

M E M O R A N D U M

To: Members of the Committee on Financial Services

From: FSC Majority Staff

Date: June 22, 2017

Subject: June 27, 2017 Subcommittee on Capital Markets, Securities, and Investment Enterprises Hearing Entitled “U.S. Equity Market Structure Part I: A Review of the Evolution of Today’s Equity Market Structure and How We Got Here”

The Subcommittee on Capital Markets, Securities, and Investment will hold a hearing entitled “U.S. Equity Market Structure Part I: A Review of the Evolution of Today’s Equity Market Structure and How We Got Here” on Tuesday, June 27 at 10:00 a.m. in room 2128 of the Rayburn House Office Building. This is a two—panel hearing with the following witnesses:

Panel I

- Matt Lyons, SVP and Global Trading Manager, The Capital Group
- Joseph Saluzzi, Partner, Themis Trading LLC
- Ari Rubenstein, CEO, Global Trading Systems (GTS)
- Jeff Brown, SVP, Legislative & Regulatory Affairs, Charles Schwab

Panel II

- Thomas Farley, President, New York Stock Exchange
- Brad Katsuyama, CEO, The Investors Exchange (IEX)
- Chris Concannon, President and COO, Chicago Board of Options Exchange
- John Comerford, Head of Global Trading Research, Instinet
- Tom Wittman, EVP and Global Head of Equities, NASDAQ

The Subcommittee will review the current state of the U.S. equity markets and review how the current structure has evolved since the enactment of the Securities Acts Amendments of 1975 (Pub. L. 94-29), which established a new national market system for securities. Despite significant technological advancements and constantly evolving industry practices in today’s market, the statutory framework that governs equity market structure remains largely unchanged. The Securities and Exchange Commission uses its authority to implement rules to govern equity market structure, most notably Regulation National Market System (NMS). The Subcommittee will analyze what is working well in today’s equity markets, what needs improvement, and any impediments to the optimal functioning of the equity markets. The objective of this hearing is to

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provide the background and foundation for the Subcommittee to examine the optimal statutory design of equity market structure based on current market conditions.