



APARMA's FAQ

1. What is APARMA?

APARMA is a trade association of APAs and ARMs supervised by ESMA in the EU and by the FCA in the UK, formed in 2022. APARMA supports the interests of its members and the market at large, helping to develop and support the regulatory agenda and the adoption of best practice with the aim of improving data quality, transparency and the auditability of transactions in financial instruments.

ARMs and APAs are categories of regulated Data Reporting Services Providers (“**DRSPs**”) within the EU and the UK under the MiFID II/MiFIR regulatory framework.¹

An “**ARM**” means an Approved Reporting Mechanism, which provides the service of reporting on behalf of regulated investment firms the post-trade details of transactions in financial instruments on a T+1 basis to the relevant national competent authority (“**NCA**”), pursuant to Title IV, Article 26 of MiFIR. Transactions reported by ARMs are not made public. In this way ARMs provide regulators with the information necessary to monitor for market abuse and obtain a holistic view of all activity with respect to in scope instruments (so-called “**uTOTV**” – where the instrument or its underlying is traded on a trading venue) within their jurisdiction.

An “**APA**” means an Approved Publication Arrangement which provides the service of publishing post trade reports (containing the price volume and time of transactions concluded in financial instruments) in real time, or near to real time², by regulated investment firms pursuant to Title III, Articles 20 & 21 of MiFIR. In this way APAs provide a public record of in scope instruments traded over-the-counter (OTC) in the relevant jurisdiction and such data can play an important role in price formation for such instruments. The instruments in scope for APA publication (traded on a trading venue, or so called “**TOTV**”) is a subset of those in scope for ARM reporting.

ARMs and the APAs exist to provide regulatory services to clients in respect of post trade transparency and transaction reporting in financial instruments in each jurisdiction. In the UK, ARMs and APAs are regulated by the UK FCA and, in the EU, the major ARMs and APAs are directly regulated by ESMA³.

2. Why was APARMA formed?

Post implementation of MiFID II/MiFIR, the body of law and expertise in relation to trade and transaction reporting has grown and is under frequent review and scrutiny in both the EU and the UK. The aim of APARMA is to harness the expertise of its members as providers of APA and ARM services in the EU and the UK. Since the event of Brexit and the likely development of laws by the EU and UK financial markets, the members of APARMA have an important role to play to bridge the dialogue between regulators and policymakers to help facilitate common solutions for the global market participants who access both EU and UK markets.

APARMA is uniquely placed to represent common APA and ARM interests in relation to regulations and laws impacting trade and transaction reporting and the associated supervisory framework, to promote dialogue with policymakers, regulators and market participants in furtherance of the regulatory agendas and for the good of the market.

Importantly, the creation of APARMA is designed to ensure there is a trade association for ARM and APA providers to communicate with all relevant stakeholders including regulators, policymakers and industry wherever such views are sufficiently aligned. APARMA was formed to maximise efficiency of communication between the members and all their stakeholders and to overcome mutual challenges in trade and transaction reporting for the long-term benefit of the EU and UK financial markets and the end investors.

¹ APA and ARM services are regulated under the Markets in Financial Instruments Directive (MiFID II) and Markets in Financial Instruments Regulation (MiFIR) regulatory framework, as supplemented by secondary legislation. As part of the UK Government Brexit legislation, the UK onshored the MiFID II/MiFIR regulatory framework into UK law with UK-specific modifications. All references in this FAQ document to MiFID II or MiFIR include references to the onshored equivalent in the UK.

² Subject to deferrals per asset class and applicable law.

³ Under a certain trade count / volume threshold and taking into account the jurisdictional perimeter, derogated ARMs and APAs are regulated by national competent authorities and not ESMA.



3. What are the main aims of APARMA?

APARMA will focus on applying the considerable combined expertise of its members to support the regulatory agenda in the EU and the UK, identifying common methods and strategies to improve the quality of financial market transaction data and its auditability and supporting the adoption of workable common standards in trade and transaction reporting with a view to improving the capital market structures in both the EU and the UK for the benefit of end investors.

APARMA has three main aims:

- To develop and support the adoption of best practice in order to improve the quality and consistency of data reported to regulators and the public
- To assist authorities and regulators with advice on practicalities related to implementing laws
- To promote an efficient market infrastructure by supporting dialogue with market participants, policymakers, regulators and APARMA members

Collectively, APARMA members have a vast amount of institutional expertise in managing complex data sets and improving data quality and transparency. APARMA is therefore well-positioned to act as an interface between market participants, regulators and policymakers to help efficiently drive standards to the ultimate benefit of the end investor.

4. Who is represented by APARMA?

APARMA's current members and APA/ARM affiliates are:

EU DRSPs		UK DRSPs	
Bloomberg Data Reporting Services B.V.	(ARM and APA)	Bloomberg Data Reporting Services Limited	(ARM and APA)
Cboe Europe B.V.	(APA)	Cboe Europe Limited	(APA)
MarketAxess Post-Trade B.V.	(ARM and APA)	London Stock Exchange plc	(ARM and APA)
Tradeweb EU B.V.	(APA)	MarketAxess Post-Trade Limited	(ARM and APA)
UnaVista TRADEcho B.V.	(ARM and APA)	Tradeweb Europe Limited	(APA)

Membership of APARMA is open to EU and UK operators of an APA and/or ARM supervised by either the FCA or ESMA. APARMA does not represent EU DRSPs subject to derogation from ESMA supervision.

For more information, including membership enquiries, please email contact@aparma.org.

5. How is APARMA constituted and governed?

APARMA is established as an unincorporated association and all the members adhere to a common constitution.

The association's activities are governed by members of APARMA's Executive Committee who are responsible for the executive management of the association. APARMA has appointed David Bullen to act as Secretary-General to manage its affairs.

6. What issues are of specific interest to APARMA members?

APARMA would like to highlight the following issues that are of interest to members of the association:

- **Data quality:** APARMA members would like to engage with regulators in the EU and the UK to develop practical and efficient solutions to resolving issues with data quality.
- **Regulation:** APARMA members are interested in working with regulators in the EU and the UK to provide industry expertise and shape regulation within the applicable regulatory framework.
- **Supervisory fees:** For 2022, ESMA is expected to charge the firms that it supervises between €50,000 and €1,000,000 based on the proposed methodology and services offered, with maximum fees potentially exceeding €1,000,000 for future years from 2023 onwards to cover the full costs of supervision.

