

## EU Fixed Income Quorum | London | 2 December 2025

### Summary

- Recent changes to the UK referral regime have materially increased reported fixed income volumes, reinforcing the role of transparency in market participation.
- Ongoing legal uncertainty around the UK consolidated tape provider (CTP) continues to complicate planning for venues and market participants.
- Buy-side-led discussion identified connectivity, liquidity, internal controls, and cost visibility as core criteria for trading venue selection.
- Rising regulatory costs are reshaping platform business models, accelerating feature commoditisation and increasing focus on execution quality and integration.

### Transparency, referral regimes and volume shifts

The meeting opened with analysis of the UK referral regime changes and their immediate impact on reported market activity. Participants noted a sharp increase in fixed income volumes, including a five-fold rise in corporate bond trading and a seven-fold increase in euro-denominated activity. Unexpected growth in USD volumes further underscored the sensitivity of trading behaviour to transparency frameworks.

While improved visibility was broadly welcomed, participants questioned whether venues and Approved Publication Arrangements are operationally equipped to manage sustained volume growth. Attention was drawn to the uneven usability of post-trade data, particularly when comparing bonds and swaps across UK and EU regimes. The absence of a clear UK roadmap for a derivatives tape was seen as a growing point of divergence from EU priorities.

### Consolidated Tape progress, legal uncertainty

Participants reviewed the latest developments in the UK consolidated tape process, including the FCA's attempt to lift the current suspension and the possibility of a legal decision before the 2025 year-end. While the working assumption remains a March 2026 go-live, the group acknowledged that alternative outcomes - including further delay or an auction process - remain possible.

Discussion also turned to the EU consolidated tape, where progress has been slower and less visible. Even once a provider is selected, lengthy authorisation and onboarding processes are expected to delay practical implementation. Across both jurisdictions, participants stressed the need for sequenced and coordinated rollouts to avoid placing excessive operational strain on firms required to connect to multiple infrastructures simultaneously.

### Axe quality and market practice evolution

Participants revisited the original purpose of axes as a tool for risk recycling and size discovery, while acknowledging growing concerns around data quality and integrity.

Electronic dissemination has improved reach and efficiency but has also increased the risk of information leakage, particularly where axes are not supported by firm inventory or genuine trading intent.

There was broad support for ongoing industry initiatives aimed at standardising axe usage and improving transparency, provided these efforts preserve flexibility for legitimate liquidity signalling.

## **Buy-side perspectives on trading venue selection**

A central feature of the meeting was a buy-side-led discussion on trading venue selection criteria. Participants converged on several foundational requirements:

**Connectivity:** robust APIs, dealer-side integration, and operational resilience

**Liquidity provision:** depth, diversity, and reliability of liquidity providers

**Internal controls:** governance, surveillance, and risk management standards

**Cost visibility:** clear, predictable fee structures and transparency around total cost

Beyond these core elements, innovation emerged as a key differentiator. Participants highlighted the value of smart functionality, including portfolio trading support, pre-trade data quality, and workflow automation. Asset class and geographic coverage were seen as important but secondary considerations, while ownership model was generally viewed as less critical than effective conflict management and regulatory compliance.

## **Platform economics, regulation and market access**

The discussion broadened to the economics of fixed income trading platforms. Participants noted that regulatory requirements have significantly increased the cost of operating venues, influencing pricing models and strategic priorities. Some platforms have responded by introducing explicit charging structures to offset compliance costs, while others continue to prioritise execution-led models with limited reliance on data revenues.

As certain platform features become commoditised, competitive advantage is increasingly defined by integration quality, analytics, and connectivity, rather than basic execution functionality. From a buy-side perspective, liquidity provider coverage and regulatory standing remain decisive, alongside a clearer understanding of the hidden costs embedded in venue access.

## **Looking ahead**

The meeting concluded with a shared view that trading venue selection is no longer a purely commercial decision, but one shaped by transparency regimes, regulatory alignment and infrastructure resilience. Participants agreed that ongoing collaboration between buy side, sell side, and market infrastructure providers will be essential to ensure transparency initiatives deliver better market outcomes, rather than simply more data.

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