

Cboe's Vision for Equity Market Structure Reform

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January 21, 2020

Dear Cboe Global Markets Customers,

Earlier this month, we [wrote](#) to you about our customer-first approach and our dedication to be more outspoken on the issues impacting our industry. We're taking a leadership role to discuss, educate and collaborate with our legislators and regulators on key issues affecting our markets and our customers.

This morning, we [published](#) our perspective on Reg NMS and our suggestions to improve market quality, without incurring the risks and complications of a large-scale market structure overhaul in a report titled, "Cboe's Vision: Equity Market Structure Reform."

We're actively engaged with our industry peers and regulators, and we're eager to share our insights with you. Our vision includes four recommendations:

1. Reducing the standard round lot size and disseminating top-of-book odd lot quotation data through the Securities Information Processors (SIPs) to enhance price discovery, reduce spreads and increase transparency.
2. Implementing SIPs in multiple locations to reduce geographic latency that slows the receipt of consolidated real-time quote and trade information.
3. Reducing tick sizes for highly liquid securities with narrow spreads to reduce transaction costs, create a more level playing field for on- and off-exchange venues and foster efficiency.
4. Establishing sub-penny pricing standards that permit fair and competitive price-improvement opportunities between exchanges and off-exchange venues.

We have a vision for the markets that embraces transparency, fairness and improving on what is already working well. I encourage you to read more about our suggestions and look forward to engaging with you on these topics.

Sincerely,

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