

11.9.2020



European Commission

Capital markets – research on companies seeking alternative financing (updated rules in light of COVID-19)

Finance Finland (FFI) is not in favour of the Commission's proposal for amendments to the unbundling rules

Finance Finland (FFI) is not in favour of the Commission's proposal for amendments to the unbundling rules described in the draft delegated directive. FFI sees that the scope of application is too limited. It would be appropriate to provide for the extension of this proposal to all companies irrespective of their market capitalisation value, not only small and mid-cap companies. Authorising the bundling of SME research alone is not practical and probably will not increase SME research. Having two pricing models is complicated for both investment firms and their clients and will cause confusion. It is very unlikely that this initiative will be an incentive to increase research coverage of SME companies. There might be challenges to the clients to accept the re-bundling of research payments to their commission rates.

FINANCE FINLAND