

MARKET NOTICE

26 June 2025

N05/25

PISCES - LSE Plc's Private Securities Market and approach to secondary market trading



Introduction

1. The London Stock Exchange (the "Exchange") will be launching its new Private Securities Market pending regulatory approval later in 2025 following the [Regulations](#) laid by HM Treasury and the publication of the Financial Conduct Authority's ("FCA's") PISCES Sourcebook, as per the Policy Statement [PS25/6](#) published on 10 June 2025. This Notice provides member firms with further information regarding the Exchange's intended changes to the Rules of the London Stock Exchange (the "Rules") and the trading system to accommodate its Private Securities Market. Further information can be found on LSE Plc website: [Counting down to the UK's pioneering private markets initiative - PISCES | London Stock Exchange](#)

Rule updates

2. The Rules are designed to apply across all of the Exchange's markets and trading platforms and, therefore, a limited number of new rules/amendments will be required to incorporate the requirements of the Private Securities Market. Whilst UK MAR (Regulation 596/2014 of the European Parliament and the council on market abuse as applied in the UK) will not apply, in order to maintain orderly markets, the Exchange will prohibit member firms from engaging in manipulative trading practices on the Private Securities Market and will provide guidance to support member firms' own compliance.
3. In order to access the Private Securities Market member firms will be required to register as Registered Auction Agents ("RAAs") in the Member Portal. In addition, a 'RAA only' membership category will be made available for applicant firms who only wish to function as a RAA. New rules regarding the conduct, responsibilities and functions of RAAs will be introduced to specifically cover their responsibilities in respect of:
 - a) permitting an investor access to the Exchange's Private Securities Market Disclosure Portal (the online communication tool operated by the Exchange to allow PISCES companies to make disclosures to interested parties in accordance with the disclosure arrangements detailed in the FCA's PISCES Sourcebook); and
 - b) the RAA's obligations under the PISCES Regulations relating to actions to be taken prior to entering orders into a Private Securities Market auction on behalf of a PISCES investor, or on behalf of another RAA acting for a PISCES investor. For example, for a selling investor the RAA holding a client relationship with that end investor will be responsible for checking that the investor holds the shares in the relevant PISCES company prior to entering the sell order.



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4. Under the PISCES market model, member firms are not subject to the transaction reporting requirements of public markets. Accordingly, member firms will not be able to submit trade reports (whether on Exchange or OTC) in Private Securities Market securities via TRADEcho. All trades conducted in this market will be as a result of auction uncrossings on the Private Securities Market order book. Guidance will be added to the trade reporting rules to clarify that the second (or client) leg of a riskless principal, principal cross, or matched principal transaction will be deemed as 'on Exchange' by the presence of the automatic trade reports resulting from an auction.
5. Securities admitted to the Private Securities Market will not be subject to central counterparty clearing and will be settled bilaterally in CREST.
6. The guidance to Rule 5070 (Request to buy-in) will be amended to exclude Private Securities Market securities from buying-in. This, in combination with the RAA order entry rules will limit the ability to short sell in Private Securities Market securities. RAAs must ensure that trades in Private Securities Market securities are settled in accordance with existing settlement rules.
7. The proposed rule changes will be subject to market consultation and will be disseminated via a Stock Exchange Notice as soon as reasonably practicable.

Trading System (MIT Exchange)

8. In order to accommodate the Private Securities Market, changes will be made to the MIT market structure by the introduction of:
 - a) a new Market Identification Code (MIC code), XPVT;
 - b) a new MIT market segment code (PVT1) and two new sectors (PVTO and PVTP) for Open and Permissioned Auctions; and
 - c) a new trading service and cycle will be enabled on specific days of the calendar (the draft auction schedule is the 1st and 3rd Wednesday of each month).
9. Admitted securities will be enabled for trading through an auction process on dedicated private securities trading days.
10. Trading in the Private Securities Market will take place in the form of an extended auction during the day with a single uncrossing setting the execution price for all trades. Auctions will open at 07:50 and the initial uncrossing is scheduled for 15:00.
11. Auction logic will allow orders to be submitted within an issuer's defined lower and upper price band. The mid-point of this price band will form the basis from which auction extensions are triggered. Private Securities Market auctions can be subject to up to 5 Price Monitoring Extensions ("PMEs"). If at the end of the 5th PME the auction has not met the volume or consideration tolerances, then no execution will take place.



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12. Further information on the trading system can be found in the draft [Guide to the Trading system \(MIT201\)](#) and draft [Millennium Exchange and TRADEcho Business Parameters](#).
13. Relevant reference data will be made available through any one of the following existing channels in the same format:
 - a) DataSync report;
 - b) Reference Data Download service (SFTP service); and
 - c) GTP reference data directory.
14. The CDS environment is now available for development and testing: [cds - 001 - 06052025 - london stock exchange - introduction of private securities market.pdf](#)

Feedback

15. The Exchange welcomes comments and feedback from all market participants on the Private Securities Market and this Notice at MarketSupervisionEnquiries@lseg.com.

Appropriate contacts for the Private Securities Market

16. Further Exchange contacts are provided below:
 - Membership – membership@lseg.com
 - Primary Market Regulation – primarymarketregulation@lseg.com
 - Equities Trading – clients@lseg.com
 - Admissions team – admissions@lseg.com
 - Primary Markets – privatesecuritiesmarket@lseg.com
 - Technical Account Management – londontam@lseg.com
 - Secondary Market Rules – mktsrvsmarketmonitoring@lseg.com

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This Stock Exchange Notice will be available on the website at:

<https://www.londonstockexchange.com/resources/london-stock-exchange-notices>

Calls to the London Stock Exchange plc may be recorded to enable the London Stock Exchange to carry out its regulatory responsibilities.



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