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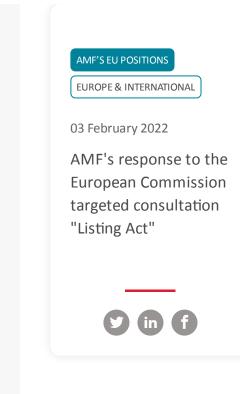
The AMF launches a study on the impact of the new rules governing research funding introduced by MiFID 2

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



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