

Eden in call for changes

The Eden Group, a stockbroking firm, has called for radical changes to analyst research in the UK in the light of the \$1.4bn (£860m) settlement recently agreed by Wall Street's leading investment banks.

The Financial Services Authority is already planning to toughen the guidelines on the way analysts operate in the UK in an attempt to restore

confidence among small shareholders.

The Eden Group is calling for tougher measures, including that deal originators, underwriters and syndicate managers should no longer be authorised to write research to promote deals in which they are involved.

Instead, it believes such research should be contracted out to third-party independent research providers.

Jamie Stewart, head of institutional research at Eden Group, said such a move would not mark the disappearance of secondary market research.

"It will leave sell-side analysts more focused on secondary trading-related coverage and recommendations, free of distractions and potential conflicts inherent in corporate client servicing

and more lucrative primary business."

Jane Croft