

FINANCIAL INFORMATION FORUM

March 21, 2025

By electronic mail

CAT NMS Plan Operating Committee
Attn: Brandon Becker, CAT Operating Committee Chair

FINRA CAT, LLC
9509 Key West Avenue
Rockville, MD 20850
Attn: Shelly Bohlin, President and Chief Operating Officer

Re: Request for Extension of Compliance Date for FDID Refresh Requirement

Dear Mr. Becker and Ms. Bohlin,

Financial Information Forum (“FIF”) members understand that each Industry Member (as defined below) is required to submit its first FDID Refresh report to the Consolidated Audit Trail Customer and Account Information System (“CAIS”) on or before May 31, 2025.¹ This will result in many Industry Members submitting to CAIS files with extensive amounts of personally identifiable information (“PII”) of their customers, including natural person customers.

FIF members have identified the following recent actions by the Securities and Exchange Commission (the “Commission”), the Participants (the “CAT Plan Participants”) in the National Market System Plan Governing the Consolidated Audit Trail (the “CAT NMS Plan”), and FINRA CAT, LLC (“FINRA CAT”), relating to the removal (and proposed removal) of PII from CAIS:

- Exemptive Order published by the Commission on February 10, 2025 (the “PII Exemptive Order”), which grants exemptive relief from various provisions of the CAT NMS Plan that require the reporting of certain PII to CAIS²

¹ See, for example, Monthly CAT Update (Feb. 20, 2025), available at <https://catnmsplan.com/sites/default/files/2025-02/02.20.25-Monthly-CAT-Update.pdf>, at Slide 11.

² Securities Exchange Act Release No. 102386 (Feb. 10, 2025), 90 FR 9642 (Feb. 14, 2025) (Order Granting Exemptive Relief, Pursuant to Section 36(a)(1) and Rule 608(e) of the Securities Exchange Act of 1934, from Certain Provisions of Section 6.4(d)(ii)(C) and Appendix D, Sections 9.1, 9.2 and 9.4 of the National Market System Plan Governing the Consolidated Audit Trail).

- CAT Alert 2025-02, published by FINRA CAT on February 24, 2025 (“CAT Alert 2025-02”), which provides an alternative for Industry Members to reporting certain PII to CAIS³
- Proposed amendment to the CAT NMS Plan filed by the CAT Plan Participants on March 7, 2025, which proposes to reduce the amount of PII in CAT (the “proposed PII amendment”)⁴
- Notice of Filing published by the Commission relating to the proposed PII amendment.⁵

FIF, on behalf of the FIF members that are Industry Members (as defined in the CAT NMS Plan), requests that the CAT Plan Participants delay the compliance date for an Industry Member to submit its first FDID Refresh report until the date that is six months after the date that the Commission makes a determination with respect to the proposed PII amendment.

The actions above relating to the removal (and proposed removal) of PII from CAT reflect the concerns of the Commission, the CAT Plan Participants and FINRA CAT regarding the reporting of PII to CAT. The filing of FDID Refresh reports will result in many Industry Members submitting to CAIS files with extensive amounts of PII of their customers, including natural person customers. Given the PII Exemptive Order and the proposed PII amendment, it is likely that at a future date the filing of this PII will no longer be required.

While CAT Alert 2025-02 provides an alternative to Industry Members to reporting certain PII to CAIS, CAT Alert 2025-02 only applies to a subset of PII. In addition, many FIF members have indicated that they will not have implemented this alternative reporting approach by May 31, 2025. Implementing this alternative reporting approach would require significant technology work for Industry Members, and many Industry Members will not have sufficient time to implement these changes by May 31. In addition, many Industry Members are reluctant to expend significant resources towards a temporary solution, as Industry Members expect the Commission to approve a more comprehensive solution to address the issue of PII in CAT. Accordingly, the filing of FDID Refresh reports at this time will result in many Industry Members submitting to CAIS files with extensive amounts of PII of their customers, including natural person customers. FIF members also expect that a significant amount of the data that Industry Members would submit in FDID Refresh reports would ultimately be expunged from the CAIS system upon the Commission’s approval of amendments to the CAT NMS Plan to remove PII from CAIS.

Since Industry Members are currently actively involved in implementation of the FDID Refresh requirement (some Industry Members, in fact, have already submitted FDID Refresh reports), FIF members request that the CAT Plan Participants issue an extension of the compliance date as soon as practicable.

³ FINRA CAT, LLC, CAT Alert 2025-02, Update Regarding SEC’s CAIS Exemptive Order, Version 1.0 (Feb. 24, 2025), available at <https://catnmsplan.com/sites/default/files/2025-02/02.24.25-CAT-Alert-2025-02.pdf>.

⁴ CAT Plan Participants, File Number 4-698, Notice of Filing of Amendment to the National Market System Plan Governing the Consolidated Audit Trail Regarding the Customer and Account Information System (Mar. 7, 2025), available at <https://catnmsplan.com/sites/default/files/2025-03/03.07.25-Proposed-CAT-NMS-Plan-Amendment-CAIS.pdf>.

⁵ Securities Exchange Act Release No. 34-102665 (Mar. 13, 2025), 90 FR 12845 (Mar. 19, 2025) (File Number 4-698; Notice of Filing of Amendment to the National Market System Plan Governing the Consolidated Audit Trail Regarding the Customer and Account Information System).

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Please contact me at howard.meyerson@fif.com if you would like clarification on the request set forth above.

Very truly yours,

/s/ Howard Meyerson

Howard Meyerson
Managing Director, Financial Information Forum

Cc: Erika Berg, Division of Trading and Markets, Securities and Exchange Commission
David Hsu, Division of Trading and Markets, Securities and Exchange Commission
David Saltiel, Division of Trading and Markets, Securities and Exchange Commission
Andrew Sherman, Division of Trading and Markets, Securities and Exchange Commission