



MiFID II in Focus: Trends, Challenges and Opportunities

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Disruption in the Market for Information: MiFID II and Investor Relations

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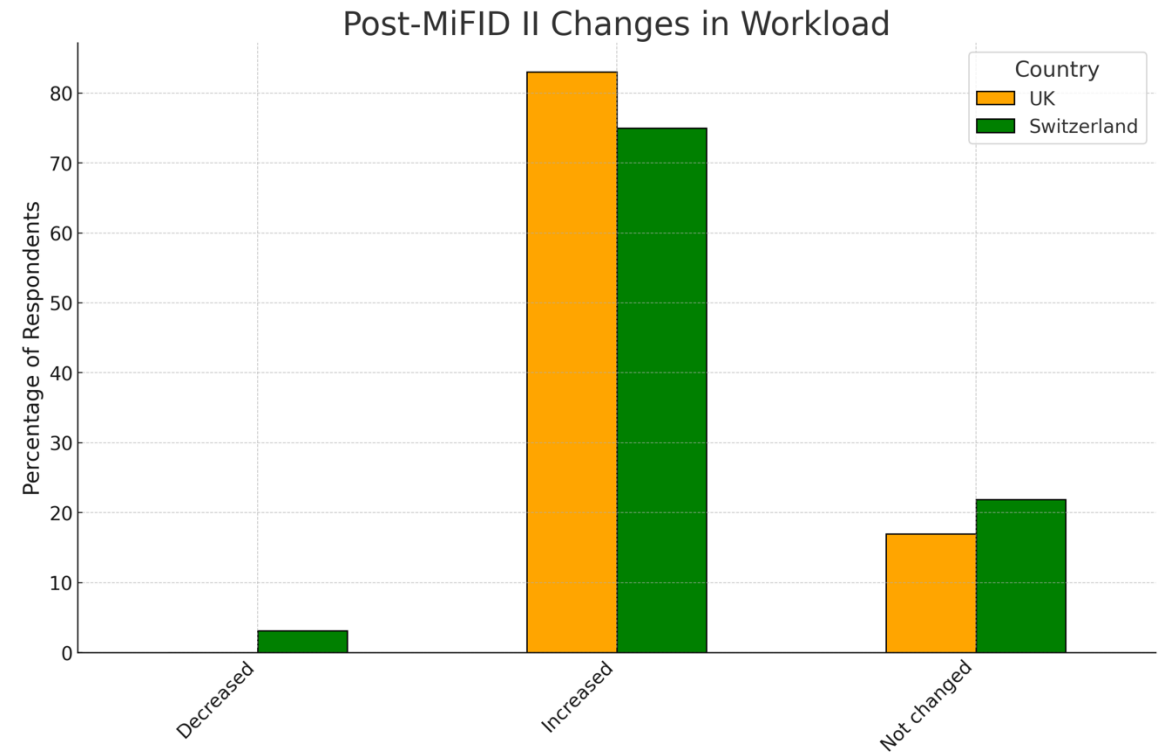
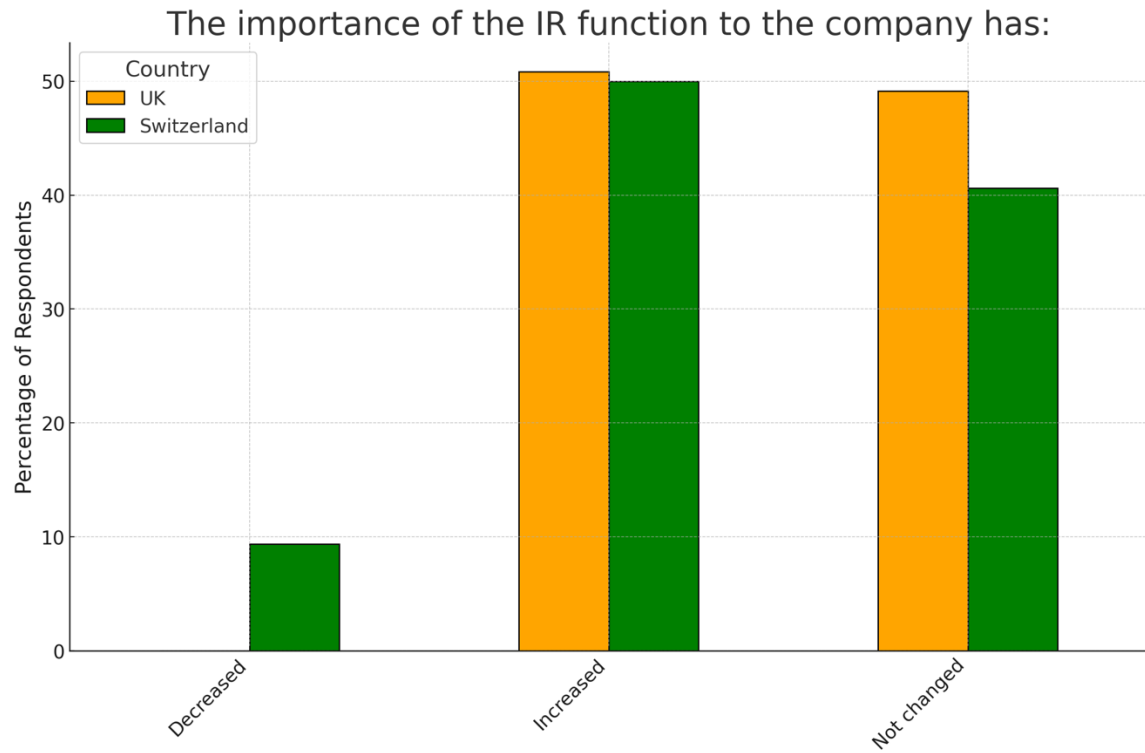
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MiFID II: focusing on IR



Changes in importance and workload of IR

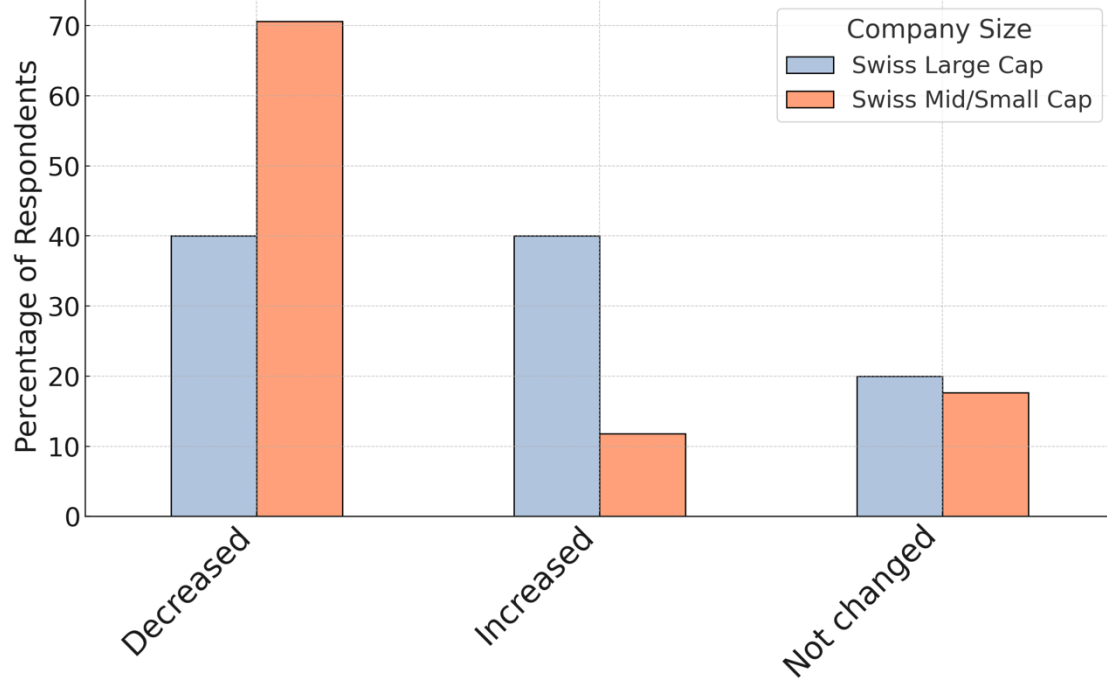
Rise in IR importance is greater in Mid/Small caps



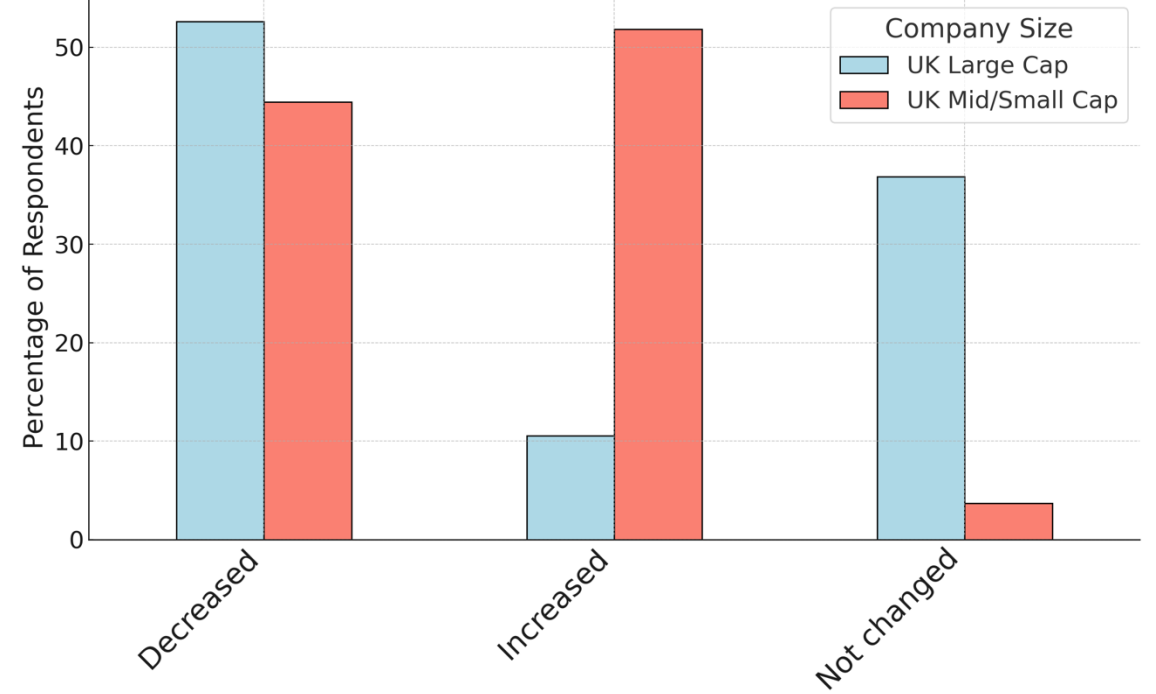
MiFID II: focusing on analysts

MiFID II & analyst coverage

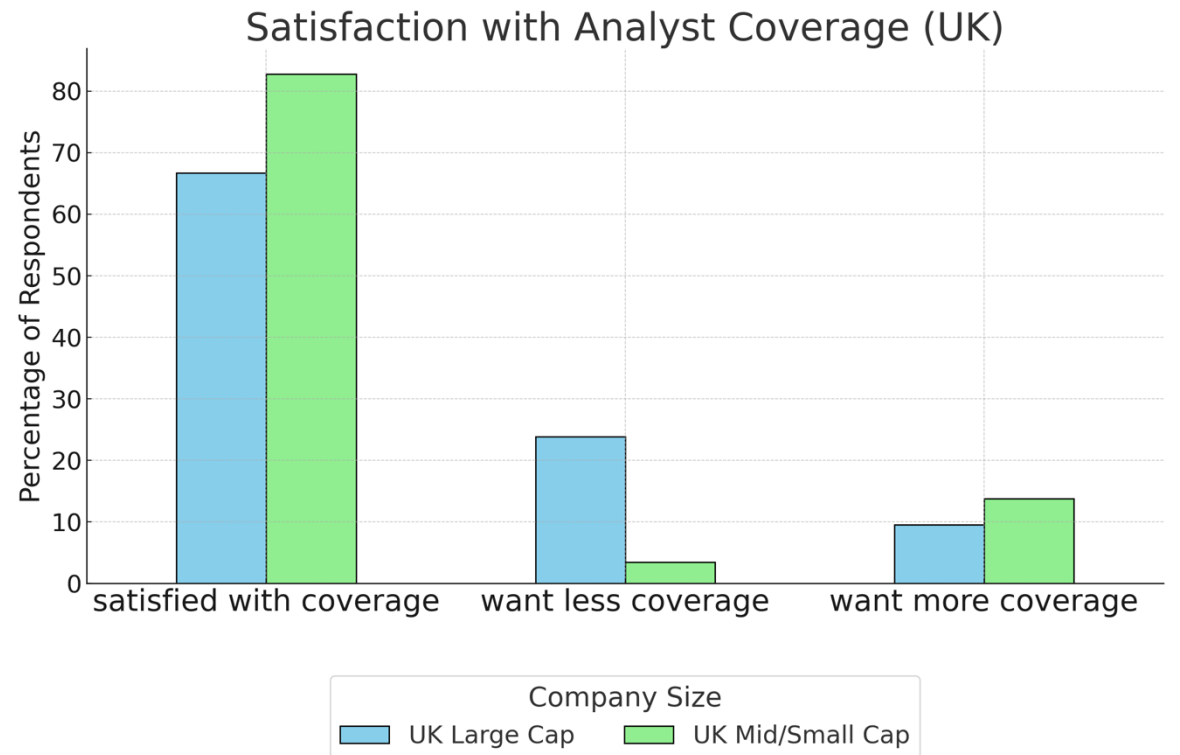
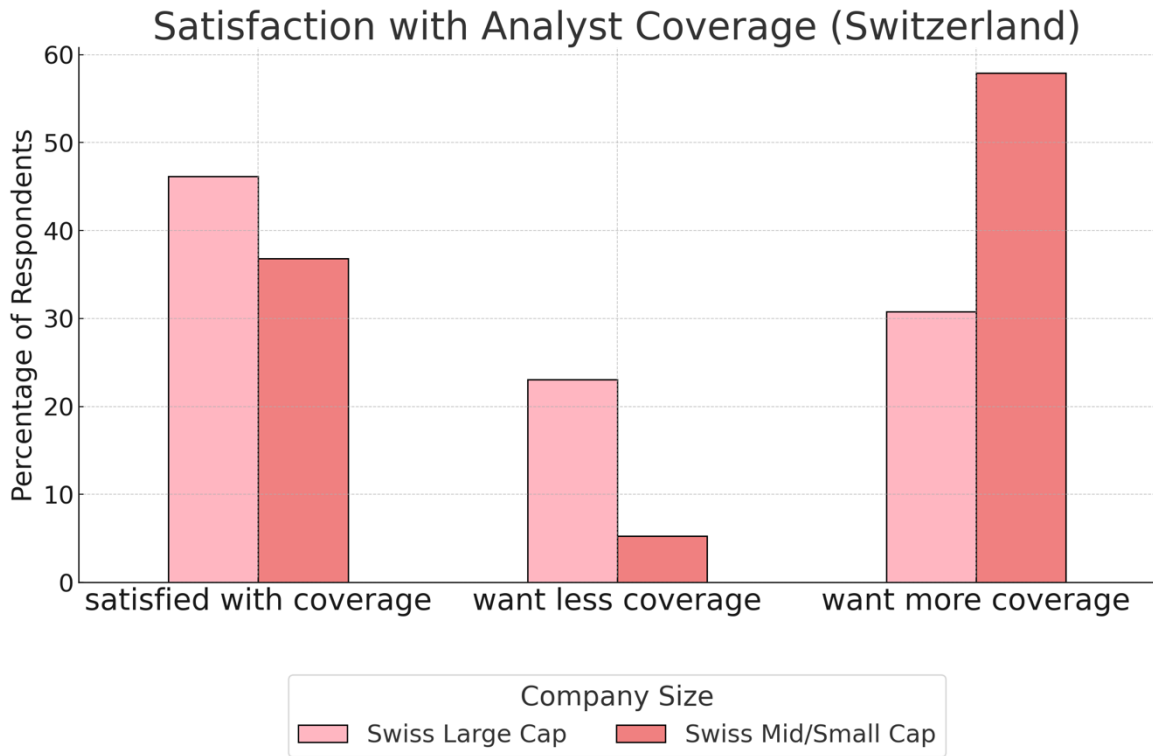
Changes in Analyst Coverage (Switzerland)



Changes in Analyst Coverage (UK)

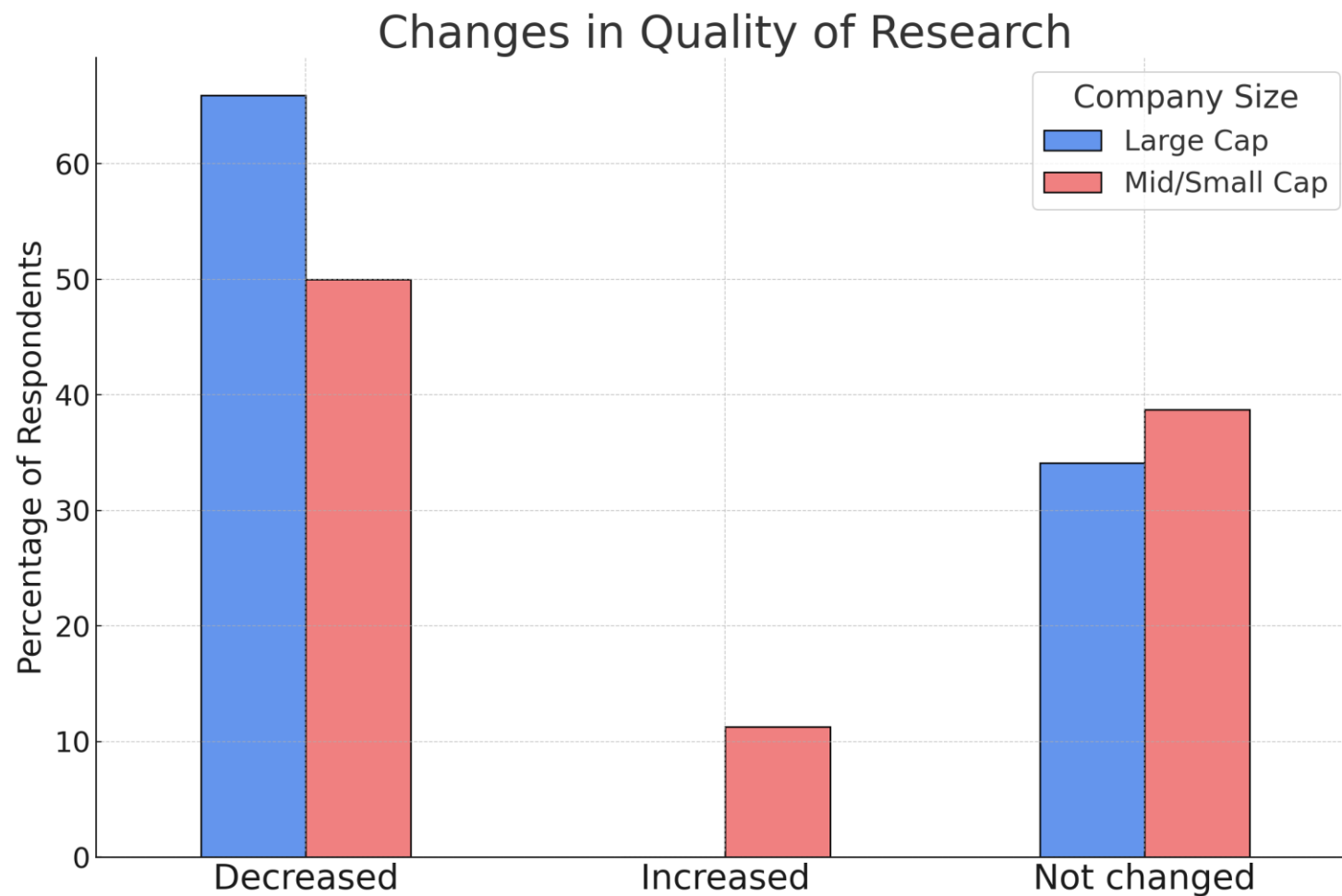


Analyst coverage: satisfaction levels



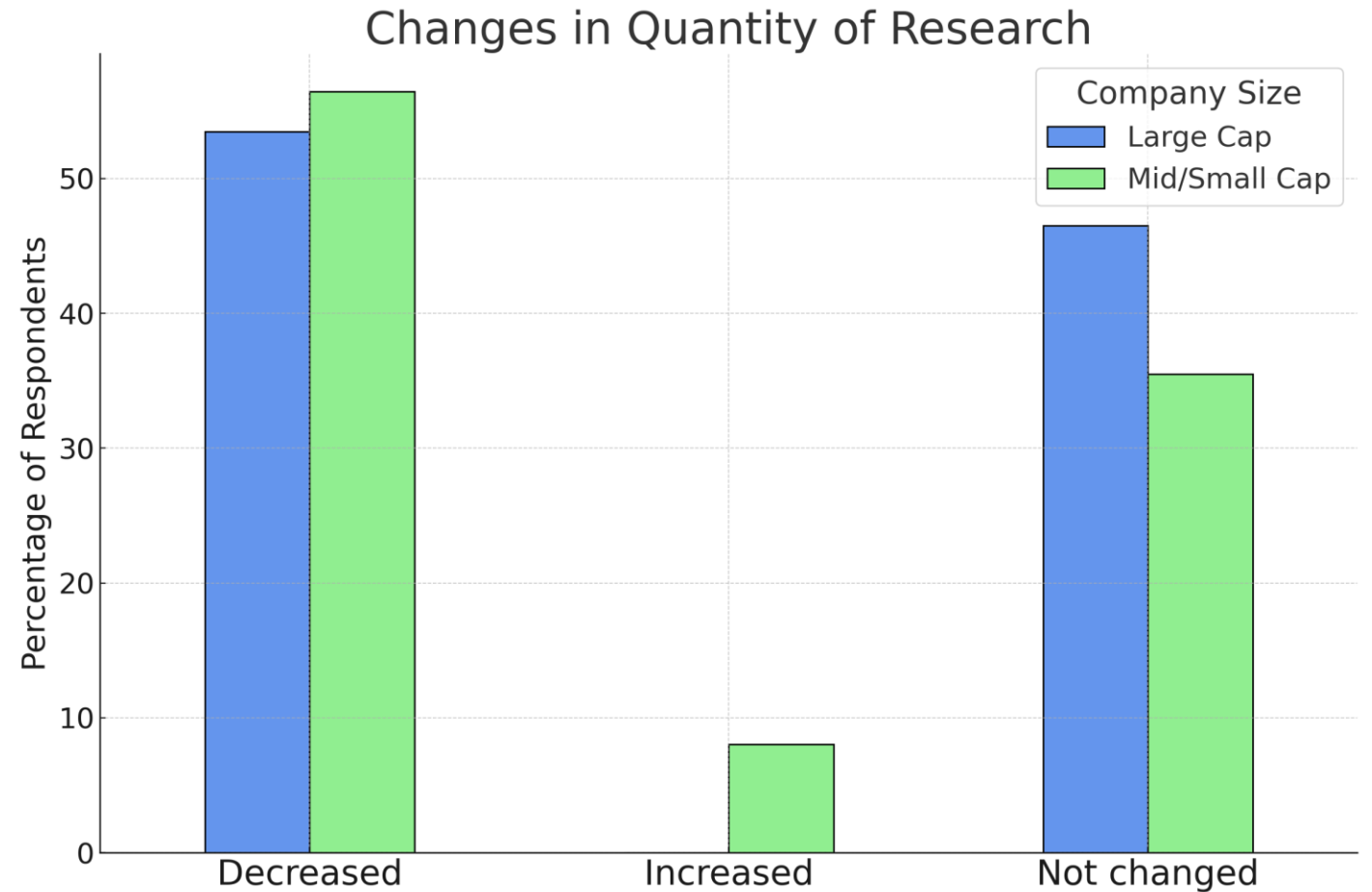
Similar patterns across
the UK and Switzerland

Post-MiFID II change in research quality



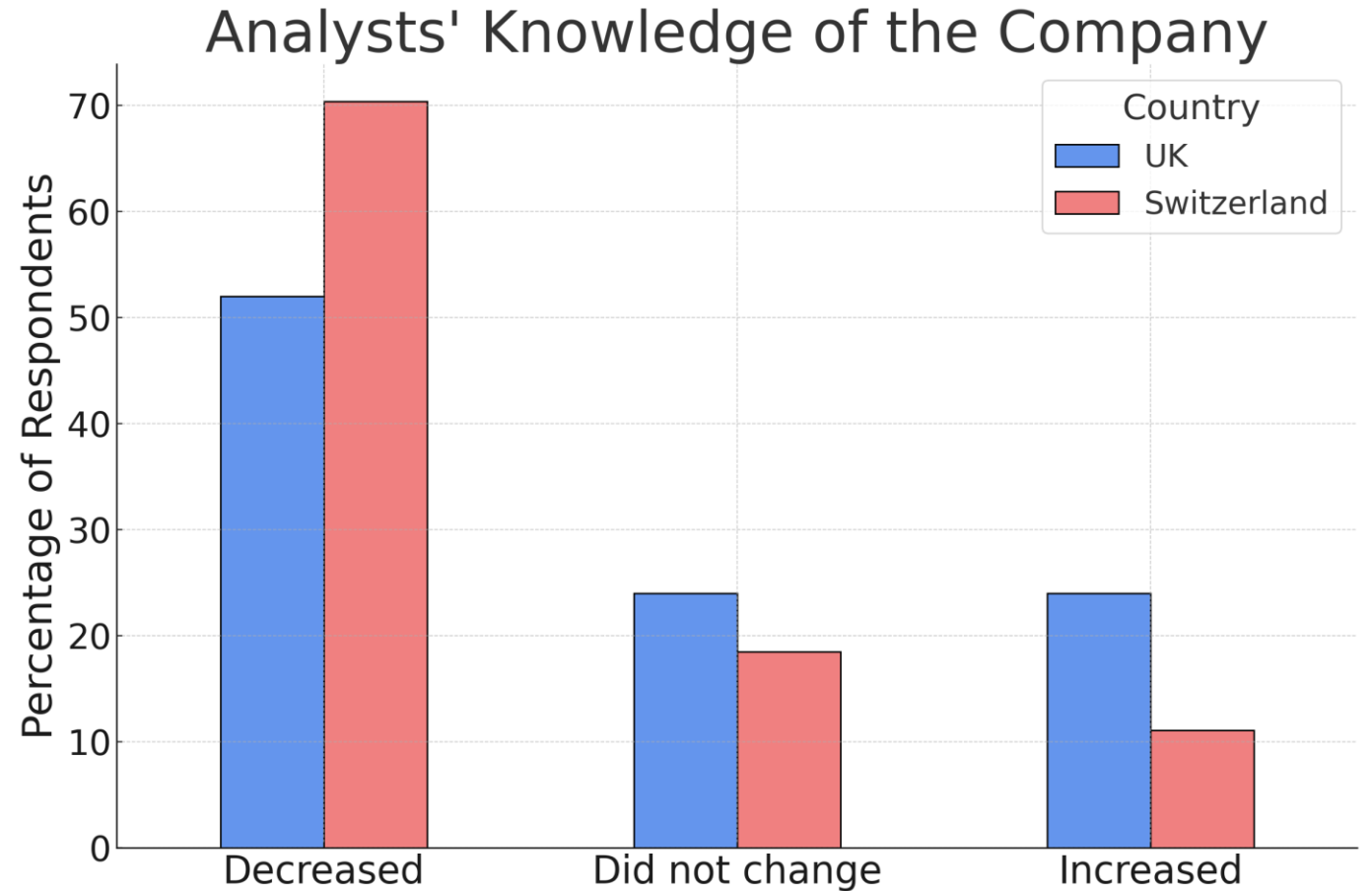
Post-MiFID II change in research quantity

- Similar patterns across the UK and Switzerland

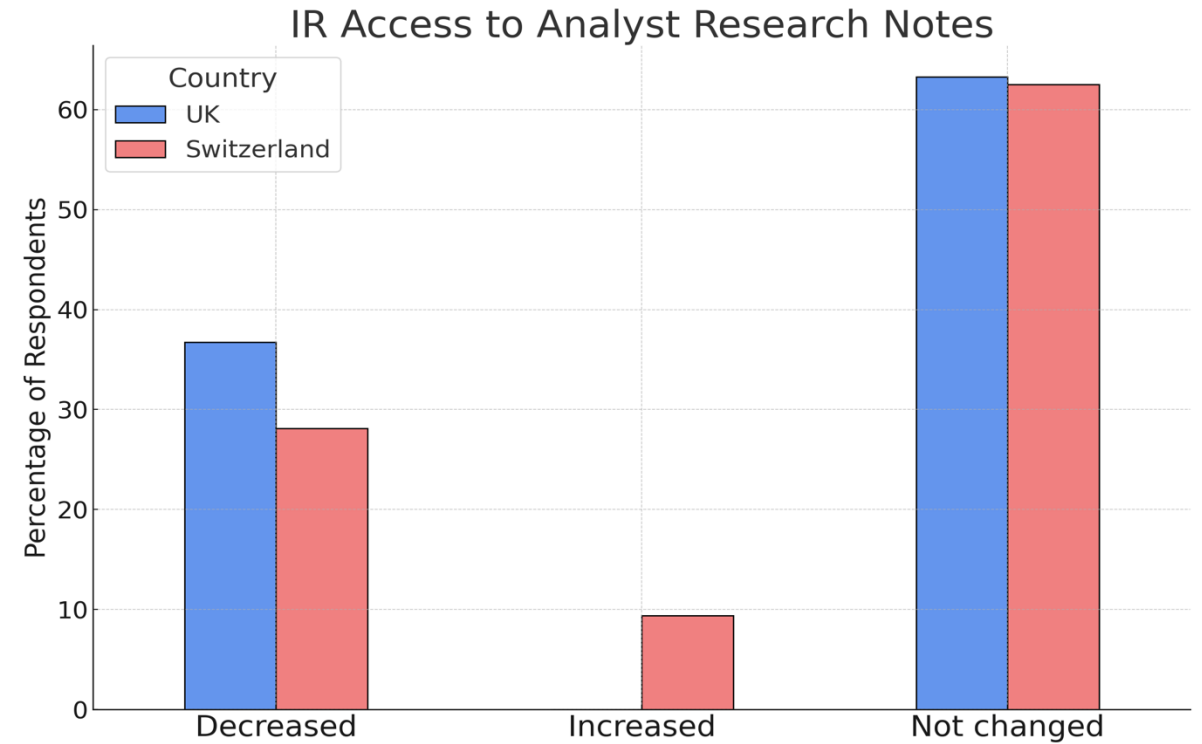
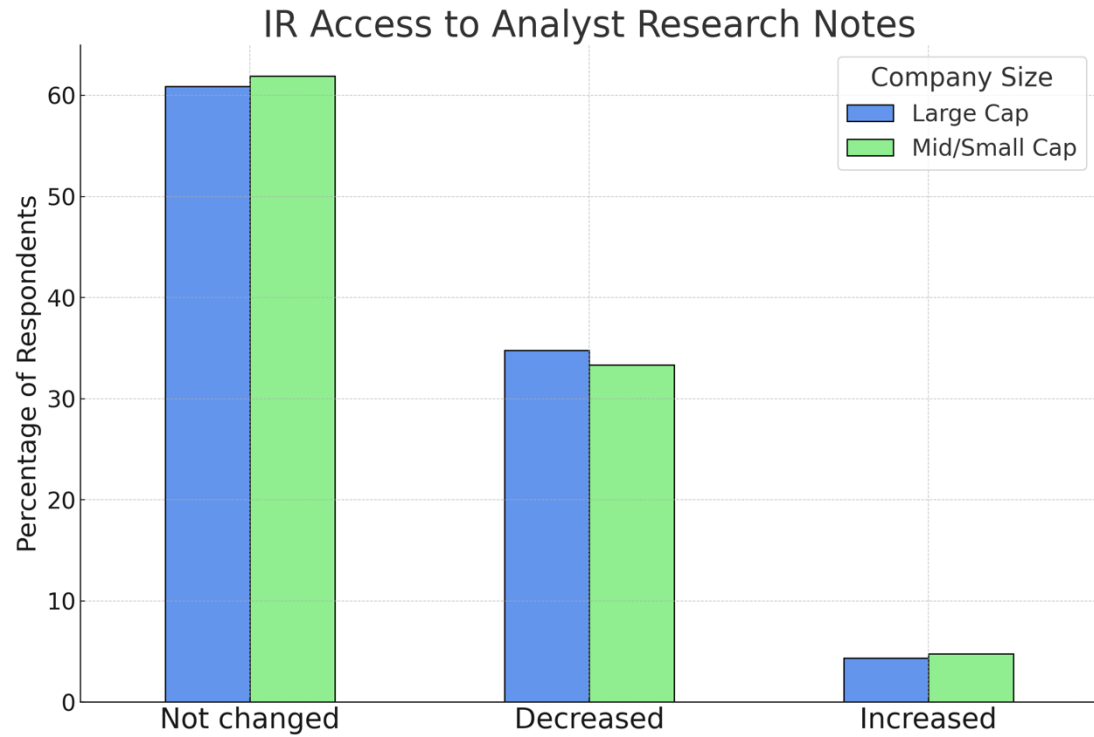


Post-MiFID change in analysts' company knowledge

- 'Juniorisation' of analysts
- Similar pattern across Large and Mid/Small cap firms

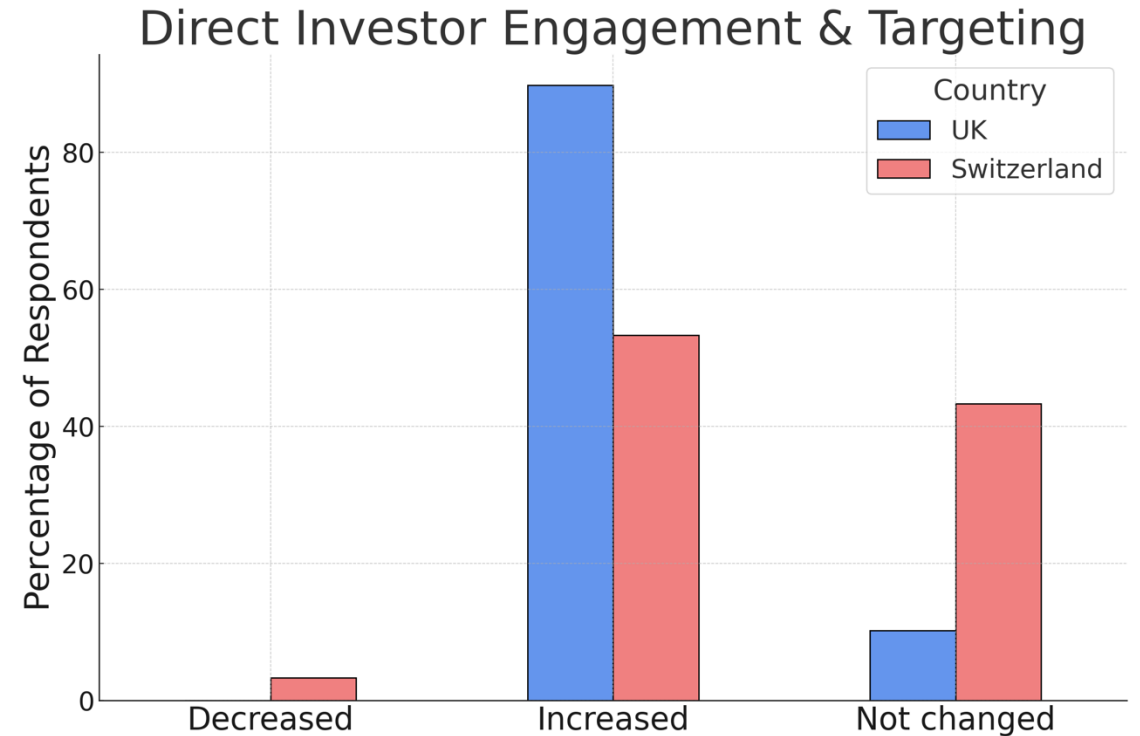
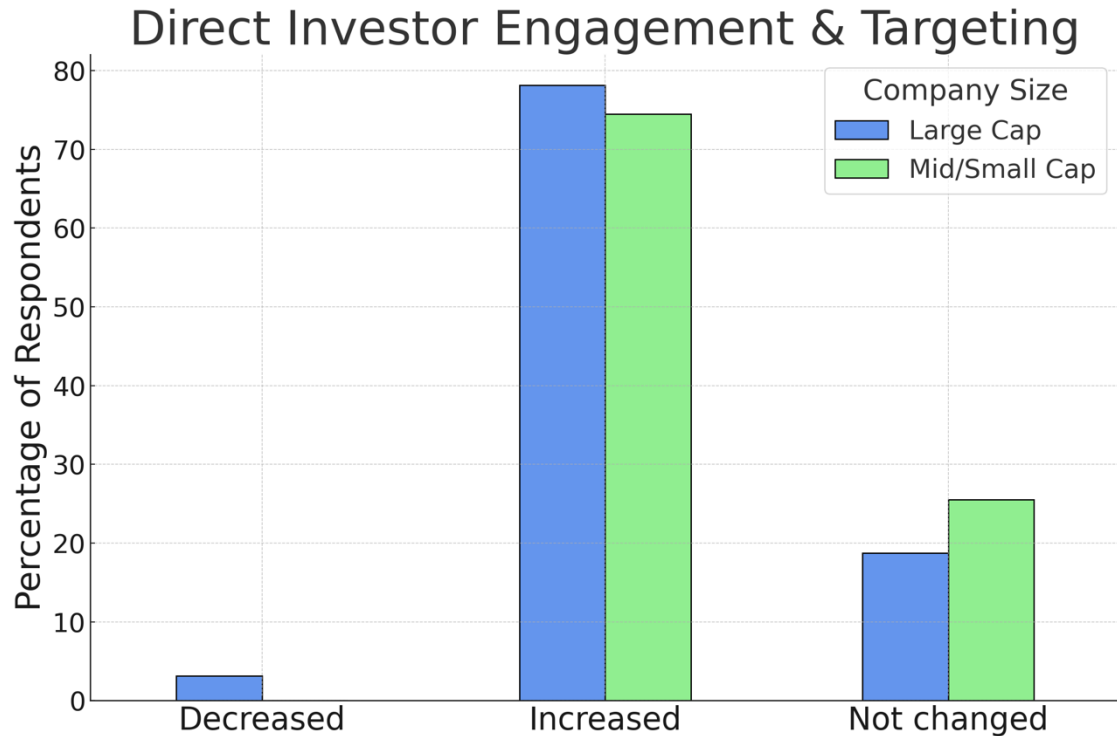


Post-MiFID change in access to research notes



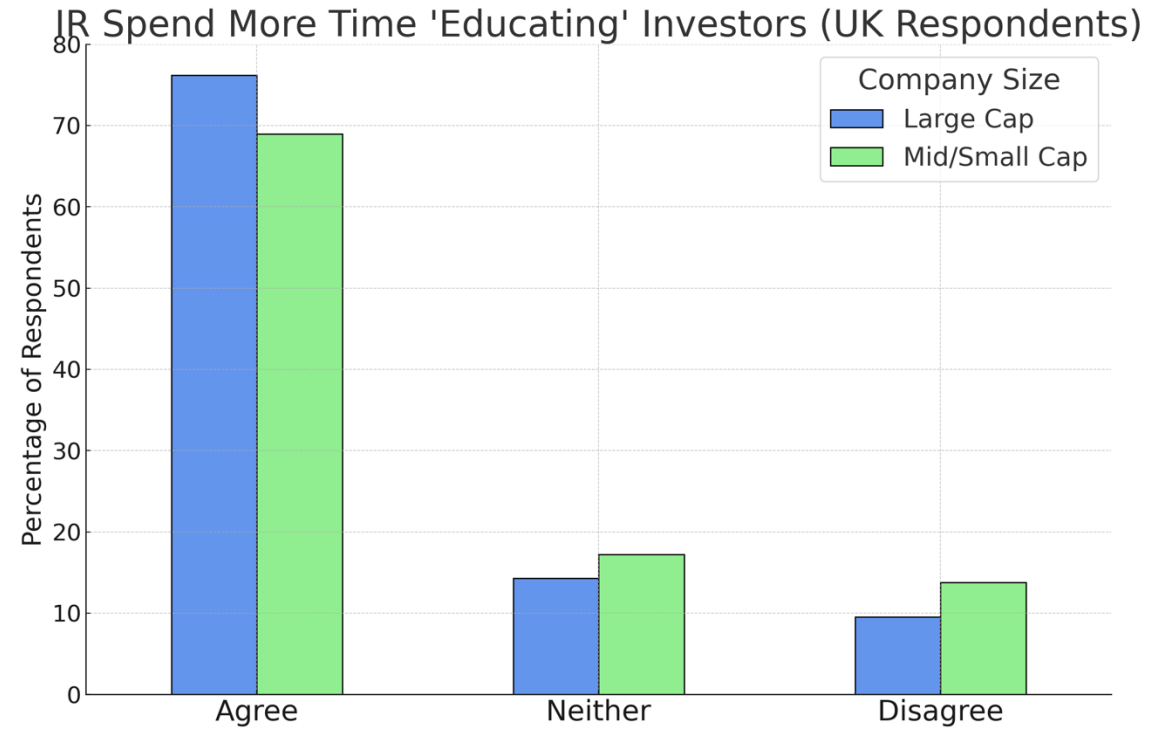
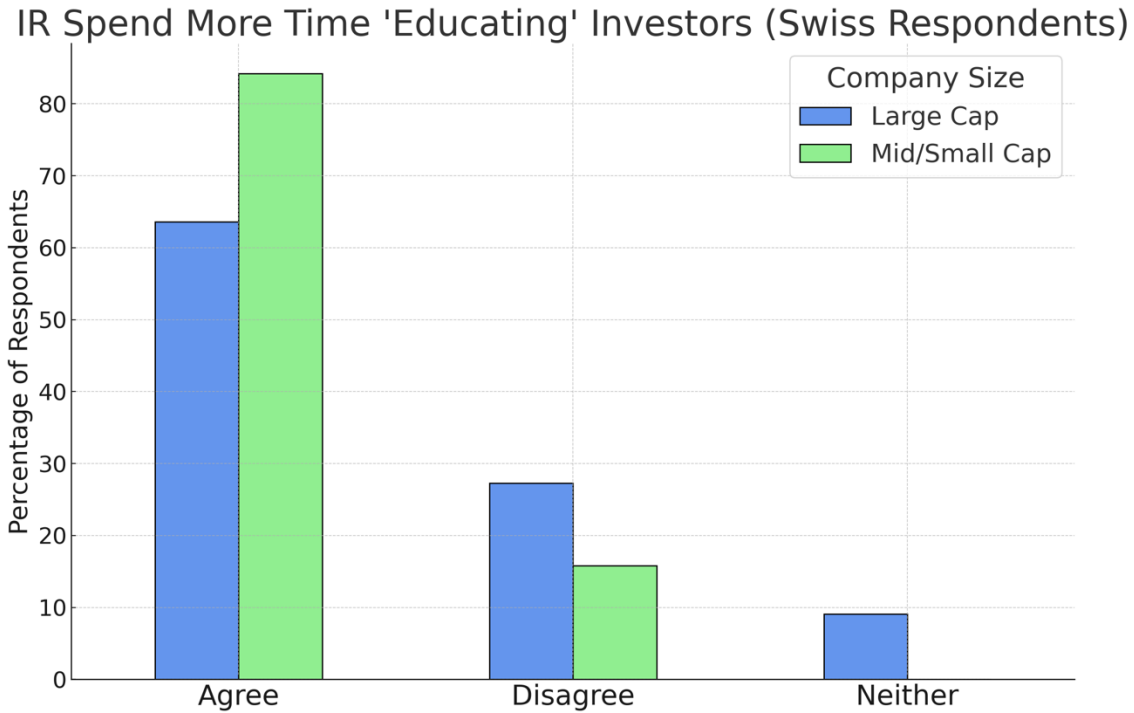
MiFID II: focusing on investors

Post-MiFID change in investor engagement



“I quite quickly saw it [MiFID] as an opportunity ... you would want to reach out and build those relationships directly ”

MiFID II: Impact on IR's investor education effort



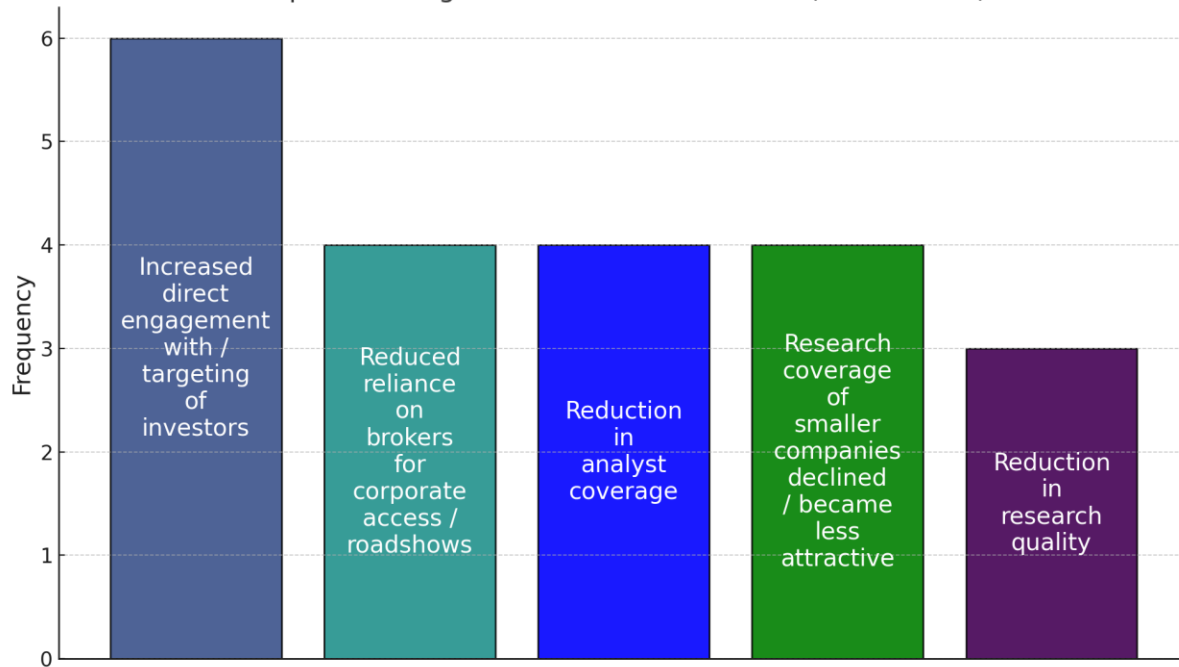
MiFID II: top 5 impacts



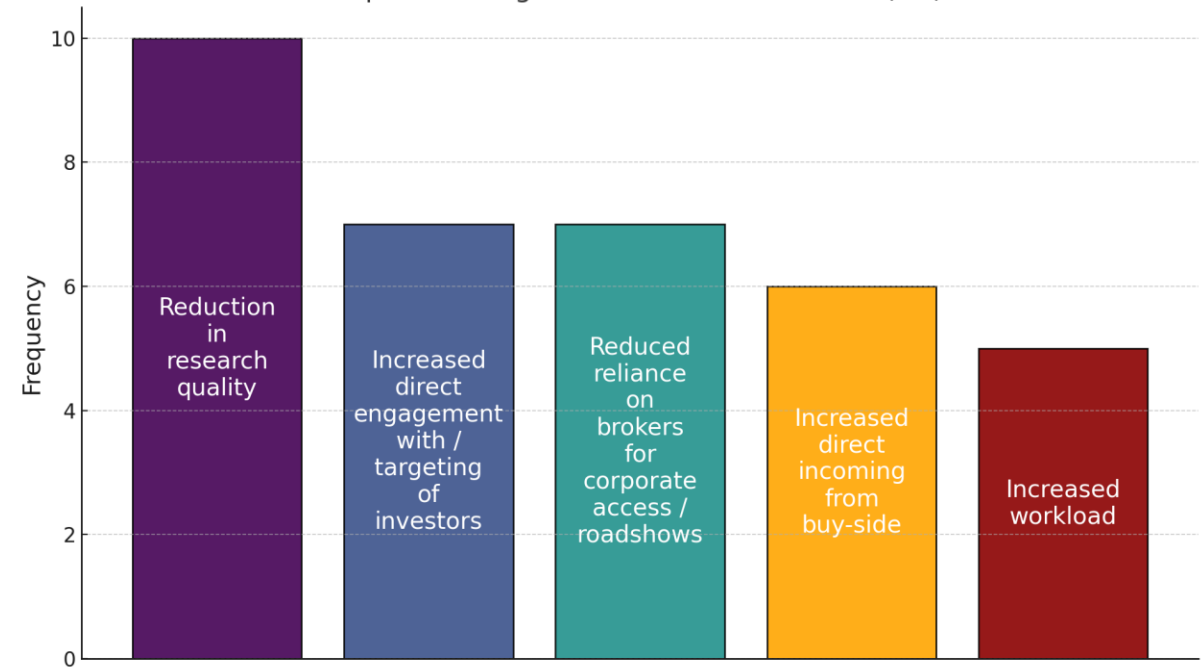
Five most salient effects



Top 5 Most Significant Effects of MiFID II (Switzerland)



Top 5 Most Significant Effects of MiFID II (UK)



MiFID II: what IROs want

IROs on what regulators should do

Reverse MiFID II / bring bundling back, to:

- stimulate / make research production financially viable, particularly for smaller stocks and brokerages
- revive the old brokerage business model (some see as it irreparable)
- reduce the regulatory compliance and reporting burden

Develop:

- research payment structures e.g. a public European research hub where investors can access research on a pay-per-view basis
- funding mechanisms for market makers to improve liquidity and visibility of smaller stocks

International harmonisation

- Align Swiss and EU rules
- Align with US and APAC payment practices for corporate access

Thank you !

We would love to
hear your
comments...

Please reach out if you are interested in
taking part in our other IR research projects:

- **IR and Artificial Intelligence**
- **IR and corporate brokership**

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