

FINANCIAL INFORMATION FORUM

May 19, 2026

By electronic mail

Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090
Attn: David Hsu, Assistant Director, Division of Trading and Markets

Financial Industry Regulatory Authority
1700 K Street, NW
Suite 1200
Washington, DC 20006
Attn: David Chapman, Vice President

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

Re: Deletion of CAT Data Older than Three Years

Dear Secretary,

The Financial Information Forum (“FIF”) is submitting this letter in response to the approval by the Securities and Exchange Commission (the “Commission”) on March 27, 2026 of an amendment to the National Market System Plan Governing the Consolidated Audit Trail (the “CAT NMS Plan”)¹ to permit Consolidated Audit Trail, LLC (“CAT LLC”) to delete consolidated audit trail (“CAT”) transaction data older than three years.² FIF members are very concerned that if CAT transaction data older than three years is deleted, it will not be possible to retire the Electronic Blue Sheets system for equities and options (“EBS”). The ongoing annual costs to Industry Members (as defined in the CAT NMS Plan) of retaining EBS for equities and options will far exceed the estimated annual cost savings from deleting CAT data that is older than three years.

The costs to Industry Members of retaining EBS include the significant costs for Industry Members to maintain their trading records in a format to respond to EBS requests, the associated storage and

¹ Limited Liability Company Agreement of Consolidated Audit Trail, LLC (updated as of Apr. 1, 2026), available at https://catnmsplan.com/sites/default/files/2026-04/LLC_Agreement_of_Consolidated_Audit_Trail_LLC-as-of-4.1.26_0.pdf.

² Securities Exchange Act Release No. 105107 (Mar. 27, 2026), 91 FR 16284 (Apr. 1, 2026), at 91 FR 16288.

processing costs and the ongoing costs to process and respond to EBS requests, as responding to EBS requests often involves significant manual effort for Industry Members. While this letter specifically references EBS, references in this letter to EBS should be read to include other types of inquiries that regulators and self-regulatory organizations (“SROs”) send to Industry Members for order and trade data that is currently reported to, and stored in, CAT. References in this letter to EBS refer to EBS for equities and options. FIF is submitting this letter on behalf of FIF members that are Industry Members and vendors that support these Industry Members.

FIF members would like to discuss this issue with representatives from the Commission, CAT LLC, and the Financial Industry Regulatory Authority. FIF members request that CAT LLC not take any action to delete CAT data older than three years pending these discussions and until there is a clear understanding of how regulators and SROs would plan to obtain transaction data older than three years (in the absence of such data from CAT) and the associated costs.

Commission approval of CAT Cost Reduction Rule Filing

On March 27, 2026, the Commission approved an amendment to the CAT NMS Plan to reduce CAT operating costs.³ As part of this approval, the Commission approved an amendment to the CAT NMS Plan to permit CAT LLC to delete all transaction CAT data that is older than three years.⁴ The Commission makes clear in the approval order that regulators and SROs will still need to obtain transaction data older than three years:

The proposed deletion of CAT Data older than three years will impact regulatory efficiency to the extent regulators need access to the deleted data and seek to obtain it elsewhere. The Commission previously stated that the first three years of CAT Data will be more frequently accessed and needed by regulatory users based on its experience in using the CAT and this view remains unchanged. ***This does not mean that CAT Data older than three years is not needed. Regulatory staff access trading data older than three years in the context of examinations, enforcement, and economic analysis.*** For example, the statute of limitations for federal securities fraud is generally five years from the date of the alleged fraud, and thus regulators need to access and analyze trading activity that is older than three years. [emphasis added; footnotes omitted]⁵

The Commission further clarifies that regulators and SROs will need to obtain this data through EBS or other processes:

To acquire the relevant data after implementation of the Data Storage Amendment, regulators will need to either download and maintain CAT Data older than three years, whether in whole or in some abbreviated or summarized form, and/or request

³ Ibid.

⁴ Ibid.

⁵ Id. at 91 FR 16291.

information directly from market participants, such as exchange market data or trade data from Industry Members through EBS or other processes. [footnotes omitted]⁶

In the passage quoted above, the Commission proposes three potential approaches to address the gap that would be created by the deletion of CAT data after three years:

- **Download and maintain CAT Data older than three years, whether in whole or in some abbreviated or summarized form.** FIF members are not clear how this approach would work, how it would reduce the current costs to CAT of retaining CAT older than three years, or how it would impact the ability to retire EBS.
- **Obtain the data through EBS.** The ongoing annual costs to Industry Members of retaining EBS for equities and options will far exceed the estimated annual cost savings from deleting CAT data that is older than three years.
- **Obtain the data through another process.** FIF members are not aware of any other process or system being considered by CAT LLC to obtain transaction data after three years and believe that the cost of developing and implementing and such a process or system would far exceed the estimated annual cost savings from deleting CAT data that is older than three years. A request and response system as discussed in the Commission’s recent Concept Release on Consolidated Audit Trail and Other Audit Trails and Data Sources (the “Concept Release”)⁷ could not perform this function because the request and response system would provide for reporting of customer information, as opposed to transaction information.

FIF members are concerned that it will not be possible to retire EBS if CAT data older than three years is deleted from CAT

FIF members are concerned that if CAT LLC were to delete CAT data older than three years, the regulators and SROs would need to retain EBS to obtain this data. The costs of retaining EBS would greatly exceed the estimated annual cost savings from deleting CAT data that is older than three years

In a letter that CAT LLC submitted to the Commission in connection with CAT LLC’s rule filing to reduce CAT costs, CAT LLC estimates that the incremental cost savings from deleting CAT data older than three years (as compared to moving this data to a more cost-effective storage tier) would be between \$1.6-\$2.2 million per year.⁸ The retention of EBS or the creation, implementation and maintenance of an alternative system or process for regulators and SROs to obtain transaction data that is older than three years would be far more costly than this estimated annual savings of \$1.6-\$2.2 million.

⁶ Ibid.

⁷ Securities Exchange Act Release No. 105251 (Apr. 16, 2026), 91 FR 20945 (Apr. 20, 2026).

⁸ Letter from Robert Walley, CAT NMS Plan Operating Committee Chair, to Vanessa Countryman, Secretary, Securities and Exchange Commission (Mar. 10, 2026), available at <https://www.sec.gov/comments/4-698/4698-721247-2258814.pdf>, at 4. FIF calculates the low-end of this range (\$1.6M) by subtracting \$7.2M from \$8.8M; FIF calculates the high-end of this range (\$2.2M) by subtracting \$9.8M from \$12.0M.

FIF members would encourage a discussion as to whether there is an alternative to EBS that would enable regulators and SROs to obtain transaction data that is older than three years where the cost to regulators, SROs and Industry Members would be less than \$1.6-\$2.2 million per year. Until such a system or process has been identified, FIF members request that CAT LLC postpone implementation of this change.

FIF members support the Commission's approach through the Concept Release to address reporting through CAT and other audit trail systems on a holistic basis, including how a change to one audit trail system would impact other audit trail systems. FIF members request that the Commission, CAT LLC and FINRA apply this same holistic approach to this issue.

Personally-identifiable information in EBS; EBS trading data is limited to executed trades

While the discussion above focuses on the fact that the costs of retaining EBS would significantly exceed the estimated savings resulting from the deletion of CAT data after three years, it is also important to consider the significant security concerns with EBS. More specifically, EBS provides for the plaintext transmission of SSNs and account numbers. The response to a single EBS request could contain tens or hundreds of thousands of plaintext SSNs. FIF members are concerned that the ongoing transmission of SSNs and account numbers through EBS in plaintext risks the unauthorized disclosure of personal data. A further concern is that, in contrast to CAT, which has always provided for separate reporting of transaction and customer data, the EBS system provides for the reporting of SSNs and other PII in association to specific transactions.

It is also important to highlight that EBS trading data is limited to executed trades, as compared to CAT, which includes order and trade data.

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FIF members and FIF appreciate your consideration of the points raised in this letter. Please contact me after you and your colleagues have had the opportunity to consider and discuss this issue.

Very truly yours,

/s/ Howard Meyerson

Howard Meyerson
Managing Director, Financial Information Forum

Cc: Erika M. Berg, Securities and Exchange Commission
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