

Cboe To Introduce New Choice Program for ETP Lead Market Makers, Beginning February 1

Jan 25, 2021



- Designed to help further enhance market quality for Cboe Listed ETPs
- Aims to provide lead market makers with greater choice and flexibility in selecting an incentive model
- New program is developed in close consultation with ETP industry participants
- Builds upon success of Cboe's previous LMM incentive offerings

CHICAGO, Jan. 25, 2021 /PRNewswire/ -- Cboe Global Markets, Inc. (Cboe: CBOE), a market operator and global trading solutions provider, today announced plans to introduce a new incentive program that aims to help further enhance market quality for primarily listed exchange-traded products (ETPs) on Cboe BZX Exchange, beginning Monday, February 1, subject to regulatory review.

Previously, Cboe had offered the market's first-of-its-kind incentive program that awarded lead market makers (LMMs) a flat daily fee, rather than payment based on assigned ETPs' transaction volume, to help incentivize LMMs to provide liquidity in newly launched or thinly traded ETPs. Following extensive consultation with ETP industry participants, Cboe plans to offer an enhanced incentive program that builds upon the success of its previous program and provides LMMs with additional flexibility and choice in selecting the incentive model that best suits their needs.

Under the new incentive program, expected to be effective Monday, February 1, subjective to regulatory review, Cboe plans to allow LMMs on its BZX Exchange to select between two incentive models on a symbol by symbol basis each month. LMMs are expected to be able to opt-in to an outsized rebate per share from the default current flat dollar stipend for ETPs that have a consolidated average daily volume of 1,000,000 shares or greater.

Laura Morrison, Senior Vice President and Global Head of Listings at Cboe, said: "We have received extremely positive industry feedback on our LMM incentive offerings, and based on further dialogue with our family of issuers and market makers, we are pleased to enhance our incentive program in an effort to help provide deeper liquidity for listed ETPs. Designed to benefit all market participants, our new incentive program will offer LMMs greater choice and flexibility to support trading in issuers' ETPs, which we believe will result in better market quality for investors."

Cboe BZX Exchange offers some of the most stringent LMM quoting obligations and competitive incentives available on the market, designed to narrow spreads and bolster liquidity across the ETP ecosystem. Cboe believes that this focus on market quality has helped Cboe BZX Exchange capture 36% of all new ETP launches in the market in 2020.

As the 2nd largest primary listings exchange for ETPs in the U.S., as of January 22, 2020, Cboe BZX Exchange is home to more than 440 ETPs, representing approximately \$400 billion in total assets under management from more than 50 unique issuers. In Europe, Cboe lists more than 70 ETPs from nine unique issuers. For additional information on the Cboe Listed Marketplace, visit CboeListings.com.

About Cboe Global Markets, Inc.

Cboe Global Markets (Cboe: CBOE) provides cutting-edge trading and investment solutions to market participants around the world. The company is committed to defining markets through product innovation, leading edge technology and seamless trading solutions.

The company offers trading across a diverse range of products in multiple asset classes and geographies, including options, futures, U.S., Canadian 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 one of the largest stock exchanges by value traded in Europe, and owns EuroCCP, a leading pan-European equities clearing house. Cboe also 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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Cautionary Statements Regarding Forward-Looking Information

Certain information contained in this press release may constitute forward-looking statements. We caution readers not to place undue reliance on any forward-looking statements, which speak only as of the date made and are subject to a number of risks and uncertainties.

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