

FCA Portfolio Letter to Data Reporting Services Providers (DRSPs) Overview

This letter is the second FCA portfolio letter to firms providing data reporting services as Approved Reporting Mechanisms (ARMs) and Approved Publication Arrangements (APAs), collectively referred to as Data Reporting Services Providers (DRSPs). It outlines key risks and expectations for DRSPs in maintaining market transparency and integrity.

1. Operational Resilience

DRSPs must ensure continuity of services and manage operational disruptions effectively. The FCA expects robust contingency plans, thorough testing of systems, and prompt incident management. DRSPs should review incident management protocols and improve reporting thresholds.

2. Data Quality Systems and Controls

DRSPs must ensure the completeness, accuracy, and timeliness of data. The FCA expects firms to enhance data quality systems and conduct regular reconciliations. The FCA will assess firms' data quality and provide feedback.

3. Communication with the FCA and Notification Regime

DRSPs must provide prompt, accurate, and clear notifications to the FCA, especially regarding significant changes or incidents. The FCA will review notification procedures and thresholds.

4. Other Risks

DRSPs should regularly review and update internal policies to align with regulatory changes, proactively manage regulatory changes, and ensure staff training. Firms must also address key personnel absences and adapt to regulatory changes such as those for APA firms.

The FCA will continue monitoring DRSPs' performance in these areas and expects constructive engagement to support the integrity of financial markets. For further queries, DRSPs should contact the FCA at MDIS@fca.org.uk.