

Frequently Asked Questions

1. Are firms legally required to participate in the CAT Cost Study? [Updated as of June 30]

There is no legal obligation to participate in this study; however, the SROs encourage participation. The information requested in the study will be used solely for the purpose of developing the CAT NMS Plan and not for other regulatory purposes. The study will assist the SROs in fulfilling their obligation under Rule 613, to submit a national market system (NMS) plan to create, implement, and maintain a consolidated order tracking system, or consolidated audit trail.

2. Are Broker Dealer Introducing firms required or is it appropriate for them to complete the study? [Updated as of June 30]

The SROs encourage all registered broker dealers to respond to this study. The SROs are requesting insights from all broker dealers, regardless of size or clearing relationships, regarding their understanding of the potential costs associated with compliance with the CAT as this information will serve to facilitate the creation of the CAT NMS Plan. Although your organization may rely on a third party clearing firm for regulatory reporting, your organization may incur costs to support error corrections, regulatory inquiries and customer information data submissions. It is therefore important that all types of broker dealers provide data to inform the cost benefit analysis required under Rule 613.

3. Do Broker Dealers that only conduct M&A Transactions as an advisor and conduct no securities transactions need to complete this survey? [Updated as of June 30]

The SROs encourage all registered broker dealers to respond to this study. The SROs are requesting insights from all broker dealers, regardless of size or clearing relationships, regarding their understanding of the potential costs associated with compliance with the CAT as this information will serve to facilitate the creation of the CAT NMS Plan.

4. Who within my firm received the link to the Cost Study? [Updated as of June 30]

The study link was sent to the compliance contact that has been identified by the designated examining authority (DEA, DOEA) to receive regulatory update and information requests.

5. How do I get this link if the email sent went to spam or the user receiving the link is on vacation? [Updated as of June 30]

Please email the SROs at feedback@catnmsplan.com to get the name of the individual who received the emails and/or your firm's unique link.

6. For questions 10 -13, are the cost amounts per annum? [Updated as of July 21]

The estimation of costs should be entered as annualized values.

7. What are you looking for in terms of rate of FTEs? [Updated as of July 31]

Questions 10a, 11a and 12a ask for a count of full time employees (FTEs). The question immediately following question 12 is asking for the budgeted rate your firm would use to estimate dollar costs for full time employees.

- 8. Regarding the results from the cost study, what information will be made available? Will participants in the cost study be provided with more information than firms who elect not to submit responses to the survey? [Updated as of July 31]**

The SROs will conduct a cost benefit and impact analysis which will be made public. Following submission, individual respondents are able to download their responses in PDF format. Please reference the question 13 below.

- 9. Question #5 of the survey asks, “How many customer accounts are handled by your firm for which you are the introducing broker?” How should a firm that is not an introducing broker respond to this question? [Updated as of July 31]**

Question 5 applies to all respondents. The question has been reworded as *“How many customer accounts are handled by your firm?”*

- 10. DAG has discussed the possibility of allowing Order ID as an optional field for allocations and relying on Customer ID for linkage purposes. What assumptions should firms make regarding allocation processing? [Updated as of July 31]**

No decision has been made regarding allowing Order ID as an optional field. The SROs, in consultation with DAG, are continuing to evaluate this issue.

- 11. What does *retirement of systems* really mean in this context? [Updated as of July 31]**

Rule 613 requires the CAT NMS Plan to include “a plan to eliminate existing rules and systems (or components thereof) that will be rendered duplicative by the consolidated audit trail, including identification of such rules and systems (or components thereof)”. For the purposes of this study, the reporting requirements that will be sunset provided the CAT demonstrably replaces the data currently provided include:

- Order Audit Trail System (OATS)
- Electronic Blue Sheets (EBS)
- Large Trader Reporting
- CBOE Rule 8.9
- PHLX Rule 1022

- 12. Does the survey tool provide a copy of survey respondent’s answers back to the respondent? [Updated as of July 31]**

After the submission of your study but prior to closing your browser window, you will be able to print the study in pdf format. Please note this is the only option you have to print out your results. The link is on the top right corner of the screen immediately below the header.



CAT NMS Cost to CAT Reporters Data Collection

We thank you for your time spent taking this survey.
Your response has been recorded.

Below is a summary of your responses

[Download PDF](#)

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.

Please note, Deloitte has been selected as the third party facilitator for this study. The data is not intended for any other regulatory