

# The UK's New Transparency Regime for Bonds

*Key points from FCA Policy Statement on improving transparency for bond markets*

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## Introduction

This paper provides a summary of the FCA's recently published new rules ([PS 24/14](#)<sup>1</sup>) to revamp the UK's bonds transparency regime, which are set to apply from 1 December 2025. The calibration of the transparency regime is also captured in two handy tables showing the final thresholds including the FCA's estimate of trade and volume percentages within each threshold.

## Redesigning the regime

The transparency scope continues to apply to all bonds traded on a UK trading venue (TOTV). However, going forward, instead of performing transparency calculations, the FCA will use a set of features considered reliable proxies for a bond's liquidity: these are (i) type of issuer (sovereign or corporate); (ii) country of issuer; (iii) issuance size; (iv) time to maturity; (v) currency of issuance; and (vi) credit rating (investment grade (IG) or high yield (HY)). Consequently, the FCA will discontinue its transparency calculation system, Financial Instruments Transparency System (FITRS).

**Pre-trade transparency** will only apply to *trading venues* in respect of the following trading systems: continuous auction order books, quote-driven trading systems and periodic auction trading systems. Investment firms will no longer be subject to pre-trade transparency for trading bonds OTC. Further, from 31 March 2025, ahead of the start of the new regime in December 2025, trading venues will no longer need to apply pre-trade transparency to voice and RFQ trading and systematic internalisers will no longer need to make public quotes.

For **post-trade transparency**, real time reporting means as soon as technically possible and no later than 5 minutes from execution. Package transactions and portfolio trades have a longer maximum real time reporting definition of 15 minutes, due to the potential for operational complexities in reporting.

The FCA has recalibrated the **transparency thresholds** with three post-trade LIS thresholds and deferral durations. For pre-trade, an LIS waiver for orders will be the same threshold as the LIS threshold applicable to that instrument for post-trade deferrals.

## Timeline

The FCA will select the UK bond consolidated tape provider (CTP) in H1 2025. The new rules start from 1 December 2025 and the CTP is expected to go live shortly thereafter.

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<sup>1</sup> Policy Statement 24/14 <https://www.fca.org.uk/publication/policy/ps24-14.pdf>

## UK Transparency Thresholds

SOVEREIGN AND OTHER PUBLIC BONDS											
Asset class	Issuer	Issue Size	Maturity	Real-time		DEFERRALS					
						LIS 1 1 day		LIS 2 2 weeks		LIS 3 3 months	
				Trades	Volume	Trades	Volume	Trades	Volume	Trades	Volume
Sovereign Bonds <sup>2</sup>	France Germany Italy Spain US UK	>= £2bn	<=5yr	84%	12%	9%	28%	6%	59%	1%	1%
				<= £15m	> £15m	> £50m	> £500m				
			5yr - <=15yr	72%	12%	13%	19%	14%	68%	1%	1%
				<= £10m	> £10m	> £25m	> £250m				
			> 15yr	81%	18%	7%	11%	11%	65%	1%	6%
				<= £5m	> £5m	> £10m	> £100m				
Sovereign and Municipal Bonds	All	>= £2bn	All	61%	6%	26%	23%	11%	42%	2%	29%
				<= £1m	> £1m	> £5m	> £25m				
		< £2bn		74%	7%	8%	5%	11%	20%	7%	68%
				<= £1m	> £1m	> £2.5m	> £10m				
<b>TOTAL</b>				75%	13%	13%	20%	11%	61%	1%	6%

CORPORATE BONDS											
Asset class	Currency	Issue Size	IG/HY	Real-time		DEFERRALS					
						LIS 1 1 day		LIS 2 2 weeks		LIS 3 3 months	
				Trades	Volume	Trades	Volume	Trades	Volume	Trades	Volume
Corporate, Covered, Convertible & Other bonds	GBP, EUR, USD	>= £500m	IG	88%	27%	9%	23%	2%	21%	1%	29%
				<= £1m	> £1m	> £5m	> £25m				
			HY	90%	55%	8%	27%	1%	17%	1%	1%
				<= £1m	> £1m	> £2.5m	> £10m				
			All other instruments	76%	24%	21%	36%	2%	21%	1%	19%
				<= £0.5m	> £0.5m	> £2.5m	> £10m				
<b>Total</b>				84%	28%	13%	26%	2%	21%	1%	25%

<sup>2</sup> other than inflation linked or STRIPS.



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