

FINANCIAL INFORMATION FORUM

March 5, 2026

By electronic mail

Consolidated Audit Trail, LLC
Attn: Robert Walley, CAT NMS Plan Operating Committee Chair

Re: FIF Member Recommendations Relating to CAT

Dear Mr. Walley,

The Financial Information Forum (“FIF”) is submitting this letter to Consolidated Audit Trail, LLC (“CAT LLC”) on behalf of the members of the FIF CAT Transaction Reporting and CAIS Working Groups. This letter discusses, at a high-level, various recommendations of FIF members relating to the consolidated audit trail (“CAT”). FIF is submitting this letter on behalf of FIF members that are Industry Members, as defined in the National Market System Plan Governing the Consolidated Audit Trail (the “CAT NMS Plan”). In many cases, the points below are presented at a high-level and are intended to facilitate further discussion of these issues with applicable parties, including the Securities and Exchange Commission (the “Commission”), CAT LLC, the self-regulatory organizations (specifically, the Financial Industry Regulatory Authority and the exchange operators) (the “SROs”) and FINRA CAT, LLC (“FINRA CAT”).

FIF members appreciate many of the actions recently taken by CAT LLC, including the rule filing to remove personally-identifiable information from CAT (which has been approved by the Commission)¹ and the rule filing to reduce CAT operating costs (the “CAT cost reduction rule filing”).² CAT LLC notes in the CAT cost reduction rule filing that actions taken by the Commission and CAT LLC during 2025 resulted in the reduction of the CAT budget for 2025 from \$249 million to \$188 million.³ CAT LLC further notes that proposals in the CAT cost reduction rule filing could reduce CAT operating costs by an additional \$55 to \$73 million per year, without compromising the regulatory purposes of CAT.⁴ This letter seeks to build-on the progress to date.

¹ Securities Exchange Act Release No. 104586 (Jan. 13, 2026), 91 FR 2164 (Jan. 16, 2026).

² Letter from Robert Walley, CAT NMS Plan Operating Committee Chair, to Vanessa Countryman, Secretary, Securities and Exchange Commission (Dec. 7, 2025), available at <https://catnmsplan.com/sites/default/files/2025-12/LLC-Proposed-CAT-NMS-Plan-Amendment-2025-Cost-Savings-Amendment-12.17.25.pdf>.

³ Id. at 2.

⁴ Id. at 2-3.

When considering CAT costs, it is important to consider the costs for operating the CAT system as well as the technical, operational and compliance costs incurred by Participants and Industry Members (in each case, as defined in the CAT NMS Plan) to comply with their CAT reporting obligations and, in the case of the Participants, their obligations for management of the CAT system. It is also important to consider costs for regulatory reporting holistically and not limit this analysis to CAT. More specifically, the elimination of reporting requirements that are duplicative of CAT should be factored into any cost analysis.

1. Enhanced Industry Members participation in CAT governance

FIF members recommend enhanced participation for Industry Members in CAT governance. FIF members request further discussion as to how this could be achieved. As one possible approach, CAT LLC could identify individuals employed by Industry Members with technical and operational expertise relating to management of trading, trade processing and trade data management systems and functions who would be provided greater transparency into the technology and operations of the CAT system. These individuals would be subject to non-disclosure agreements.

This type of transparency would enable Industry Member representatives to provide more meaningful input into proposals by CAT LLC. As one example, as part of the CAT cost reduction rule filing, CAT LLC submitted for public comment a proposal to reduce the timelines and number of opportunities for Industry Members to repair CAT linkage and other errors.⁵ FIF members have written in opposition to this proposal as it would materially impact the ability of Industry Members to repair CAT errors.⁶ FIF members understand that the proposal seeks to achieve an important objective: reducing CAT costs. FIF members support this objective. With greater transparency, Industry Member representatives could engage in more informed discussions with CAT LLC and other involved parties as to potential changes to the CAT feedback and repair process that could reduce CAT costs without impacting the ability of Industry Members to repair CAT errors.

2. Consideration of impact of rule changes on Industry Members

FIF members request that CAT LLC, when drafting and submitting rule filings, include an analysis of the potential impact on Industry Members. CAT LLC could request assistance from the CAT Advisory Committee members in conducting this analysis. In the past, this analysis has been included in some, but not all, cases. Implementing the recommendations in Section 1 above would facilitate this type of analysis, as Industry Member representatives would be able to provide more informed input as to how specific rule proposals would impact Industry Members.

In connection with the above request, FIF members further request that rule filings and other proposals by CAT LLC and communication of technical and other updates by FINRA CAT include reference to the fact that the filing, proposal or update was discussed with the CAT Advisory Committee members (and, if applicable, other Industry Member representatives) and indicate whether the Advisory Committee

⁵ Id. at 69-71.

⁶ FIF letter to the Commission (Feb. 10, 2026), available at <https://www.sec.gov/comments/4-698/4698-702007-2205454.pdf>, at 17-20.

members concur with the filing, proposal or update, as applicable. In the past, this approach has been incorporated for some, but not all, rule filings and other proposals.

3. Combining CAIS into CAT and maintaining CCIDs

FIF members support combining CAIS into CAT and maintaining CCIDs. This is discussed in detail in the comment letter that FIF submitted to the Commission on February 10, 2026 in response to the CAT cost reduction rule filing (the “FIF cost reduction comment letter”).⁷

4. Retiring reporting systems that are duplicative of CAT

FIF members support retiring reporting systems and requirements that are duplicative of CAT, including Electronic Blue Sheets (“EBS”), requirements relating to unidentified large traders, and regulatory fields in TRF reporting. The retirement of EBS is discussed in detail in the FIF cost reduction comment letter.⁸

5. Linkage feedback and correction timelines and process

FIF members are opposed to reducing the number of opportunities and effective timespans for Industry Members to repair linkage and other errors. This is discussed in detail in the FIF cost reduction comment letter.⁹ FIF members are open to proposals to reduce the costs of the CAT error correction process that do not impact the ability of Industry Members to repair CAT errors. For example, could cost savings be achieved by running the CAT linkage process on a less frequent basis? In addition, could cost savings be achieved by removing the requirement for the CAT system to generate a “CAT Order ID” without such a change impacting the CAT audit trail? Implementing the recommendations in Section 1 above would enable Industry Members to more meaningfully provide input on potential changes to the CAT feedback and repair process that could reduce CAT operating costs without impacting the ability of Industry Members to repair linkage and other errors.

FIF members request that FINRA CAT consider the possibility of extending the current repair periods, as this would improve the CAT audit trail quality and reduce internal costs for reporting firms. FIF members understand that any proposal to extend the current repair periods would need to be implemented in a manner that does not increase CAT operating costs.

6. Commission and SRO regulatory inquiries

Commission and SRO regulatory inquiries often include requests for transaction data that is currently available in CAT. FIF members request that the Commission and SROs update the regulatory inquiry process to exclude requests for transaction data that is available in CAT.

⁷ Id. at 7-14.

⁸ Id. at 7-17.

⁹ Id. at 17-20.

7. Representative order linkage; exemption for verbal exchange floor quotes

FIF members request that the Commission make permanent the current exemptions for representative order linkage and verbal exchange floor quotes. FIF members also request that CAT LLC provide written clarification on how Industry Members should report to CAT for the crossing scenario where no representative order has been created. The request in the preceding sentence is discussed in a letter that FIF submitted to CAT LLC on October 20, 2025.¹⁰

8. Reporting based on books and records

FIF members are very appreciative of the exemption order granted by the Commission on January 23, 2026 relating to port settings.¹¹ FIF members request further discussion of related scenarios where market participants are required to “derive” values to report to CAT when these values are not in the market participant’s books and records. FIF members request consideration of an approach where a routing firm would report based on the order route message that it transmits to a receiving firm. This would involve changing to optional certain fields that are currently mandatory. For example, “trading session” is not a field that is typically included in an order route message, and there is significant complexity and cost for Industry Members in “deriving” this field when it is not included in the order route message. FIF members propose making this field optional for the routing firm. For this purpose, the term “optional” only means that the CAT system would not reject a CAT event that does not report a value for this field; an Industry Member would still be required by regulation to report a value for this field to CAT if a trading session value is included in the routing message. The approach proposed in this paragraph should also apply for other CAT fields, including the reporting of time-in-force and handling instructions values.

Reporting by the receiving firm is a more complex issue. FIF members believe that further discussion with CAT LLC, FINRA CAT and Industry Members would be helpful in addressing current challenges with reporting derived values to CAT.

FIF members also request that CAT align more closely with FIX and other applicable technical protocols in terms of the permitted values that can be reported for a field. For example, the current permitted values for the time-in-force field do not include various FIX-permitted time-in-force values. FIF provided examples of these values in comments that FIF submitted to FINRA CAT on July 10 and October 9, 2025.

As discussed below, the Commission, CAT LLC, the SROs and FINRA CAT will need to revisit various fields in connection with the planned expansion to 23x5 exchange trading. This will be an appropriate opportunity to also address the issues raised in this section.

¹⁰ FIF letter to the Commission (Oct. 20, 2025), available at <https://fif.com/index.php/working-groups/category/271-comment-letters?download=3412:fif-letter-to-the-sec-requesting-interpretive-guidance-relating-to-the-cat-reporting-of-port-settings-or-in-the-alternative-requesting-exemptive-relief-to-the-same-effect&start=10&view=category>.

¹¹ Securities Exchange Act Release No. 104664 (Jan. 23, 2026), 91 FR 3557 (Jan. 27, 2026).

9. Pre-IPO and pre-corporate action orders

FIF members request that CAT LLC address the current challenges with reporting pre-IPO and pre-corporate action orders, as discussed in prior FIF communications to CAT LLC and FINRA CAT.¹² The prior FIF communications recommend various approaches for how CAT LLC could address the current challenges. As discussed below, the handling of corporate actions will be impacted by the expansion of exchange trading hours. Accordingly, this is an appropriate opportunity for the regulators and FINRA CAT to address the comments previously raised by FIF members relating to pre-IPO and pre-corporate action orders.

10. Route modifications where the only change is to the routedOrderID and the eventTimestamp

FIF members request that CAT LLC provide written guidance to clarify that market participants (Industry Members and exchanges) are required to report route modifications where the only CAT-reportable fields that change are the routedOrderID and the eventTimestamp fields. FIF has discussed this issue in prior communications to CAT LLC and FINRA CAT.¹³

11. 23x5 exchange trading

The planned expansion of exchange trading hours will likely impact CAT reporting. FIF members have identified potential impacts as discussed in this section.

Symbol validation

The CAT system currently validates symbols based on the calendar day of the applicable CAT event. For example, if the CAT system determines that symbol ABC is valid on March 2, 2026 and not valid on March 3, 2026, the CAT system will accept a CAT event for ABC if the event date is March 2 and reject a CAT event if the event date is March 3. FIF members are concerned that a date-based symbol validation will no longer be sufficient with the expansion of exchange trading hours, and that a date and time-based symbol validation will be required.

A recent joint paper by The Depository Trust & Clearing Corporation and Ernst & Young discusses the planned change to a standard 8 p.m.¹⁴ trade date cut-off.¹⁵ Consider the following scenario: a corporate action that changes symbol ABC to DEF (for example, a merger of ABC into DEF or a name change from ABC to DEF) becomes effective as of 8 p.m.; a broker-dealer updates its trading systems at that time to

¹² See, for example, FIF letter to CAT LLC and FINRA CAT (June 24, 2024), available at <https://fif.com/index.php/working-groups/category/271-comment-letters?download=3305:fif-letter-to-the-cat-operating-committee-and-finra-cat-relating-to-pre-ipo-orders-and-pre-corporate-action-orders&start=30&view=category>.

¹³ See, for example, FIF submission to FINRA CAT (Jan. 15, 2025).

¹⁴ All times in this letter refer to Eastern Time.

¹⁵ The Depository Trust & Clearing Corporation and Ernst & Young LLP, *The Shift to 24x5 Trading: What It Means for U.S. Equity Markets* (, available at <https://www.dtcc.com/-/media/Files/Downloads/Transformation/theshiftto24x5trading.pdf> (2025), at 11.

reflect the symbol change; and the broker-dealer receives a customer order for DEF at 10 p.m. In this scenario, it would make sense for the CAT system to accept symbol ABC for events that occurred prior to 8 p.m. and to accept symbol DEF for events that occurred after 8 p.m. In this scenario, a symbol validation based only on the date would not be sufficient.

In the example above, a name change from ABC to DEF would likely not change the industry identifiers (for example, the CUSIP) for the stock. Accordingly, an Industry Member could receive an order for ABC prior to 8 p.m. and have routes and other events for that order after 8 p.m. In this scenario, the CAT system should be able to link the events reported for ABC prior to 8 p.m. with the events reported for DEF after 8 p.m. In other scenarios (for example, a merger of ABC into DEF), the industry identifiers could change, in which case the reporting firm likely would need to cancel the order in ABC and generate a new order in DEF prior to taking further action on the order.

At this time, it is not clear as to the timing for when different corporate actions will be considered effective. There is discussion about all market participants halting trading overnight in symbols with corporate actions, but Industry Members can continue to receive orders for securities that are subject to a corporate action even if trading is halted. It is also not clear whether corporate actions would be considered effective as of 8 p.m. or as of a later time (for example, as of 9 p.m.). This will also impact the CAT symbol validation process. If each corporate action is required to have a specific effective time, the CAT symbol validation process presumably would need to take into account this specific effective time. If corporate actions are instead considered to be effected within a specified processing period (for example, between 8 and 9 p.m.), reporting firms would need to suspend accepting orders or taking other actions on those orders during this processing period or CAT would need to accept as valid both the prior and new symbols if reported for this processing period.

FINRA CAT should also consider changes to current processes for publishing symbol lists. For example, if corporate actions will now take effect during the one-hour pause in exchange trading, it would be appropriate for FINRA CAT to disseminate an updated symbol list prior to that time period. FINRA CAT should also consider validations and symbol change notifications for options where the underlying equity security is subject to a corporate action.

Trading session; time-in-force

The expansion of exchange trading hours will require changes to reporting requirements for the trading session and time-in-force fields. FIF members believe that this is an opportunity to revisit how these fields should be reported.

Processing timelines

FIF members understand that CAT LLC and FINRA CAT are considering changes to processing timelines in connection with the planned expansion of exchange trading hours. Changes to processing timelines would have a significant impact on the operations of many Industry Members. Accordingly, FIF members request that FINRA CAT raise any proposals to change CAT processing timelines for discussion with Industry Members prior to introducing any changes or submitting any formal proposals.

12. CAT validations

CAT LLC should consider whether certain CAT validations can be retired. Implementing the recommendations in Section 1 above would facilitate a review of the current CAT validations with more informed input from Industry Member representatives.

13. CAT events and fields

CAT LLC should consider whether certain CAT events and fields can be deprecated. Implementing the recommendations in Section 1 above would facilitate a review of the current CAT events and fields with more informed input from Industry Member representatives.

14. Books and records retention requirements

FIF members request that the Commission or the SROs provide further written clarification on record retention requirements relating to CAT submissions and other CAT-related communications. Any regulatory guidance should distinguish the CAT submissions and other CAT-related communications from the underlying trade and allocation data.

15. Historical repairs

FIF members request that CAT LLC make available a more efficient approach to address a scenario where a “non-material” error impacts a very large number of CAT events. For example, an Industry Member could discover that it has failed to report a “CPR” (Counterparty Restriction) handling instruction historically and now needs to resubmit millions of historical CAT events. In place of the Industry Member resubmitting millions of historical CAT events in this scenario, CAT LLC could make available a form for the Industry Member to report this scenario.

FIF members also request that CAT LLC provide clarification that the requirement to repair historical events does not apply to events that occurred during a period that is prior to the start date of the then-current record retention period for the CAT system. FIF members further request that the Commission and CAT LLC consider limiting the period for correcting historical errors to three years.

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FIF members appreciate CAT LLC's consideration of the recommendations set forth in this letter. Please contact me after you and your colleagues have had an opportunity to review and consider these recommendations.

Very truly yours,

/s/ Howard Meyerson

Howard Meyerson
Managing Director, Financial Information Forum