Cboe Plans to Introduce a New Liquidity Provider Protection Feature on Cboe EDGA Equities Exchange

- Proposed feature designed to protect liquidity providers, encourage market making and narrow spreads for investors
- Proposal follows ongoing consultation with industry stakeholders, and reflects Cboe's ongoing commitment to innovations that improve U.S. equities markets for investors

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CHICAGO – June 10, 2019 – Cboe Global Markets, Inc. (Cboe: CBOE), one of the world's largest exchange holding companies, today announced it plans to introduce a new Liquidity Provider Protection feature ("LP^2") on its Cboe EDGA Equities Exchange ("EDGA") that is designed to enhance liquidity and enable market makers to make better markets in stocks traded on the exchange.

In its filing with the U.S. Securities and Exchange Commission (SEC), Cboe outlined the protection tool, which will be introduced subject to regulatory approval. The proposal reflects Cboe's ongoing commitment to evolve its equity trading platforms to meet evolving customer needs and strengthen the U.S. equities markets.

As currently proposed, and open to continued industry feedback, once a liquidity-taking order reaches EDGA it would wait four milliseconds before trading with resting orders on the order book. The goal of this new feature is to enable liquidity providers to take more risk and quote tighter spreads with greater size by giving them sufficient time to re-price their resting orders before opportunistic traders can trade with them at stale prices. LP^2 would be the first-ever delay mechanism in the U.S. equities market to enhance market quality by promoting price forming, displayed liquidity.

"As a leading U.S. securities exchange operator, Cboe is committed to bringing forth new ideas that add value to our ever-evolving markets," said Bryan Harkins, Executive Vice President, Co-Head of Markets Division at Cboe. "Our proposed LP^2 initiative is the result of vital and ongoing consultation with customers and investors, and we will continue to actively seek out ways to deliver innovative and flexible solutions that best meet their needs."

Today, existing delay mechanisms applied by other U.S. equities exchanges do not provide any protection to market makers and other participants that primarily post displayed, two-sided markets, despite the critical function these participants play in price discovery. The new feature on EDGA is uniquely designed to reduce cross-market latency arbitrage to enable liquidity providers to enhance market quality by maintaining tighter spreads, increasing inside quote durations, and posting larger size.

"LP^2 would enhance the ability of market makers to provide liquidity to investors by deemphasizing speed, measured in microseconds and nanoseconds, as a key to trading success. We believe this should provide a market structure with improved market quality, optimize price discovery, and benefit all market participants who choose to trade on Cboe EDGA," said Harkins. "We welcome the industry's feedback on our proposal, and look forward to continuing our ongoing dialogue with regulators, legislators and our customers to define markets that best serve all investors."

About Cboe Global Markets, Inc.

Cboe Global Markets, Inc. (Cboe: CBOE) is one of the world's largest exchange holding companies, offering cutting-edge trading and investment solutions to investors around the world. The company is committed to relentless innovation, connecting global markets with world-class technology and providing seamless solutions that enhance the customer experience.

Cboe offers trading across a diverse range of products in multiple asset classes and geographies, including options, futures, U.S. and European equities, exchange-traded products (ETPs), global foreign exchange (FX) and multi-asset volatility products based on the Cboe Volatility Index (VIX Index), the world's barometer for equity market volatility.

Cboe's trading venues include the largest options exchange in the U.S. and the largest stock exchange by value traded in Europe. In addition, the company is one of the largest stock exchange operators in the U.S. and is a leading market globally for ETP trading.

The company is headquartered in Chicago with offices in Kansas City, New York, London, Amsterdam, San Francisco, Singapore, Hong Kong and Quito, Ecuador. For more information, visit www.cboe.com.

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