

FINANCIAL INFORMATION FORUM

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Dear Industry Members,

The SEC's approval of the CAT NMS Plan on November 15, 2016 specified that the "go live" date for CAT reporting by Industry Members is November 15, 2018. While the "go live" date has not been officially amended by the SEC, this date is not achievable.

On Tuesday, May 1st, two interpretative [FAQs](#) (FAQ 15 and 16) were published on the CAT NMS Plan Website, which definitively states that the CAT system will not be operational for Industry Member reporting in November 2018. The date for Industry Member reporting, as stated in FAQ 15, is not defined at this time, but will be some time after the Participants begin reporting, a final specification is published, and sufficient time is provided for Industry Members to implement the final specifications. FAQ 16 clearly states that the current draft specification should not be used for CAT implementation.

FIF encourages broker-dealer community to share these FAQs with firm management. As members of the Exchanges and FINRA (SROs), firms are obligated to meet the SRO rules as published, which incorporate the CAT NMS Plan requirements. These FAQs are evidence that November 2018 is no longer the Industry Member reporting date, and that the Industry Member reporting date is open, pending on-going definition of the CAT plan. FIF and the SROs will keep the industry informed as these plans evolve.

FIF would like to summarize some additional facts that highlight the impossibility a November 2018 CAT reporting date:

- The SROs' missed their November 2017 reporting date, and requested exemptive relief, stating that they will begin reporting on November 15, 2018; with Large Industry Members to begin reporting on April 13, 2020; and small Industry Members to begin reporting on April 20, 2021. (*see* [SRO exemptive relief request letter](#)).
- As an NMS Plan, the SROs are the "owner" of the Plan, and as such they provide the guidance/schedules/etc... for the industry on CAT. Therefore, the industry should be justified in following the SROs' schedule and the recommendation contained in the November 2017 exemptive relief request and their monthly Industry Outreach [guidance](#) and associated FAQs.
- The SEC has not yet approved the Operating Committee's PII Alternative, putting the May 2018 Customer Information Technical Specification (initial release) at serious jeopardy.
- SEC Chairman Clayton, at the STA meeting in Chicago on April 10th, in answer to the question on CAT reporting, responded that you cannot mail a letter if there is no mailbox.
- Many of FIF's 90-member firms are performing due diligence, investigating impacts, participating in analysis/investigations, etc. However, with no specification, and one not due until October 2018, any broker-dealer plan to implement a November 2018 deliverable is just not possible.

This is not an official communication but more an informative summary to assist you in explaining the situation to senior management.