

FINANCIAL INFORMATION FORUM

March 28, 2025

By electronic mail to tradingandmarkets@sec.gov

Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090
Attn: Vanessa Countryman, Secretary

Re: Request for Exemption from Certain Provisions of the National Market System Plan Governing the Consolidated Audit Trail Relating to Timestamp Granularity

Dear Ms. Countryman,

The Financial Information Forum (“FIF”)¹ appreciates the opportunity to submit this letter in support of the above-referenced request for exemption submitted by the Participants (the “CAT Plan Participants”) in the National Market System Plan Governing the Consolidated Audit Trail (the “CAT NMS Plan”) to the Securities and Exchange Commission (the “Commission”) on March 24, 2025.² The request for exemption relates to the timestamp granularity requirements of the CAT NMS Plan.³ FIF is submitting this letter on behalf of our members that are Industry Members (as defined in the CAT NMS Plan).

Section 6.8(b) of the CAT NMS Plan mandates that the CAT Plan Participants require Industry Members to report events to CAT with the same granularity that these Industry Members use to record these events in their books and records.⁴ Section 6.8(b) also imposes this same obligation on the CAT Plan Participants for their own reporting.⁵ On April 8, 2020, the Commission granted temporary exemptive

¹ FIF (www.fif.com) was formed in 1996 to provide a centralized source of information on the implementation issues that impact the securities industry across the order lifecycle. Our participants include broker-dealers, exchanges, back office service bureaus, and market data, regulatory reporting and other technology vendors in the securities industry. Through topic-oriented working groups, FIF participants focus on critical issues and productive solutions to technology developments, regulatory initiatives, and other industry changes.

² CAT NNS Plan Participants, Request for Exemption from Certain Provisions of the National Market System Plan Governing the Consolidated Audit Trail Relating to Timestamp Granularity (Mar. 24, 2025), available at https://catnmsplan.com/sites/default/files/2025-03/03.24.25-CAT-Exemption-Request_Timestamp-Granularity.pdf (“Exemption Request”).

³ Ibid.

⁴ Limited Liability Company Agreement of Consolidated Audit Trail (Commission approved CAT NMS Plan as of Dec. 12, 2024), available at https://catnmsplan.com/sites/default/files/2025-01/LLC_Agreement_of_Consolidated_Audit_Trail_LLC-as-of-12.12.24.pdf (“CAT NMS Plan”), at 64.

⁵ Ibid.

relief to the CAT Plan Participants to the extent that the CAT NMS Plan would require the CAT Plan Participants and Industry Members to report events to CAT with timestamp granularity greater than nanoseconds.⁶ This exemptive relief expires on April 8, 2025.⁷ The CAT Plan Participants have requested that the Commission extend this exemptive relief to April 8, 2030.⁸

FIF members support the extension of the current exemptive relief. FIF members further support making this exemption permanent. FIF members further support updating the CAT NMS Plan to reflect that reporting with timestamp granularity greater than nanoseconds is not required.

FIF members do not believe that the reporting of data with granularity greater than nanoseconds would provide any surveillance value. This view is supported by the fact that the CAT NMS Plan requires clock synchronization by Industry Members to within 50 milliseconds (which is 50 million times greater than a nanosecond) and requires clock synchronization by the CAT Plan Participants to within 100 microseconds (which is 100,000 times greater than a nanosecond).⁹ There would also be costs for the CAT system and for Industry Members to report with granularity greater than nanoseconds. Given these cost-benefit considerations, FIF members recommend that the Commission make the current exemption permanent.

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FIF appreciates the opportunity to comment on the request for exemption. If you would like clarification on any of the items discussed in this letter or would like to discuss further, please contact me at howard.meyerson@fif.com.

Very truly yours,

/s/ Howard Meyerson

Howard Meyerson
Managing Director, Financial Information Forum

Cc: Hugh Beck, Securities and Exchange Commission
Brandon Becker, CAT NMS Plan Operating Committee Chair
Erika Berg, Division of Trading and Markets, Securities and Exchange Commission
Commissioner Caroline A. Crenshaw, Securities and Exchange Commission
Mark Donohue, Division of Trading and Markets, Securities and Exchange Commission

⁶ Securities Exchange Act Release No. 88608 (Apr. 8, 2020), 85 FR 20743 (Apr. 14, 2020) (Order Granting Conditional Exemptive Relief, Pursuant to Section 36 of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 608(e) of Regulation NMS Under the Exchange Act to Rule 608(e) of Regulation NMS Under the Exchange Act, Relating to Granularity of Timestamps Specified in Section 6.8(b) and Appendix D, Section 3 of the National Market System Plan Governing the Consolidated Audit Trail).

⁷ Ibid.

⁸ Exemption Request, at 3.

⁹ CAT NMS Plan, at 70.

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