of automation in the execution of orders – for example, where:

- such activity is only ancillary to the principal nature of the commercial relationship between the parties, in respect of the relevant *financial instrument*; or
- the firm does not advertise such activity to clients, including by broadcasting offers to deal in the relevant *financial instrument*.

In such circumstances, the *MiFID investment firm* would not be ‘holding itself out’ to be carrying on activity as an SI.

Whether or not activity is a part of the services the *MiFID investment firm* typically or ordinarily offers to clients such that it constitutes SI activity is ultimately a question of judgement that takes account of several factors. These include:

- the extent to which the activity is conducted or organised separately;

- the monetary value of the activity; and
- its comparative significance in terms of revenue by reference to the firm's overall activity in the market for the relevant financial instrument.

The meaning of 'dealing on own account when executing client orders' for the purposes of the definition of SI remains unchanged and can be found in article 16a of the *MiFID Org Reg*.

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### 13.3 Investment Services and Activities

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#### Characteristics of a system or facility

A *multilateral system* has the characteristics of a trading system or facility. Recital 7 UK MiFIR clarifies that a trading system or facility includes markets composed of a set of rules and a trading platform, as well as those only functioning on the basis of a set of rules. The rules relate to how multiple third-party trading interests in *financial instruments* are able to interact in the system (see below). The rules could be reflected in contracts and/or operating procedures. As such, a system is technology neutral for these purposes, as shown by the different types of trading systems referred to in Annex I to *MiFID RTS 1*, and ~~Annex I to *MiFID RTS 2*~~ the table in *MAR 11.2.2R*. For guidance on voice broking, please refer to Q24D below.

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#### Trading venue perimeter – specific cases

##### Q24D. Does voice broking involve the operation of a multilateral system?

Voice broking may but need not comprise the operation of a *multilateral system*.

Merely arranging or executing client orders over the telephone does not constitute a *multilateral system*, although it may amount to other investment services such as reception and transmission or execution of orders on behalf of clients.

A trading system or facility could, however, take the form of a voice trading system (as referred to in ~~Annex I *MiFID RTS 2*~~) or a hybrid system (as referred to in Annex I *MiFID RTS 1* and ~~Annex I *MiFID RTS 2*~~). For example, a firm that operates a platform where trading interests of clients are broadcast to other users and then engages in voice broking to enable negotiation between these parties would operate a trading system or facility, unless Q24F applies. Voice broking may also be part of a *multilateral system* when operating in conjunction with other modes of execution such as electronic order books operated by that broker.

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