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AEQUITAS AIMS TO BREAK THE VIRTUAL CANADIAN MARKET DATA MONOPOLY

Filed Complaint with the Competition Bureau of Canada Over Anti-Competitive Practices by TMX Group

Toronto – December 7, 2015 – Aequitas Innovations Inc. (Aequitas) has filed a formal complaint with the Competition Bureau of Canada, requesting a federal investigation into certain anti-competitive practices of the TMX Group. Aequitas believes that the TMX Group is using its dominant market position to maintain control over the pricing of market data in the Canadian capital markets.

“In the area of market data, we believe the TMX has remained, in effect, an unfettered monopoly, leveraging its market power to charge prohibitive and monopolistic prices,” stated Jos Schmitt, President and CEO of Aequitas. *“Excessive market data fees have left Canadian investment dealers with no choice but to restrict the market data access given to their investment advisors and to their retail clients.”*

The prohibitive cost of data has negatively impacted Canadian investors and capital-raising companies:

- Canadian retail investors and investment advisors are only given access to a partial view of what is going on in the public markets. On average, they see less than 60% of all trading activity in Canadian public companies and considerably less of the trading activity for certain types of investment products, such as ETFs. Without access to the whole picture, investors are making less informed investment decisions. As a result, they are at a distinct disadvantage.
- It has also led to negative perceptions about liquidity and transparency, further impacting investor confidence and interest.
- Trading information from Canada’s publicly listed companies and investment products is not reaching the broadest possible audience, neither domestically nor internationally. This is devastating to the visibility and liquidity required by public companies. It is also devastating to the strength and quality of investment opportunities in Canada.

Introducing Aequitas CMV Connect™

Aequitas has developed an innovative solution to break the virtual Canadian market data monopoly. The solution will utilize internal data provided by contributing investment dealers to construct a new consolidated market data view: Aequitas CMV Connect™. This internal data, known in the industry as private market data, is the order and trade information generated by contributing investment dealers from their activity on the different Canadian marketplaces. Aequitas CMV Connect will not be reliant on the expensive public market data feeds provided by each trading venue, therefore enabling tens of millions of dollars in cost savings for the industry. It will also produce superior quality market data compared to what most investors and investment advisors have access to today. Further details of Aequitas CMV Connect are available in a position paper found here: <http://aequitasinnovations.com/wp-content/documents/market-data-position-paper.pdf>

One problem remains: the monopolistic behaviour of the TMX Group. The TMX can seek to prevent the deployment of Aequitas CMV Connect by refusing to allow investment dealers to contribute their private market data.

“The TMX has ensured that investment dealers are captive consumers and captive suppliers of their own private market data,” continued Schmitt. “Armed with data services agreements that we believe are anti-competitive, we see the TMX claiming ownership of investment dealers’ private market data, data that should belong to the dealers and their clients. The TMX is clinging to its monopolistic past that has no place in Canada’s capital markets in 2015 and is detrimental to Canadian capital markets and economic growth. This has to change.”

An Innovation Agenda

Aequitas Connect, the innovation and technology hub of Aequitas that recently announced the development of Aequitas PTF Connect, is pioneering this new approach to market data. Aequitas has submitted its concerns to the Competition Bureau regarding the anti-competitive practices of the TMX in an effort to ensure that Aequitas can provide this solution to the market data problem and continue to leverage competition, innovation and technology solutions to promote fairness in the capital markets. Aequitas’ focus on innovation aligns with the values and efforts of the new Canadian government to bring real change to Canada, to support businesses in their efforts to increase productivity and innovation, and to improve the quality of publicly available data in Canada.

Take Action

Aequitas also believes it is important for the industry to challenge the TMX on access to market data and private market data in particular. The lack of consolidated Canadian market data available at a reasonable price impacts all market participants. It’s time for the industry to support a commercial solution to challenge the TMX stranglehold on Canadian market data. It’s time for the industry to drive meaningful change.

From day one, Aequitas has enabled market participants to make their voice heard regarding issues and opportunities in the Canadian capital markets. Once again, Aequitas is encouraging all market participants to take action by standing up for competition and challenging any form of anti-competitive practices in the Canadian capital markets. Because competition leads to innovation and innovation leads to solutions that benefit investors and capital-raising companies.

Together, industry stakeholders can advocate for consolidated market data at a fair price in Canada to enable sound investment decisions and maximize exposure for Canadian companies and investment products at home and abroad. Take action by visiting www.standupforcompetition.com.

About Aequitas Innovations Inc.

Aequitas Innovations Inc. (Aequitas) is the parent of Aequitas NEO Exchange Inc. (NEO Exchange) and Aequitas Technology Services Inc. (Aequitas Connect). Launched in March 2015, the NEO Exchange is Canada’s newest stock exchange that uses a bold new blueprint that puts investors, issuers raising capital and their dealers first. It currently offers an innovative trading platform and a value added listing platform for companies and investment products. Aequitas Connect is the innovation hub that is building Aequitas PTF Connect and is pioneering a new approach to market data through Aequitas CMV Connect. Aequitas was founded by a diverse group of prominent investors representative of all Canadian capital market stakeholders. For more information, please visit: www.aequitasinnovations.com

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