

**For Immediate Release****December 18, 2018****Canadian securities regulators publish trading fee rebate pilot study for comment**

**Toronto** - The Canadian Securities Administrators (CSA) today published for comment a notice [link] outlining a proposed Trading Fee Rebate Pilot Study to examine the effects of a prohibition of rebate payments by Canadian marketplaces (Proposed Pilot). The predominant trading fee models that have emerged in the Canadian equities market are the “maker-taker” trading fee model and the “inverted maker-taker” fee model. Under both of these models, a marketplace charges a fee to one party of the trade and pays a rebate to the other party.

“The Proposed Pilot would provide valuable information regarding the impact of trading fees and rebates on the behaviour of market participants, and market quality in general,” said Louis Morisset, CSA Chair and President and CEO of the Autorité des marchés financiers.

The Proposed Pilot would temporarily prohibit Canadian marketplaces, including exchanges and alternative trading systems, from paying trading fee rebates to dealers for executing orders for a sample set of equity securities. The sample securities would include both highly liquid and actively traded, medium liquidity securities.

Initially proposed in a [2014](#) notice, the study would allow the CSA to better understand and address potential issues associated with the payments of rebates. These issues include: conflicts of interest for dealer routing decisions; increased segmentation of order flow; and increased intermediation of actively traded securities.

It is intended that the Proposed Pilot will run concurrently with the United States Securities and Exchange Commission’s (SEC) Proposed Transaction Fee Pilot.

Designed by Katya Malinova, Andreas Park, and Andriy Shkilko, academics selected and [previously announced](#) by the CSA, the Proposed Pilot includes preliminary feedback from stakeholders on its design and scope. The CSA is now seeking further input on both the issues raised in the notice and the study’s design.

The full design report for the Proposed Pilot is included at Appendix A of the notice, which is available on the CSA members' websites. The comment period will close on February 1, 2019.

The CSA, the council of the securities regulators of Canada's provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

**For Investor inquiries, please refer to your respective securities regulator. You can contact them [here](#).**

**For media inquiries, please refer to the list of provincial and territorial representatives below or contact us at [media@acvm-csa.ca](mailto:media@acvm-csa.ca).**

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