

The New Pricing Order

Maker-taker pricing now effects trading in over 40 percent of all single stock options volume. That's double the amount of earlier this year when only two of the eight exchanges paid suppliers of liquidity and charged takers. Now five of the eight exchanges deploy the pricing scheme for all of their options or, at least, the most heavily traded. The switch to maker-taker pricing by Nasdaq OMX PHLX in April brought the system into the options industry mainstream, causing the International Securities Exchange to follow suit. NYSE Amex Options is expected to take the plunge as well. Rebates for providing liquidity run from 10 cents per contract at the ISE to 30 cents at Arca. Take fees range from zero at the ISE to 45 cents at Arca.

Rebate for supplying liquidity

	ISE	PHLX	Arca	Ndaq	BATS
Market makers	\$0.10	\$0.23	\$0.30	\$0.25	\$0.20
Customers - retail	\$0.15	\$0.20	\$0.25	\$0.25	\$0.20
Customers - institutional	\$0.15	\$0.20	\$0.25	\$0.25	\$0.20
Customers - professional	FEE	\$0.20	N.A.	N.A.	N.A.
Broker-dealers	FEE	\$0.00	\$0.25	\$0.25	\$0.20

Charge for taking liquidity

	ISE	PHLX	Arca	Ndaq	BATS
Market makers	\$0.25	\$0.32	\$0.45	\$0.45	\$0.30
Customers - retail	\$0.00	\$0.25	\$0.45	\$0.35	\$0.30
Customers - institutional	\$0.20	\$0.25	\$0.45	\$0.35	\$0.30
Customers - professional	\$0.25	\$0.40	N.A.	N.A.	N.A.
Broker-dealers	\$0.25	\$0.45	\$0.45	\$0.45	\$0.30

Note: Amounts are per contract. CBOE, BOX, and Amex use different pricing.

Source: Exchange fee schedules