

MEMO# 29652

January 20, 2016

ICI Submits Comment Letter to SEC Equity Market Structure Advisory Committee on Access Fees and Liquidity Rebates

[29652]

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TO: EQUITY MARKETS ADVISORY COMMITTEE No. 2-16
ETF (EXCHANGE-TRADED FUNDS) COMMITTEE No. 3-16
ETF ADVISORY COMMITTEE No. 3-16
SEC RULES MEMBERS No. 5-16 RE: ICI SUBMITS COMMENT LETTER TO SEC EQUITY MARKET
STRUCTURE ADVISORY COMMITTEE ON ACCESS FEES AND LIQUIDITY REBATES

ICI submitted the attached comment letter to the Securities and Exchange Commission's ("SEC") Equity Market Structure Advisory Committee regarding the maker-taker fee model commonly employed in the U.S. equity markets. Trading venues that use this model charge fees to participants that remove liquidity (i.e., "takers") from their market while paying rebates to those participants that add liquidity (i.e., "makers").

The letter describes the development of the maker-taker fee model and explains how it harms funds and investors by, among other things, creating potential conflicts of interest for brokers that route orders on behalf of funds. The letter urges the Committee to recommend that the SEC implement a pilot program to study how access fees and liquidity rebates affect trading in the most highly liquid stocks.

George M. Gilbert
Counsel

[Attachment](#)

should not be considered a substitute for, legal advice.