



FW: OSC - Request for Comment on Omega Proposed Fee Model Change - 12-13-2013

Constance Lo to: marketregulation

03/01/2014 02:51 PM

Cc: Richard.millar

History: This message has been forwarded.

Based on the note published by OSI regarding the details of the proposed fee model change for Lynx ATS, W.D. Latimer Co. Ltd.'s comments are as follows:

There is an obvious and detrimental drawback to the standard maker/taker pricing model in that it tends to overcompensate liquidity providers, while unfairly penalizing liquidity removers. We realise that intermediation is a necessary part of liquidity provision in Canada and that these intermediaries are often automated electronic liquidity providers that offset short term risk with passive rebates. However, on highly liquid symbols, this risk is greatly reduced by the abundance of available venues and pricing models available to these electronic market makers. Incentives to provide liquidity in lower volume traded securities has been largely ignored by existing exchanges and alternate venues up until this point.

We feel that, although the Lynx Dynamic Pricing Model Proposed by OSI is seemingly complex, it addresses many of the issues associated with the classic maker/taker pricing schedules offered by other venues in Canada.

Thanks,
Constance

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