



MS15/1.2: Annex 8

Market Study

Investment and corporate banking market study:

Interim Report: Annex 8 – List of consultation
questions on potential remedies

April 2016

Annex 8: List of consultation questions on potential remedies

1. This Annex sets out the list of consultation questions on potential remedies (as set out in Chapter 11 of the interim report).

Universal banking and cross-subsidies

- Q1:** Are there any benefits to contractual clauses that restrict choice that we need to take into consideration? For example, are there any circumstances in which clients have benefitted from reduced fees or better terms when agreeing such clauses? Please provide supporting evidence.
- Q2:** If restrictive contractual clauses were to be prohibited, what practical issues might arise in doing so? Are there any types of services for which such contractual clauses should be permitted?
- Q3:** Are there other proportionate ways in which we can reduce barriers to competition for non-universal banks and other service providers? In particular, are there FCA rules and guidance that could be altered to enhance their prospects of competing for transactional business?
- Q4:** Are there other steps we should taking to allow more innovative approaches to primary market services to emerge?

IPO process

2. Possible options to address our concerns with the availability of information during the IPO process (see Chapter 9) are set out in the discussion paper. This discussion paper includes specific questions for stakeholders to consider.

Allocations

- Q5:** What additional steps should we be taking, consistent with MiFID II, to help address the concerns we have raised?
- Q6:** Are there any barriers to the emergence of other innovative approaches to book-building that we can address?

League tables

- Q7:** How might an industry-led solution best be achieved to tackle the concerns we have outlined in relation to league tables in Chapter 6?

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- Q8:** What practical issues would need to be considered in determining parameters for presentation of league tables to clients in order to reduce the incentive for league table trades?
- Q9:** What other solutions could be used (i) to discourage league table trades and (ii) to ensure league tables are presented in a way that is more meaningful for clients?

Areas in which we are not proposing remedies

- Q10:** Is there any reason why we should take any action at this stage in relation to:
- availability of suppliers for medium-sized corporate clients (or clients of any other size, type or sector or from any other region)
 - transparency of scope of services and fees
 - syndication
 - reciprocity
- If so, what action should we be taking? Please submit evidence to support your claim for the need for action.
- Q11:** Given the clarity we have provided in relation to the way in which corporate finance advisers are covered by our regulatory regime and lack of concerns we have found in Chapter 6, are there any areas in which we should be considering taking action?

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