

Financial Conduct Authority
12 Endeavour Square
London E20 1JN
UK

Date: 9th Feb. 2024
Your ref.: CP23/33

Att: Stephen Hanks

Consultation on Payments to data providers

Norges Bank Investment Management (NBIM) appreciates the opportunity to respond to consultation paper CP23/33 on the framework for a UK consolidated tape. The response we provide is based on our experience as an active participant in UK markets.

NBIM is the investment management division of the Norwegian Central Bank (“Norges Bank”) and is responsible for investing the Norwegian Government Pension Fund Global in a globally diversified manner. NBIM held assets valued at NOK 15 764 billion as of 31 December 2023, of which GBP 78 billion was in UK equities and bonds of UK issuers.

As a long-term investor NBIM has an interest in well-functioning financial markets that facilitates the efficient allocation of capital and promotes long-term economic growth and thus in a regulatory environment for trading in financial instruments that facilitates such an outcome.

On payments to data providers

NBIM supports the establishment of consolidated tapes as a mean to facilitate transparency in markets and ultimately improve liquidity and efficiency in trading. We commend the FCA Policy Statement for the framework for a UK consolidated tape as presented in CP23/33.

Consolidated tapes should be considered a utility service that can efficiently be provided to the market by a regulated entity. The establishment of these tapes is key to realise the potential positive effect on financial markets of the regulatory trade transparency requirements.

We are concerned that the move towards introducing payment to data providers to recompense their cost of connectivity to a bond Consolidated Tape Provider (CTP) to meet their regulatory obligations will lead to unnecessary dispute and complications. The FCA may consider if it also introduces questionable regulatory precedence.

The cost of regulatory compliance is initially born by the regulated entities and ultimately by their customers. We expect competition amongst regulated providers of trade services and trade reporting

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**Registration of
Business Enterprises**
NO 937 884 117 MVA

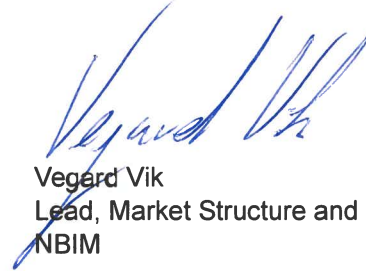
to ensure efficiency in the overall system. The FCA run tender process selecting the bond CTP should not allow the CTP to require unusual or excessively costly means of connectivity.

The approach put forward in CP23/15 is clearly preferable to any of the alternatives described in CP23/33.

Yours sincerely,



Pauli Mortensen
Global Co-Head of Fixed Income Trading
NBIM



Vegard Vik
Lead, Market Structure and Strategy
NBIM