**Data Reporting Services Provider (DRSP)**

**Authorisation Application – Notes**

These guidance notes provide clarification on completing both the application form for a DRSP and the notification form for the list of members of a management body.

The notes are applicable to:

1. all persons who wish to apply for authorisation as a DRSP under Regulation 7 of the Data Reporting Services Regulations 2017; and
2. all operators of trading venues who wish to apply to operate a DRSP through prior verification of compliance with Regulation 5(d) of the Data Reporting Services Regulations 2017.

The authorisation requirements to provide data reporting services in the UK are implemented through the following sources:

1. [The Data Reporting Services Regulations 2017 (SI 2017/699)](https://www.legislation.gov.uk/uksi/2017/699/contents) ;
2. [Chapter 9 in the FCA’s Market Conduct Sourcebook (MAR 9](https://www.handbook.fca.org.uk/handbook/MAR/9/?view=chapter)) ;
3. UK Markets in Financial Instruments Regulation (UK MiFIR);
4. UK MiFIR Delegated Regulation (Commission Delegated Regulation 2017/567)

Also, the onshored technical standards on:

1. transparency requirements for trading venues and investment firms in respect of shares, depositary receipts, exchange-traded funds, certificates and other similar financial instruments and the obligation for investment firms to execute transactions in certain shares on a trading venue or a systematic internaliser (Commission Delegated Regulation 2017/587)
2. transparency requirements for trading venues and investment firms in respect of bonds, structured finance products, emission allowances and derivatives (Commission Delegated Regulation 2017/583)
3. the volume cap mechanism and the provision of information for the purposes of transparency and other calculations (Commission Delegated Regulation 2017/577)
4. the authorisation, organisational requirements and the publication of transactions for data reporting services providers (Commission Delegated Regulation 2017/571)
5. the standard forms, templates and procedures for the authorisation of data reporting services providers and related notifications. (Commission Implementing Regulation 2017/1110)

DRSP applicants should refer to these materials when completing the application forms, and satisfy themselves that all requirements for authorisation have been complied with.

**Important information**

Please note that for completing both the application form for a DRSP and the notification form for the list of members of a management body, we expect the signatory to the form in each case to be a member of the management body of the proposed DRSP.

Please keep a copy of the forms you complete and any supporting documents you include for your future reference.

It is important that you provide accurate and complete information and disclose all relevant information. If you do not, you may be committing an offence under Regulation 29 of the Data Reporting Services Regulations 2017. If necessary, appropriate professional advice should be sought before supplying information to us. If any information is inaccurate or incomplete, your application may take longer to be processed. You must notify us immediately of any significant change to the information provided. If you do not, it may take longer to be processed. Any documents listed as part of a submitted application for authorisation, should be made available upon FCA request as part of the DRSP application review process.

Please ensure that information submitted as part of an application for authorisation clearly identifies which specific requirement of RTS 13 it refers to, and in which document that information is provided.

Please omit information in relation to your business which is unnecessary for the purposes of your application for authorisation.

Please note article 1(2) of RTS 13, which states that a DRSP shall promptly inform the competent authority of any material change to the information provided at the time of the authorisation and thereafter.

**Data protection**

To comply with the UK General Data Protection Regulation (GDPR) and the Data Protection Act 2018, please note that we will use any personal information you give us to discharge our statutory functions under the Data Reporting Services Regulations 2017 and other relevant legislation and may be disclosed to third parties for those purposes.

Please take time to read these notes carefully, they will help you to fill in the forms correctly.

If after reading these notes you need more help you can:

* check the FCA website: <https://www.fca.org.uk/>
* consult the Handbook: <https://www.handbook.fca.org.uk/>
* email the Market Data Infrastructure Supervision team: [mdis@fca.org.uk](mailto:mdis@fca.org.uk)

**Terms in these notes**

These notes use the following terms:

* '**you**' refers the person(s) signing the form on behalf of the applicant firm
* '**the applicant firm'** refers to the firm applying for authorisation
* '**we**', ‘**us**’, '**our**' or ‘**FCA**’ refers to the Financial Conduct Authority
* ‘**DRSP**’ refers to data reporting service provider
* ‘**ARM**’ refers to approved reporting mechanisms
* ‘**APA**’ refers to Approved Publication arrangements
* ‘**CTP**’ refers to Consolidated tape providers

You may also find it helpful to refer to Regulation 2 (Interpretation) of the Data Reporting Services Regulations 2017.

|  |  |
| --- | --- |
|  | **DRSP Authorisation Application - Notes**  These notes use the article numbering in RTS 13.  Please ensure that information submitted clearly identifies which specific requirement of RTS 13 it refers to, and in which document that information is provided. |

Information on the organisation

(Article 2 of RTS 13)

1(a) The information on organisation structure should include a quantitative and qualitative description of the human, technical and legal resources allocated to its business activities.

**1(b) (i)** For the named individuals include job title and a brief role description.

**1(b) (ii)** For the mentioned means available to monitor and enforce compliance policies and procedures; please include all tools, software and manual activities where applicable.

**1(b) (iii)** For the mentioned measures to be undertaken in the event of a breach, please present in two distinct categories (a) immediate actions taken following the detection of a breach and (b) longer time frame actions taken following the breach resolution.

**1(b) (iv)** You should include details of the internal escalation procedures, record keeping of incidents and level of sign off required prior to submitting a breach notification to the FCA.

**1(c)** No additional notes

**2** A data reporting services provider offering services other than data reporting services at legal entity and group level shall describe those services in the organisational chart.

Information on the corporate governance

(Article 3 of RTS 13)

**1**  No additional notes

**2(a)** This should include a list of documents/procedures in place.

**2(b)** You should distinguish between fixed and ad hoc reporting lines.

**2(c)**  You should include details around document classification (i.e. access level), use examples where relevant.

Information on the members of the management body

(Article 4 of RTS 13)

You may find it helpful to refer to Regulation 12(4) of the Data Reporting Service Regulations 2017 and MAR 9.5.3 G.

For the submission of the notification form for list of members of a management body, where the members of the management body of a market operator will be the same as the members of the management body of the DRSP, we will require such persons to only complete the “full name” and “personal national identification number or equivalent thereof” fields to the form. For any additional members of the management body of the DRSP not present on the management body of the market operator, the entire notification form should be filled in and submitted as normal.

**1(d)** By virtue of the Rehabilitation of Offenders Act 1974, we will not require the disclosure of spent convictions or cautions, as defined under that Act, for the purposes of compliance with article 4(1)(d) RTS 13.

Note that this approach applies to the submission of both the notification form for list of members of a management body (MAR 9 Annex 2D), and any subsequent notification of changes to membership of the management body (MAR 9 Annex 6D).

Information on conflicts of interest

(Article 5 of RTS 13)

**1(a)** Provide a list with all potential conflicts of interest identified accompanied by a brief description. Provide details on the frequency of review for the purpose of updating the inventory.

**1(b) (i)** Provide specific details of how conflicts are managed and approved. Also, please clarify that reporting lines do not overlap across areas of conflict.

**1(b) (ii)** No additional notes

**1(c)** Provide a brief description of the fee policy for determining fees charged by the data reporting services provider and undertakings to which the DRSP has close links.

**1(d)** Provide a brief description of the remuneration policy for the members of the management body and senior management.

**1(e)** Provide a brief of account of the rules regarding the acceptance of money, gifts or favours by staff of the data reporting services provider and its management body.

**2(a)-(d)** Demonstrate (by adding appropriate classification) that the inventory of conflicts of interest as referred to in paragraph 1(a) includes conflicts of interest arising from situations summarised in article 5(2)(a)-(d) RTS13.

Information on organisational requirements regarding outsourcing

(Article 6 of RTS 13)

**1** No additional notes

**2** List all the outsourced activities in two distinct categories (a) critical function (as defined in article 6(6) RTS 13) outsourced activities and (b) noncritical function outsourced activities.

**3-6** Provide summarised lists of evidence to demonstrate compliance.

Information on business continuity and back-up facilities

(Article 7 of RTS 13)

**1-2** No additional notes

**3 (a)-(g)** Provide summarised evidence of the relevant business continuity arrangements. This evidence should be a list of documents/procedures in place bearing in mind that any documents listed should be made available on FCA request as part of the DRSP application review process.

**4** Provide details including governance and oversight on testing scheduling and explain the decision-making process which will underpin and support unplanned testing/upgrades /releases.

**5** No additional notes

Information on testing and capacity

(Article 8 RTS 13)

**1 (a)-(c)** Provide summarised evidence of the relevant testing and capacity arrangements. This should include a list of documents/procedures in place bearing in mind that any documents listed should be made available upon FCA request as part of the DRSP application review process.

**2** No additional notes

**3-4** Evidence that all relevant obligations are appropriately captured in written procedures.

**5** Outline the key parameters of the reviewing programme including frequency of programme effectiveness assessment.

**6** Please provide summarised evidence of the relevant testing arrangements. This should include a list of documents/procedures in place. Provide a summary of the key characteristics of the adverse scenarios used for stress testing.

**7 (a)** Provide summarised evidence that demonstrates that the DRSP has sufficient capacity to perform its functions.

**7** **(b)** Provide a high-level summary on scalability considerations which were taken into account in the operational design phase of the DRSP.

Information on security

(Article 9 of RTS 13)

**1 (a)-(d)** Provide summarised evidence of the relevant physical and electronic security arrangements. This should be a list of documents/procedures in place bearing in mind that any documents listed should be made available upon FCA request as part of the DRSP application review process.

**2** No additional notes

**3-4** Evidence that all relevant obligations are appropriately captured in written procedures.

**5** No additional notes

Information on management of incomplete or potentially erroneous information by APAs and CTPs

(Article 10 of RTS 13)

Please submit relevant details from your internal procedures documentation which clearly demonstrate that you can meet the requirements for each element under Article 10 of RTS 13.

Information on management of incomplete or potentially erroneous information by ARMs

(Article 11 of RTS 13)

Please submit relevant details from your internal procedures documentation which clearly demonstrate that you can meet the requirements for each element under Article 11 of RTS 13.

Information on connectivity of ARMs

(Article 12 of RTS 13)

In addition to providing relevant details demonstrating that you can meet the requirements for each element under Article 12(1)-(2) RTS13, you may also find it helpful to refer to MAR 9.5.5 G, which outlines the additional forms you are required to submit to be authorised as an ARM.

Information on other services provided by CTPs

(Article 13 of RTS 13)

**1 (a)-(f)** Please indicate which of the listed additional services you will be providing, if any.

**2** Please provide details of any additional services you wish to provide which are not specified in Article 13(1).

Information on publication arrangements

(Articles 14-20 of RTS 13)

The obligations in this chapter are only applicable to APAs and CTPs. Please submit relevant details from your procedures documentation which clearly demonstrate that you can meet the requirements for each element under Article 14.

Please provide evidence that all relevant obligations are appropriately captured in written procedures for Articles 15 to 20.