FIF offers member firms access to several topic-oriented committees, working groups, and subgroups focused on specific sectors of the securities industry. FIF currently has three major committees, each meeting once per month. Committee meetings focus on higher-level review of current and upcoming rule initiatives impacting Front Office Trading, Back Office Processing, Clearing and Settlement, Market Data, and Financial Technology. FIF working groups and subgroups focus on specific topics, and often meet several times per week. Generally, working groups are structured to address specific identified implementation challenges following the adoption or amendment of a rule affecting equities, options, and/or debt securities.

Sample agendas from our Front, Back and Data & Technology Committees are provided below. If you would like to learn more about topics covered in our working groups, please contact the Program Office at fifinfo@fif.com.

Front Office Committee

The Front Office Committee focuses on reviewing the impact of new or amended rule requirements on order management and trading systems. Topics covered include equities, options, futures, fixed income, OTC equities and topics related to the Reg NMS Plan requirements. The Committee also discusses the impact of regulatory reporting requirements on business processes.

Sample Agenda

The below agenda is representative and has been redacted. To review a full agenda, please email the program office.

Spotlight: CAT Reporter Agreement and Testing

- **FINRA Updates**
  - TRACEx
    - **Final 2019 CTCI Migration Production Test for TRACE and ORF** - Industry Member are expected to complete migration off of CTCI by February 3, 2020.
  - Additional FINRA Updates
    - December 5, 2019: **SR-FINRA-2019-029** - Proposed Rule Change to Amend FINRA Rule 7610A to Modify the Securities Transaction Credits Applicable to FINRA/Nasdaq TRF Participants

- **SEC**
  - December 3, 2019: **34-87648** - Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, to Adopt Requirements for the Nasdaq Capital and Global Markets Applicable to Direct Listings
  - November 26, 2019: **34-87632** - Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Rule 7260 by extending the Penny Pilot Program through June 30, 2020

- **CAT**
  - On December 10, 2019, Consolidated Audit Trail, LLC and FINRA CAT, LLC published the following items:
    - New FAQ K9 related to open/close indicators on Options Orders
    - Updated CAT Alert 2018-003 related to IMID usage when routing
    - New CAT Alert 2019-004 related to Feedback on Named Linkage Errors
    - Updated Industry Member Onboarding Guide
December 9, 2019: Consolidated Audit Trail, LLC and FINRA CAT, LLC published version a clean and red-lined version or the Industry Member Technical Specifications (2a/2b) v2.2.1 r2.

December 9, 2019: FINRA CAT to published the second draft of the Industry Member CAT Technical Specification for Phase 2c.

- FIF Working Group Updates: Please click here to Join Working Groups
  - Consolidated Audit Trail (CAT)
    - Current FIF CAT Workstreams:
      - CAT Tech Spec Review;
      - OTC Equities Reporting;
      - CAT Scenario Development;
      - 2d Options Deep Dive Analysis;
        - Paired Orders;
        - Multi-Leg Orders
      - Phase 2c/2d CAT Event Scoping;
      - Allocations;
      - Order Effective Time;
      - Algorithmic Handling Instructions;
      - Cancellation Events;
      - FDID.
  - December 10, 2019: FIF met in-person with the SROs, SEC, and FINRA CAT on OTC Equity Reporting relief request;
  - December 3, 2019: FIF met with the regulators on proposed Phase 2c Allocation scope and reportable requirements;
  - November 22, 2019: FIF met in-person with the SROs, SEC, and FINRA CAT on Phase 2c reporting challenges, including cancellation events, handling instructions, and representative order reporting;

- 606 Working Group
  - Current 606 Workstream:
    - Following the publication of the SEC Order granting an extension to the Rule 606 Compliance Date, FIF has held a series of meetings to assist industry members with the implementation of Rule 606. As part of this initiative, FIF is in the process of developing a Rule 606 Implementation Guide;
  - Current Meeting Agendas - FIF has been holding weekly working group meetings focused on working through the remaining 606(a) and 606(b) implementation challenges, including discussing proposed data delivery methods of look-through data, floor broker scenarios, application of understood definitions, etc...
  - September 12, 2019: FIF was joined by STA and a contingent of industry members at a meeting with SEC Division of Trading and Markets Staff to discuss open questions following the recent SEC exemption on the current Rule 606 implementation dates;
  - The SEC granted FIF and STA’s request for an extension of SEC Rule 606 Rule Provisions. The applicable extensions are as follows:
    - 606(a) - January 1, 2020;
    - 606(b)(1) - January 1, 2020;
    - 606(b)(3) - April 1, 2020
  - August 2, 2019 - FIF and STA sent a joint-letter to SEC Commissioners and Staff on the current status of Rule 606 implementation and request for relief;
  - June 20, 2019 - FIF met with SEC T&M Staff to review a draft version of FAQs.
    - FIF’s interpretation of the Commission’s verbal guidance can be found here;
  - May 2, 2019 - FIF submitted a follow-up request for guidance to the Commission;
  - April 11, 2019 - FIF met with SEC Trading and Markets staff to discuss remaining SEC Rule 606 challenges;
  - February 20, 2019 - FIF submitted a comment letter to the SEC discussing Rule 606 challenges;
February 5, 2019 - FIF met with the SEC Trading and Markets staff to discuss challenges and recommendations attributed to the Amended Rule 606;
January 30, 2019 - FIF submitted a comment letter to the SEC raising significant Rule 606 implementation challenges;

TRACE Working Group
- September 24, 2019 - FIF submitted comments to FINRA on Reg Notice 19-25;
Reg Best Interest Working Group
- Current Working Group Meetings - FIF is currently holding meetings with the Reg Best Interest Working Group to discuss best practice implementation/application of several components of Reg Best Interest. If you are interested in joining this working group, please update your profile here.

Tax Information Working Group
- The working group focused on the Current State of Cryptocurrency, including recent guidance released by the IRS.

Retail Execution Quality
- FIF submitted comments to the SEC requesting that the Commission review and issue a formal request for comment pertaining to FIF’s Rule 605 Modernization Recommendations;(link letter)
- FIF 605 Subgroup representatives met with SEC Staff on Tuesday, October 30th to discuss the subgroup’s recommendations of rule 605 reform. Please click here to view the draft.

EU Buy-In Working Group
- FIF EU Buy-In Rule working group meetings focus on best practice implementation guidance leading up to the 2020 go-live dates

Cost Basis Working Group
- We held a combined working group call with the Tax Information Working Group this month on the IRS guidance on Cryptocurrency as a placeholder as we await guidance from the IRS on 305c and QOFs

Cloud Technology Working Group
- FIF focused on regulatory issues impacting cloud technology
- FIF notes that we are in the process of finalizing our cloud technology best practices guide and aim to disseminate prior to the end of 2019,
- Please note that our The Cloud Technology Working Group will be rebranded as the Emerging Technologies Working Group in 2020.

Data and Technology
- Next Meeting: Decks will be distributed prior to the end of the month;
- The spotlight topic covered during the November meeting focused on guidance promulgated from the Bakkt Exchange

Additional Updates – Equities and Options (note: FIF typically includes 30 or more rule amendments and technical notices disseminated by the exchanges over the course of the month).
- December 3, 2019: Nasdaq - Nasdaq PHLX Deletes Rule Pertaining to Maximum Number of Quoters
The Back Office Committee provides guidance and insight on implementation issues impacting brokers, exchanges, utilities (*i.e.* DTCC) and vendors (*i.e.* service bureaus, clearing firms) Committee meetings place particular emphasis upon industry initiatives and regulatory changes affecting securities processing and regulatory reporting. Topics include DTCC/FICC/NSCC initiatives, regulatory reporting, including CAT, OATS, EBS, LOPR, and TRACE. The Committee also covers options clearing (OCC) and treasuries (TMPG) issues. Regulators and SROs often provide an overview of current and upcoming regulatory initiatives.

**Sample Agenda**
The below agenda is representative and has been redacted. To review a full agenda, please email the program office.

- **DTCC Updates**
  - **DTC Updates**
    - November 22, 2019: [12595-19] - DTC will no longer support redemption call notices transmitted via SourceMedia beginning on Sunday, March 1, 2020;
  - **FICC Updates**
    - December 2, 2019: [MBS773-19] - Capped Contingency Liquidity Facility (“CCLF®”) Reset Reminder;
  - **NSCC Updates**

- **FINRA Updates**
  - **Additional FINRA Updates**
    - November 22, 2019: [SR-FINRA-2019-027] - Proposed Rule Change to Amend FINRA Rule 12000 Series to Expand Options Available to Customers if a Firm or Associated Person is or Becomes Inactive
    - November 11, 2019: [Regulatory Notice 19-36] - FINRA Requests Comment on a Proposed Rule to Limit a Registered Person from Being Named a Customer’s Beneficiary or Holding a Position of Trust for or on Behalf of a Customer - Comment Period Expires: January 10, 2020
    - [Final 2019 CTCl Migration Production Test for TRACE and ORF] - On Saturday, December 14, 2019, from 9 a.m. to 12 p.m. ET, FINRA will offer another opportunity for any client or Service Bureau wanting to test their production FIX connections and software. This will be the final 2019 production test.

- **SEC**

- **OCC**
  - November 22, 2019: [34-87603] - Order Instituting Proceedings to Determine Whether to Approve or Disapprove the Proposed Rule Concerning a Proposed Capital Management Policy That Would Support The Options Clearing Corporation’s Function as a Systemically Important Financial Market Utility
• Exchange Updates:
  o Changes to Standard 3rd Friday Expiration Listings for Equity and ETP Options on Cboe Options Exchanges

• CAT
  o December 9, 2019: FINRA CAT to publish the second draft of the Industry Member CAT Technical Specification;
  o November 25, 2019: Consolidated Audit Trail, LLC and FINRA CAT, LLC published version 3.0.0 of the CAT Reporting Technical Specifications for Plan Participants;
  o November 18, 2019: The CAT Reporter Portal is now live in the CAT Test Environment (November 18, 2019) – Announcement;

• FIF Working Groups: Note that the working groups updates are the same as the Front Office.

Data & Technology Committee
The Data & Technology committee brings together industry practitioners who collectively analyze the impact and develop strategic responses designed to capitalize upon the dynamic nature of market trends, innovation, and regulation on market data and financial technology. Each month, an industry expert is invited to present a “Spotlight Topic,” setting the stage for group discussion on a variety of timely topics. Committee meetings also include a presentation of FIF’s monthly Market Data Capacity Reports, a summary of Exchange and SIP technical notices and updates, and a review of recent or upcoming rules that impact market data.

FIF provides members with the most comprehensive source of consolidated market data capacity statistics in the industry. Our reports are inclusive of each consolidated tape (SIP) and proprietary feeds from each of the U.S. Exchanges. A subset of the data available in each report includes statistics of historical, current and projected market data message rates and latency metrics in second and millisecond granularities.

The five slides below represent a sample of the 65 slides contained in the monthly exchange-provided Market Data Capacity Statistics, collated by FIF.

Message per second peaks for February 2020. Showing one second peaks per exchange. Double green arrows highlight all-time peaks for the exchange.
OPRA 1 second peaks for February 2020 breaking the peaks down per line. The OPRA symbol distribution is kept up to date and there’s a second slide that goes into more detail on which line saw the highest peak above average. We discuss reasons for these peaks on our monthly calls.

MIAX provides us with their prop feed message per second peaks every month for TOM and Emerald.
We also have several slides on SIP data. This one for example shows the CTS 1 second peaks of the past and some forecasts for the future using 36 months of historical data to make predictions. Additional SIP slides in the deck focus on 10ms peaks, daily peaks, monthly volume and quote to trade ratio.

We also have Equities proprietary feeds to go along with the options proprietary feeds you saw earlier. This slide focus on Cboe BZX TOP monthly peaks in increments of 1 sec, 5 sec, 10 sec, 1 min and daily.