Cboe Receives Final Regulatory Approval for Cboe Market Close

- New matching facility to provide competition to primary market closing auctions
- Cboe Market Close expected to bring greater transparency, accessibility and cost-efficiency to one of the most critical liquidity events of the trading day
- Planned for launch in early 2020

CHICAGO – January 22, 2020 – Cboe Global Markets, Inc. (Cboe: CBOE), one of the world's largest exchange holding companies, today announced it has received final approval from the U.S. Securities and Exchange Commission (SEC) to introduce Cboe Market Close (CMC) on the company's BZX Exchange. CMC is a new end-of-day match process for non-Cboe listed securities, and is planned for launch in early 2020.

Cboe created CMC to meet widespread industry demand for a competitively priced, on-exchange alternative to participating in primary market closing auctions. Closing auctions, which currently take place on the primary listing markets at the end of each trading day, determine the official end-of-day prices for thousands of listed U.S. securities. In recent years, both closing auction volumes and fees have continued to rise significantly and as a result, a growing portion of trading has become increasingly expensive[1] for market participants.

"We are committed to bringing innovative products and services to the U.S. equities markets, and created Cboe Market Close specifically to provide investors with greater accessibility and cost-efficiency to one of the most critical liquidity events of the trading day," said Bryan Harkins, Executive Vice President and Head of Markets at Cboe. "Additionally, as a meaningful portion of primary closing auctions now occur off-exchange, CMC would also offer an on-exchange alternative to bring more transparency to the industry, and enhance the overall trading environment for all market participants."

Under the model, market participants will have the choice to route Market-On-Close (MOC) orders to CMC on Cboe's BZX Exchange, where they are pre-matched with other MOC orders at 3:35 p.m. ET. The trades are then executed when the primary exchange closing price is published, saving participants from paying closing auction fees on orders that are not price forming. The timing of the CMC match allows any unmatched MOC orders to be sent to the primary exchanges' closing auctions. CMC is available to all participants with no tiering.

While a variety of brokers today provide functionality to match MOC orders at the official closing price, CMC will be the first such functionality to be offered by a securities exchange operator, incorporating unique on-exchange features including anonymity and trade transparency.

About Cboe Global Markets, Inc.

Cboe Global Markets (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 defining markets to benefit its participants and drive the global marketplace forward through product innovation, leading edge technology and seamless trading solutions.

[1] In the past seven years, closing auction fees have increased anywhere between five percent to 60 percent at NYSE and Nasdaq, respectively.

The company 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 volatility products based on the Cboe Volatility Index (VIX Index), recognized as the world's premier gauge of U.S. equity market volatility.

Cboe's subsidiaries include the largest options exchange and the third largest stock exchange operator in the U.S. In addition, the company operates the largest stock exchange by value traded in Europe and is a leading market globally for ETP listings and trading.

The company is headquartered in Chicago with a network of domestic and global offices across the Americas, Europe and Asia, including main hubs in New York, London, Kansas City and Amsterdam. For more information, visit www.cboe.com.

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