

MEMO# 30580

February 10, 2017

Draft ICI Global Comment Letter on IOSCO Consultation on Order Routing Incentives; Member Feedback Requested by February 17

[30580] February 10, 2017 TO: Equity Markets Advisory Committee
ICI Global Trading & Markets Committee
Securities Operations Advisory Committee RE: Draft ICI Global Comment Letter on IOSCO Consultation on Order Routing Incentives; Member Feedback Requested by February 17

The International Organization of Securities Commissions (IOSCO) has issued a consultation report on order routing incentives.^[1] The Consultation Report explains the types of incentives that might affect broker routing decisions in various jurisdictions and considers how different regulatory approaches affect these incentives.

ICI Global has prepared the attached draft comment letter in response to the Consultation Report. If you have comments on the draft letter please send them to George Gilbert at george.gilbert@ici.org by **Friday, February 17, 2017**.

The draft letter explains the importance of order routing decisions to funds and states that no jurisdiction has adopted sufficient disclosure requirements to enable funds to assess satisfactorily the order routing performance of broker-dealers or execution venues. The letter details ICI's efforts to improve transparency into order routing decisions in the United States and notes that IOSCO is the appropriate forum to facilitate a cross-border information exchange on these practices. The letter also supports enhancing understanding of non-execution services (e.g., research) that intermediaries may provide to their clients alongside execution services. We note, however, that any potential reforms, if found necessary, must provide a realistically workable framework for fund managers. The letter urges IOSCO to play a central role in encouraging jurisdictions to exchange information on routing incentives as conditions warrant.

Jennifer S. Choi
Associate General Counsel

George M. Gilbert

[Attachment](#)

endnotes

[1] Board, Report on Order Routing Incentives, Consultation Report, International Organization of Securities Commissions (December 2016), available at <https://www.iosco.org/library/pubdocs/pdf/IOSCOPD551.pdf> (Consultation Report).

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