

Bats Announces Fee Overhaul of EDGA Equities Exchange

- Follows industry interest in access fee pilots;
- Introduction of new fees effective from June 1, 2017.

CHICAGO, KANSAS CITY and NEW YORK – May 30, 2017 – Bats, a CBOE Holdings, Inc. company, and the second-largest operator of stock exchanges in the United States, today announced a relaunch of its EDGA Equities Exchange, in response to industry feedback and debate on exchange fee structures.

The change moves EDGA from an inverted pricing model – characterized by fees to ‘add’ and rebates to ‘remove’ liquidity – to a simple, low fee model. Beginning June 1, 2017, a single standard rate of \$0.0003 applies to orders adding displayed liquidity or removing liquidity. Non-displayed orders adding liquidity are free while non-displayed orders removing liquidity are assessed a low fee of \$0.0005. All EDGA participants qualify for these rates, and there are no pricing tiers.

Recent industry discourse has focused on fee structures and their purported effect on liquidity provision, liquidity taking, potential conflicts and order routing in the U.S. equity market. In July 2016, the Security and Exchange Commission’s Equity Market Structure Advisory Committee [suggested an ‘access fee pilot’ should be instigated](#) to better understand these dynamics. Today’s announcement attempts to move this discussion closer to a market practice of reduced transaction costs for our clients.

Bryan Harkins, Head of U.S. Equities and Global FX said, “Over a decade ago, EDGA became the first market to break away from the maker-taker fee model employed by most other equity exchanges. We believe the time is right to relaunch a low-cost, simple pricing structure following widespread discussions with our customers on topics like the access fee pilot. As an operator of four equities exchanges, we are ideally positioned to offer a market solution to these themes without sacrificing the critical mass and deep liquidity that EDGA has offered the industry for years.”

Bats, which runs four equities exchanges in the U.S., has a long history of fostering competition between equity trading venues by experimenting with alternative trading fee structures and market models.

Most recently, the firm announced plans [to adopt a new, competitively priced alternative](#) to the primary market closing auctions that take place at the end of the U.S. equities trading day. The launch, which remains subject to regulatory approval, follows increasing demand from industry participants frustrated by rising closing auction fees at primary listing venues, which have increased anywhere between 16 and 60 percent over the past five years.

About CBOE Holdings, Inc.

CBOE Holdings, Inc. (BATS: CBOE | NASDAQ: CBOE), owner of the Chicago Board Options Exchange, the Bats exchanges, CBOE Futures Exchange (CFE) and other subsidiaries, is one of the world’s largest exchange holding companies and a leader in providing global investors cutting-edge trading and investment solutions.

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 funds (ETFs), and multi-asset volatility and global foreign exchange (FX) products. CBOE Holdings’ 14 trading venues include the largest options exchange in the U.S. and the largest stock exchange in Europe, and the company is the second-largest stock exchange operator in the U.S. and a leading market globally for ETF trading.

CBOE Holdings is home to the CBOE Volatility Index (VIX Index), the world's barometer for equity market volatility; the CBOE Options Institute, the company's world-renowned education arm; CBOE Livevol, a leading provider of options technology, trading analytics and market data services; CBOE Vest, an asset management company specializing in target-outcome investment strategies; CBOE Risk Management Conferences (RMC), the premier financial industry forums on derivatives and volatility products; ETF.com, a leading provider of ETF news, data and analysis; and Hotspot, a leading platform for global FX trading.

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

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