EDMA
Electronic Debt Markets Association

EDMA Response
FCA's Consultation on the SI regime for bonds and derivatives including Discussion Paper on equity markets (CP25/20)

EDMA appreciates the opportunity to submit the following responses:

Question 3: Do you agree with our proposed amendment to MAR 5.3.1AR(4) to remove the ban on matched principal trading by MTF operators?

In order to support the goals set in Financial Services Growth and Competitiveness Strategy, we would like to point out that MiFIDPRU should be properly revisited to further boost the competitiveness of MTF operators:

1) Investment firms operating MTF only should, by their nature, be categorised as small and non-interconnected investment firms investment firm under MIFIDPRU 1.2.
2) Investment firms operating MTF only should be added into MIFIDPRU 2.3.2 to be exempted from the liquidity requirement set in MIFIDPRU 6.

Question 8: Do you believe that there are activities in the current liquidity landscape, such as those carried out by bilateral quote aggregators, that should be considered more closely? If yes, what are the risks that they pose?

EDMA struggled to assess answering this question as there is not a clear definition of "bilateral quote aggregators" in any FCA Handbook glossary.

Therefore EDMA would simply reiterate that as set by Q24C of PERG 13, if a system de facto allows trading interests to interact multilaterally, the system operator should be properly licensed and regulated as a trading venue.

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About EDMA

Electronic Debt Markets Association represents the common interests of companies whose primary business is the operation of regulated electronic fixed income trading venues (multilateral trading facilities and regulated markets) in Europe. EDMA seeks to foster and promote liquid, transparent, safe and fair markets and act as the voice and a source of consultation between the members in their roles as operators of such venues. EDMA projects collective views on regulatory matters and market structure topics to governments, policy makers and regulators for the benefit of the electronic fixed income markets. Our 6 members are: BGC Fenics, Bloomberg, BrokerTec, MarketAxess, Euronext MTS and Tradeweb. More information at www.edmae.org

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