

MEDIA RELEASE



International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
Organização Internacional das Comissões de Valores
Organización Internacional de Comisiones de Valores
المنظمة الدولية لهيئات الأوراق المالية

IOSCO/MR/11/2022

Madrid, 28 April 2022

IOSCO releases report on issues and considerations of market data in secondary equity markets

The Board of the International Organization of Securities Commissions (IOSCO) today published a report that sets out some issues and considerations for regulators when reviewing the regulation of market data.

The Report [Market Data in the Secondary Equity Market: Current Issues and Considerations](#) highlights that market data is an essential element of efficient price discovery and for maintaining fair and efficient markets. Specifically, market data enables market participants to identify liquidity, make informed order routing and investment decisions and comply with regulatory requirements, such as best execution.

As secondary markets have evolved, market data needs have changed and market participants in many jurisdictions have raised concerns about the costs, accessibility, fairness, and consolidation of market data. The Report Market Data in the Secondary Equity Markets published in December 2020 explored these data issues and asked for feedback and potential solutions to some of the concerns raised regarding what data is needed for trading, the uses of market data, fair, equitable and timely access to market data and the consolidation of data.

In this report, IOSCO provides a summary of the comments received and based on these, offers three considerations for regulators when reviewing the regulation of market data provided by trading venues or OTC markets:

- Pre-trade data (i.e., information about orders or quotations) and post-trade data (i.e., information about executions) are important in promoting transparency of trading. As appropriate, it is important to consider the elements of market data that are necessary to facilitate the ability of all market participants to effectively and fairly participate in secondary

markets and to make informed investment, order routing and trading decisions. The needs of market participants may differ depending on factors such as, participants' business model, market structure in the particular jurisdiction, or the type of participants in the market (retail, institutional, proprietary).

- Fair access to market data is important for providing market data to market participants. Fair access may cover issues including market data pricing, connectivity terms and pricing, and contractual arrangements. Market data is not interchangeable in all cases, and where appropriate, helping to ensure fair access across different execution venues is an important consideration. In addition, the extent to which access to free or delayed data can meet the needs of some participants may be a useful consideration.
- Where appropriate, consolidation may improve access to market data and may, in some circumstances, be useful in helping to reduce its costs, identify liquidity and compare execution quality in jurisdictions where there may be fragmented liquidity.

Notes to the Editor:

1. IOSCO is the leading international policy forum for securities regulators and is recognized as the global standard setter for securities regulation. The organisation's membership regulates more than 95% of the world's securities markets in some 130 jurisdictions, and it continues to expand.
2. The IOSCO Board is the governing and standard-setting body of IOSCO and is made up of 34 securities regulators. Mr. Ashley Alder, the Chief Executive Officer of the Securities and Futures Commission of Hong Kong, is the Chair of the IOSCO Board. The members of the IOSCO Board are the securities regulatory authorities of Argentina, Australia, Bahamas, Belgium, Brazil, China, Egypt, France, Germany, Hong Kong, India, Ireland, Italy, Japan, Kenya, Korea, Malaysia, Mexico, Morocco, Nigeria, Ontario, Pakistan, Portugal, Quebec, Saudi Arabia, Singapore, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States of America (both the U.S. Commodity Futures Trading Commission and U.S. Securities and Exchange Commission). The Chair of the European Securities and Markets Authority and the Chair of IOSCO's Affiliate Members Consultative Committee are also observers.
3. The Growth and Emerging Markets (GEM) Committee is the largest committee within IOSCO, representing more than 75% per cent of the IOSCO membership, including ten of the G20 members. Dr. Mohammed Omran, Executive Chairman of the Financial Regulatory Authority, Egypt is Chair of the GEM Committee. The committee brings members from growth and emerging markets together and communicates members' views and facilitates their contribution across IOSCO and at other global regulatory discussions. The GEM Committee's strategic priorities focus on risks and vulnerabilities assessments, policy and development work affecting emerging markets, and regulatory capacity building, among others.
4. IOSCO aims through its permanent structures:

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- to cooperate in developing, implementing and promoting internationally recognized and consistent standards of regulation, oversight and enforcement to protect investors, maintain fair, efficient and transparent markets, and seek to address systemic risks;
- to enhance investor protection and promote investor confidence in the integrity of securities markets, through strengthened information exchange and cooperation in enforcement against misconduct and in supervision of markets and market intermediaries; and
- to exchange information at both global and regional levels on their respective experiences to assist the development of markets, strengthen market infrastructure and implement appropriate regulation.

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