THE INVESTMENT ASSOCIATION

# IA response to CP26/31 FCA call for input on key contractual requirements for the CT provider

## About the Investment Association

The Investment Association (IA) champions UK investment management, a world-leading industry which helps millions of households save for the future while supporting businesses and economic growth in the UK and abroad. Our 250 members range from smaller, specialist UK firms to European and global investment managers with a UK base. Collectively, they manage £11.1 trillion for savers and institutions, such as pension schemes and insurance companies, in the UK and beyond. 53% of this is for overseas clients. The UK asset management industry is the largest in Europe and the second largest globally.

## Executive summary

The IA has consistently supported the development of an effective UK equity consolidated tape, including the inclusion of both post-trade and pre-trade data and the appointment of a single initial provider. With the framework now moving towards implementation, the immediate priority should be to establish a commercially viable operating model and avoid contractual complexity that could weaken bidder appetite or delay delivery.

The contractual framework should therefore be guided by three principles:

- **Revenue model:** Any profit or income-sharing mechanism should be proportionate and calibrated so that it does not undermine the financial viability of the tape, increase costs for users or deter credible providers from participating in the tender.
- **Governance:** Oversight should be transparent and credible, while reporting, committee structures and independent assurance requirements should remain proportionate, cost-sensitive and focused on material risks.
- **Operating hours:** The proposed initial operating hours of 07:30 to 18:00 appear reasonable, provided they capture the principal liquidity events. The contract should include a clear review mechanism rather than an automatic obligation to extend operating hours.

Each contractual requirement should therefore be tested against a simple question: does it strengthen the delivery and long-term sustainability of the tape, or does it introduce cost and complexity that could weaken bidder appetite and delay implementation?

**The Investment Association**

10 Norton Folgate, London, E1 6DB
www.theia.org

capitalmarkets@theia.org

© The Investment Association 2026. All rights reserved.
No reproduction without permission of The Investment Association

## Profit-sharing model

The overriding consideration should be whether the proposed revenue model supports a competitive tender and a financially viable, sustainable equity tape.

In the IA's response to CP25/31 on the equity consolidated tape framework, the majority of IA members opposed requiring the consolidated tape provider to make payments to data contributors, whether through a one-off payment or a recurring profit- or revenue-sharing arrangement. Members were concerned that such payments could affect the commercial viability of the CT, increase costs for users, and risk undermining the objective of delivering a broad, affordable and sustainable market utility.

Nevertheless, IA members recognise the importance of enabling the equity CT to proceed without further delay and, at this stage, accept that the FCA may decide to include a profit-sharing mechanism in the contractual requirements. Whatever final model the FCA adopts, members consider that the most important outcomes are a competitive tender process, a financially viable proposition from prospective bidders, and the CTP's ability to operate sustainably over the long term.

IA members' primary concern is that any profit-sharing requirement should not compromise the financial viability of the equity CT or reduce the tender's attractiveness to credible providers. The FCA should therefore retain sufficient flexibility to calibrate the final requirement considering the tender process and the evidence provided by prospective bidders. We suggest that the FCA does not finalise the income-sharing mechanism at this stage and instead allows CT users and the provider to determine the most appropriate approach at the appropriate time.

## Oversight

IA members do not have strong views on the detailed oversight arrangements for any profit-sharing model. The FCA's proposed supervisory approach appears appropriate and reasonable, particularly where it is supported by regular reporting, effective governance arrangements and suitable transparency around the calculation and distribution of any shared profits. IA members would not wish oversight requirements to develop in a way that materially increases the costs or complexity of operating the CT. Any independent assurance requirement should therefore be proportionate and considered in the context of the overall financial viability of the CTP.

## Operating hours

IA members consider that the current priority for the equity CT should be to capture the principal liquidity events in the UK's main markets. The proposed operating hours of 07:30 to 18:00 appear broadly consistent with that objective as an initial requirement. However, the contractual requirements should allow sufficient flexibility to accommodate changes in market practice, including any future changes to trading hours or market structure.

If UK trading hours are extended in the future, the equity CT should be capable of adapting where necessary to continue capturing key liquidity events and providing a meaningful consolidated view of the market. However, this should not require an automatic or immediate extension of CT operating hours in the current contractual requirements. Instead, the FCA should build a clear review mechanism into the contractual framework, allowing the FCA, the CTP and market participants to assess whether changes are needed to improve the offering of the tape, not limited to its operating hours but also the coverage and depth of the tape over time. We suggest that the FCA conduct an initial review after the CT has operated for a defined period, and thereafter at regular intervals, to consider whether the tape should be expanded in scope or depth.

## Conclusion

The IA remains strongly supportive of an effective, affordable and sustainable UK equity consolidated tape. The FCA's immediate priority should now be to establish a contractual framework that attracts credible bidders and enables timely implementation. This requires a commercially viable revenue model, proportionate and cost-sensitive governance, and operating requirements that can evolve through evidence-based review rather than automatic contractual expansion. Keeping the framework focused on these principles will give the equity CT the strongest prospect of delivering lasting value to UK markets and their users.