

The UK Makes Changes to Post-Trade Transparency Requirements

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In **Policy Statement 24/14** (“PS 24/14”) the UK’s Financial Conduct Authority (“FCA”) has set out a “simpler and more timely post-trade transparency regime” for bonds and certain derivative transactions.

Based on evidence that the current regime has not delivered meaningful enhancements to transparency or impacts on price formation, the FCA has introduced new rules to recalibrate the regime through changing:

1. the scope of the instruments subject to transparency – the new rules will mean that only those classes of financial instruments which are systemically important will be subject to mandatory post-trade transparency. These include bonds traded on UK trading venues and certain OTC derivatives subject to the clearing obligation. In addition, those instruments will be subject to a large-in-scale threshold above which pre-trade transparency can be waived and trading venues and investment firms can defer post-trade transparency;
2. trading protocols for which pre-trade transparency is required – pre-trade transparency will now only be required for continuous auction order book, quote-driven trading systems and periodic auction trading systems meaning that trading which is based on bilateral negotiation or on quotes provided on request will not be subject to pre-trade requirements;
3. the thresholds for deferring publication of details of large in scale transactions and the length of deferrals in order to calibrate these more accurately. There will now be a 15-minute maximum delay permitted for package and portfolio trades, but all others will remain subject to a maximum delay of five minutes;
4. the definition of exempt transactions – the exemption for inter-fund transfers will remain, subject to a new definition, and there will also be a new definition of give-up and give-in trades that are exempt from post-trade reporting;
5. the contents of post-trade reports’ fields and flags; and
6. the definition of “systematic internaliser.”

Next steps

The new transparency rules will come into force on 1 December 2025.