



### CAT NMS Cost to CAT Reporters Data Collection

## Introduction

*Dear Respondent,*

*The undersigned eighteen registered national securities exchanges (the Exchanges)\* and the Financial Industry Regulatory Authority, Inc. (FINRA, and together with the Exchanges, the SROs) request your participation in the Consolidated Audit Trail (CAT) Cost Study. This study will assist the SROs in fulfilling their obligations under Rule 613, adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (Rule 613), which requires the SROs to submit a national market system (NMS) plan to create, implement, and maintain a consolidated order tracking system, or consolidated audit trail.*

*The cost study is intended to collect information related to the industry impact of the CAT. Rule 613 requires the SROs to assess:*

- (1) baseline costs to the industry for regulatory reporting,*
- (2) the costs and benefits of the creation, implementation and maintenance of CAT*

*The SROs recognize the potential complexity involved in providing the requested estimates and that several people in your organization may need to be involved in this effort. In collecting this information, the SROs seek your best estimates based on the assumptions provided in the attached document. The SROs recognize that once technical requirements are specified the actual cost of implementation may vary from estimates given. We have included an Excel template to assist in capturing the relevant data points prior to completing the on-line form. Should you have any questions please send them to [feedback@deloitte.com](mailto:feedback@deloitte.com).*

*Please note, Deloitte has been selected as the third party facilitator for this study. The data is not intended for any other regulatory purpose outside of conducting analysis on the costs, benefits and impacts of Rule 613.*

*Sincerely,*

## The Self-Regulatory Organizations

\*Specifically, 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.; 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.; and Topaz Exchange, LLC

## Company Profile and Regulatory Compliance

Please answer each of the following questions regarding your firm's current regulatory compliance profile.

1. What is your firm's size?

- Large
- Small\*

\* Select "small" if your firm would qualify under Securities Exchange Act Rule 0-10(c) as a broker or dealer that:

(1) had total capital (net worth plus subordinated liabilities) of less than \$500,000 on the date in the prior fiscal year as of which its audited financial statements were prepared pursuant to 240.17a5(d) or, if not required to file such statements, a broker or dealer that had total capital (net worth plus subordinated liabilities) of less than \$500,000 on the last business day of the preceding fiscal year (or in the time that it has been in business, if shorter); and

(2) is not affiliated with any person (other than a natural person) that is not a small business or small organization as defined in this section.

2. What types of businesses does your firm participate in?:

(Select all that apply)

- |   |  |
|---|--|
| <input type="checkbox"/> E-Brokerage and Discount Brokerage | <input type="checkbox"/> Prime Brokerage Services                    |
| <input type="checkbox"/> Investment Banking                 | <input type="checkbox"/> Clearing                                    |
| <input type="checkbox"/> Wealth Management                  | <input type="checkbox"/> Proprietary Trading                         |
| <input type="checkbox"/> Retail                             | <input type="checkbox"/> Institutional                               |
| <input type="checkbox"/> Asset Management                   | <input type="checkbox"/> Other - Please specify <input type="text"/> |

3. Your organization trades:  
(Select all that apply)

- Equities
- Options
- Fixed Income (Debt Securities)
- Other - Please specify

3a. Are you an exchange-registered equities market maker?

- Yes
- No

3b. Are you an exchange registered options market maker?

- Yes
- No

4. Does your firm use FIX protocol for order entry or order routing to exchanges?

- Yes
- No

5. How many customer accounts are handled by your firm for which you are the introducing broker?  
(Select one)

- 5,000,000 or more
- 1,000,000 to 4,999,999
- 100,000 to 999,999
- 10,000 to 99,999
- 9,999 or less
- N/A

6. Indicate, for the past six months, the daily number of orders given, received or originated by your firm for the purchase or sale of equity securities. In this response, please include (partially or fully) executed orders, unexecuted orders, canceled orders, sponsored orders, inbound and outbound orders, and parent and child orders:  
(Select one)

- 2,500,000 or more
- 250,000 to 2,499,999
- 25,000 to 249,999
- 2,500 to 24,999
- 0 to 2,499
- N/A

7. Indicate, for the past six months, the daily number of orders given, received or originated by your firm for the purchase or sale of option securities. In this response, please include (partially or fully) executed orders, unexecuted orders, canceled orders, sponsored orders, inbound and outbound orders, and parent and child orders.  
(Select one)

- 2,500,000 or more
- 250,000 to 2,499,999
- 25,000 to 249,999
- 2,500 to 24,999
- 0 to 2,499
- N/A

8. Is your firm currently reporting to OATS?

- Yes
- No

8a. Is your firm currently exempt or excluded from the order recording and data transmission requirement of OATS, pursuant to FINRA Rules 7470 and 7410, respectively?

- Exempt, pursuant to FINRA Rule 7470
- Excluded, pursuant to FINRA Rule 7410
- No, our firm is not a FINRA member

8b. OATS reporting is performed by:

- In-House Staff
- Service Bureau
- Clearing Firm
- Combination of In-House and Outsourced
- N/A

8c. Are you a "Reporting Agent," for the purposes of FINRA OATS Rule 7410(n)?

- Yes
- No

8d. Does an OATS "Reporting Agent," for the purposes of FINRA OATS Rule 7410(n), transmit data on your firm's behalf in order to comply with FINRA Rule 7450?

- Yes
- No

If so, on behalf of how many firms do you report OATS information?

- 100 or greater
- 50-99
- 10-49
- 0-9

8e. Indicate the number of accepted Reportable Order Events (ROEs) submitted on average by your firm, or on behalf of your firm, on average per month within the last six months:

- 100,000,000 or more
- 3,000,000 to 99,999,999
- 100,000 to 2,999,999
- 10,000 to 99,999
- 0 to 9,999

9. Indicate the average monthly number of Electronic Bluesheet requests received by your firm over the past six months:

- 400 or greater
- 201 to 399
- 200 or less

### Cost Template for Current Regulatory Reporting Support

The SROs would like to understand the current recurring costs in regulatory reporting programs associated with each of the following categories. Note, as indicated, costs should be supplied in dollar values or full time employees (FTEs).

Please note these costs should only include CAT compliance costs related to NMS securities- options and equities - and OTC equities. Please reference the assumption and background document for further detail.

10.

| Current Regulatory Reporting Requirements<br>(In Thousands)                        |  |   |  |
|--|--|---|--|
| OATS   | Electronic Blue Sheets (EBS)<br>and Large Trader | Other Reporting<br>(NYSE 410B, PHLX 1022,<br>FESC/NYSE 123(e)/(f), CBOE<br>8.9) |  |
| Cost \$  | Cost \$  | Cost \$   |  |
| <b>Technology and Operation<br/>Costs Associated with<br/>Regulatory Reporting</b> |  |   |  |
| Hardware and Software  |  |   |  |

10a.

| Current Regulatory Reporting Requirements |   |  |
|---|---|--|
| OATS                                      | Electronic Blue Sheets (EBS) and Large Trader | Other Reporting (NYSE 410B, PHLX 1022, FESC/NYSE 123(e)/(f), CBOE 8.9) |
| Number of FTEs                            | Number of FTEs                                | Number of FTEs   |

**Technology and Operation Costs Associated with Regulatory Reporting**

Development/Maintenance

Staffing

**Compliance Costs Associated with Regulatory Reporting**

Compliance Costs

10b.

| Current Regulatory Reporting Requirements (In Thousands) |   |  |
|--|---|--|
| OATS   | Electronic Blue Sheets (EBS) and Large Trader | Other Reporting (NYSE 410B, PHLX 1022, FESC/NYSE 123(e)/(f), CBOE 8.9) |
| Costs \$   | Costs \$                                      | Costs \$   |

**Outsourcing Costs for Regulatory Reporting Services/ Consulting Support**

Third Party (Service Bureau)

**Cost Template for Future Regulatory Reporting and CAT Implementation**

The SROs would like to understand the anticipated compliance costs associated with each of the following categories. Note, as indicated, costs should be supplied in dollar values or full time employees (FTEs).

Please note these costs should only include CAT compliance costs related to NMS securities- options and equities - and OTC equities. Please reference the assumption and background document for further detail.

11.

| Regulatory Reporting<br>(In Thousands)              |             |   |             |
|---|-------------|---|-------------|
| CAT Approach 1 -<br>Industry and Exchange Protocols |             | CAT Approach 2 -<br>Specified File Format |             |
| Costs \$  |             | Costs \$                                  |             |
| Implementation                                      | Maintenance | Implementation                            | Maintenance |

**Technology and Operation  
Costs Associated with  
Regulatory Reporting**

Hardware and Software

|  |  |  |  |
|--|--|--|--|
|  |  |  |  |
|--|--|--|--|

11a.

| Regulatory Reporting                                |             |   |             |
|---|-------------|---|-------------|
| CAT Approach 1 -<br>Industry and Exchange Protocols |             | CAT Approach 2 -<br>Specified File Format |             |
| Number of FTEs                                      |             | Number of FTEs                            |             |
| Implementation                                      | Maintenance | Implementation                            | Maintenance |

**Technology and Operation  
Costs Associated with  
Regulatory Reporting**

Development/Maintenance

Staffing

**Compliance Costs Associated  
with Regulatory Reporting**

Compliance Costs

|  |  |  |  |
|--|--|--|--|
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

11b.

| Regulatory Reporting<br>(In Thousands)              |             |   |             |
|---|-------------|---|-------------|
| CAT Approach 1 -<br>Industry and Exchange Protocols |             | CAT Approach 2 -<br>Specified File Format |             |
| Costs \$  |             | Costs \$                                  |             |
| Implementation                                      | Maintenance | Implementation                            | Maintenance |

**Outsourcing Costs for  
Regulatory Reporting  
Services/ Consulting Support**

Third Party (Service Bureau)

|  |  |  |  |
|--|--|--|--|
|  |  |  |  |
|--|--|--|--|



12.

| Retirement of Systems<br>(In Thousands) |  |   |
|---|--|---|
| OATS                                    | Electronic Blue Sheets (EBS)<br>and Large Trader | Other Reporting<br>(NYSE 410B, PHLX 1022,<br>FESC/NYSE 123(e)/(f), CBOE<br>8.9) |
| Costs \$                                | Costs \$   | Costs \$  |

**Technology and Operation  
Costs Associated with  
Regulatory Reporting**

Hardware and Software

|  |  |  |
|--|--|--|
|  |  |  |
|--|--|--|

12a.

| Retirement of Systems |  |   |
|-----------------------|--|---|
| OATS                  | Electronic Blue Sheets (EBS)<br>and Large Trader | Other Reporting<br>(NYSE 410B, PHLX 1022,<br>FESC/NYSE 123(e)/(f), CBOE<br>8.9) |
| Number of FTEs        | Number of FTEs                                   | Number of FTEs  |

**Technology and Operation  
Costs Associated with  
Regulatory Reporting**

Development/Maintenance

Staffing

**Compliance Costs Associated  
with Regulatory Reporting**

Compliance Costs

|  |  |  |
|--|--|--|
|  |  |  |
|  |  |  |

12b.

| Retirement of Systems<br>(In Thousands) |  |   |
|---|--|---|
| OATS                                    | Electronic Blue Sheets (EBS)<br>and Large Trader | Other Reporting<br>(NYSE 410B, PHLX 1022,<br>FESC/NYSE 123(e)/(f), CBOE<br>8.9) |
| Costs \$                                | Costs \$   | Costs \$  |

**Outsourcing Costs for  
Regulatory Reporting  
Services/ Consulting Support**

Third Party (Service Bureau)

|  |  |  |
|--|--|--|
|  |  |  |
|--|--|--|

Please indicate the rate per hour used for estimation of costs related to full time employees. (Please enter whole numbers)

13. Please indicate if you would be available for follow up questions.

Yes

No

13a. Please enter your firm name, contact name, contact email and contact phone number.

Firm Name

Contact Name

Contact Email

14. Do you have any additional comments or feedback on either the cost categories or regulatory compliance overall?

15. Are there costs that you incur for regulatory reporting that are not captured in this study?

Thank you for your responses. To complete the study, please click on the submit button.