

Press Release

Date: 14th March 2017

“MiFID II: firms seek to keep commission sharing under research payment umbrella”

MPI Europe, London (14/03/17): MPI Europe, the specialist financial services consultancy, publishes today pre-release results of our annual market wide survey for brokerage Commission Sharing Agreements.

The analysis of usage and trends in commission management shows a strong desire by firms to keep using Commission Sharing Agreement (CSA) under the new MiFID II Research Payment Accounts (RPA) to be implemented at latest for January 2018. Some firms have opted for the headline grabbing option of paying for all research from their own profit and loss account. However, from our research this model is a step too far for many firms, who are looking to reuse their existing CSA agreements in some form under an RPA. This favoured RPA and CSA model has a set of significant changes for firms to address. With only nine months remaining before the implementation date, this presents operational and technology decisions to be made and challenges to be addressed in short timescales.

Our research once again attracted a strong response with over 60 firms contributing, underlining the interest in the topic of research payment via Commission Sharing Agreements under MiFID II.

Key trends include:

- **Almost 73% of firms are looking to use CSAs, even if alongside client fees or payment for some research from their own funds**
- **The vast majority of firms are looking to maintain or increase their CSA position in the next 12 months**
- **Most firms see a combination of RPA with CSA as a simpler process to implement than other alternatives**

MPI surveyed a range of financial sector firms to understand the key trends, challenges and opportunities in the use of commission sharing agreements under MiFID II. The survey was conducted across a three month period and received responses from over 60 asset managers, brokers and research providers. This annual survey has run since 2010 and has shown strong and increasing interest year on year.

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