

# SEC Rule 613 – Consolidated Audit Trail (CAT)

## Industry Outreach Event

March 21, 2016



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# Current State

# CAT NMS Plan Milestones

## CAT NMS Plan Filed

- The technical amendment to the CAT NMS plan was filed with the SEC on December 23, 2015
- Exemptive Request was approved on March 1, 2016

## Bidder Selection Process

- Each of the 6 shortlisted Bidders participated in a working session in October 2015 where the Bidders walked through their solutions and responded to detailed questions from the SROs
- 6 Bidders were further shortlisted to 3 on November 13, 2015
- An additional round of working sessions will be held by the SROs in April 2016

# Exemptive Relief Requests

On March 1, 2016, the SEC approved the Exemptive Request letter that was filed on April 3, 2015

The letter requested certain reliefs under the following areas:

- Reporting of options market maker quotes
- Reporting of unique Customer IDs
- Reporting of unique Reporter ID
- Linking allocations to executions
- Timestamp granularity on manual order events

The SEC has provided commentary<sup>1</sup> in Section 2 of each of the five requests and concluded that it is persuaded to grant exemptive relief, such that the proposed approaches described in the Exemption Request can be included in the CAT NMS Plan and subject to notice and comment.

<sup>1</sup><https://www.sec.gov/rules/exorders/2016/34-77265.pdf>

# CAT NMS Plan Comment Period

## Process to submit comments on the CAT NMS Plan<sup>1</sup>:

### 1. Online Form

- Locate the CAT NMS Plan under the Self-Regulatory Organization (SRO) filings
- The online form is accessed by a "Submit comments" link. Attachments can be included

### 2. E-mail

- Send comments to [rule-comments@sec.gov](mailto:rule-comments@sec.gov)
- Subject line must include the file number for the rule

### 3. Regulations.gov

- Members of the public may also submit comments through [www.regulations.gov](http://www.regulations.gov)

### 4. Paper

- Send 3 copies of your paper comment letter to:  
Brent Fields, Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-0609
- Each copy must list the "File Number" for the rule

<sup>1</sup> <https://www.sec.gov/rules/submitcomments.htm>

# Industry Discussions

# Industry Perspective

The SROs look forward to the continued discussion of industry insights and perspectives through the different forums

## Post-Exemptive Relief filing DAG Meetings and Comment Letters

- |                           |                                |
|---------------------------|--------------------------------|
| • Plan Amendment          | • Security and Confidentiality |
| • Clock Sync              | • Systems Retirement           |
| • Implementation Schedule |                                |

## Pre-Exemptive Relief filing DAG Meetings and Comment Letters

- |                    |                               |
|--------------------|-------------------------------|
| • Exemptive Relief | • Primary Market Transactions |
| • Selection Plan   | • RFP                         |
| • Cost Estimation  | • Error Processing            |

## SIFMA Bidder Conference

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| • Thursday March 31, 12:30 PM - 5:00 PM, SIFMA Conference Center, NYC |
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# Next Steps

# Upcoming Milestones

The SROs are working towards the following milestones in the implementation of the Consolidated Audit Trail:

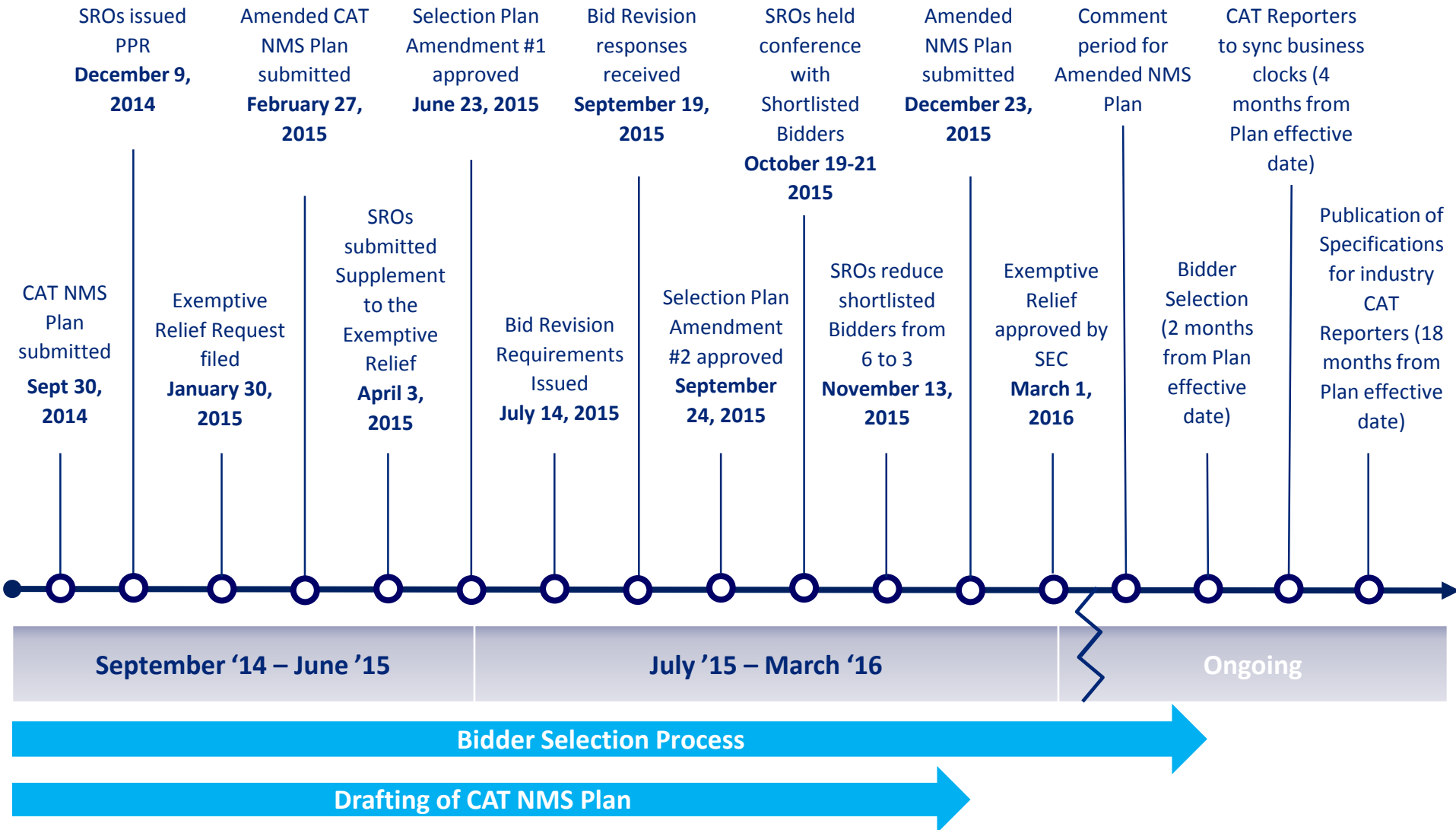
## **Notice for Public Comment of the CAT NMS Plan**

- Public suggestions made by the SEC indicate that the CAT NMS Plan may be noticed for public comment in late Q1 or early Q2.

## **Bidder Engagement**

- The SROs continue to engage with the Shortlisted Bidders to drill down on each proposed solution. The SROs will be holding individual working sessions with the Bidders in April, and intend to engage with the Bidders periodically during the Plan comment period.

# Current CAT Timeline



# Questions?