PS26/15: A streamlined UK transaction reporting regime

Overview

On 3 August 2026, the FCA published Policy Statement 26/15 (PS26/15), setting out the final rules and guidance for a new, streamlined UK MiFIR transaction reporting regime. PS26/15 consolidates the proposals set out in the FCA's Consultation Paper 25/32 (CP25/32), retaining the main features of the consulted regime while making targeted adjustments in response to feedback.

This briefing examines the key changes to the scope, content and operation of the transaction reporting regime. It is structured into ten key questions covering:

- changes to the scope of the regime;
- the content of transaction reports;
- obligations on trading venues; and
- the FCA's supervisory approach to implementation, before concluding with practical considerations for firms and next steps

1. What's the background to the new regime?

Transaction reporting is an existing obligation in UK law, set out in the UK onshored version of the EU Markets in Financial Instruments Regulation (UK MiFIR). In summary, it requires investment firms subject to UK MiFIR to report to the FCA specified details about transactions which are executed by that firm, on a T+1 basis. In summary, the current obligation applies to transactions in instruments admitted to trading on UK or EU trading venues, as well as financial instruments where the underlying is either an in-scope financial instrument or is an index or basket composed of in-scope financial instruments.

UK MiFIR transaction reports play a critical role in the FCA's monitoring of financial markets, market abuse surveillance and supervisory activities. HM Treasury (HMT) intends to repeal the UK MiFIR transaction reporting legislation, enabling the FCA to replace it with a new, more proportionate and streamlined regime set out in the FCA's Handbook. PS26/15 gives effect to that regime.

The current UK transaction reporting rules (as set out in UK MiFIR and technical standards related to UK MiFIR) will be replaced by new rules in the FCA Handbook, primarily set out in new Chapter 14 of the FCA's Market Conduct Sourcebook (MAR 14). The new rules represent an evolution of the regime, rather than a wholesale redesign or scrapping.

The new rules will come into force on 3 April 2028. Firms therefore have just over a year and a half to prepare for the new regime. However, for certain aspects of the new rules (as detailed below), the FCA has stated that it will apply "supervisory flexibility" should firms choose to start complying during the implementation period (i.e. between 3 August 2026 and 3 April 2028), as if those rules were already in force.

Please note that these changes apply only to the UK domestic version of EU MiFIR, as applicable in the UK post-Brexit. The FCA's changes do not have any impact on EU MiFIR, as applicable in the EU.

2. How has industry reacted?

Consultation feedback was broadly supportive of the FCA's proposals in CP25/32, particularly those reducing scope, removing reporting fields and clarifying firms' obligations. Respondents also welcomed the FCA's long-term approach to harmonising transaction and post-trade reporting across the UK MiFIR, UK European Market Infrastructure Regulation (UK EMIR) and UK Securities Financing Transactions Regulation (UK SFTR) regimes, and the creation of a joint FCA and Bank of England (BoE) Transaction and Post-Trade Reporting Industry Harmonisation Taskforce.

The final rules largely reflect the framework proposed in CP25/32, with targeted adjustments relating to, among other things, the treatment of EU-only instruments, foreign exchange (FX) derivatives, the scope of the 'traded on a trading venue' (TOTV) concept, conditional single-sided reporting (CSSR), and the back reporting period.

3. What's the scope of the new regime?

Firms in scope

The new obligation under MAR 14 will apply to a newly defined concept of "transaction reporting firm". This covers UK MiFID investment firms (excluding collective portfolio management investment firms) and third country investment firms carrying on MiFID-equivalent business from a UK establishment.

As noted, collective portfolio management investment firms (CPMI firms) remain out-of-scope of the UK transaction reporting requirement. CPMI firms include UK AIFMs and UK UCITS Management Companies (fund managers), which have top-up permissions to perform MiFID investment services. Consequently, it is expressly confirmed that UK fund managers will continue not to be subject to transaction reporting, even in respect of their MiFID business. Note however that a MiFID portfolio manager is in-scope of transaction reporting.

Geographical scope

As proposed in CP25/32, the FCA will limit the scope of the transaction reporting regime to financial instruments tradeable on UK trading venues only, removing reporting obligations for around 7 million financial instruments only tradeable on EU trading venues.

All respondents supported this change while emphasising the need for the FCA Financial Instrument Reference Data System (FIRDS) to act as the 'golden source' for determining reportability, with several respondents asking for EU-only instruments to be removed from FCA FIRDS as soon as possible. The FCA has confirmed it is considering changes to FCA FIRDS to stop ingesting EU instrument reference data before the new regime comes into force and will provide a further update in October 2026. During the implementation period, the FCA will take a flexible supervisory approach and will not take action against firms that do not submit transaction reports for reportable financial instruments only tradeable on EU trading venues.

4. What are the key changes under the new regime?

FX derivatives

The FCA will proceed with its proposal to remove FX derivatives from the scope of the transaction reporting regime. The FCA considers UK EMIR data to be a more appropriate and reliable source of information for monitoring FX derivative markets, noting that transaction reports for FX derivatives have historically been subject to persistent data quality issues.

All respondents supported the change. The main concern raised was the resulting data gap for UK branches of third country firms, which are not currently subject to UK EMIR reporting. The FCA will explore how to address this gap as part of its work to repeal and replace the over-the-counter (OTC) derivatives reporting requirements in Title II of UK EMIR. In the interim, firms that also report under UK EMIR will benefit from supervisory flexibility during the implementation period. However, firms that do not report under UK EMIR, including UK branches of third country firms, must continue to meet applicable requirements. The change does not apply to derivative contracts relating to cryptoassets.

Traded on a trading venue and index / basket derivatives

New guidance at MAR 14.5.4G clarifies how firms should assess whether an OTC derivative is a reportable financial instrument, by comparing its instrument classification and applicable derivative fields against the FCA's published instrument reference data. Respondents welcomed the additional clarity, although some considered that complex reference data checks will remain and asked for further examples, which the FCA will consider including in the new Transaction Reporting User Pack.

The FCA will also proceed with proposals to allow voluntary 'over-reporting' of derivatives where the underlying is an index, and to allow firms to report ISINs for all underlying instruments in a basket derivative, whether or not those ISINs are in FCA FIRDS. The FCA will not maintain a prescribed list of reportable indices, considering this difficult to define and maintain in a way that would provide meaningful simplification.

Conditional single-sided reporting

By way of background, the current regime requires in-scope "buy side" firms to submit transaction reports, even when their "sell side" executing broker is also subject to the reporting obligation. The current regime includes a transmitter exemption, which exempts a firm which is merely transmitting an order to a third party, subject to meeting certain conditions. However, the transmitter exemption is in practice very rarely used, as the conditions for its use make it operationally cumbersome and not a complete solution.

Parts of the buy side / asset management industry had lobbied the FCA for a blanket buy side exemption. The FCA has not taken-up that proposal, and the buy side remains in-scope (assuming that the firm is not an out-of-scope fund manager). However, the FCA is instead proceeding with its consultation proposal to turn the transmitter exemption into a new regime, known as conditional single-sided reporting (CSSR).

CP25/32 proposed changes to widen the availability of CSSR, including reducing the information points to be provided by the sending firm from 10 to 4 and extending CSSR to firms acting in dealing on own account and matched principal trading capacities.

Feedback was less positive than for the FCA's other proposals. Most respondents viewed the proposed model as unworkable, arguing that it would shift responsibility and operational risk from buy-side to sell-side firms. While respondents acknowledged that fewer data fields would need to be transmitted, they considered that practical difficulties would remain, including sensitive data exchange, contractual arrangements and controls around personal data. Alternatives suggested included unconditional single-sided reporting based on clear waterfall logic or an exemption from reporting for buy-side firms.

Notwithstanding this feedback, the FCA has decided to proceed with CSSR, emphasising its optional nature and its potential to reduce reporting volumes while preserving access to important buy-side data. The FCA also rejected the suggestion that either the sending or receiving firm should bear sole responsibility for the accuracy of submitted data. While acknowledging that receiving firms may incur costs in correcting inaccurate data received from sending firms, it considers that this risk can be addressed through contractual arrangements and has indicated that it will take a pragmatic supervisory approach where remediation depends on the co-operation of the sending firm.

Other scope clarifications

The FCA will retain the OTC ISIN as the identifier for OTC derivatives in transaction reports, rejecting calls from some respondents to move to the unique product identifier used under UK EMIR. The FCA considers this the more proportionate approach while it reviews the scope of OTC derivatives reporting as part of its longer-term harmonisation work.

New rules and guidance will also clarify when a branch is treated as having executed a transaction, an area respondents said would benefit from further examples, particularly for firms with complex cross-border booking models or traders physically located in a UK branch but supervised by a non-UK parent.

5. Are there any exclusions?

The FCA will proceed with its proposal to exempt most corporate actions from transaction reporting requirements, which respondents broadly welcomed as a means of reducing complexity when assessing reporting obligations. Most corporate event activity that falls out of scope will benefit from supervisory flexibility during the implementation period. The FCA's expectations in relation to IPOs, secondary public offerings, placings and debt issuance remain unchanged.

6. What changes are there to the content of transaction reports?

Reduction in reporting fields

PS26/15 reduces the number of transaction reporting fields from 65 to 52. Reflecting feedback, the FCA has retained the core reporting structure while removing fields it considers duplicative or low-value and provided clarity on fields that remain in scope.

Other significant changes to report content

On identifying trusts, the FCA has departed from the position proposed in CP25/32. Rather than an open choice between a trust LEI and a national identifier, the final rules require firms to use a trust LEI where one already exists, with the beneficiary's identifier permitted only where no LEI exists.

A number of other changes are also worth noting:

- Natural person clients: Firms will need to obtain a national identifier for natural person clients before executing a transaction for them, extending an existing pre-trade control (previously focused on LEIs) to natural persons.

- Counterparty unknown at execution: The FCA has moved away from its original CP25/32 proposal (to report the trading venue's segment market identifier code (MIC) in all cases) following feedback. The final rules instead codify existing market practice, i.e. that firms should report the central counterparty's (CCP) LEI where a CCP is used and the segment MIC only where the venue does not use a CCP.

- Transmission of order indicator: This field will be removed entirely, with strong support from respondents. The FCA has confirmed this does not affect the operation of CSSR, as sending firms will continue to be identified through the sending firm identification code in the buyer/seller fields.

- Equity swap pricing: For equity swaps with a single underlying, firms will need to report the price of the underlying instrument in the price field, rather than the spread on the financing rate. For swaps with multiple underlyings, firms should report the reference price of the underlying instrument(s) or index where this can reasonably be derived, and firms may instead report the spread on the financing rate where it cannot.

- Package transactions: A new 'package transaction' definition and reporting field will replace the existing 'complex trade component ID', moving reporting into closer alignment with the equivalent package identifier concept under UK EMIR. A second price field will also be introduced, allowing firms to report both the leg-level and package-level price where available.

- Incident management: New guidance at MAR 14.15.5G sets out the FCA's expectations for a formal transaction reporting incident management framework, covering the triage and root cause analysis of errors, tracking of remedial actions, internal escalation and notification to the FCA. The FCA is not proposing to add a materiality threshold for the submission of breach notifications at this stage.

- Further field-level changes: A number of RTS 22 fields will also be removed, including option type, option exercise style, delivery type, maturity date, notional currency 2, and the waiver, short selling, OTC post-trade, commodity derivative and securities financing transaction indicators. The FCA will also remove the SwpIn/SwpOut tags used for reporting equity swaps. Other changes include the introduction of new Boolean client indicator fields (replacing the existing country-of-branch fields), a NOAP convention for strike price and package-leg pricing where a value cannot be determined, and a new reporting value for direct electronic access.

Back reporting

The FCA has also confirmed a reduction in the default back reporting period for correcting historical transaction reporting errors from 5 years to 3 years, which it expects will lower the volume of transaction reports requiring resubmission by one third. The FCA will retain the ability to require up to 5 years of back reports on an exceptional basis, for example where this is needed to support market abuse investigations, and will use Market Watch to provide transparency on the volume and nature of such requests. Firms' underlying record-keeping obligations under COBS 11 and SYSC 9 are unaffected.

Most respondents supported the reduction to 3 years, although a minority argued for a shorter period (2 years, aligning with a CFTC No-Action Letter) or for the same reduction to be applied consistently across UK EMIR and SFTR. The FCA has said that it will consider back reporting requirements across regimes as part of its longer-term harmonisation work but that it believes 3 years is the most operationally important window for its market abuse and market monitoring work.

7. What are the new obligations for trading venues?

Trading venues will be required to populate fewer fields in the transaction reports they submit on behalf of members, which the FCA expects will simplify reporting for over 2,200 international firms accessing UK markets. In particular, trading venues will no longer need to populate the 'investment decision within firm' and 'execution within firm' fields where the relevant decision-maker is a natural person; a new code 'NPEX' will be introduced to reflect this and existing requirements will continue to apply where the decision was made by an algorithm.

The FCA will also confirm FCA FIRDS as the golden source for determining whether a transaction is reportable, with firms required to make that determination based on FCA FIRDS up to and including T+7 days following execution (irrespective of where the transaction was executed). Firms will not need to report a transaction where the relevant instrument is not in FCA FIRDS by T+7, and the FCA will not take action where firms reasonably determine an instrument is in scope despite it not yet being available on FCA FIRDS, including for pre-admission trading.

A number of RTS 23 instrument reference data fields will be removed, including the financial instrument short name, nominal value per unit, and option-related fields. The FCA will also extend the concept of 'admission to trading' to multilateral trading facilities undertaking primary market activities such as IPOs, secondary offerings, placings and debt issuance. Derivative instruments will also be removed from the concept of 'admission to trading' where the trading venue is the issuer, with the corresponding data fields no longer applying to those instruments. Notably, firms will be able to submit transaction reports for instruments before they are admitted to trading without first determining reportability, helping firms report grey market activity in a timely manner. In addition, systematic internalisers (SI) will no longer be required to submit instrument reference data, reflecting the narrowing of the SI regime under PS25/17.

The FCA will also align the order book data regime with these changes to transaction reporting, so that trading venues will not need to populate the ‘investment decision within firm’ and ‘execution within firm’ fields for orders submitted by firms that are not transaction reporting firms, where the decision-maker is a natural person.

8. What’s the implementation timeline?

The new regime will come into force on 3 April 2028, following an 18-month implementation period beginning on 3 August 2026. This reflects the FCA's recognition of the scale of the changes required to firms' systems, processes and governance arrangements. The FCA also intends to publish a draft schema, validation rules and new guidance (forming a new Transaction Reporting User Pack) for consultation in October 2026, alongside proposed transitional provisions and consequential Handbook amendments.

From 3 August 2026 until the new regime takes effect, the FCA will apply a flexible supervisory approach to a defined set of areas to allow firms to realise cost savings ahead of the 2028 implementation date.

9. What does the new regime mean for firms?

While the final rules broadly follow the approach consulted on in CP25/32, the reforms will require many firms to review their transaction reporting frameworks, including reporting logic, systems, controls and data governance arrangements. Firms should use the implementation period to assess the operational impact of the changes and identify any updates needed to existing reporting processes and infrastructure.

Firms should also monitor the FCA's planned October 2026 consultation on the new schema, validation rules and Transaction Reporting User Pack. These materials are expected to provide important additional detail on how the revised regime will operate in practice and will help firms prepare for the new regime ahead of its entry into force on 3 April 2028.

10. What else is on the horizon?

The FCA will continue to work with the BoE and HMT on its longer-term approach to harmonising transaction and post-trade reporting across the UK MiFIR, UK EMIR and UK SFTR regimes, including through the newly established Transaction and Post-Trade Reporting Industry Harmonisation Taskforce, which held its inaugural meeting in July 2026. The FCA has also indicated it will monitor international developments, including the European Securities and Markets Authority's July 2026 report on simplifying financial transaction reporting, and will seek to align with global standards where this does not come at the expense of UK market integrity, growth or data quality.