

FINANCIAL INFORMATION FORUM

October 26, 2023

By electronic mail

Brandon Becker
CAT NMS Plan Operating Committee Chair

Shelly Bohlin
President and Chief Operating Officer, FINRA CAT

Re: July 31, 2023 Updates to the CAT Reporting Technical Specifications for Industry Members on Reporting of Non-Executable RFQ Responses to CAT

Dear Mr. Becker and Ms. Bohlin,

Financial Information Forum (“FIF”), on behalf of FIF members, is submitting this letter as a follow-up to (i) the letter that FIF submitted on September 6, 2023 relating to the July 31, 2023 updates to the CAT Reporting Technical Specifications for Industry Members (and, more specifically, the updates relating to reporting of non-executable RFQ responses to CAT), and (ii) calls that FIF and the Co-Chairs of the FIF CAT Transaction Reporting Working Group participated on with representatives from FINRA CAT on September 29 and October 10, 2023 relating to the September 6 FIF letter. In this letter, we respond to a specific follow-up request from FINRA CAT representatives during the September 29 and October 10 calls. FIF members appreciate FINRA CAT representatives discussing these issues with FIF and the Co-Chairs of our Working Group. In this letter we refer to non-executable RFQ responses as RFQ responses that are “not immediately actionable” (or “NIA RFQ responses”) based on the terminology used in the July 31 CAT Reporting Technical Specifications for Industry Members (Version 4.0.0 r20).

Notwithstanding the comments below, and as discussed in a letter from FIF to the Securities and Exchange Commission (“Commission”) on July 1, 2023, FIF members do not agree that NIA RFQ responses should be reportable to CAT. This letter assumes that certain NIA RFQ responses will be reportable to CAT. As discussed in the July 1, 2023 letter from FIF to the Commission, FIF members require guidance from the Commission as to the conditions under which an NIA RFQ response would be reportable to CAT.

Display time for an NIA RFQ response

In the September 6 FIF letter (Item 1), FIF members requested that the CAT Plan Participants and FINRA CAT provide a field for firms to report the display time for an NIA RFQ response (or, alternatively, that no display time for an NIA RFQ response was communicated). As noted in the September 6 letter, including this field will (i) reduce the number of inquiries that firms receive in the scenario where a responder does not execute against an order because the responder received the order after the duration that it previously communicated, and (ii) provide additional relevant information to surveillance personnel. As discussed during the September 29 call, FIF members consider it important to have this field available on the date that NIA RFQ responses first become reportable.

Based on reviewing the technical specifications from the RFQ platforms, FIF members recommend that this field be reportable in seconds with firms reporting a time duration, as opposed to an expiration time, for the RFQ response.

Very truly yours,

/s/ Howard Meyerson

Howard Meyerson
Managing Director, Financial Information Forum

Cc: Hugh Beck, Securities and Exchange Commission
Erika Berg, Securities and Exchange Commission
Mark Donohue, Securities and Exchange Commission
David Hsu, Securities and Exchange Commission
Sai Rao, Securities and Exchange Commission
Andrew Sherman, Securities and Exchange Commission
David S. Shillman, Securities and Exchange Commission
Haixiang Zhu, Securities and Exchange Commission