

We thank you for your time spent taking this survey.
Your response has been recorded.

Below is a summary of your responses

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The response

This online form provides the format for your response to the CP.

Introduction

The UK Markets in Financial Instruments Directive (MiFID) is the collection of laws and rules that regulates the buying, selling and organised trading of financial instruments. The UK laws and regulations implementing its amendment in January 2018 (MiFID II) were modified to address deficiencies as part of the process of onshoring EU law. This enables UK laws and regulations to function effectively post-Brexit. This CP concerns changes to MiFID II rules.

Responding to the consultation

You are asked to respond to the consultation by completing this online response process that lists the questions as set out in the consultation paper.

The following is a link back to the consultation paper if you need to refer back to it.

[CP 21/9 Changes to UK MiFID's conduct and organisational requirements](#)

Note, this online form provides a short summary of the CP. For full details please refer to the CP.

Why we are consulting

The UK Markets in Financial Instruments Directive (MiFID) is the collection of laws and rules that regulates the buying, selling and organised trading of financial instruments. We are working with HM Treasury on capital markets reform, which involves looking at the UK's regulatory regime for capital markets to develop a package of changes. These changes are to ensure the regulation of investment business in the UK is adapted to the broad and deep structures of UK markets, underpinned by the highest regulatory standards that promote market integrity, effective competition and consumer

highest regulatory standards that promote market integrity, effective competition and consumer protection.

As part of the capital markets reform work, this first consultation covers changes in two areas to the conduct and organisational rules in UK MiFID – research and best execution reporting.

What outcomes we are seeking

We are proposing to change the existing inducements requirements relating to research. This includes an exemption from the inducement rules for research on SMEs with a market cap below £200m and an exemption for FICC research. We are also proposing to remove two sets of reporting obligations on firms known as RTS 27 and 28 reports.

The changes are intended to ensure the rules achieve their objective and reduce compliance costs without compromising high standards of investor protection.

Click below to download an editable copy of all questions in this CP:

[Changes to UK MiFIDs conduct and organisational requirements](#)

You can use this form to upload your completed document. Please complete the 'about you' section first.

Instructions

Questions with a * are compulsory and therefore need to be answered in order to move on in the survey.

FCA privacy notice on how we will use the data you provide in this survey:

<https://www.fca.org.uk/privacy/personal-data-and-surveys-consultations-and-market-research>

First tell us something about your organisation or yourself

* Respondent full name

Andy Pettit

* Respondent contact email

andy.pettit@morningstar.com

* Are you responding on behalf of a company or organisation or as a private individual in a personal capacity?

☒ **Company or organisation**

☐ Private Individual, in a personal

* Please provide the following information

Name of organisation/company

Morningstar

Your position in the organisation/company

Director, Policy Research

* Type of organisation or company

Firm type

Other, please specify

Sector

None

Portfolio

None

Please specify your organisation type

Information Provider

Word template

If you are submitting your responses using the Word template provided, please upload your document here.

Please ensure you press Submit at the end.

Drop files or click here to upload

Consultation Questions

Question 1

Do you agree with our proposal to create an exemption for SME research below £200m provided the research is offered on a rebundled basis or for free?

- ☐ Yes
- ☐ No
- ☒ **No view**

If yes or no, please explain your views.

Question 2

Would you be likely to take advantage of the proposal to rebundle SME research?

- ☐ Yes
- ☐ No
- ☒ **No view**

If yes or no, please explain your views.

Question 3

Do you agree that an Industry-led initiative to fund research would be capable of addressing low coverage of SMEs?

- ☐ Yes
- ☐ No
- ☒ **No view**

If yes, we would welcome your suggestions on how this can be developed.

If yes or no, please explain your views.

Question 4

Do you agree with our proposal to create an exemption for EICC research?

Do you agree with our proposal to create an exemption for IRP research?

- ☐ Yes
- ☐ No
- ☒ **No view**

If yes or no, please explain your views.

Question 5

Do you agree with our proposal to include research provided by IRPs in the list of minor non-monetary benefits?

- ☒ **Yes**
- ☐ No
- ☐ No view

If yes or no, please explain your views.

IRP research is, by definition, unconflicted and carries no inducement risk. As such, this exemption is entirely sensible. It has the benefit of creating a more competitive and transparent marketplace for research, by encouraging greater take up of IRP research.

Question 6

Do you agree with the circumstances in which the exemption applies i.e. where the IRP is not engaged directly or indirectly in execution services?

- ☒ **Yes**
- ☐ No
- ☐ No view

If yes or no, please explain your views.

IRPs depend solely on the quality and scope of their research services. It is very welcome to have a clear definition of independent research, and to recognise IRP research as a distinct category in the market.

Question 7

Do you agree with our proposal to include in the list of minor non-monetary benefits openly available written material?

- ☐ Yes
- ☐ No
- ☒ **No view**

If yes or no, please explain your views.

Question 8

Do you agree with our proposal to remove the obligation for execution venues to produce execution quality reports consistent to the format prescribed under RTS 27?

- ☐ Yes
- ☐ No
- ☒ **No view**

If yes or no, please explain your views.

Question 9

Do you agree with our proposal to remove the obligation for firms who execute orders to produce reports about their order routing and execution outcomes obtained consistent to the format prescribed under RTS 28?

- ☐ Yes
- ☐ No
- ☒ **No view**

If yes or no, please explain your views.

Please give any other feedback on our proposals not covered by the questions above.

Confidentiality

* Do you consent to your response to this consultation paper being made public?

Please select No if there are areas of your response that should be treated as confidential.

☒ Yes

☐ No

Market sensitivity

* Are there areas of your response that are considered to be market sensitive?

Market Sensitive - information that if made public may impact on market prices.

☐ Yes

☒ No

Please tell us about your experience responding to this consultation

Overall, how would you rate your experience responding to this consultation via our new online process?

1
(Wouldn't want to use it
again)

☐

2

☐

3
(Neutral)

☐

4

☐

5
(Would happily use it again)

☒

Please provide any comments on your experience of using this online tool, including any recommendations for improvement.

Thank you for completing the survey.

By clicking SUBMIT, your responses will be submitted and you will not be able to return to the survey.

On submission, a summary of your responses will be provided for your records, please click 'download PDF' to download a copy of your response. You will not be able to return to this page after closing it.

If you need to make any changes, please navigate using the back button now before submitting the survey.

We are asking for comments on this Consultation Paper (CP) by 23 June 2021.

You can send them to us in writing to:

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