



**Response to the FCA's CP25/31: Consultation Paper on the
framework for a UK equity consolidated tape**

12th February 2026

Summary

The WFE welcomes the opportunity to comment further on the framework for a UK equity consolidated tape (CT).

The WFE supports the creation of a consolidated tape that stimulates capital market engagement, improves informed trading, enhances price formation, supports risk management, ensures best execution practices and adequately compensates data creators. However, we believe that the current proposal falls short in this regard.

In particular, we would highlight that:

- Exchanges create data as a join-product alongside trade execution. Rather than calling them “data contributors” the FCA should recognise exchanges as “data creators.” Once we recognise exchanges properly as data manufacturers, we can have a more honest conversation about how the consolidated tape impacts them and ensure that they are fairly credited for the vital role they play in the market ecosystem.
- The success of the CTP should be linked to real improvements in capital markets. These should include: stimulating capital market engagement, improving informed trading, enhancing price formation, supporting risk management, and ensuring best execution practices. The FCA’s current goals are instead rather circular.
- Exchanges ought to be fairly compensated for their role in manufacturing and providing data. Instead of rewarding exchanges for their transparent price formation, the transparency they provide to the markets increasing trust and reducing risks, the FCA is catering to the private interests of investment banks and asset managers to the detriment of exchanges and the wider market.

We are concerned that the current proposals may inadvertently weaken price formation, distort competition, and harm the broader UK capital markets ecosystem. In particular, the UK listings environment and the undertaking of new IPOs.

We welcome the opportunity to engage with and respond to the FCA's consultation on the equity consolidated tape. While we support the objective of improving market transparency and access to equity market data, we have significant concerns that the proposals as currently framed risk weakening price-formation, distorting competition, and undermining the long-term health of the UK's capital market ecosystem.

The consultation underestimates the role of exchanges in creating market data and sustaining price discovery, while placing disproportionate emphasis on data consumption rather than market outcomes. The success of the consolidated tape should be measured by whether it strengthens liquidity, enhances price formation, supports best execution, and ultimately benefits investors and issuers – not simply by increased data usage by intermediaries.

The following response sets out our concerns in detail and explains why aspects of the proposal risk undermining, rather than strengthening, UK equity markets.

Data Creators

The FCA's current label of "data contributors" for trading venues is a misnomer. These venues are not merely contributing data as a minor byproduct; they are in fact the creators or manufacturers of that market data. Exchanges are producing this data in tandem with trade execution. It is a joint product, inseparable from the price formation that occurs on multilateral venues.

This distinction matters because it highlights the intrinsic value that exchanges provide. They are not just passively offering a bit of data on the side; they are the fundamental engines of price discovery. Without them, the entire market would lack transparent pricing, and the ripple effects would be evident. Market participants may already experience this today during the rare occurrences of market outages.

The FCA should therefore reframe exchanges as data creators or data manufacturers, in line with Ruben Lee's seminal work on what an exchange is.¹ By acknowledging exchanges as creators of high-quality data, we acknowledge the real economic value they add. They provide accurate pricing data which other trading venues and bilateral execution venues base their competing business models on. Calling exchanges mere data contributors understates their specific role and diminishes the importance of the data they create. Once we recognise exchanges properly as data manufacturers, we can have a more honest conversation about how the consolidated tape impacts them and ensures that they are fairly credited for the vital role they play in the market ecosystem.

For the sake of clarity and consistency with the FCA's language and for simplicity, we will continue to use the term "data contributors" throughout the rest of this consultation response, even if it is a mischaracterisation.

Success of the CTP

The FCA's stated outcome should not simply be about fostering more use of equity trade data. That is a self-fulfilling prophecy that mainly benefits data users at the expense of data contributors. Instead, the goal should be genuinely stronger equity markets. We need to ensure that the consolidated tape supports a healthier ecosystem of secondary trading, which in turn promotes primary issuance and

¹ Lee, Ruben. (1998) What is an Exchange? The Automation, Management, and Regulation of Financial Markets

ultimately benefits investors and issuers alike.² The markets are ultimately there to serve them, not the intermediaries.

Simply providing a broader view of market liquidity is also not a meaningful end in itself. We should be aiming for more resilient and attractive markets, not just ticking the box that we have made more data visible.

Furthermore, as identified in the wholesale market data study this is not a problem. The FCA explained that “we have not found evidence that firms cannot access the wholesale data they need.”³

The success measures should be focused on real improvements. These should include: stimulating capital market engagement, improving informed trading, enhancing price formation, supporting risk management, and ensuring best execution practices. We need definitive, measurable key performance indicators (KPIs) agreed upon in advance, rather than broad, somewhat circular goals about increased data usage. These KPIs could include, number of initial public offerings (IPOs), retail participation, BBO spreads and slippage, quote to trade ratios and the share of multilateral vs. bilateral trading.

Revenue from Data Creation

We strongly disagree with the FCA’s approach on revenue sharing and the provision of market data, precisely because the current proposal denies any form of compensation, whether in the form of revenue sharing or payment, to data contributors.

Market data creation happens on exchanges. That is where prices are formed and those prices are used by other venues in order to price equities. Exchanges are, in fact, manufacturers of data. That data is created as a joint product alongside trade execution. Competing venues are increasingly using exchange data to compete for the same order flow as the exchanges creating the data. Over time, price formation overall will suffer, and in consequence, investors and the market itself as well, as spreads will widen thus increasing the costs for investors. The FCA’s proposal effectively disregards the value of this data to the competitiveness of trading venues and the wider financial system.

Instead of rewarding exchanges for their transparent price formation, the transparency they provide to the markets increasing trust and reducing risks, the FCA is catering to the private interests of investment banks and asset managers to the detriment of exchanges and the wider market. By refusing any form of revenue sharing, they are effectively proposing a framework that takes from exchanges (data creators) and gives to highly profitable banks and asset managers (data users), as evidenced in the cost benefit analysis. Especially as many of these market participants are already highly profitable entities this does not seem like an appropriate use of regulatory time. The consolidated tape ought not to be about enriching those who are already wealthy. It should be about improving and maintaining a fair and competitive marketplace where the creators of valuable data are appropriately recognised with improved incentives that continue to increase transparent markets.

Furthermore, the proposal is anti-competitive as it positions the Consolidated Tape Provider (CTP) to compete directly with exchanges in the market data space without bearing equivalent input costs or

² See WFE Research: <https://www.world-exchanges.org/news/articles/new-wfe-research-identifies-specific-policy-levers-drive-global-ipo-activity-across-markets>

³ <https://www.fca.org.uk/publications/market-studies/ms23-1-wholesale-data-market-study>

operating under the same commercial constraints. Exchanges incur significant costs to build, operate, and maintain trading venues, produce high-quality data, and meet extensive regulatory obligations. The proposed framework may violate the European Convention on Human Rights; the failure to fairly compensate data contributors is an unlawful deprivation of property. By contrast, the CTP would be permitted to aggregate and commercialise this data without having incurred the costs of producing it, and on a fundamentally different pricing and regulatory basis. This creates an uneven playing field, distorts competition in the market data ecosystem, and risks undermining the exchanges that invest in and foster transparent markets.

Risk of Undermining Capital Markets

The proposal risks undermining operators of multilateral, price forming exchanges and the central limit order books (CLOBs) that are a key driver of that price formation, despite the FCA's stated concern about supporting price-forming venues in CP25/20.⁴ In practice, the primary beneficiaries are likely to be non-price-forming venues and systematic internalisers, which appears inconsistent with the FCA's policy objectives. By weakening incentives for displayed liquidity, the proposal will likely reduce lit quoting and impair price discovery. By contrast, in successful market structures such as the US, revenue-sharing mechanisms explicitly support displayed liquidity, contributing to narrower spreads and improved outcomes for both investors and issuers.

As we said in our response to the previous FCA consultation, the FCA should ensure central limit order book operators remain competitive and this proposal does not do that. If the consolidated tape ends up incentivising more bilateral trading rather than multilateral price formation, we risk undermining UK capital markets to the detriment of all.

⁴ CP 25/20 Consultation Paper on the SI regime for bonds and derivatives including Discussion Paper on equity markets

Response to individual questions

3. Do you agree, on the basis of the evidence currently available, we should not introduce an equity CT with a greater depth of pre-trade data? Y/N. Please give your reasons.

Yes, we agree that greater depth is not necessary for the CT to achieve its objectives.

4. Do you have any initial views on whether an outage of the equity CT proposed in Question 1 would affect your ability to trade – subject to further evaluation once the equity CT is live?

Evidence from the United States and Canada suggests that an outage on the consolidated tape should not generally prevent trading. Most market participants will be and should be taking direct feeds from trading venues in order to minimise latency for the benefit of themselves and their clients.

An outage of the consolidated tape is an inevitability that the CT provider should be prepared to manage and that trading venues, SIs and market participants should have plans for. As owners and operators of market infrastructure with strict requirements, both regulatory and commercially, to continue operating, our members understand that outages are an inevitability that can only be minimised in occurrence and managed when they do occur. The CT provider can take similar lessons to our members from the FCAs review, ESMA's review and IOSCO's review of market outages in recent years.

5. Subject to further assessment of its feasibility, in principle do you think it would be helpful for the FCA to publish end-of-day consolidated post-trade data before the equity CT goes live? Y/N. Please give your reasons.

No.

The FCA has a very broad mandate, even among securities and conduct regulators. Taking on additional tasks like these would incur costs (both time and money) that the FCA could better utilise elsewhere, particularly because of the temporary nature of such a move.

6. Do you agree with our proposal not to require revenue sharing arrangements between the equity CTP and data contributors? Y/N. Please give your reasons.

No.

Market data creation happens on exchanges. That is where prices are formed and those prices are used by other venues to price equities. Exchanges manufacture data as a joint product alongside trade execution. The FCAs proposal to not offer a fair revenue share at least significantly interferes with the exchanges business models, endangering the business of exchanges and in consequence the indispensable services they provide (including funding the UK economy).

By not considering a fair revenue share between the exchanges and the CTP, the FCA proposes to disregard the work that the exchange does to create this data by offering it freely to the CTP and without revenue sharing arrangements.

As we have set out above:

- The FCA has been swayed by the particular private interests of market participants despite stating in point 1.17: “Our task is to advance the public interest and not to be swayed by particular private interests.”
- As is evidenced from the cost benefit-analysis, the FCA’s proposal essentially amounts to a direct transfer of revenue from data creators to those who make significant profit from the use of data.
- We consider this behaviour to be anti-competitive and the proposed framework to possibly be an unlawful deprivation of property.

Revenue sharing incentivises displayed liquidity, as seen in the US market structure. Revenue sharing tied to displayed liquidity rewards market makers and exchanges for posting competitive bids and offers rather than internalising or trading off-exchange. This encourages deeper, more reliable public order books, which in turn tightens bid-ask spreads, improves price discovery, and reduces information asymmetry. The result is a more efficient market, where execution quality improves for end investors because prices reflect true supply and demand rather than fragmented liquidity.

9. Do you agree with our proposed latency requirements for data contributors? Y/N. Please give your reasons.

Yes.

We agree with the FCA proposal to “require data contributors to transmit pre-trade data and post trade data to the CTP as close to real time as technically possible. In any case, this could be no later than 50 milliseconds after the timestamp of the order (for pre-trade data) or the timestamp of the transaction (for post-trade data). We could apply a daily 95% confidence interval to this requirement.”

10. Do you think there are specific types of trading protocol that should be subject to a higher latency requirement? Y/N. If yes, explain which types of flow and why.

No, we do not see a compelling reason to have different latency requirements, and the ECU CT does not require this.

14. Do you agree we should have a single CTP for the first 5-year contract period for the equity CT? Y/N. Please give your reasons.

Yes.

A single consolidated tape provider for the initial 5-year contract period would best support the objectives of the equity consolidated tape. Multiple tape providers would result in multiple feeds, potentially inconsistent service quality, and reduced standardisation across the market. This would reintroduce fragmentation and complexity, undermining the purpose of the consolidated tape. A single CTP ensures a uniform, authoritative source of data, promotes comparability and reliability, and allows the market to focus on adoption and effective use of the tape during the initial implementation period, rather than managing competing infrastructures.

15. Do you agree 5 years is an appropriate period for the length of a contract to operate an equity CT? If not, what length of time do you suggest and why? Y/N. Please give your reasons.

Yes, 5 years is a reasonable period for the CT to be created, recover its costs, and pursue customers.

16. Do you agree the CTP should not have to pay data contributors for accessing their data? Y/N. Please explain your reasons.

No.

See opening statement and response to question 6.

18. Do you agree an equity CTP should not be required to make its data available for free after 15 minutes? Y/N. Please give your reasons.

No.

The consolidated tape provider should compete on the same level playing field as exchanges.

19. Do you agree that consumption of the equity CT should not be compulsory? Y/N. Please give your reasons.

Generally, yes..

Consumption of the equity consolidated tape should not be compulsory. Mandating consumption risks imposing unnecessary costs on market participants whose business models or use cases do not require the data. Market-led adoption is more likely to result in efficient use and innovation around the tape.

However, given the UK market structure – particularly the Retail Service Provider (RSP) model – the equity consolidated tape could be a valuable tool for retail brokers in demonstrating and monitoring best execution. In that context, there may be merit in considering whether access to, or use of, consolidated tape data should be expected where it materially supports best execution obligations, without making consumption universally mandatory.

20. Do you agree an equity CTP should not be subject to rules on pricing on a reasonable commercial basis? Y/N. Please give your reasons.

No.

Whilst we recognise that it may be less straight forward to apply the current reasonable commercial basis (RCB) model to the CTP. We do not believe it is necessary to replace RCB as it can be understood and applied in the context of the CTP. Without RCB, the CTP would compete on a different pricing and commercial basis to the exchanges which further increases the unfair economic advantage of the CTP compared to data contributors as well as other data vendors.

21. Do you have any comments on the treatment of ETNs and ETCs for equity and bond CTs?

Yes.

We recommend to align their treatment with their treatment in the EU, where they have been classified as bonds, but are not included in any CTP.

22. Do you agree that all equity trading venues and all APAs publishing trade reports for equities should be required to provide data to the CTP, and new trading venues and APAs should provide data as soon as possible after they start operating? Y/N. Please give your reasons.

23. Do you agree with our proposed pre-trade input table for the information trading venues have to provide to the equity CTP? If not, please set out the amendments you think we should make and the reasons for those amendments.

The CTP provider should simply take the pre-existing feeds. This would keep costs low for trading venues.

24. Do you agree with our proposed pre-trade output tables for the information the equity CTP will need to publish? If not, please set out the amendments you think we should make and the reasons for those amendments.

The CTP provider should simply take the pre-existing feeds. This would keep costs low for trading venues.

30. Do you agree an equity CTP should be required to make available a database of historical post-trade data? Y/N. Please give your reasons.

Yes.

If the CTP is offering additional services or charging for historical data, which in our opinion could constitute an additional service or product, then the CTP should pay for the data it uses to produce these products. Permitting the CTP to use data that it gets for free and then enabling it to sell that data would give the CTP an unfair advantage over data creators and other data providers. In other words, the CTP should be treated like any other vendor when providing services that goes beyond the scope of its primary function.

36. Do you agree the equity CTP should send us a report on its operation on a quarterly rather than 6-monthly basis? Y/N. Please give your reasons.

Yes.

The report should be public for the sake of transparency and accountability.

39. Do you agree with removing the reference to 15 minutes in MAR 9.2B.33R(2)? Y/N. Please give your reasons.

No.

The consolidated tape provider should compete on the same level playing field as exchanges

40. Do you agree data contributors should be required to send the specified input data to the CTP and the CTP should be able to choose to receive the information in one of the ways that a data contributor currently uses to publish transparency data? Y/N. Please give your reasons.

No.

The CTP should receive the information in one of the ways that a data contributor currently uses to publish transparency data to minimise costs.

41. Do you agree data contributors should not be required to send the specified input data to the CTP using a format adhering to the ISO 20022 methodology? Y/N. Please give your reasons.

Yes.

We agree that ISO 20022 should not be mandated for CTP input data. Equity markets already rely on venue specific low latency formats that are widely adopted, interoperable, and purpose built for real-time market data dissemination. ISO 20022 is significantly more verbose, less performant for real time order book and trade data and not used in equity real-time transparency today.

Requiring a transition to ISO 20022 would impose substantial development and testing costs on venues, APAs, and data providers while offering no meaningful improvement in data quality or transparency. Maintaining existing industry standards ensures stability, avoids unnecessary re engineering, and supports efficient, reliable data delivery to the CTP.

44. Do you agree with reducing the notice period a CTP for bonds or equities should give of price changes to 30 days? Y/N. Please give your reasons.

The notice period should be consistent with that applied to other UK trading venues in order to ensure a level playing field. Alignment across venues is important to avoid competitive distortions. By way of comparison, the equivalent requirement in the EU is a 90-day notice period.

46. Do you agree firms should consider whether using CT data can improve their best execution arrangements and monitoring but there is no need to add a provision in the Handbook on this? Y/N. Please give your reasons.

See response to question 19 on mandatory consumption. Also copied below.

Consumption of the equity consolidated tape should not be compulsory. Mandating consumption risks imposing unnecessary costs on market participants whose business models or use cases do not require the data. Market-led adoption is more likely to result in efficient use and innovation around the tape.

However, given the UK market structure – particularly the Retail Service Provider (RSP) model – the equity consolidated tape could be a valuable tool for retail brokers in demonstrating and monitoring best execution. In that context, there may be merit in considering whether access to, or use of, consolidated tape data should be expected where it materially supports best execution obligations, without making consumption universally mandatory.

Background

Established in 1961, the WFE is the global industry association for exchanges and clearing houses.

Headquartered in London, it represents the providers of over 250 pieces of market infrastructure, including standalone CCPs that are not part of exchange groups. Of our members, 36% are in Asia Pacific, 43% in EMEA and 21% in the Americas. The WFE's 87 member CCPs and clearing services collectively ensure that risk takers post some \$1.3 trillion (equivalent) of resources to back their positions, in the form of initial margin and default fund requirements. The exchanges covered by WFE data are home to over 55,000 listed companies, and the market capitalization of these entities is over \$111tr; around \$124tr in trading annually passes through WFE members (at end-2023).

The WFE is the definitive source for exchange-traded statistics and publishes over 350 market data indicators. Its free statistics database stretches back more than 40 years and provides information and insight into developments on global exchanges. The WFE works with standard-setters, policy makers, regulators and government organisations around the world to support and promote the development of fair, transparent, stable and efficient markets. The WFE shares regulatory authorities' goals of ensuring the safety and soundness of the global financial system.

With extensive experience of developing and enforcing high standards of conduct, the WFE and its members support an orderly, secure, fair and transparent environment for investors; for companies that raise capital; and for all who deal with financial risk. We seek outcomes that maximise the common good, consumer confidence and economic growth. And we engage with policy makers and regulators in an open, collaborative way, reflecting the central, public role that exchanges and CCPs play in a globally integrated financial system.

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If you have any further questions, or wish to follow-up on our contribution, the WFE remains at your disposal. Please contact:

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