
Investment advice and market places

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Investment advice

- ◆ MiFID includes investment advice as an investment service subject to authorisation
- ◆ Personal recommendations
 - ◆ When presented as suitable for the client; or
 - ◆ Based on the consideration of the circumstances of the client
- ◆ Exemptions
 - ◆ Generic advice e.g. technology stocks rather than shares issued by a particular issuer

Market places

The purpose of MiFID is to enhance the possibilities to trade with securities

1. regulated markets
 2. Multilateral Trading Facilities (MTFs) - non-regulated markets
 3. internalisers
- abolishment of the "concentration rule" and introduction of the best execution
- choosing the best possible venue for the investor

How to choose your market place? - issuers point of view

- ◆ Implementation of the Transparency directive
→ the scope of the national legislation will broaden to include securities that are listed on any regulated market in the EU
- ◆ A company that is not listed in its home member state, lists an EMTN programme on the London Stock Exchange

Listing of a bond issue

	Non-regulated market place	Regulated market place
IFRS		From the beginning of 2007
prospectus prepared under Commissions Regulation 809/2004		yes
financial reporting		interim reports for six months after implementation of the Transparency Directive – issuers of bonds with nominal value higher than 1,000€ may choose their home state
book-entry system	in practice, yes	yes (in Finland)
transfer tax	yes, if either party of the trade is resident in Finland	no
investors		some investors require that securities are listed on the regulated market