



APAD 2017
Special Symposium

www.kafo.or.kr



APAD 2017 **Special Symposium**

Competition for Order Flow and Market
Liquidity in a High Frequency World

Korea Derivatives Association

Korea Institute of Financial Investment 12F,
67-8, Yeouinaru-ro, Yeongdeungpo-gu,
Seoul, 07327, Rep. of KOREA
Tel : +82-2-2003-9923
E-mail : kafo2012@gmail.com
<http://www.kafo.or.kr>

Date /
July 10, 2017

Venue /
Paradise Hotel, Busan, Korea

Organizer /

KDA | Korea Derivatives Association

 **kif** Korea Institute of Finance

Invitation

Since 2004, the APAD conference meetings have always been noted for their thought-provoking series of special symposia, serving as a valuable arena of dialogue between the academia, industry, and the exchange. The organizing committee for this year's conference has chosen "Competition for Order Flow and Market Liquidity in a High Frequency World" as the main theme for the special symposium. We hope it follows its proud tradition by inspiring the quality of insights and discussions at the conference.

In recent years, financial markets have become more decentralized and competitive. The digital revolution and some important regulatory changes have drastically transformed the traditional market structure and the nature of liquidity provision. New trading platforms have gained in prominence, with the ensuing market fragmentation across the U.S. and Europe. High frequency traders (HFTs) armed with powerful computing capacities and high-speed networks have become a dominant force in many markets, promoting competition among trading venues. This in turn led to a new pricing system, namely maker-taker pricing, to attract orders to trading venues. Since the first adoption of Island ECN in 1997, such maker-taker pricing has quickly become one of the fiercely debated topics in market design among academics, practitioners, and regulators. We hope this year's symposium sheds a new light on how HFTs' behavior affects market liquidity, and how this maker-taker fee structure affects the competition for order flow and market quality.

To this end, two renowned experts on the issue, namely Prof. Daejin Kim (School of Management Engineering, UNIST) and Jae-ho Lee (Principal Research Fellow, Korea Exchange), will offer us their seasoned perspectives on the topic. We hope you enrich your understanding on this timely and important issue, and we graciously ask for your active participation in discussions. Ultimately, we hope it will be a positive, intellectually stimulating, and engaging experience for all.

We cordially invite you to join us at the symposium, and we also welcome your valuable comments and contributions.

Youngsoo Choi, Ph.D.
President of the Korea Derivatives Association

Sunghwan Shin, Ph.D.
President of Korea Institute of Finance

Jong Won Park, Ph.D.
Program Chair of the APAD 2017 Conference

PROGRAM

Competition for Order Flow and Market Liquidity in a High Frequency World

16:20 ~ 17:30 Special Symposium

Congratulatory Message : Byungrhae Lee
(Chairman & CEO of Korea Securities Depository)

Moderators : Joon Chae (Seoul National University)
Robert I. Webb (University of Virginia)

Presenters : **Fragmented Markets and Maker-Taker Pricing**
Daejin Kim (UNIST)

High Frequency Order Flow Dynamics and Market Liquidity
Jae-ho Lee (Korea Exchange)

Discussants : Jaehoon Hahn (Yonsei University)
Hong Kee Sul (WRDS)

17:40 ~ 20:00 Keynote Speech, Best Paper Awards and Dinner

Welcoming Remarks : Youngsoo Choi
(Hankuk University of Foreign Studies,
President of the Korea Derivatives Association)

Congratulatory Message : Chang Hee Jung
(President & CEO of Derivatives Market of Korea Exchange)

Keynote Speech : Suresh Sundaresan (Columbia University)
Changes in Derivatives Markets Evolution

Best Paper Awards : Jeongsun Yun
(Kookmin University, Editor of KJFO)