

MEMO# 30473

December 13, 2016

Draft Response on FCA MiFID II Consultation: Inducements and Research; Comments Due 16 December

[30473]

December 12, 2016 TO: Equity Markets Advisory Committee
Fixed-Income Advisory Committee
ICI Global Regulated Funds Committee
ICI Global Trading & Markets Committee
International Committee RE: Draft Response on FCA MiFID II Consultation: Inducements and Research; Comments Due 16 December

In September the UK Financial Conduct Authority (FCA) issued a third consultation on its proposed implementation of the Markets in Financial Instruments Directive II (CP16/29), which includes a section on inducements and research (Section 3). The consultation is available at <https://www.fca.org.uk/sites/default/files/cp16-29.pdf>. Comments are due to the FCA by January 4.

Attached is a draft of our response, which was prepared based on member calls and individual member feedback. The draft disagrees with the FCA's proposal to include within scope the managers of collective investment schemes, seeks confirmation of the extra-territorial reach of the Directive, and requests flexibility with respect to non-equity research. Additionally, the draft requests the FCA to confirm formally its position on, or interpretation of, various operational aspects of the research payment account, budgeting, and the client agreement.

Please provide your comments to me by email, mark-up, or phone by COB Friday, December 16.

Eva M. Mykolenko
Associate Chief Counsel - Securities Regulation

[Attachment](#)

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