

Press Release
20th June 2018

FESE announces the winner of the FESE De la Vega Prize 2018

The Federation of European Securities Exchanges (FESE) is delighted to announce that the winner of the FESE De la Vega Prize 2018 is **Sarah Draus** for the paper “**Market power on exchanges: linking price impact to trading fees**”. Sarah Draus is Assistant Professor in Finance at the Rotterdam School of Management (RSM), Erasmus University, The Netherlands.

In the paper, the author describes how recent regulations, aimed at making trading and exchange services more competitive, triggered the proliferation of competing trading venues and resulted in high order flow fragmentation.

This theoretical paper infers that fragmentation allows liquidity providers and exchanges to retain market power. Whenever exchanges are not completely liquid, a rational trader is incentivised to fragment his order to reduce price impact. This lowers the price elasticity of both liquidity providers asset demand and exchange trading volume, inducing mark-ups on transaction prices and on exchange trading fees.

The Prize was awarded by FESE President Deirdre Somers, CEO of the Euronext Dublin, and Rainer Riess, FESE Director General, on 20th June 2018 at the Gala Dinner of the FESE Convention in Vienna.

FESE De la Vega Advisory Jury 2018

Söhnke M. Bartram, Ph.D., Professor of Finance, Warwick Business School.

Dion Bongaerts, Ph.D., Associate Professor, RSM, Erasmus University Rotterdam.

Alain Durré, Ph.D., Executive Director and Economiste en chef, Goldman Sachs Paris office

France. Marlene D. Haas, Ph.D., Associate, Cornerstone Research.

Björn Hagströmer, Ph.D., Associate Professor, Stockholm Business School, Stockholm University.

Arman Khachaturyan, Ph.D., Director General, Financial Policy: Economic and Financial Affairs, Eurasian Economic Commission.

Karel Lannoo, Chief Executive Officer at CEPS.

Laurence Lescouret, Ph.D., Associate Professor of Finance, ESSEC Business School.

Nondas Cl. Metaxas, Former CEO of the Cyprus Stock Exchange.

Ulf Nielsson, Ph. D., Associate Professor of Finance, Copenhagen Business School.

Angel Pardo Tornero, Full Professor, Department of Financial Economics, University of Valencia.

Marius A. Zoican, Ph.D., Assistant Professor of Finance, Rotman School of Management, University of Toronto.

FESE De la Vega Prize

Every year the Federation of European Securities Exchanges (FESE) invites researchers, academics, and practitioners to submit papers to the FESE De la Vega Prize for an outstanding research paper related to the securities markets in Europe. Papers about current developments in European securities markets which promote public markets are particularly welcome.

Further information and details about this prestigious prize can be found on the De la Vega Prize website <http://www.fese.eu/de-la-vega-prize> or by contacting: Sara Baldi, Senior Policy Adviser, baldi@fese.eu.

Information for the Editor

The Federation of European Securities Exchanges (FESE) represents 36 exchanges in equities, bonds, derivatives and commodities through 19 Full Members from 30 countries, as well as 1 Affiliate Member and 1 Observer Member.

At the end of May 2018, FESE members had 8,465 companies listed on their markets, of which 15% are foreign companies contributing towards the European integration and providing broad and liquid access to Europe's capital markets. Many of our members also organise specialised markets that allow small and medium sized companies across Europe to access the capital markets; 1,326 companies were listed in these specialised markets/segments in equity, increasing choice for investors and issuers. Through their RM and MTF operations, FESE members are keen to support the European Commission's objective of creating a Capital Markets Union.

For further information:

FESE Secretariat

Tracey Roberts

Communications and Policy Adviser

Tel: +32 2 551 01 87

Email: roberts@fese.eu