

STA Open Call – March 2, 2017 – Call Notes¹
MiFID II: North American Manager & Broker Dealer
Presenter: Tom Conigliaro, IHSMarkit
See Tom Conigliaro’s report [here](#)

Opening Remarks – Jim Toes, STA President & CEO

Washington, DC Trip March 8/9 Trip - STA has meetings with Senate and House members next week. Talking Points are being drafted and will include: The CHOICE Act, and how it relates to the fee structure funding of the SEC ([STA letter](#)) and SEC oversight of self-regulatory agencies like; FINRA.

Government Relations Offices for U.S. and Non-U.S. Corporations - It has been our observation that the amount of disruption to the government relations strategies for U.S. and Non-U.S. corporations with a new administration is unprecedented and articulated well by Jeffrey Taylor a Washington DC lobbyist.

“Some presidential transitions are so Earth shaking that they require companies to conduct a much deeper analysis of their government relations plans; Carter to Reagan, Bush to Clinton, Clinton to Bush, Bush to Obama were all substantial ideological flips... but Obama to Trump is not your typical transfer of power. It is a monster change in direction for the U.S.; and by extension for U.S. and foreign business and industry.” [Full post](#)

Presenter - Tom Conigliaro, IHSMarkit- Historical timeline, what issues European regulators are trying to solve, MiFID II regulations and Research Payment Accounts (RPA’s), expected industry changes and costs to implement (total and % of managers’ budget by tier type) are covered in opening remarks and full deck.

Q#1 – Could you explain how these unbundling changes would find themselves on U.S. soil?

A#1 – U.S. Asset Managers who are global managers will only adopt one set of compliance rules. In order to keep both U.S. and European customers, these managers will have to adopt the MiFID II rules.

Q#2 – What about U.S. managers who do not have a presence in Europe? Will they be impacted?

A#2 – From a regulatory standpoint, they will not. But, from a competitive standpoint they may because their clients may expect the same level of transparency they are receiving from those managers who operating in MiFID II regime.

Q#3 – You mentioned that European managers will have to demonstrate how they’re achieving best – execution. How does measuring best-ex in the U.S. compare to Europe currently & in a MiFID II regime

A#3 – Measuring best-ex in the U.S. is better than Europe due to things like 605, 606. Achieving the standards under MiFID II will be costly from an implementation standpoint for European brokers.

¹ *This brief is meant for informational purposes only and therefore should not be considered legal advice.
STA’s goal is to raise awareness and encourage industry dialogue.*

Helpful Links

Link to STA's Comment Letter re: EMSAC [here](#)

Link to Tick Size Pilot Data presentation [here](#)

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