



Updated - Cboe BZX Equities Lead Market Maker (LMM) Program Requirements

Reference ID: C2025103107

OVERVIEW

Applicable Cboe Exchanges: BZX Equities

Effective December 1, 2025, subject to regulatory review, the Cboe ETP Lead Market Making (LMM) program aims to foster a superior trading experience in Cboe-listed ETPs through structured incentives for Lead Market Makers (LMMs). Pending regulatory review, the new ETP LMM program will implement asset class-specific performance standards that determine LMM eligibility for base or enhanced payments depending on whether they meet minimum or enhanced market quality requirements. Each Cboe-listed ETP will be categorized by asset class, with corresponding quantitative standards for quoting criteria detailed below.

LMM QUOTING REQUIREMENT CHANGES

Upon the effective date, base/enhanced LMM requirements will change for ETPs primarily listed on Cboe BZX.

BASE TIER OBLIGATIONS

Asset Class Categorization	Two-Sided Quote Requirement	Time at NBBO Requirement	Depth of Book Requirement (90% of time across RTH)	Market Wide - Minimum Size at NBBO Requirement (50% of time across RTH)	Market Wide - Maximum NBBO Spread Requirement (95% of time across RTH)	Auction Participation Requirement
<i>US Equity</i>	LMM must maintain both bid and ask orders greater than or equal to 98% of time the security is in trading state.	For ETPs with under 500K CADV, LMM must quote at NBBO 20% of time. For ETPs at or over 500K CADV, LMM must quote at NBBO 5% of time.	LMM must display \$150,000 on each side of the NBB and NBO within 1%	Minimum of 500 shares posted at both NBB and NBO	NBBO spread to remain within 0.50%	Open Auction Price must be within 2% of last Auction Reference Price. And Close Auction Price within 1.5% of last Auction Reference Price
<i>Single Stock</i>			LMM must display \$150,000 on each side of the NBB and NBO within 2%	Minimum of 300 shares posted at both NBB and NBO	NBBO spread to remain within 1%	
<i>Outcome Based</i>					NBBO spread to remain within 0.75%	
<i>Fixed Income</i>					NBBO spread to remain within 0.50%	
<i>International Equity</i>					NBBO spread to remain within 1%	
<i>Other</i>					NBBO spread to remain within 1.5%	

ENHANCED TIER OBLIGATIONS

Asset Class Categorization	Two-Sided Quote Requirement	Time at NBBO Requirement	Depth of Book Requirement (90% of time across RTH)	Market Wide - Minimum Size at NBBO Requirement (50% of time across RTH)	Market Wide - Maximum NBBO Spread Requirement (95% of time across RTH)	Auction Participation Requirement
<i>US Equity</i>	LMM must maintain both bid and ask orders greater than or equal to 98% of time the security is in trading state.	For ETPs with under 500K CADV, LMM must quote at NBBO 60% of time. For ETPs at or over 500K CADV, LMM must quote at NBBO 15% of time.	LMM must display \$150,000 on each side of the NBB and NBO within 0.25%	Minimum of 1,000 shares posted at both NBB and NBO	NBBO spread to remain within 0.25%	Open Auction Price must be within 0.50% of last Auction Reference Price. And Close Auction Price within 0.25% of last Auction Reference Price
<i>Single Stock</i>			LMM must display \$150,000 on each side of the NBB and NBO within 0.50%	Minimum of 1,300 shares posted at both NBB and NBO	NBBO spread to remain within 0.50%	
<i>Outcome Based</i>			LMM must display \$175,000 on each side of the NBB and NBO within 0.35%	Minimum of 1,200 shares posted at both NBB and NBO	NBBO spread to remain within 0.35%	
<i>Fixed Income</i>			LMM must display \$175,000 on each side of the NBB and NBO within 0.25%	Minimum of 1,200 shares posted at both NBB and NBO	NBBO spread to remain within 0.25%	
<i>International Equity</i>			LMM must display \$150,000 on each side of the NBB and NBO within 0.40%	Minimum of 1,000 shares posted at both NBB and NBO	NBBO spread to remain within 0.40%	
<i>Other</i>			LMM must display \$150,000 on each side of the NBB and NBO within 0.50%	Minimum of 1,000 shares posted at both NBB and NBO	NBBO spread to remain within 0.50%	

ETP ASSET CLASS CLASSIFICATIONS

Please see the [asset class categorizations](#) for ETPs primarily listed on Cboe BZX.

ADDITIONAL INFORMATION

Please contact the Cboe Trade Desk or NorthAmericanETPLListings@cboe.com for support or with any questions.

We appreciate your business. Our trading community inspires and drives our mission of defining markets.

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