

# **SROs Launch Study to Analyze Implementation Cost of the Consolidated Audit Trail**

*Industry Feedback Sought to Help Determine Data Collection Costs*

*Deadline for Submission is August 6, 2014*

JUNE 23, 2014 – The national securities exchanges and FINRA (collectively, the self-regulatory organizations, or SROs) today began distributing a cost study questionnaire to gather information to assess and manage the financial impact of anticipated Consolidated Audit Trail (CAT) reporting requirements on the broker-dealer community. The SROs are obligated to submit to the Securities and Exchange Commission (SEC) a national market system (NMS) plan to create, implement and maintain a consolidated order tracking system, or the CAT. The SROs are currently working together to identify an optimal design for the CAT and this study is a key part of that deliberative process. The SROs have requested that recipients return the completed questionnaire by August 6, 2014.

“The SEC is requiring the SROs to develop the CAT, and we are mindful that the project will impact a broad group of market participants who will need to comply with the new reporting requirements,” said Jeff Wells of BATS Global Markets on behalf of the SROs. “We think it’s important to ask for targeted industry feedback so that we may thoughtfully make the CAT as efficient and cost-effective as possible for U.S. market participants while meeting the SEC’s requirements. We hope that all firms that will eventually have reporting requirements to the CAT will provide us with their thorough, valuable insights for this survey.”

Deloitte & Touche LLP has been selected as the third party facilitator for this study, and the results will be presented to the SROs as aggregated, anonymous data. The CAT cost study seeks industry input to assess:

- baseline costs to the industry for regulatory reporting
- the costs and benefits of the creation, implementation and maintenance of CAT

Additional information, including the planned timeline for the CAT NMS Plan is available at [www.catnmsplan.com](http://www.catnmsplan.com).

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## **About the Consolidated Audit Trail**

Rule 613, adopted by the Securities and Exchange Commission (SEC) in July 2012, requires the SROs to submit to the SEC a NMS Plan (CAT NMS Plan) to create, implement, and maintain the CAT.

The CAT will be an audit trail that will allow regulators to more efficiently and accurately track activity in NMS securities throughout the U.S. markets. The purpose of the CAT NMS Plan is to create a central repository for the SROs and the SEC to perform surveillance on order event data, linked to customer and account information, and to permit regulators to efficiently and effectively perform market reconstructions. When complete, the CAT will be the world's largest data repository for securities transactions tracking approximately 58 billion records of orders, executions, and quote life-cycles for equities and options markets on a daily basis.

The SROs are in the process of jointly developing the CAT NMS Plan pursuant to Rule 613. Additional information about the CAT NMS Plan can be found at [www.catnmsplan.com](http://www.catnmsplan.com).

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CAT NMS PLAN PARTICIPANTS:

BATS Exchange, Inc.

BATS Y-Exchange, Inc.

BOX Options Exchange, LLC

Chicago Board Options Exchange, Inc.

C2 Options Exchange, Inc.

Chicago Stock Exchange, Inc.

EDGA Exchange, Inc.

EDGX Exchange, Inc.

Financial Industry Regulatory Authority, Inc.

International Securities Exchange, LLC

Miami International Securities Exchange LLC

The NASDAQ Stock Market LLC

NASDAQ OMX BX, Inc.

NASDAQ OMX PHLX LLC

National Stock Exchange, Inc.

New York Stock Exchange, LLC

NYSE MKT, LLC

NYSE Arca, Inc.

Topaz Exchange, LLC.