

Sell-side 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 sell-side firm, organisation, scale and role of research

3. In which country or region is your firm domiciled?

Argentina
Australia
Austria



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

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

5. If, post Brexit, your group plans to provide research on European securities from firms domiciled in multiple countries, where will they be domiciled?

Please, include up to **three** domiciles reflecting the locations of the most important research providers in your group.

To select multiple options, if you are using a desktop, press and hold "**ctrl**" on Windows while clicking, or "**cmd**" on macOS; if you are using a mobile phone, no special action is required as additional choices will be automatically added.

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

6. If your firm is domiciled in the EU, is it a subsidiary of a firm domiciled outside the EU?

- Yes
- No
- Not domiciled in the EU

7. If your firm is domiciled in the EU and is a subsidiary of a firm domiciled outside the EU, what is the domicile of your firm's parent?

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
South Africa
South Korea
Spain
Sweden

Switzerland
Taiwan
Thailand
United Arab Emirates
United Kingdom
United States
Other

8. Please specify the domicile of your firm's parent: *

9. If your firm is domiciled outside the EU, does your firm have authorised European affiliates providing investment services to clients in the EU?

- Yes
- No
- Not applicable

10. If your firm is domiciled in the EU, does it have one or more authorised subsidiaries outside the EU?

- Yes
- No
- Not applicable

11. Which of the following best describes the group of companies within which your firm is a member?

(See definitions of firm categories on the welcome page.)

- Global bank or investment bank
- Large bank or investment bank
- Mid-sized or small bank
- Global non-bank broker
- Other broker
- Other

12. Does your firm have significant equity or bond underwriting or placing activities in the EU?

- Yes
- No

13. How many employees work in the group of companies within which your firm is a member?

- 0 to 50
- 50 to 200
- 200 to 1,000
- 1,000 to 10,000
- More than 10,000

19. What was the percentage change in the number of internal credit research analysts in your organisation from 2017 to 2019

- Globally?
- In the EU?

Globally

- Percentage change

- Unknown

In the EU

- Percentage change

- Unknown

20. Please estimate the number of European SME firms (Small/Micro/Nano Caps) covered by your firm's research.

- Number

- Unknown

21. Please estimate how the number of European SME firms covered by your firm's research has changed since January 2018?

Percentage change

Unknown

22. In the EU, since the introduction of MiFID II, how has the cost of producing research evolved in your organization

- Overall?
- For Large and Mid Caps?
- For SMEs?
- For Credit?

	Increase	Decrease	No change	Unknown
Overall	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Large and Mid Caps	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
SMEs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Credit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

23. Is the quality of your research a selling point for your underwriting/securities issuance activities (if you have them)?

- Yes
- No
- No underwriting/securities issuance
- Unknown

24. Could you provide a "guesstimate" of the allocation of the costs that your firm incurs in producing research (in a broad sense) between:

- Your buy-side customers
- Your underwriting/securities issuance activities (if any)
- Your internal needs
- Other

Percentages

Buy side

Origination

Internal needs

Other

Impact of MiFID II on availability of research

25. Prior to January 2018, what factors influenced how you granted access to your research to your clients?

- AUM
- Business potential
- With few limitations
- Other

*

26. What factors influence the terms on which you grant access to your research to your clients currently?

- AUM
- Business potential
- With few limitations
- Other

*

27. How has the number of customers accessing your research evolved since January 2018?

- Increased
- Decreased
- No change
- Unknown

28. In your view, for buy-side firms, how has the introduction of MiFID II affected the availability of research on

- Large and Mid Cap Equities?
- SME Equities?
- Credit?

	Increase	Decrease	No change	Unknown
Large and Mid Cap Equities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
SME Equities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Credit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

29. In your view, for buy-side firms, which factors have influenced changes in the availability of research for

- Large and Mid Cap Equities?
- SME Equities?
- Credit?

	Contraction in IRP research	Expansion in IRP research	Contraction in broker research	Expansion in broker research	Unknown
Large and Mid Cap Equities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
SME Equities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Credit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

30. Has your firm reduced the extent to which it contributes earnings forecasts to aggregators?

- Yes
- No
- Unknown

31. In your view, how has MiFID II affected the usefulness of consensus forecasts?

- Increased
- Decreased
- No change
- Unknown

32. Has MiFID II changed the number of Independent Research Providers for

- Large and Mid Cap Equities?
- SME Equities?
- Credit?

	Increase	Decrease	Unknown
Large and Mid Cap Equities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
SME Equities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Credit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

33. Has MiFID II changed the amount of sponsored research for

- Large and Mid Cap Equities?
- SME Equities?
- Credit?

	Increase	Decrease	Unknown
Large and Mid Cap Equities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
SME Equities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Credit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Impact of MiFID II on pricing of research

34. How do you currently charge for access to research for clients (i) subject to MiFID II rules and (ii) not subject to MiFID II rules?

	All inclusive annual access to research platform	Annual fee and rate card for incremental services	"Vote" - Initial fee and subsequent charges based on data or survey	Bundled with transactions services	Included in spread (for credit)	Other
Subject to MiFID II rules	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Not subject to MiFID II rules	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

35. What is the minimum yearly price for accessing your research?

Price for Credit research

Price in EUR

Unknown

Price for Equity research

Price in EUR

Unknown

36.

What are the total worldwide revenues generated directly by your firm's EU Equity and Credit-related research in 2018?

- Less than €1 mn
- Between €1-5 mn
- Between €5-20 mn
- Between €20-50 mn
- More than €50 mn
- Do not know

What fraction of these revenues do you estimate come from bundled charging?

Enter a percentage

37. In your view, across the market, do sell-side firms tend to **underprice** research?

- Yes
- No
- Unknown

38. If so, do you expect the charges for research across the industry to increase over time?

- Yes
- No
- Unknown

39. How has the **number of buy-side customers** for which you deal in SME (Small/Micro/Nano Cap) equities changed since January 2018?

- Increased
- Decreased
- No change
- Unknown

40. In your view, have MiFID II inducement rules affected **transactions costs** for SME (Small/Micro/Nano Cap) equities (by affecting either commissions or prices)?

- Yes
- No
- Unknown

41. How has the **number of customers** for which you deal in Credit securities evolved since January 2018?

- Increased
- Decreased
- No change
- Unknown

42. In your view, have MiFID II inducement rules affected **execution spreads** for Credit securities?

- Yes
- No
- Unknown

43. In your view, is SME equity research more expensive in the US or EU?

- More expensive in EU
- More expensive in US
- No difference
- Unknown

44. Which factors drive the relative cost of SME equity research in the EU and US?

You can specify an additional factor in the last row.

	Greater in EU	Greater in US	Equal in EU and US	Unknown
Degree of competition	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Regulatory burden	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quality of research	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<input type="text" value="Enter another option"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

45. Does your firm organise road shows for corporates?

- Yes
- No
- Unknown

46. If you answered "yes", does it charge either (i) corporates or (ii) investors for this service?

	Yes	No	Unknown
Corporates	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

47. Does your firm organise investor meetings for corporates?

- Yes
- No
- Unknown

48. If you answered "yes", does it charge either (i) corporates or (ii) investors for this service?

	Yes	No	Unknown
Corporates	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

49. Do you perceive that corporates are organising their own investor relations activities more than before January 2018?

- Yes
- No
- Unknown

50. In your view, has MiFID II affected the amount of sponsored research on for (i) Large and Mid Cap Equity, (ii) SME Equity and (iii) Credit?

	Very Positively	Positively	No impact	Negatively	Very negatively	Unknown
Large and Mid Cap Equity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
SME Equity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Credit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

51. In your view, have the MiFID II inducement rules reduced the direct access that investors have to information about SME companies (via investor-management contacts, for example)?

- Yes
- No
- Unknown

Impact of MiFID II on access to capital

52. In your view, have the MiFID II rules on research affected the ability of EU SME firms' to access equity market funding?

- Very Positively
- Positively
- No impact
- Negatively
- Very negatively
- Unknown

53. In your view, have the MiFID II rules on research affected the secondary market liquidity of SME equities in the EU?

- Very Positively
- Positively
- No impact
- Negatively
- Very negatively
- Unknown

54. In your view, have the MiFID II rules on research affected EU firms' access to corporate bond markets?

- Very Positively
- Positively
- No impact
- Negatively
- Very negatively
- Unknown

55. In your view, have the MiFID II rules on research affected the liquidity of EU corporate bonds ?

- Very Positively
- Positively
- No impact
- Negatively
- Very negatively
- Unknown

Thank You!

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