

Consultation Paper

Draft regulatory technical standards for the establishment of an EU code of conduct for issuer-sponsored research

Responding to this paper

ESMA invites comments on all matters in this paper and in particular on the specific questions summarised in Annex 1. Comments are most helpful if they:

- respond to the question stated;
- indicate the specific question to which the comment relates;
- contain a clear rationale; and
- describe any alternatives ESMA should consider.

ESMA will consider all comments received **by 18 March 2025**.

All contributions should be submitted online at www.esma.europa.eu under the heading 'Your input - Consultations'.

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESMA's rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA's Board of Appeal and the European Ombudsman.

Data protection

Information on data protection can be found at www.esma.europa.eu under the heading '[Data protection](#)'.

Who should read this paper?

All interested stakeholders are invited to respond to this consultation paper. This paper is primarily of interest to competent authorities, firms that are subject to Directive 2014/65/EU on Markets in Financial Instruments (MiFID II), research providers, issuers, and investors.

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1 Executive Summary

Reasons for publication

The European Securities and Markets Authority (“**ESMA**”) has been empowered to develop regulatory technical standards (RTS) establishing an EU code of conduct for issuer-sponsored research by the Listing Act Directive¹. This Consultation Paper therefore seeks stakeholders’ views, comments, and opinions on ESMA’s proposals for such RTS. The input from stakeholders will help ESMA finalise the draft RTS before submitting it to the European Commission.

Contents

Section 2 explains the relevant background for these draft RTS. Section 3 sets out ESMA’s proposal for the draft RTS. Annex I presents the list of questions included in this consultation paper. Annex II includes the relevant legal mandate. Annex III presents the cost-benefit analysis and Annex IV the draft RTS.

Next Steps

ESMA will consider the feedback it receives to this consultation and expects to publish a final report and submit the draft technical standards to the European Commission for endorsement by 5 December 2025.

¹ Directive (EU) 2024/2811 of the European Parliament and of the Council of 23 October 2024 amending Directive 2014/65/EU to make public capital markets in the Union more attractive for companies and to facilitate access to capital for small and medium-sized enterprises

2 Background

2.1 Legal background

1. Currently, no specific regime for issuer-sponsored research exists.
2. On 14 November 2024 the Listing Act Directive was published in the Official Journal and entered into force on 4 December 2024.²
3. In order to revitalise the market for investment research, several amendments are made to MiFID II³ by the Listing Act Directive. One of the measures introduced by the Listing Act Directive concerns issuer-sponsored research, with the provision of an EU code of conduct for such research, which should enhance the trust in, and use of, issuer-sponsored research.
4. Article 1(2)(a) of the Listing Act Directive introduces new paragraphs 3a to 3e in Article 24 of MiFID II.
5. In line with the new provisions, issuer-sponsored research must be fair, clear, and not misleading. It should be clearly identified as such or with similar wording. All relevant conditions outlined in the MiFID II Delegated Regulation⁴ and applicable to the research shall be met. Lastly, investment firms that produce or distribute research partly or fully paid by the issuer shall use the label "issuer-sponsored research" only if the research complies with the EU code of conduct for issuer-sponsored research, to be developed by ESMA as RTS.
6. These draft RTS attached in Annex IV hereto should be submitted by ESMA to the European Commission by 5 December 2025.

² OJ L, 2024/2811, 14.11.2024

³ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU

⁴ Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.

3 Proposed content of the draft RTS

3.1 The EU code of conduct for issuer-sponsored research – The approach taken

7. The mandate requires ESMA to take into account existing national codes of conduct for issuer-sponsored research when developing the EU code of conduct. In France, three associations⁵ developed the Charter of good practices on sponsored research (the “**Existing code of conduct**”). ESMA did not identify other existing national codes of conducts on issuer-sponsored research.

Question 1: Are you aware of or adhering to another code of conduct for issuer-sponsored research that ESMA could take into account? If so, how widely endorsed and adhered to such code of conduct is and which specific parts of the code of conduct would be of added value to consider for the EU code of conduct? Please state the reasons for your answer.

8. The approach for the development of the EU code of conduct on issuer-sponsored research could follow three options:
- a. Option 1 – *Develop a completely new code of conduct.* ESMA could develop the new EU code of conduct without directly relying on the *commitments* included in the Existing code of conduct.
 - b. Option 2 – *Use the Existing code of conduct without changes.* Since the Existing code of conduct is the only one identified in the EU, it is already in place and being applied in France, it could be used in its entirety to establish the EU code of conduct.
 - c. Option 3 – *Take the Existing code of conduct as a basis with targeted amendments.* As an intermediate option to options 1 and 2 described above, it would be possible to start the development of the EU code of conduct with the Existing code of conduct as a basis, in order to benefit from this existing experience in this area, and adapt it on the basis of the wider EU context and discussions, when appropriate.
9. ESMA did not opt for Option 1 described above as the mandate explicitly requires ESMA to take into account existing codes of conduct and it is actually helpful and beneficial to be able to use the code of conduct adopted in France, to the extent possible, in the development of the EU code of conduct.

⁵ Association française des marchés financiers (AMAFI), Association Française de la Gestion financière (AFG) and Société Française des Analystes Financiers (SFAF)

10. ESMA also did not opt for Option 2 as just copy-pasting the Existing code of conduct into an EU code of conduct would not fully align with the mandate ESMA received and might lack the flexibility required when considering the objectives of the EU code of conduct.
11. ESMA therefore adopted Option 3, as described above. ESMA proposes to use the *commitments* included in the Existing code of conduct, with targeted amendments, in the development of the EU code of conduct. This approach allows to take into account the code of conduct which is already in use in this area, as required by the Listing Act Directive, while adapting it to the needs emerging from a wider EU discussion and from its inclusion in the broader EU regulatory framework (for example, changes could be incorporated to further align with the mandate to set out standards of independence and objectivity, and specify procedures and measures for the effective identification, prevention and disclosure of conflicts of interest, also in order to incentivise the use of issuer-sponsored research). ESMA also proposes not to integrate a number of obligations that were included in the Existing code of conduct and applicable to issuers, so as to make sure that issuers face the least possible obstacles to have their company covered.

Question 2: Do you agree with the proposed approach? Please state the reasons for your answer.

3.2 Legal status of the EU code of conduct for issuer-sponsored research

12. The enacting terms of the RTS can only be addressed to entities that are subject to MiFID II. However, research providers are not always subject to MiFID II (only those that are investment firms). The RTS thus only apply to investment firms where they produce and/or distribute issuer-sponsored research to clients or potential clients. In such cases, research can only be labelled as “issuer-sponsored research” when it is produced in accordance with the EU code of conduct.
13. ESMA therefore proposes not to include the EU code of conduct for issuer-sponsored research in the enacting terms of the RTS, but to include it as an Annex to the RTS. Whilst the EU code of conduct will thus be “soft law” for research providers, investment firms will only be permitted to produce or distribute the issuer-sponsored research labelled as such if they or the research providers abide with the provisions of the EU code of conduct. If not, such research should be treated as a marketing communication for the purposes of MiFID II⁶ and identified as such.

⁶ Directive 2014/65/EU

14. Investment firms can use research partly or fully paid by the issuer and that is not produced in compliance with the EU code of conduct, for instance as input for their portfolio management services, as long as they do not distribute the research to clients or potential clients while labelled as “issuer-sponsored research”.
15. ESMA also believes it is important to remind investment firms and research providers that issuer-sponsored research falls within the definition of investment recommendation under the Market Abuse Regulation (“**MAR**”)⁷. Therefore, the proposed Recital 4 clarifies that, irrespective of the application of the EU code of conduct, compliance with the relevant requirements set out in MAR and in the Regulation on arrangements for objective presentation of investment recommendations⁸ should always be ensured.

3.3 Proposals included in the EU code of conduct for issuer-sponsored research

16. ESMA proposes to mainly focus the requirements of the EU code of conduct on research providers, rather than on issuers, as research providers are responsible for producing the research and ensuring its quality, independence, and objectivity. This approach is also intended to avoid deterring issuers from commissioning issuer-sponsored research.

Question 3: Do you agree to mainly focus the requirements on research providers? Or do you think that additional requirements are necessary for issuers? Please state the reasons for your answer.

17. In Clauses 1 and 2 of the EU code of conduct, ESMA proposes rules to manage conflicts of interest. Clause 2 is largely based on Article 35 of the MiFID II Delegated Regulation with the aim that issuer-sponsored research will be produced with the same standards as non-sponsored research.
18. ESMA proposes a minimum term of two years for issuer-sponsored research, as coverage usually should be provided over a longer term for the purposes of continuity and consistency so as to improve the attractiveness of the issuer-sponsored research and incentivising its use by investors. However, earlier termination should be possible in situations where research coverage does not provide added value for investors anymore,

⁷ Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

⁸ Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest.

such as when the shares of the issuer are delisted, or when the issuer repeatedly fails to make the payments.

19. To enhance the trust that investors can have in issuer sponsored research, the remuneration agreement should be structured in a way that it does not compromise the objectivity and independence of the research provider. Therefore, ESMA proposes that at least 50% of the yearly remuneration should be paid at the start of the contract and at each contract anniversary. Also, any variable component of the remuneration should not be linked to the content of the research.

Question 4: Do you agree with a minimum initial term of the contract of two years? Or should the initial term be more, or less? Or should the code of conduct allow one-off reports, such as for initial public offerings? Please state the reasons for your answer.

Question 5: Do you agree with a minimum upfront payment of 50% of the annual remuneration? Or should that percentage be more, or less? Please state the reasons for your answer.

20. The Level 1 MiFID II obligations on issuer-sponsored research include that investment firms must have organisational arrangements to ensure that issuer-sponsored research is produced in compliance with the EU code of conduct. To this end, investment firms should be able to request information from research providers necessary to assess whether the research is produced in compliance with the EU code of conduct. ESMA proposes in Clause 7 of the EU code of conduct that research providers should provide certain information, such as the agreement between the research provider and issuer, when requested so.

Question 6: Do you agree with the information listed in Clause 7 of the code of conduct that research providers should make available to investment firms? Is there anything missing? Please state the reasons for your answer.

21. Where issuers paid partly for the research and investors also contributed to the payment, the issuer-sponsored research may be reserved for investors who contributed. However, ESMA proposes that in cases where the issuer paid fully for the research, the research should not be reserved for a limited group of investors, instead the research provider should make the research accessible to the public immediately.

Question 7: Do you agree that only when the issuer paid fully for the research, it should be made accessible to the public immediately? Or should research partially paid for by the issuer also be made accessible to the public immediately? Please state the reasons for your answer.

22. ESMA also proposes some requirements on mandatory information that should be provided on issuer-sponsored research. Such as a short summary that, inter alia, should state that the research was produced in accordance with the EU code of conduct, a reference to the conflicts of interest policy and whether the revenues that the research provider derives from its relationship with the issuer represent more than 5% of its consolidated gross revenues.
23. Lastly, ESMA proposes that research providers should make their best efforts to update the analysis when important information has come to their attention or where major events occur.

Question 8: Do you think that any further requirements should be introduced in the code of conduct? Please state the reasons for your answer.

4 Annexes

4.1 Annex I - Summary of questions

Question 1: Are you aware of or adhering to another code of conduct for issuer-sponsored research that ESMA could take into account? If so, which specific parts of the code of conduct would be of added value to consider for the EU code of conduct? Please state the reasons for your answer.

Question 2: Do you agree with the proposed approach? Please state the reasons for your answer.

Question 3: Do you agree to mainly focus the requirements on research providers? Or do you think that additional requirements are necessary for issuers? Please state the reasons for your answer.

Question 4: Do you agree with a minimum initial term of the contract of two years? Or should the initial term be more, or less? Or should the code of conduct allow one-off reports, such as for initial public offerings? Please state the reasons for your answer.

Question 5: Do you agree with a minimum upfront payment of 50% of the annual remuneration? Or should that percentage be more, or less? Please state the reasons for your answer.

Question 6: Do you agree with the information listed in Clause 7 of the code of conduct that research providers should make available to investment firms? Is there anything missing? Please state the reasons for your answer.

Question 7: Do you agree that only when the issuer paid fully for the research, it should be made accessible to the public immediately? Or should research partially paid for by the issuer also be made accessible to the public immediately? Please state the reasons for your answer.

Question 8: Do you think that any further requirements should be introduced in the code of conduct? Please state the reasons for your answer.

4.2 Annex II – Legislative mandate to develop RTS

Article 1(2)(a) of the Listing Act Directive setting out the following new paragraph 24(3c) of MiFID II:

“ESMA shall develop draft regulatory technical standards to establish an EU code of conduct for issuer-sponsored research. That code of conduct shall set out standards of independence and objectivity, and specify procedures and measures for the effective identification, prevention and disclosure of conflicts of interest.

In developing the regulatory technical standards on the EU code of conduct for issuer-sponsored research, ESMA shall take into account the content and parameters of codes of conduct for issuer-sponsored research which have been established at national level prior to the date of application of the regulatory technical standards, especially where such codes have been widely endorsed and adhered to. ESMA shall also, where applicable, take into account the relevant obligations and standards on investment recommendations set out in Article 20 of Regulation (EU) No 596/2014.

ESMA shall submit those draft regulatory technical standards to the Commission by 5 December 2025.

Power is delegated to the Commission to supplement this Directive by adopting the regulatory technical standards referred to in the first subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010.

The EU code of conduct for issuer-sponsored research shall be made publicly available on ESMA’s website.

ESMA shall assess at least every five years following the adoption of the regulatory technical standards referred to in the first subparagraph of this paragraph, whether the EU code of conduct for issuer-sponsored research needs to be amended, in which case it shall submit draft regulatory technical standards to the Commission.

Member States shall provide that investment firms that produce or distribute issuer-sponsored research have in place organisational arrangements to ensure that such research is produced in compliance with the EU code of conduct for issuer-sponsored research and complies with paragraphs 3a, 3b and 3e.”

4.3 Annex III – Cost-benefit analysis

Impact of the draft RTS under Article 24(3c) of MiFID II

1. As per Article 10(1) of Regulation (EU) No 1095/2010, any draft regulatory technical standards developed by ESMA shall be accompanied by an analysis of ‘the potential related costs and benefits’ of the technical standard.
2. The next paragraphs present the cost-benefit analysis of the main policy options included in this consultation paper on the establishment of an EU code of conduct for issuer-sponsored research under Article 24(3c) of MiFID II.

Problem identification

3. Paragraphs 3b to 3e of Article 24 of MiFID II lay down rules for issuer-sponsored research. Investment firms must ensure that the research they distribute to clients or potential clients which is paid for, in full or in part, by an issuer shall be labelled as ‘issuer-sponsored research’ only if it is produced in compliance with the EU code of conduct for issuer-sponsored research. Article 24(3c) of MiFID II requires ESMA to develop draft RTS to establish an EU code of conduct for issuer-sponsored research.
4. The enacting terms of the RTS can only be addressed to entities that are subject to MiFID II. However, research providers, who should produce the issuer-sponsored research in compliance with the EU code of conduct, are not necessarily subject to MiFID II. Therefore, when developing the draft RTS, ESMA had to take this fact into account.
5. In addition, ESMA’s objective was to ensure that the EU code of conduct will contribute to the independence and objectivity of research providers when producing issuer-sponsored research.

Policy objectives

6. The objective of the draft RTS is to enhance investor protection by setting standards of independence and objectivity, and specify procedures and measures for the effective identification, prevention and disclosure of conflicts of interest, whilst also promoting issuer-sponsored research by not imposing deterring requirements.

Baseline scenario

7. The baseline scenario is the situation where no EU code of conduct is established by any RTS. Thus, research providers would not be able to label issuer-sponsored research

as such since it would be impossible to produce it in compliance with a non-existing code of conduct.

Options considered and preferred options

Policy issue 1: wider approach

8. ESMA has considered three options for the approach to the development of the EU code of conduct. As described in paragraphs 8 to 11 of Section 3.1, ESMA opted for Option 3 to take into account and benefit from the experience of the Existing code of conduct (the only code of conduct identified in the EU), in line with the requirement of the Listing Act Directive, and include targeted amendments.

Policy issue 2: requirements for issuers

9. ESMA has considered two options concerning the inclusion of requirements for issuers:
 - a. **Option 2a.** Include some requirements for issuers, like in the Existing code of conduct. For instance, a mandatory press release when the research coverage commences or certain requirements when referring to any issuer-sponsored research.
 - b. **Option 2b.** Minimize the requirements for issuers.
10. Option 2a would provide some safeguards for investors and would ensure harmonisation in how issuers deal when communicating about issuer-sponsored research.
11. Option 2b on the other hand, would lead to less harmonisation in terms of communication. However, it would not impact the issuer-sponsored research itself since that is produced by the research providers for which multiple requirements are included in the draft RTS.
12. To minimize burden for issuers and make issuer-sponsored research attractive for them, ESMA opted for option 2b.

Cost-benefit analysis

13. The draft RTS on the establishment of an EU code of conduct on issuer-sponsored research are expected to result in limited costs for investment firms and research providers, but also in benefits for investment firms, research providers, investors and issuers.

Costs

14. Investment firms are expected to incur limited costs to assess whether issuer-sponsored research is produced in compliance with the EU code of conduct.
15. Research providers are expected to incur limited costs on setting up procedures to comply with the EU code of conduct.

Benefits

16. The EU code of conduct is expected to contribute to the quality, independence and objectivity of issuer-sponsored research, to enhance trust in such research, and also to increase availability and demand of such research, which ultimately benefits investors.

Table: costs and benefits

Stakeholder groups affected	Costs	Benefits
Investment firms	Limited ongoing costs to ensure issuer-sponsored research is produced in compliance with the EU code of conduct	Ensuring that the issuer-sponsored research they use is of adequate quality. Greater availability of issuer-sponsored research
Competent authorities	Ongoing cost of supervision that firms comply with the RTS	Better outcome for investors
Investors	None	Increased quality of and trust in issuer-sponsored research
Research providers	Limited ongoing costs to comply with the EU code of conduct	Clarity how to produce issuer-sponsored research independently and objectively. More demand for issuer-sponsored research
Issuers	None	Increased research coverage

4.4 Annex IV – Draft RTS pursuant to Article 24(3c) of MiFID II

COMMISSION DELEGATED REGULATION (EU) .../..

of [...]

(Text with EEA relevance)

supplementing Directive (EU) 2014/65 of the European Parliament and of the Council with regard to regulatory technical standards for the establishment of an EU code of conduct for issuer-sponsored research.

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU⁹, and in particular Article 24(3c) thereof,

Whereas:

- (1) Directive (EU) 2024/2811 of the European Parliament and of the Council of 23 October 2024 amending Directive 2014/65/EU to make public capital markets in the Union more attractive for companies and to facilitate access to capital for small and medium-sized enterprises provides for amendments to Article 24 of Directive 2014/65/EU as regards, amongst other things, the distribution of issuer-sponsored research and the establishment of an EU code of conduct for issuer-sponsored research.
- (2) This Regulation includes the EU code of conduct for issuer-sponsored research. The introduction of an EU code of conduct for issuer-sponsored research should enhance the trust in and the use of issuer-sponsored research. The EU code of conduct sets out standards of independence and objectivity, and specifies procedures and measures for the effective identification, prevention, and disclosure of conflicts of interest related to issuer-sponsored research.
- (3) In accordance with Article 24(3e) of Directive 2014/65/EU, only research paid for, fully or partially, by an issuer that is produced in compliance with this the EU code of conduct

⁹ OJ L 173, 12.6.2014, p. 349.

shall be labelled “issuer-sponsored research”. Any other research material paid fully or in part by the issuer but not prepared in compliance with the EU code of conduct shall be labelled as “marketing communication” and can be distributed by investment firms as such.

- (4) This Regulation applies without prejudice to any other requirements, such as those imposed by Regulation (EU) No 596/2014. Investment recommendations are defined in Regulation (EU) No 596/2014 and are subject to specific requirements set in the same Regulation and in Commission Delegated Regulation (EU) 2016/958. Issuer-sponsored research falls within the definition of an investment recommendation under Regulation (EU) No 596/2014, hence an assessment should be carried out and compliance with the relevant requirements applicable to investment recommendations should be ensured.
- (5) It is important that conflicts of interest do not adversely affect the interests of investors. It is therefore necessary that issuer-sponsored research providers have a conflicts of interest policy that enables them to effectively identify, prevent, manage, and disclose conflicts of interest.
- (6) To enhance the trust in and the use of issuer-sponsored research and thus help revitalise the research coverage of small and middle-capitalisation companies, it is essential to ensure that investors trust the independence and objectivity of issuer-sponsored research. To meet this objective, issuer-sponsored research providers shall ensure that the sponsored nature of the research does not affect how the research is produced with adequate organisational measures and arrangements.
- (7) To enhance trust in issuer-sponsored research, investors should be able to differentiate between issuer-sponsored research produced in compliance with the EU code of conduct and other issuer-sponsored publications. Therefore, issuer-sponsored research should be clearly identified as such. Other mandatory information, such as information relating to contractual relationships between the issuer and the issuer-sponsored research provider, shall also be included so that investors are empowered to make their own assessment of the objectivity and independence underlying the publication.
- (8) Continuity and consistency purposes in the research coverage of issuers will improve the attractiveness of issuer-sponsored research. It is therefore desirable that research coverage be provided over a longer term. Thus, contracts between issuers and issuer-sponsored research providers should have a minimum initial term of two years. Renewals of those contracts should only be agreed on for a minimum term of one year. However, earlier termination should be possible in situations where the research coverage does not provide added value anymore, such as when the shares of the issuer are delisted. Therefore, the agreement may include provisions allowing for early termination.

- (9) With respect to the remuneration of issuer-sponsored research providers, it is important that the remuneration agreements do not compromise the objectivity and independence of issuer-sponsored research providers. Therefore, issuers and issuer-sponsored research providers should be cautious when agreeing on remuneration arrangements that are not fixed. Variable components linked to the content of the research do impact the objectivity and independence and should therefore not be agreed upon. To prevent that payments for the research coverage are utilised to put pressure on issuer-sponsored research providers, issuers should pay at least 50% of the annual remuneration at the start of the contract and at each contract anniversary.
- (10) To improve coverage of small and middle-capitalisation companies, issuer-sponsored research should be made more visible and thus be available to all investors where it has been fully paid by the issuer. Only where partly paid by the issuer, may issuer-sponsored research be reserved for investors who contributed to the payment of this research, either indefinitely or for a period contractually agreed between the issuer-sponsored research provider and the issuer.
- (11) To further enhance trust in and relevance of issuer-sponsored research, investors should be able to be confident that the issuer-sponsored research that is available is up-to-date and takes into account the latest events that may affect the value of the relevant financial instruments. Therefore, issuer-sponsored-research providers shall, for as long as they are bound by a research coverage agreement, make their best efforts to publish an update of the analysis, as soon as possible, at the time of the publication of any important information, and any (outside) event likely to have a significant impact on the issuer's shares.
- (12) In accordance with Article 24(3b) of Directive 2014/65/EU, investment firms shall ensure that research labelled as issuer-sponsored research and distributed to clients or potential clients is produced in compliance with the EU code of conduct. To enable investment firms to make such an assessment, firms shall be able to access all necessary information to make this assessment. Where the firm is not able to make the assessment due to lack of information, research labelled as "issuer-sponsored research" should not be distributed to clients or potential clients. Firms do not have to perform the assessment themselves when an independent third party, such as an external auditor, provided an opinion that the issuer-sponsored research is produced in compliance with the EU code of conduct.
- (13) Record keeping is essential to allow investment firms providing portfolio management or other investment services or ancillary services to ensure that the research they distribute to clients or potential clients which is paid for, in full or in part, by an issuer and that is

labelled as 'issuer-sponsored research' is produced in compliance with the EU code of conduct. Therefore, records shall be kept by issuer-sponsored research providers.

- (14) This Regulation is based on the draft regulatory technical standards submitted by the European Securities and Markets Authority to the Commission.
- (15) The European Securities and Markets Authority has conducted open public consultations on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Securities and Markets Stakeholder Group established by Article 37 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council,

HAS ADOPTED THIS REGULATION:

Article 1

Subject matter and scope

This Regulation establishes the EU code of conduct for issuer-sponsored research referred to in Article 24(3c) of Directive 2014/65/EU.

Article 2

Definitions

For the purposes of this Regulation, the following definitions apply:

- (1) 'issuer-sponsored research' means research, as referred to in paragraph 3b of Article 24 of Directive 2014/65/EU;
- (2) 'research' means research as referred to in Article 24(9a) second and third subparagraph of Directive 2014/65/EU;
- (3) 'research analyst' means a relevant person who produces the substance of research;
- (4) 'research provider' means an entity that produces issuer-sponsored research.

Article 3

Code of conduct on issuer-sponsored research

Investment firms shall request from research providers all information necessary to assess whether research labelled as "issuer-sponsored research" is produced in compliance with the code of conduct as set out in the Annex to this Regulation.

Where the investment firm has no or lacks information to assess whether research labelled as issuer-sponsored research is produced in compliance with the code of conduct, the investment

firm shall not distribute the research to clients or potential clients labelled as “issuer-sponsored research”.

To ensure that issuer-sponsored research is produced in compliance with the code of conduct, an investment firm may rely on the opinion of an independent third party, such as an external auditor. The firm, however, shall stay responsible for discharging its obligation under Article 24 (3b) of Directive 2014/65/EU.

Article 4

Entry into force and application

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 6 June 2026.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, [date]

For the Commission

The President

[For the Commission

On behalf of the President

[Position]

ANNEX

The EU code of conduct on issuer-sponsored research

Clause 1

Conflicts of interest

1. Issuer-sponsored research providers shall establish, implement, and maintain an effective conflicts of interest policy with respect to issuer-sponsored research. The policy shall define the steps they take to identify, prevent, manage, and disclose conflicts of interest.
2. Issuer-sponsored research providers shall establish and keep up-to-date a register of potential conflicts of interest and conflicts of interest. It shall record all identified potential conflicts of interest and conflicts of interest and any measures taken to prevent or manage them.
3. When an issuer-sponsored research provider is made aware of or identified a potential breach of the conflicts of interest policy, it shall conduct an investigation and inform the issuer without undue delay.
4. Issuer-sponsored research providers shall assess and periodically review, at least on an annual basis, the conflicts of interest policy.

Clause 2

Objectivity and independence of the issuer-sponsored research

1. The sponsored nature of the issuer-sponsored research shall not undermine its independence and objectivity.
2. To ensure that issuer-sponsored research is produced with adequate independence and objectivity and that issuer-sponsored research is produced under the same conditions as those applied to research that is not sponsored, issuer-sponsored research providers shall implement adequate organisational measures and arrangements in relation to the research analysts involved in the production of the issuer-sponsored research and other relevant persons whose responsibilities or business interests may conflict with the interests of the persons to whom the issuer-sponsored research is disseminated.
3. The organisational measures and arrangements referred to in paragraph 2 shall ensure, as a minimum, that:
 - (a) there are no differences in means, qualification and content between issuer-sponsored research and non-sponsored research, including when the issuer-sponsored research provider distributes both types of research under two different brands;
 - (b) research analysts and other relevant persons involved in the production of issuer-sponsored research do not undertake personal transactions or trade, in financial instruments to which the issuer-sponsored research relates, or in any related financial instruments, with

knowledge of the likely timing or content of that issuer-sponsored research which is not yet publicly available or available to the persons to whom it should be disseminated and cannot readily be inferred from information that is so available, until the recipients of the issuer-sponsored research have had a reasonable opportunity to act on it;

(c) in circumstances not covered by point (b), research analysts and any other relevant persons involved in the production of issuer-sponsored research do not undertake personal transactions in financial instruments to which the issuer-sponsored research relates, or in any related financial instruments, contrary to current recommendations, except in exceptional circumstances and with the prior approval of a member of the issuer-sponsored research provider's legal or compliance function;

(d) a physical separation exists between the research analysts involved in the production of the issuer-sponsored research and other relevant persons whose responsibilities or business interests may conflict with the interests of the persons to whom the issuer-sponsored research is disseminated or, when physical separation is considered not appropriate to the size and organisation of the firm as well as the nature, scale and complexity of its business, other appropriate alternative information barriers exist and are implemented;

(e) the issuer-sponsored research providers themselves, research analysts, and other relevant persons involved in the production of the issuer-sponsored research do not promise issuers favourable research coverage;

(f) before the dissemination of issuer-sponsored research, issuers, relevant persons other than research analysts, and any other persons are not permitted to review a draft of the issuer-sponsored research for the purpose of verifying the accuracy of factual statements made in that research, or for any purpose other than verifying compliance with the legal obligations of the issuer-sponsored research provider, where the draft includes a recommendation or a target price;

(g) the research analyst who produced the issuer-sponsored research is responsible for media relations and the content of social media posts, and ensures that journalists with whom it may come into contact are systematically reminded that a research contract exists with the issuer;

(h) research analysts are not involved, directly or indirectly, in commercial solicitation and contract negotiations with issuers or, when such segregation of duties is not appropriate to the size and organisation of the issuer-sponsored research provider as well as the nature, scale and complexity of its business, other appropriate measures are taken.

The term 'related financial instrument' in this Clause means any financial instrument the price of which is closely affected by price movements in another financial instrument which is the subject of issuer-sponsored research, and includes a derivative on that other financial instrument.

4. Where the issuer-sponsored research provider uses a third party for all or part of the analysis, it shall ensure that the third party complies with the requirements included in this Clause and Clause 1 of this code of conduct.

5. The issuer, or any person acting on its behalf, shall not take any direct or indirect action on the issuer-sponsored research provider and its employees or subcontractors that is intended to influence the conducted research.

Clause 3

Identification and mandatory information

1. The issuer-sponsored research provider shall ensure that the words 'issuer-sponsored research' and a clear indication that the research is prepared in accordance with this code of conduct are prominently displayed on the front page and, if there is a cover page, on both, as relevant, of the analysis and, the words 'issuer-sponsored research' on all its pages.

In case of electronic communication, the issuer-sponsored research provider will ensure that either of these statements is prominently displayed.

2. Issuer-sponsored research shall also include a concise summary indicating:

(a) that the research was carried out in accordance with the provisions of this code of conduct;

(b) whether the issuer-sponsored research is 'public' and thus accessible to all investors in accordance with Clause 5 of this code of conduct, or 'reserved indefinitely' or 'reserved until dd.mm.yyyy' and thus accessible only to the investors who contributed to the payment of this research and for how long;

(c) a reference to its conflicts of interest policy;

(d) whether the issuer represents more than 5% of the issuer-sponsored research provider's previous year's consolidated gross revenues and, if that is the case, the relevant percentage, as well as the measures taken in accordance with Clause 1 of this code of conduct;

(e) whether the issuer is a client of the issuer-sponsored research provider or has had any contractual relationship with the issuer-sponsored research provider, including any liquidity agreement, during the past 12 months and of what type; and

(f) where the issuer-sponsored research provider uses an outside research analyst, whether the issuer-sponsored research or other issuer-related revenues represent more than 5% of the outside provider's consolidated gross revenues and, if that is the case, the relevant percentage, as well as the measures taken in accordance with Clause 1 of this code of conduct.

3. The requirements in this Clause shall be without prejudice to any requirement included in Commission Delegated Regulation (EU) No 2016/958.

Clause 4

Contract duration and payments for the issuer-sponsored research

1. The initial term of the contract agreed upon between the issuer and issuer-sponsored research provider shall be at least two years. Any following renewal shall be for at least one year.

2. The contract referred to in paragraph 1 of this Clause may include provisions allowing for termination prior to the agreed term if such anticipated termination is based on objective criteria, such as when the shares of the issuer are being delisted or when the issuer repeatedly fails to make the payments.

3. The issuer and issuer-sponsored research provider shall not agree on a remuneration arrangement that is likely to compromise the objectivity or independence of the issuer-sponsored research provider.

The remuneration shall not contain variable components that are in any way, directly or indirectly, linked to the content of the research.

4. The issuer shall pay at least 50% of the annual remuneration as soon as possible after the signature of the contract and at each contract anniversary.

Clause 5

Dissemination of issuer-sponsored research

Where issuer-sponsored research is fully paid by the issuer, it shall be made accessible to the public free of charge.

In this code of conduct, "research fully paid by the issuer" refers to research that the issuer-sponsored research provider is contractually not permitted to offer to any other person than the issuer in exchange for payment.

Clause 6

Update of the analysis

During the contract term, the issuer-sponsored research provider shall make its best efforts to publish an update of the analysis, as soon as possible, at the time of the publication of any important information, and any (outside) event likely to have a significant impact on the issuer's shares.

This shall include the deletion of the words 'issuer-sponsored research' from the entire publication anytime the issuer-sponsored research provider becomes aware that the research does not meet the requirements of this code of conduct.

Clause 7

Information sharing with investment firms

1. Issuer-sponsored research providers shall make available to investment firms, when requested, all information necessary to assess whether issuer-sponsored research is produced in compliance with this code of conduct.

This information shall include:

- a) the agreement between the issuer and issuer-sponsored research provider, including how the research provider ensures that the remuneration arrangements do not impede its objectivity and independence;
- b) applicable conflicts of interest policies and registers;
- c) steps taken to prevent or manage conflicts of interest or potential conflicts of interest in accordance with Clause 1 of this code of conduct.

Clause 8

Retention of records

1. Issuer-sponsored research providers shall keep at least the following records:

- a) the agreement between the issuer and issuer-sponsored research provider, including remuneration arrangements;
- b) payments they made or received;
- c) each item of issuer-sponsored research published;
- d) information and sources used to produce the issuer-sponsored research;
- e) all communications between the issuer and issuer-sponsored research provider by any means, directly or indirectly, linked to the content of the issuer-sponsored research;
- f) any extract or summary from the issuer-sponsored research they disseminated, including a price target and 'buy', 'sell' or 'hold' recommendation;
- g) all information on conflicts of interest, as referred to in Clause 1 of this code of conduct.

2. The records mentioned in paragraph 1 shall be retained on a medium that allows the information to be accessible for future reference and the reproduction of the information stored.

3. Issuer-sponsored research providers shall keep the records in accordance with this Clause for a minimum of five years.