



Equity commission rates: Grinding lower over time, or are they?

June 17, 2025

The relationship between the buy side and their brokers is often complex, with commission rates being just one aspect of a broader arrangement. These rates are negotiable and depend on a variety of factors, including the firm type, trading volume and complexity, execution quality, platforms used in order routing, and ancillary or bundled services such as research, regions and regulations.



When negotiating commission rates, investors aim to achieve the best possible trading outcomes while controlling costs. While these rates differ vastly, and the landscape ebbs and flows (emphasis on the ebb), one trading contact noted, “Rates are not going up.” Much to the relief of sell-side desks, however, they may be finally leveling off in the U.S.

U.S. commission rate trends

In the United States, **high-touch bundled rates** have trended down over the last 10 years. Bundled rates include both the execution and research spend pieces of a commission rate. The U.S. has the tightest range of commonly set rates. Buy-side desks we spoke with confirm they are seeing this downward trend. While many brokers still fear the “race to zero,” rates have largely remained steady over the past five years.



Buy-side firms report there was pressure from asset owners to lower commissions going into Covid. However, as evidenced in the **high-touch execution-only rates**, their asset-owner clients have acquiesced and now want to “pay up” for better service, ECM and research. “We don’t want to be the 10th call,” one trader noted. The buy side wants their rates to be in line with their peers, but not the lowest, recognizing that they need to pay for better coverage and more information.

U.S. low-touch execution-only rates have similarly leveled off but exhibit more year-over-year variability than high-touch. This may be due, in part, to hedge funds focused on “rock-bottom rates” successfully negotiating lower rates due to increased trading activity. Long-only managers tend to be more consistent with pricing, with one trader noting they can’t have rates “sticking out higher or lower.” The reason is simple: “Compliance asks, why?”

Either way, today’s asset managers (and their asset-owner clients) seem to have a better understanding of their brokers’ execution and operational costs. Brokers note a concerted effort from both sides in maintaining their existing relationships. They suggest the buy side understands that they can “only cut so far,” while brokers themselves need to view their relationships more holistically across other services, being open to

lower rates when necessary to defend meaningful business. However, the math is not in the brokers' favor, as their own execution costs (including venue access fees, connectivity and market data) are only increasing, as shown in [previous research](#).

Partially due to their ever-increasing costs, one buy-side trader suggested bank-based brokers need to accept that "electronic desks won't be a meaningful profit center in the future."



Developed Europe commission rate trends

Europe has a similar trend line to U.S. high-touch bundled rates and similarly tends to have lower commission rates paid year after year. We did see an interesting change in 2024, with this year's average being 1% above last year's. There have been upticks like this before for developed Europe, but not for five years. Coming off a historical low, it's unlikely that European rates will continue to trend north; rather they should stabilize as what they need to pay across the continent becomes more clear.



Developed Europe rates dropped approximately 3% in 2020. While not surprising alone, we see opposing stories when compared to the 2020 year-over-year rates in the U.S., where rates were more consistent with the rest of the world. International markets are becoming more efficient in terms of commissions clarity, while U.S. rates have already declined and are more stable in comparison.

Asia commission rate trends

In Asia, we see our most consistent negative trend line so far. In 2024, high-touch bundled rates declined 28% from the 2014-2015 highs. Liquidity and interest in these markets continues to increase inversely to the graph below. Commission rates in Asia have been consistently higher than those in Europe, but the gap has been narrowing as rates decrease across both regions.



We also saw a similar dip in rates in 2020 to that in Europe. This can be attributed to buy-side firms becoming more price cautious during the pandemic or sell-side dealers being open to lower rates to drive business across the two continents.

Conclusion

This exercise reveals a clear decline in commission rates across regions and trading categories. While this may be the macro view from my desk, the intricacies and independence of criteria prove that this should be analyzed on a micro level for anyone interested in true optimization.

From our discussions with buy-side heads of trading and data professionals, the largest determining factor of the rates they pay is the peer group that they are a part of. This is why we break down these rates in greater

granularity in our overall study Coalition Greenwich - 2024 Global Equities Commission Rate Analytics. Our annual report is available to select participants in our research. In the study, we provide analysis for rates based on AUM, commission spend and region of the responding firm.

Buy-side research associate Dylan Gagne is the author of this blog.

www.greenwich.com | ContactUs@greenwich.com

Coalition Greenwich, a division of CRISIL, an S&P Global Company, is a leading global provider of strategic benchmarking, analytics and insights to the financial services industry.

We specialize in providing unique, high-value and actionable information to help our clients improve their business performance.

Our suite of analytics and insights encompass all key performance metrics and drivers: market share, revenue performance, client relationship share and quality, operational excellence, return on equity, behavioral drivers, and industry evolution.

About CRISIL

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better. It is majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics, and data to the capital and commodity markets worldwide.

CRISIL is India's foremost provider of ratings, data, research, analytics, and solutions with a strong record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights and efficient solutions to over 100,000 customers through businesses that operate from India, the U.S., the U.K., Argentina, Poland, China, Hong Kong, and Singapore.

For more information, visit www.crisil.com

Disclaimer and Copyright

This Document is prepared by Crisil Coalition Greenwich, which is a part of Crisil Ltd, a company of S&P Global. All rights reserved. This Document may contain analysis of commercial data relating to revenues, productivity and headcount of financial services organisations (together with any other commercial information set out in the Document). The Document may also include statements, estimates and projections with respect to the anticipated future performance of certain companies and as to the market for those companies' products and services.

The Document does not constitute (or purport to constitute) an accurate or complete representation of past or future activities of the businesses or companies considered in it but rather is designed to only highlight the trends. This Document is not (and does not purport to be) a comprehensive Document on the financial state of any business or company. The Document represents the views of Crisil Coalition Greenwich as on the date

of the Document and Crisil Coalition Greenwich has no obligation to update or change it in the light of new or additional information or changed circumstances after submission of the Document.

This Document is not (and does not purport to be) a credit assessment or investment advice and should not form basis of any lending, investment or credit decision. This Document does not constitute nor form part of an offer or invitation to subscribe for, underwrite or purchase securities in any company. Nor should this Document, or any part of it, form the basis to be relied upon in any way in connection with any contract relating to any securities. The Document is not an investment analysis or research and is not subject to regulatory or legal obligations on the production of, or content of, investment analysis or research.

The data contained in the Document is based upon a particular bank's scope, which reflects a bank's data submission, business structure, and sales revenue Reporting methodology. As a result, any data contained in the Document may not be directly comparable to data presented to another bank. For franchise benchmarking, Crisil Coalition Greenwich has implemented equal ranking logic on aggregate results i.e., when sales revenues are within 5% of at least one competitor ahead, a tie is shown and designated by = (where actual ranks are shown). Entity level data has no equal ranking logic implemented and therefore, on occasion, the differences between rank bands can be very close mathematically.

The data in this Document may reflect the views reported to Crisil Coalition Greenwich by the research participants. Interviewees may be asked about their use of and demand for financial products and services and about investment practices in relevant financial markets. Crisil Coalition Greenwich compiles the data received, conducts statistical analysis and reviews for presentation purposes to produce the final results.

THE DOCUMENT IS COMPILED FROM SOURCES CRISIL COALITION GREENWICH BELIEVES TO BE RELIABLE. CRISIL COALITION GREENWICH DISCLAIMS ALL REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, WITH RESPECT TO THIS DOCUMENT, INCLUDING AS TO THE VALIDITY, ACCURACY, REASONABLENESS OR COMPLETENESS OF THE INFORMATION, STATEMENTS, ASSESSMENTS, ESTIMATES AND PROJECTIONS, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT. CRISIL COALITION GREENWICH ACCEPTS NO LIABILITY WHATSOEVER FOR ANY DIRECT, INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT.

Crisil Coalition Greenwich is a part of Crisil Ltd., an S&P Global company. ©2025 Crisil Ltd. All rights reserved.