



Print from the website of the AMF

11 July 2019

## **The AMF launches a study on the impact of the new rules governing research funding introduced by MiFID 2**

**The implementation of MiFID 2 has altered the market economy of research and brings the issue of small caps and mid caps coverage by analysts more sharply into focus. To fine-tune the assessment, the AMF Board has asked Jacqueline Eli-Namer, an AMF Board member, and Thierry Giami, president of the French Society of Financial Analysts (SFAF), to work with financial market stakeholders in order to explore concrete ways of improving the situation.**

The coverage of listed companies by independent research is an essential component in ensuring that prices are properly established on the market and to guarantee liquidity. While the large listed companies are widely covered, small caps are traditionally less followed by analysts.

The implementation of MiFID 2, which requires research to be billed separately, seems to have both accentuated this trend and modified the market economy of research. The fall in prices of invoiced research, coupled with the streamlining of investors' budgets, has had an impact on the number of analysts and the coverage of firms. At the same time, research sponsored by issuers is on the rise. Although this has curbed the erosion of the analysis produced, it raises specific issues, particularly in terms of managing conflicts of interest.

The French stock market's objective is to promote the listing of small and mid caps, and while France has a broad base of financial analysts, it is desirable to explore initiatives that

could be taken to ensure that small and mid cap companies are covered by high-quality research.

In this context, the AMF Board has asked Jacqueline Eli-Namer, an AMF Board member and Thierry Giami, president of the French Society of Financial Analysts (SFAF), to fine-tune the assessment of the direction in which research is headed and to explore concrete ways of mobilising the marketplace and thus improving the situation.

The results of this study should be available by the end of the year.

#### *About the AMF*

*The AMF is an independent public authority responsible for ensuring that savings invested in financial products are protected and that investors are provided with adequate information. The AMF also supervises the orderly operations of markets. Visit our website <https://www.amf-france.org>*

#### **Press contact:**

AMF Communication Directorate - Sandrine Levallois - Tel: +33 (0)1 5345 6081 or +33 (0)1 5345 6028

---

### ON THE SAME TOPIC

---

 [Subscribe to our alerts and RSS feeds](#)



REPORT / STUDY

MIFID

14 August 2020

Overview of Bond  
Market Transparency  
under MiFID 2



SPOT INSPECTIONS

MIFID

21 July 2020

Summary of SPOT  
inspections on  
recording telephone  
conversations and  
electronic  
communications and  
on retaining those  
recordings



AMF NEWS RELEASE

MIFID

10 June 2020

Market transparency,  
financial research,  
investor protection:  
AMF's proposals for  
more efficient and  
competitive markets



Legal information:

Head of publications: The Executive Director of AMF Communication Directorate. Contact:  
Communication Directorate – Autorité des marchés financiers 17 place de la Bourse – 75082 Paris  
cedex 02