

## VIDEO

December 18, 2015

# Focus on Funds: European Regulations Could Have Global Impact on Investment Research Funding

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The December 18, 2015, edition of *Focus on Funds* explains the implications of pending European regulations on asset managers with global research and trading operations.

### Transcript

**Stephanie Ortvals-Tibbs, Director, ICI Media Relations:** Good research is an underpinning of good asset management. But in Europe today there are some regulatory decisions pending which could change all of that and potentially break the global research structure. I got some fresh insight on the issue involving dealing commissions and their regulation at ICI Global's Trading and Market Structure Conference.

**Eva Mykolenko, ICI Global Associate Chief Counsel:** Hi Stephanie, what we learned at our panel is that although, in many cases or most cases now, firms are able to apply a global standard across the board because regulatory differences aren't that significant. They are having a concern that there might be regulations that differ so much from what's going on in the rest of the globe that they might need to "ring-fence" a certain part of their business. And one example that we were discussing was what's going on with dealing commissions in the use of research.

**Ortbals-Tibbs:** And Dan, that is a huge issue for our members—what are you hearing from them and concerns and what has ICI Global been doing on this lately?

**Dan Waters, ICI Global Managing Director:** It's been an area of focus really right through MiFID II since the advice came from ESMA, which surprised us a lot because we weren't expecting kind of a threat to the global research platform. We remain hopeful that they will come up with a solution that allows the global research trading platforms to continue to operate effectively. We accept that improvements can be made in terms of transparency and disclosures to investors in making a better account of ourselves in terms of our spend on research. So there is a solution here but it's one that needs to be globally

tailored.

## **Additional Resources**

- [ICI Global Analysis of Global Trading and Markets Policy](#)

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