



---

August 4, 2017

The Honorable Jay Clayton  
Chairman  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

File No. 265-29: Equity Market Structure Advisory Committee

Dear Chairman Clayton:

The Royal Bank of Canada (“RBC”) strongly endorses your July 12, 2017 statement in support of extending the charter of the Equity Market Structure Advisory Committee (EMSAC) beyond its scheduled expiration on August 9, 2017.

Since its inception in 2015, the EMSAC has performed valuable and laudable service to the Commission by providing expert analysis, advice, and recommendations on issues that are critical to the future of U.S. equity markets. In particular, the EMSAC has provided analysis, advice, and recommendations to the Commission regarding:

1. Market quality, including (i) the National Market System plan to address extraordinary volatility (i.e., Limit Up/Limit Down); (ii) market wide circuit breakers; and (iii) the market opening;
2. Revisions to Rule 605 and Rule 606 to provide enhanced execution quality and order handling disclosures for retail and institutional investors;
3. Changes to the NMS Plan governance structure and the role of NMS Plan Advisory Committees;
4. The impact of access fees on liquidity provision, liquidity taking, order routing, and overall market quality; and
5. A framework for a potential pilot study of the impact and effectiveness of the trade-through and locked and crossed market provisions of Regulation NMS.

RBC, in its capacity as a US-registered broker-dealer, has been pleased and privileged to observe and respond to the work of the EMSAC, particularly with regard to consideration of the impact of access fees and rebates on US equity markets. (<https://www.sec.gov/comments/265-29/26529-86.pdf>)

As you said in your July 12 remarks, “it is time to shift the focus [from review of equity market structure] to action.” As the Commission undertakes this shift, the EMSAC can continue to serve as a trusted source of information and insight with respect to pending recommendations and rule proposals. Moreover, the EMSAC can serve the Commission in connection with new and emerging issues that the

Commission may seek to address, including with respect to market data, NMS Plan governance, and other issues related to the fairness, transparency, efficiency, and stability of U.S. equity markets.

Finally, should you determine to extend the charter of the EMSAC, we would respectfully recommend that you consider naming additional members, including representatives of retail and institutional broker-dealers and other market participants. By bringing an even greater diversity of voices to the EMSAC, the EMSAC can forge even greater consensus among key stakeholders and in so doing enhance the contributions it has already made to the work of the Commission.

In closing, thank you for your consideration of our views. In addition, we offer our congratulations on your recent confirmation as Chairman of the Commission. We wish you well in this position, which is of vital importance to the growth of the American economy.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Steiner". The signature is written in a cursive, flowing style.

Richard Steiner  
Electronic Trading Strategist