



KCG MatchIt

Dear Subscribers,

On October 3, 2016 the Securities & Exchange Commission's Tick Size Pilot Program will commence. As the industry prepares for the program, we wanted to make you aware of the following order acceptance and execution protocol changes that MatchIt is required to comply with.

Group	Restriction	Order Acceptance	Executions
Control Group	Securities in this group will continue to be quoted and traded in .01 increments.	.01 increments (no change).	.01 increments (no change).
Test Group 1	To be quoted in .05, but traded using currently permitted trading increments.	.05 increments only. All others will be rejected.	Transactions may occur at the bid, offer, midpoint, or permissible price increments within the spread.
Test Group 2	To be quoted in .05 and traded in .05 increments.	.05 increments only. All others will be rejected.	Transactions may occur at the bid, offer, midpoint, or permissible price increments within the spread.
Test Group 3	To be quoted in .05 and traded in .05 increments. KCG MatchIt will not support "Trade At" Intermarket Sweep Orders (TAISO).	.05 increments with only mid-point peg instructions. All others will be rejected.	Transactions may occur at the midpoint or permissible price increments within the spread. No transactions will occur at the bid or offer. No transactions will occur during locked markets.

Additional information on the **Tick Size Pilot Plan** can be found at the following links:

www.sec.gov/divisions/marketreg/tick-size-pilot-plan-final.pdf

www.finra.org/industry/tick-size-pilot-program

If you have any questions regarding these protocol changes, please don't hesitate to contact us at matchit@kcg.com.