

Issuer Survey: Impact of MiFID II on investment research

Welcome to the Survey 'Impact of MiFID II on Investment Research'

Introduction

Your participation is much appreciated!

If you have questions, please email admin@riskcontrollimited.com. The survey is available online until **15th June 2019**.

Risk Control is conducting this survey **on behalf of the European Commission** (DG FISMA). The survey will be summarised in a **study** that Risk Control is preparing for the Commission entitled 'Impact of MiFID II Rules on SME and Fixed Income Investment Research'. Information on the European Commission tender award associated with this project may be found [here](#).

It is expected that the report will be **published** after the project is completed in September 2019.

Data Confidentiality Notice

The results of the project will be included in **anonymised and aggregated** form in the final report. The identity of respondents to the survey will be known only to the Risk Control team involved in verifying the quality of the data and will not be reported to any body outside Risk Control. Data will be employed only as inputs to the study for the European Commission and all copies will be destroyed once the project is complete.

Session management

The surveys must be completed within a single browser session. When you have completed the survey, click the submit button and your data will be included in the survey. If your browser session ends before you have completed the survey, you will have to re-submit your data. If you wish to prepare your answers offline, you may find it convenient to use the PDF version of the questions that can be found [here](#). You should then type your prepared responses into the online version of the survey.

Definitions

On the sell side, we distinguish between:

- **Global banks or investment banks** (we define this based on the EU top ten equity underwriting institutions, namely Goldman Sachs, JP Morgan, Morgan Stanley, Citi, Bank of America Merrill Lynch, Deutsche Bank, UBS, Barclays, Credit Suisse, BNP Paribas)
- **Large banks or investment banks** (defined as banks with assets greater than EUR 200 bn other than those listed above and investment banks other than those listed above)
- **Mid-sized and small banks** (defined as banks with assets below EUR 200 bn)
- **Global non-bank brokers (or brokers with non-significant banking activities)** (defined as a non-bank broker active in multiple countries and with a broad international focus)
- **Other brokers**
- **Large Independent Research Providers (IRPs)** (30 employees or more)
- **Other IRPs** (fewer than 30 employees).

We define **Small and Medium Enterprises or SMEs** to be firms with market capitalisation less than EUR 1bn.

In this sense, **SMEs** are a combination of **Small Caps** (EUR 200 mn to 1 bn), **Micro Caps** (EUR 50 mn to 200 mn), and **Nano Caps** (less than EUR 50 mn).

We define

- **Large Cap** firms are those with equity market capitalisation greater than EUR 5 bn
- **Mid Cap** firms are those with equity market capitalisation between EUR 1 bn to 5 bn

The term "**Research**" as used in the survey is defined in the broad sense not just "investment research" produced by a "research department". "**Research**" here also means telephone, email and face-to-face interactions as well as written research.

"**Credit research**" is defined to include research covering corporate bonds and securitisations but not research related to instruments issued by sovereigns or public sector entities.

Thank you!

Click Next to begin!

Identification

1. What is the name of your firm? *

This question is compulsory. The firm name associated with your survey response will be treated **confidentially** and **will not be revealed to anyone** except the Risk Control team that checks the data quality of responses prior to them being collated and presented in an aggregated, **anonymised** form.

2. Please provide a contact email address. *

This question is compulsory. The email address will be used only to confirm the identity of the firm that has submitted the response to ensure data quality. It **will not be revealed to anyone** outside the Risk Control team that checks the data quality of responses prior to them being collated and presented in an **aggregated, anonymised** form.

Broad description of issuer

3. In which country is your firm domiciled?

Argentina
Australia
Austria
Bahrain
Belgium



Brazil
Bulgaria
Canada
Chile
China
Croatia
Cyprus
Czech Republic
Denmark
Estonia
Finland
France
Germany
Greece
Hungary
Iceland
India
Indonesia
Ireland
Israel
Italy
Japan
Kuwait
Latvia
Liechtenstein
Lithuania
Luxembourg
Malaysia
Malta
Mexico
Netherlands
New Zealand
Norway
Oman
Peru
Philippines
Poland
Portugal
Qatar
Romania
Saudi Arabia
Singapore
Slovakia
Slovenia

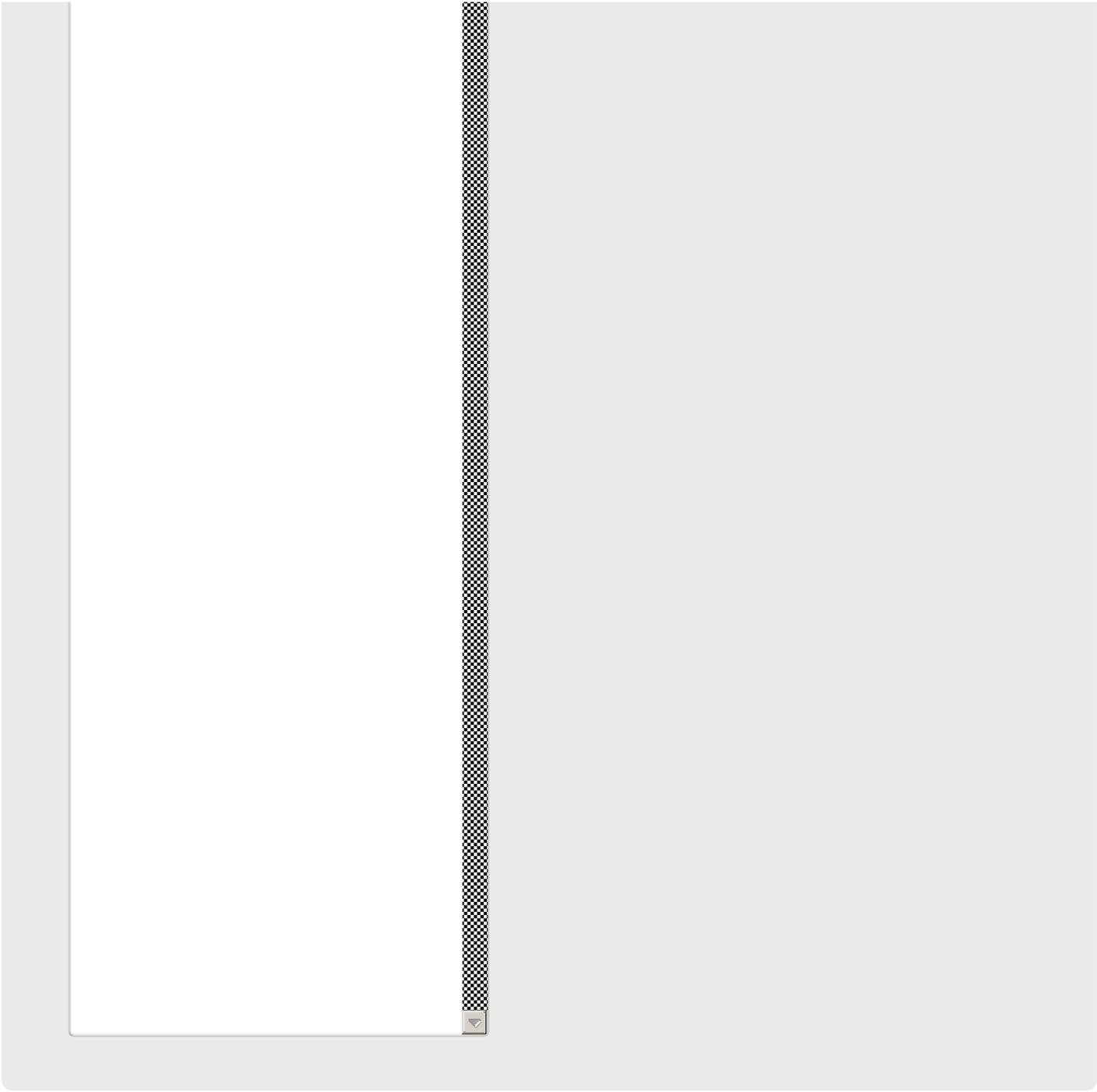
Slovenia
South Africa
South Korea
Spain
Sweden
Switzerland
Taiwan
Thailand
United Arab Emirates
United Kingdom
United States
Other

4. Please state the country in which your firm is domiciled: *

5. In which exchange is your company's main listing?

Australian Securities Exchange
B3
Bolsas y Mercados Españoles
Bombay Stock Exchange
Copenhagen Stock Exchange
Deutsche Börse
Euronext
Helsinki Stock Exchange
Hong Kong Stock Exchange
Iceland Stock Exchange
Japan Exchange Group
JSE Limited
Korea Exchange
London Stock Exchange Group
NASDAQ
National Stock Exchange of India
New York Stock Exchange

Riga Stock Exchange
Shanghai Stock Exchange
Shenzhen Stock Exchange
SIX Swiss Exchange
Stockholm Stock Exchange
Taiwan Stock Exchange
Tallinn Stock Exchange
TMX Group
Vilnius Stock Exchange
Other
Not applicable



6. Please specify the exchange in which your company is mainly listed. *

7. When was your company first listed?

- Less than a year ago
- Between 1 and 3 years ago
- Between 3 and 5 years ago
- More than five years ago
- Not applicable

8. What is the market capitalization of your firm?

- Less than € 50 mn
- From €50 to 200 mn
- From €200 mn to 1 bn
- From €1 to 5 bn
- From € 5 to 20 bn
- More than € 20 bn

Financing approaches

9. How do you finance your activities?

Choose *one or more* of the following options:

- Syndicated loans
- Other loans
- Bond issues
- Equity issues
- Lines of credit
- Commercial paper
- Other

*

10. How many times have you issued bonds in the last five years or in 2018?

In the last five years?

- Enter a number

- Unknown

In 2018?

- Enter a number

- Unknown

11. Are you expected to issue bonds in the next two years?

- Yes
- No

12. What are the main criteria for selecting lead managers for your bond issuances?

Choose *one or more* of the following options:

- Quality of research
- Sales network
- Banking relationship with your firm
- Fees
- Not applicable
- Other

*

13. How many times have you issued equities either
(i) in the last 10 years, or (ii) in 2018?

In the last 10 years?

Enter a number

Unknown

In 2018?

Enter a number

Unknown

14. Are you expected to issue equities in the next two years?

Yes

No

15. What will be the main criteria for selecting lead managers for your issuances?

Choose *one or more* of the following options:

- Quality of research
- Sales network
- Banking relationship with your firm
- Fees
- Not applicable
- Other

*

Effects of MiFID II on financing costs and liquidity

16. In your opinion, what was the impact of MiFID II rules on research unbundling on the liquidity of your firm's shares?

- Improved
- No material change
- Worsened
- Unknown

17. Overall, would you say that your access to equity or bond financing has changed between 2017 and 2019?

- Improved
- No material change
- Worsened
- Unknown

18. What factors have influenced your access to equity or bond financing positively or negatively over this period?

	Positively	Neutral	Negatively	Unknown
Developments specific to your firm	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The overall "mood" in capital markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
MiFID II research unbundling rules	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other MiFID rules	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Coverage of the issuer firm

19. What types of financial institutions provide research on your firm?

Choose *one or more* of the following options:

- Global banks or investment banks
- Large banks or investment banks
- Mid-sized or small banks
- Global non-bank brokers
- Other non-bank brokers
- Large Independent Research Providers (IRPs)
- Other IRPs
- Credit rating agencies
- Other

*

20. Overall, please estimate how many institutions are likely to provide research on your firm in 2019.

Enter a number or click "Unknown":

- Enter a number

- Unknown

21. Please estimate how many institutions provided research on your firm in 2017.

Enter a number or tick "Unknown":

Enter a number

Unknown

22. Over the next 3 years, how do you expect the number of institutions providing research on your firm to change?

Significant increase (more than +20%)

Moderate increase (+5% to +20%)

Stable ($\pm 5\%$)

Moderate decrease (-5% to -20%)

Significant decrease (more than -20%)

Unknown

Not applicable

23. Have you noticed the emergence of new Independent Research Providers (IRPs) covering your firm?

Yes

No

24. Do financial institutions covering your firm report on the number of investors accessing their research on your firm?

- All of them
- Most of them
- Some of them
- No
- Unknown

25. Between 2017 and 2019, what has happened to the number of investors accessing research on your firm as reported by financial institutions covering your firm?

- Increased
- Stable
- Decreased
- Unknown

26. How many analysts have had access to your firm's management in 2018?

Enter a number or tick "Unknown":

- Enter a number

- Unknown

27. What criteria were applied in determining which analysts had access to your management?

Choose *one or more* of the following options:

- Analyst's research quality
- Analyst's influence
- Broker's coverage of investors
- Other

*

28. With the introduction of MiFID II, how would you say the number of analysts with access to your management has evolved?

- Increased
- Stable
- Decreased
- Unknown

29. Has there been a change in the number of news articles mentioning your company that you believe is attributable to changes in research coverage of your firm?

- Increase
- Decrease
- No change
- Unknown

30. After MiFID II, have you increased the information about your company that is available through your website?

- Yes
- No
- Unknown

31. If "Yes", what motivated this change?

Choose *one or more* of the following options:

- A reduction in the news coverage your firm receives
- A decrease in the number of analysts covering your firm
- A change in your firm's marketing strategy
- A reduction in corporate access
- A change in what investors expect
- Other

*

32. Some observers predicted that company research would become more concentrated with MiFID II and that a few leading analysts would have a larger role shaping the consensus. Would you agree with this statement in relation to your firm?

- Yes
- No
- Unknown

33. How has the quality of investment research on your firm evolved since the introduction of MiFID II?

- Increased
- Unchanged
- Decreased
- Unknown

34. What do you expect to happen to the quality of investment research related to your firm over the next three years?

- Increased
- Unchanged
- Decreased
- Unknown

35. If new Independent Research Providers (IRPs) covering your firm have emerged, has this affected the quality of this research?

- New IRPs emerged and quality increased
- New IRPs emerged and quality unchanged
- New IRPs and quality decreased
- No new IRPs
- Unknown

36. Is the quality of investment research on your firm a significant influence on your cost of issuing securities?

- Yes
- No
- Unknown

37. Since January 2018, has your firm changed the degree to which it sponsors any research on your firm?

- Increased
- No change
- Decreased
- Unknown

38. Do you intend to sponsor more research on your firm in the future?

- Yes
- No

Investor Relations

39. How many staff are employed in your Investor Relations department?

Enter a number or tick "Unknown":

- Enter a number

- Unknown

40. Has the size of your Investor Relations department changed between 2017 and 2019?

- Increased
- Stable
- Decreased
- Unknown
- Not applicable

41. Has the cost of the Investor Relations function changed between 2017 and 2019?

- Increased
- Stable
- Decreased
- Unknown
- Not applicable

42. How many brokers do you use for corporate access?

Enter a number or select "Unknown":

- Enter a number

- Unknown

43. How has this number evolved between 2017 and 2019?

- Increased
- Stable
- Decreased
- Unknown

44. Has MiFID II changed the level of corporate access for your firm?

- Increased
- Stable
- Decreased
- Unknown

45. Is MiFID II likely to increase your reliance on roadshows to build your investor base?

- Increase
- Stable
- Decrease
- Unknown

46. Has MiFID II affected your use of brokers to organize roadshows on your behalf?

- Yes
- No
- Unknown

47. Which factors influence how you select brokers to organize roadshows?

Choose *one or more* of the following options:

- Quality of their research
- Access to investors
- Banking relationship with your firm
- Unknown
- Other

*

48. Since MiFID II, have you been charged by brokers to cover some of the costs of organizing roadshows?

- Yes
- No
- Unknown

49. Since MiFID II, have you increased your participation in conferences?

- Yes
- No
- Unknown

50. Has your company increased its direct engagement with investors since MiFID II?

- Yes
- No
- Unknown

51. Overall, since MiFID II, how do you consider your knowledge of your investor base has changed?

- Improved
- Unchanged
- Worsened
- Unknown

General impact of MiFID II

52. In your opinion, for SME (Small/Micro/Nano Cap) issuers in general, how has MiFID II affected coverage and visibility?

- Increased
- Unchanged
- Decreased
- Unknown

53. In your opinion, for SME issuers in general, how has MiFID II impacted the liquidity of their shares?

- Increased
- Unchanged
- Decreased
- Unknown

54. In your opinion, for SME issuers in general, how has MiFID II affected their cost of equity financing?

- Reduced the cost
- No impact on the cost
- Increased the cost
- Unknown

55. In your opinion, for corporate bond issuer in general, how has MiFID II affected coverage and visibility?

- Increased
- Unchanged
- Decreased
- Unknown

56. In your opinion, for corporate bond issuers in general, how has MiFID II affected the liquidity of their bond issues?

- Increased
- Unchanged
- Decreased
- Unknown

57. In your opinion, for corporate bond issuers in general, how has MiFID II affected the cost of issuing bonds?

- Reduced the cost
- No impact on the cost
- Increased the cost
- Unknown

Thank You!

Thank you for taking our survey. Your response is very important to us.