

Public Statement

Statement on the Expiration of the Tick Size Pilot

Division of Economic and Risk Analysis and Division of Trading and Markets

Sept. 10, 2018

On May 6, 2015, the Commission approved the National Market System Plan to Implement a Tick Size Pilot Program (Tick Size Pilot) as a two-year pilot program that would widen the minimum quoting and trading increments—or tick sizes—for stocks of certain smaller companies. The Tick Size Pilot commenced operation on Oct. 3, 2016, and therefore will expire, pursuant to its terms, at the end of trading on Tuesday, Oct. 2, 2018.

The Commission has received several requests to terminate the Tick Size Pilot on Friday, Sept. 28, 2018, to address potential operational and other concerns raised by a mid-week shift in the quoting and trading increments of a large number of NMS stocks. Ending the quoting and trading requirements of the Tick Size Pilot two trading days early will not be harmful to investors or negatively impact the utility of the Tick Size Pilot data. Therefore, on Sept. 10, 2018, the Commission issued an exemption to the exchanges and Financial Industry Regulatory Authority (FINRA) to allow the quoting and trading requirements to terminate at the end of trading on Friday, Sept. 28, 2018.

Accordingly, Pilot Securities will no longer be subject to the quoting and trading requirements of the Tick Size Pilot and will be subject to the quoting and trading requirements that are otherwise applicable to NMS stocks on Monday, Oct. 1, 2018.

The data collection and reporting requirements will continue as required under the Tick Size Pilot for six months after the end of the Pilot Period. The exchanges and FINRA submitted to the Commission, and made publicly available, a joint assessment of the impact of the Tick Size Pilot, which is available [here](#). Commission staff has assessed, and continues to assess, the data produced under the Tick Size Pilot. Commission staff continues to welcome comment and analysis on the impact of the Tick Size Pilot, which may be submitted [here](#).