



## 2017 - Article 11 Market Data Transparency Disclosures

### Introduction

MiFID II requires trading venues to disclose the price and terms for the provision of market data. Article 11 (Transparency obligation) of Commission Delegated Regulation (EU) 2017/567 specifies the details to be disclosed. This document sets out the required information regarding the Cboe Europe Equities (Cboe) market data offering and covers the data pertaining to full year 2017.

### Price lists and disclosures of future price changes

Cboe's market data price lists (including disaggregated data) is available on our website:

[http://markets.cboe.com/europe/equities/support/market\\_data/](http://markets.cboe.com/europe/equities/support/market_data/)

Policy and price changes are notified with at least 90 days' notice. The notifications (including historic notices) are available on our website:

[http://markets.cboe.com/europe/equities/notices/fee\\_schedule/](http://markets.cboe.com/europe/equities/notices/fee_schedule/). Any revised policy or price list is published alongside the current documentation following the notice.

Cboe's last market data fee change took effect 1<sup>st</sup> January 2019.

### Information on the content of market data

Cboe's market data content is as follows:

Article 11 Obligation	Cboe Europe Equities Disclosures
Number of instruments covered	Tradable instruments can be found daily in the published <a href="#">reference files</a>
Total turnover of instruments covered	Total turnover of instruments are available here: <a href="http://markets.cboe.com/europe/equities/support/market_data/">http://markets.cboe.com/europe/equities/support/market_data/</a>
Pre-trade and post-trade market data ratio	54:1
Data provided in addition to market data	<ul style="list-style-type: none"><li>• Reference data - free of charge daily reference files are published on website.</li><li>• Historical data - made available for purchase (~10 years)</li><li>• Indices - Cboe Europe is an approved benchmark administrator and offers over 60 European indices</li><li>• Market share statistics - available free of charge on our website</li></ul>



### **Revenue obtained from market data**

Per audited 2017 accounts, Cboe obtained £8.91m in revenue from market data sales and licensing, approximately 10.8% as a proportion of Cboe Europe Equities' gross revenue.

### **Per user pricing (natural user netting)**

Cboe has operated per user pricing since 2012. Details of the policy can be found on the market data price list (Direct Model).

### **Cost allocation methodology**

For the purposes of MiFID II, Cboe assessed its cost and allocated a proportion of each to either trading or market data.

The production and dissemination of market data is largely attributable to the same systems that facilitate the exchange's various trading platforms and services.

The costs to produce market data are a combination of joint costs (shared between market data and trading) and direct costs (only apply to market data). Joint costs include (but are not limited) to staffing (support, infrastructure, sales & marketing, Legal, Finance, HR, IT, admin), technology and infrastructure, inbound market data (i.e. licensing from third party venues), premises and overheads. Direct costs include dedicated market data staff, as well as IT systems such as the market data declaration GUI.

Based on this information, the cost allocation methodology used by Cboe is as follows:

1. Remove the portion of costs that are not directly or indirectly attributable to trading or market data
2. Break down the remaining portion of the cost items into staff, premises, technology, legal and inbound market data
3. Allocate the resulting cost items between trading and market data, in particular:
  - a. People costs are split by department on a ratio basis
  - b. Premises costs are split based on the same ratio of staff
  - c. Technology costs are calculated by applying a 30% ratio of total infrastructure costs
  - d. Legal includes external lawyers, auditors and regulatory fees
  - e. Inbound market data costs allocated between trading and market data

The result shows that approximately 35% of total Cboe Europe Equities costs are allocated to market data. Cboe sets its market data pricing on reasonable terms to recover the costs incurred in the production of the market data, including a reasonable margin.

Cboe's fees are extremely competitive with peer equity exchanges in Europe, particularly so if the price per percentile point of notional volumes market share is taken into consideration.



When setting fee levels and determining reasonable margins, Cboe considers its fees in the context of similar fees from other trading venue operators. However, Cboe is constrained in the absolute level of its market data pricing given the competitive landscape in which it operates.

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