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| Journal Name: | [**Journal of Economics, Management and Trade**](https://journaljemt.com/index.php/JEMT) |
| Manuscript Number: | **Ms\_JEMT\_145030** |
| Title of the Manuscript: | **Understanding Transaction Cost Drivers in European Financial Market Infrastructures: A PLS-SEM Analysis (2012–2023)** |
| Type of the Article | **Original Research Article** |

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| PART 1: Comments | | |
|  | Reviewer’s comment **Artificial Intelligence (AI) generated or assisted review comments are strictly prohibited during peer review.** | **Author’s Feedback** (It is mandatory that authors should write his/her feedback here) |
| **Please write a few sentences regarding the importance of this manuscript for the scientific community. A minimum of 3-4 sentences may be required for this part.** | This manuscript offers valuable insights into the impact of MiFIR and MiFID II regulations on transaction costs within European financial market infrastructures, a critical area for understanding market efficiency and competitiveness. By employing a robust PLS-SEM approach, it provides empirical evidence on the interplay between infrastructure operations, transactions, and market economics, contributing to the academic on transaction cost economics. The findings are particularly relevant for policymakers and stock exchange organizations aiming to optimize cost structures and enhance market leadership. This study is a foundation for future research into regulatory impacts and technological advancements in fin markets. | Thank you very much for your positive and encouraging feedback. I appreciate your recognition of the study’s contribution to the academic discourse on transaction cost economics. I am especially grateful that you highlighted the value of the applied PLS-SEM approach and the empirical evidence generated. Your comments affirm the importance of continuing research into the evolving regulatory and technological landscape of financial market infrastructures. |
| **Is the title of the article suitable?**  **(If not please suggest an alternative title)** | The title is suitable and clearly reflects the manuscript’s focus on transaction cost drivers in European financial market infrastructures using PLS-SEM. It effectively captures the scope (2012–2023) and methodology. However, it could be slightly refined for better readablity and to be concise ... like : Suggested Alternative: "Transaction Cost Drivers in European Financial Markets: A PLS-SEM Analysis (2012–2023)" | Thank you for the feedback. The title has been adapted to fit the journal's requirement to contribute to the field of science. |
| Is the abstract of the article comprehensive? Do you suggest the addition (or deletion) of some points in this section? Please write your suggestions here. | The abstract is wholistic and is summarizing the study’s aims, methodology, results, and conclusions. It clearly outlines the focus on MiFIR/MiFID II, transaction costs, and competitive positioning, with key results (e.g., path coefficients, R² values). However, it could be enhanced by briefly mentioning the sample size (120 observations) to provide context for the empirical analysis. Additionally, a sentence on the practical implications for stock exchange organizations or regulators would strengthen its impact. No deletions are necessary. | Advancement of methodology section include the sample size (120 observations). Overall, the study contributes to the domain of science in understanding transaction cost economics in financial markets. |
| Is the manuscript scientifically, correct? Please write here. | The manuscript appears scientifically robust, employing a well-established PLS-SEM methodology with a clear empirical design. The use of 5,000 bootstrapped subsamples, natural logarithm transformations, and bias-corrected confidence intervals ensures statistical rigor. The hypotheses are grounded in transaction cost economics, and the results align with the theoretical framework. However, the negative outer loading for the "listing and admission" indicator (-0.466) and its explanation (structural shift in reporting) require further clarification to ensure scientific validity. Additionally, the manuscript would benefit from addressing potential limitations, such as data anonymization’s impact on generalizability. | Thank you for this valuable observation. The structural shift in reporting practices refers to an accounting and reporting reclassification that occurred within the financial statements during the observed period. Specifically, revenue components previously allocated to the "listing and admission" category were gradually redistributed to the "members and certificates" category. As a result, "listing and admission" lost statistical significance as a consistent indicator of transaction costs across the full panel, while "members and certificates" gained relevance with a stronger and more stable loading.  Regarding limitations, I have now added a specific subsection discussing the potential impact of anonymization on generalizability and external validation. While necessary to comply with confidentiality and data protection standards, anonymization may reduce transparency for replication or case-specific policy implications. This point is now addressed explicitly in the revised manuscript (see Section 3.5) |
| **Are the references sufficient and recent? If you have suggestions of additional references, please mention them in the review form.** | The references are sufficient and recent, covering key works from 1976 to 2025, with a strong focus on transaction cost economics (for instance Williamson, 1979, 1981, 2010) and regulatory frameworks (for example, Francioni, 2017; Geranio, 2018). The inclusion of 18 references, including journal articles, books, and EU regulations, provides a solid foundation. However, additional references on recent technological advancements (for example AI or cloud computing in financial markets) could further strengthen the literature review, given their mention in the introduction. Suggested additions:  https://library.oapen.org/bitstream/id/1f7ae0e0-035a-418b-bef6-567d34f03ad7/9783030805197.pdf   * Hair, J. F., et al. (2021). *Partial Least Squares Structural Equation Modeling (PLS-SEM) Using R*. Springer. (For methodological support on PLS-SEM). | Many thanks for the proposed literature addition which has been added. |
| Is the language/English quality of the article suitable for scholarly communications? | The language is suitable for scholarly communication, with clear, professional, and precise writing |  |
| Optional/General comments | recommend addressing the negative outer loading issue, providing more detail on data limitations, and incorporating practical implications for stakeholders. | Thank you for the constructive feedback. I have addressed the negative outer loading of the “listing and admission” indicator by clarifying the structural shift in financial reporting and its effect on indicator reliability. The discussion of data limitations has been expanded, particularly regarding the impact of anonymization on generalizability. Additionally, I have included a section outlining the scientific implications of the findings, aiming to contribute to the theoretical advancement of transaction cost economics in the context of financial market |

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| **PART 2:** | | |
|  | **Reviewer’s comment** | **Author’s Feedback** (It is mandatory that authors should write his/her feedback here) |
| **Are there ethical issues in this manuscript?** | *(If yes, Kindly please write down the ethical issues here in details)* |  |