



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-105107; File No. 4-698]

Joint Industry Plan; Order Approving an Amendment to the National Market System Plan Governing the Consolidated Audit Trail, as Modified by the Commission, to Further Reduce the Costs of the Consolidated Audit Trail

March 27, 2026.

I. Introduction

On December 17, 2025, the Consolidated Audit Trail, LLC (“CAT LLC”), on behalf of the Participants¹ to the National Market System Plan Governing the Consolidated Audit Trail (“CAT NMS Plan” or “Plan”),² filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 11A of the Exchange Act³ and Rule 608 of Regulation National Market System (“Regulation NMS”) thereunder,⁴ a proposed amendment to the CAT NMS Plan to implement various cost savings measures (the “Initial Proposed Amendment”) for

¹ The Participants are: 24X National Exchange LLC, BOX Exchange LLC, Cboe BYX Exchange, Inc., Cboe BZX Exchange, Inc., Cboe C2 Exchange, Inc., Cboe EDGA Exchange, Inc., Cboe EDGX Exchange, Inc., Cboe Exchange, Inc., Financial Industry Regulatory Authority, Inc. (“FINRA”), Investors Exchange LLC, Long-Term Stock Exchange, Inc., MEMX LLC, Miami International Securities Exchange LLC, MIAX Emerald, LLC, MIAX PEARL, LLC, MIAX Sapphire, LLC, Nasdaq GEMX, LLC, Nasdaq ISE, LLC, Nasdaq MRX, LLC, Nasdaq PHLX LLC, Nasdaq Texas, LLC, The NASDAQ Stock Market LLC, New York Stock Exchange LLC, NYSE American LLC, NYSE Arca, Inc., NYSE National, Inc., and NYSE Texas, Inc. (collectively, the “Participants,” “self-regulatory organizations,” or “SROs”).

² The CAT NMS Plan is a national market system plan approved by the Commission pursuant to Section 11A of the Securities Exchange Act of 1934 (“Exchange Act”) and the rules and regulations thereunder. See Securities Exchange Act Release No. 78318 (Nov. 15, 2016), 81 FR 84696 (Nov. 23, 2016) (“CAT NMS Plan Approval Order”). The CAT NMS Plan is Exhibit A to the CAT NMS Plan Approval Order. See CAT NMS Plan Approval Order, 81 FR at 84943–85034. The CAT NMS Plan functions as the limited liability company agreement of the jointly owned limited liability company formed under Delaware state law through which the Participants conduct the activities of the CAT (“Company”). Each Participant is a member of the Company and jointly owns the Company on an equal basis. The Participants submitted to the Commission a proposed amendment to the CAT NMS Plan on August 29, 2019, which they designated as effective on filing. On August 29, 2019, the Participants replaced the CAT NMS Plan in its entirety with the limited liability company agreement of a new limited liability company, CAT LLC, which became the Company. See Securities Exchange Act Release No. 87149 (Sept. 27, 2019), 84 FR 52905 (Oct. 3, 2019). The latest version of the CAT NMS Plan is available at <https://catnmsplan.com/about-cat/cat-nms-plan>.

³ 15 U.S.C. 78k-1.

⁴ 17 CFR 242.608.

the consolidated audit trail (“CAT”).⁵ The Initial Proposed Amendment was published for comment in the Federal Register on December 31, 2025.⁶ On February 24, 2026, CAT LLC, on behalf of the Participants of the CAT NMS Plan, filed an amendment to the Initial Proposed Amendment.⁷

This order approves the Proposed Amendment, as modified by the Commission (hereinafter, the “Proposed Amendment” unless otherwise noted). For the reasons discussed below, the Commission finds that the Proposed Amendment, as modified by the Commission, is appropriate in the public interest, for the protection of investors and the maintenance of fair and orderly markets, to remove impediments to, and perfect the mechanism of, a national market system, or is otherwise in furtherance of the purposes of the Exchange Act.

II. Background

On July 11, 2012, the Commission adopted Rule 613 of Regulation NMS, which required the SROs to submit a national market system (“NMS”) plan to create, implement and maintain a consolidated audit trail that would capture customer and order event information for orders in NMS securities.⁸ The goal of Rule 613 was to create a modernized audit trail system that would provide regulators with timely access to a comprehensive set of trading data, thus enabling regulators to more efficiently and effectively analyze and reconstruct market events, monitor market behavior, conduct market analysis to support regulatory decisions, and perform

⁵ See Letter to Vanessa Countryman, Secretary, Commission, from Robert Walley, Chair, CAT NMS Plan Operating Committee, dated Dec. 17, 2025.

⁶ See Securities Exchange Act Release No. 104504 (Dec. 23, 2025), 90 FR 61506 (“Notice”). Comments received in response to the Notice can be found on the Commission’s website at <https://www.sec.gov/rules-regulations/public-comments/4-698>.

⁷ See Letter to Vanessa Countryman, Secretary, Commission, from Robert Walley, Chair, CAT NMS Plan Operating Committee, dated Feb. 24, 2026, available at: <https://www.sec.gov/comments/4-698/4698-715067-2238014.pdf> (“CAT LLC February 2026 Letter”). In the CAT LLC February 2026 Letter, CAT LLC proposes to update the Initial Proposed Amendment to reflect the intervening changes to the language of the CAT NMS Plan following the Commission’s approval of the CAIS Amendment, infra note 20, on January 13, 2026. See CAT LLC February 2026 Letter, at 1.

⁸ 17 CFR 242.613.

surveillance, investigation, and enforcement activities.⁹ On November 15, 2016, the Commission approved the CAT NMS Plan.¹⁰

In the CAT NMS Plan Approval Order issued in 2016, the Commission estimated that the ongoing annual costs associated with maintaining and operating the Central Repository¹¹ would be approximately \$55.8 million.¹² But CAT operating costs have far exceeded these estimates¹³ due largely to increases in trading activity, which impacts various CAT cost drivers like storage, data processing, and message traffic.¹⁴ Pursuant to the CAT NMS Plan, the CAT must process and store extremely large and increasing data volumes, resulting in millions of dollars of ongoing costs. Recently, the Commission has issued orders either approving amendments designed in whole or in part to reduce the operating costs of the CAT, or providing exemptive relief designed to reduce these costs, as discussed below.¹⁵

On December 12, 2024, the Commission approved a CAT NMS Plan Amendment that, among other things, permitted more efficient processing and storage of Options Market Maker Quotes in Listed Options, allowed for more cost-effective storage of raw, interim, submission and feedback files older than 15 days, and codified and expanded upon exemptive relief that

⁹ See Securities Exchange Act Release No. 67457 (July 18, 2012), 77 FR 45722, 45730-33 (Aug. 1, 2012).

¹⁰ See CAT NMS Plan Approval Order.

¹¹ “Central Repository” means “the repository responsible for the receipt, consolidation, and retention of all information reported to the CAT pursuant to SEC Rule 613 and [the CAT NMS Plan].” See CAT NMS Plan, at Section 1.1.

¹² See, e.g., CAT NMS Plan Approval Order, at 84918-20.

¹³ The CAT budget initially approved by the Participants for 2025 was approximately \$249 million. See Notice, at 61506; Consolidated Audit Trail, LLC 2025 Financial and Operating Budget (Nov. 11, 2024) https://catnmsplan.com/sites/default/files/2024-11/11.20.24-CAT-LLC-2025-Financial_and_Operating-Budget.pdf.

¹⁴ See, e.g., Securities Exchange Act Release No. 98290 (Sept. 6, 2023), 88 FR 62628, 62641 (Sept. 12, 2023).

¹⁵ CAT LLC states that it and the Plan Processor have continuously pursued cost savings measures within their control and have achieved meaningful cost reductions within the significant regulatory restraints of the CAT NMS Plan. See Notice, at 61506. For example, CAT LLC states that as a result of the optimizations pursued by CAT LLC and the Plan Processor, per unit costs have decreased significantly, allowing cloud fees to remain generally flat over the last three years despite 41% growth in data volumes over the same three-year period—\$136 million and 109 trillion events in 2022, \$128 million and 116 trillion events in 2023, and \$135 million and 154 trillion events in 2024. *Id.* at 61506 n.7. CAT LLC states that more comprehensive cost reductions require Commission approval to permit their implementation. See *id.* at 61506.

permitted the deletion of industry test data older than 3 months (“2024 Cost Savings Amendment”).¹⁶ CAT LLC states that the 2024 Cost Savings Amendment was originally estimated to result in roughly \$20 million in additional annual savings in the first year, but actual savings have proven better than anticipated and are now projected to be approximately \$30 million in the first year.¹⁷

On September 30, 2025, the Commission issued an exemptive relief order designed to allow the Participants to reduce the operating costs of CAT (“2025 Cost Savings Exemptive Order”).¹⁸ Among other things, the 2025 Cost Savings Exemptive Order granted exemptive relief with respect to four areas: (A) requirements to create lifecycle linkages by T+1 (transaction date + one day) at noon Eastern Time; (B) requirements for reprocessing of late records; (C) requirements to provide an online targeted query tool (“OTQT”); and (D) requirements related to data storage and retention.¹⁹

And most recently, the Commission approved a proposed amendment, with modifications, that would, among other things, eliminate all CAT NMS Plan requirements to report customer names, addresses, and dates of birth information for all customers, and require the deletion of previously reported Customer names, addresses, and dates of birth information

¹⁶ See Securities Exchange Act Release No. 101901 (Dec. 12, 2024), 89 FR 103033 (Dec. 18, 2024).

¹⁷ In May 2025, the Participants revised the budget down by \$21 million dollars to approximately \$228 million to reflect cost savings achieved through the implementation of the 2024 Cost Savings Amendment and other optimizations. See Notice, at 61506; Consolidated Audit Trail, LLC 2025 Financial and Operating Budget (May 19, 2024), https://www.catnmsplan.com/sites/default/files/2025-05/05.19.25-CAT-LLC-2025-Financial_and_Operating-Budget.pdf. In November 2025, the Participants further revised the budget down by another \$40 million to approximately \$188 million due to further implementation of the 2024 Cost Savings Amendment and other optimizations. See Notice, at 61506; Consolidated Audit Trail, LLC 2025 Financial and Operating Budget (Nov. 7, 2025), https://www.catnmsplan.com/sites/default/files/2025-11/11.07.25-CAT-LLC-2025-Financial_and_Operating-Budget.pdf. This \$188 million budget includes approximately \$122 million in cloud hosting fees, \$54 million in Plan Processor operating fees and expenses, and other general and administrative costs. See Notice, at 61506.

¹⁸ See Securities Exchange Act Release No. 104144 (Sept. 30, 2025), 90 FR 47853 (Oct. 2, 2025).

¹⁹ *Id.* at 47854. CAT LLC states that the most recent 2025 budget does not reflect the potential cost savings related to the 2025 Cost Savings Exemptive Order and that any such cost savings would be reflected in 2026 or subsequent years after technology and other changes related to the 2025 Cost Savings Exemptive Order are implemented. See Notice, at 61506 n.11.

from the CAIS, and achieve an estimated \$7 to \$9 million in annual cost savings (the “CAIS Amendment”).²⁰

As discussed in the Notice, CAT LLC states that it developed a proposal, which was not submitted to the Commission (the “Original CAT LLC Proposal”), designed to maximize cost savings while preserving the CAT’s core regulatory functionality, and which was estimated to provide approximately \$70 to \$90 million in annual cost savings, including an annual reduction in cloud hosting fees of \$55 to \$75 million, and approximately \$15 million in total Plan Processor operating fees.²¹ CAT LLC states that the Original CAT LLC Proposal was not submitted as a proposed amendment because the “clear consensus” of discussions with members of the Advisory Committee, the Securities Industry and Financial Markets Association (“SIFMA”) and the Financial Information Forum (“FIF”) was that certain aspects of the Original CAT LLC Proposal would impose certain compliance costs on Industry Members.²²

CAT LLC then submitted the Proposed Amendment, which would provide an estimated cost savings of \$55 million to \$73 million and would consist of seven items: (i) Interim CAT Order-ID Amendment; (ii) Data Storage Amendment; (iii) Late Data Re-Processing Amendment; (iv) OTQT Amendment; (v) Rejected Message Amendment; (vi) Data Availability Amendment; and (vii) Reference Data Amendment.²³ Some of these items are in whole or in part consistent

²⁰ See Securities Exchange Act Release No. 104586 (Jan. 13, 2026), 91 FR 2164 (Jan. 16, 2026) (“CAIS Amendment Approval Order”).

²¹ See Notice, at 61507. CAT LLC states that the Plan Processor’s estimates of Plan Processor operating fees for the Original CAT LLC Proposal and the modified proposal as set forth in this 2025 Cost Savings Amendment are preliminary and directional and are subject to change based on the final, SEC-approved requirements and execution of a new definitive agreement between CAT LLC and Plan Processor. See *id.* at 61506 n.13. CAT LLC states that these estimates are annualized for 2026 based on the estimated Plan Processor operating fees for the reduced scope of work reflected in the Original CAT LLC Proposal and the Modified Proposal, as applicable. *Id.* CAT LLC states that the “contract year” for the Plan Processor Agreement with FINRA CAT is offset from the calendar year, and so the actual total Plan Processor operating fees for calendar year 2026 will vary from these annualized estimates, and that the Plan Processor operating fees for future years will also be subject to adjustments as agreed between CAT LLC and FINRA CAT (e.g., change orders, market data providers and inflation adjustments based on a cost of labor index). *Id.*

²² See *id.* at 61508.

²³ See *id.* at 61508-09. The Proposed Amendment also provide for a “spending cap” provision, see *infra* Part III.H.

with the 2025 Cost Savings Exemptive Order, and approval of them would in whole or in part codify previously granted exemptive relief.²⁴ In the Proposed Amendment CAT LLC also provided additional detail and requested comment on two components of the Original CAT LLC Proposal, specifically the “Full Elimination of CAIS/CCID Component,” and “Reduced Linkage Processing Timeline Component.”²⁵ All of these items are discussed in greater detail below.

CAT LLC states that all cost and savings projections described in the Proposed Amendment are estimates only and reflect the current CAT operations.²⁶ CAT LLC states that cost savings estimates are based on, among other factors: current CAT NMS Plan requirements; reporting by Participants, Industry Members and market data providers; observed data rates and volumes; current discounts, reservations and cost savings plans and associated cloud fees.²⁷ CAT LLC states that actual future savings could be more or less than estimated due to changes in any of these variables.²⁸ In addition, CAT LLC states that savings projections are primarily based on production environments, which represent approximately two-thirds of all cloud fees.²⁹ CAT LLC states that the cost savings under the 2025 Cost Savings Amendment will be meaningful, even if the magnitude of the estimated savings cannot be determined with absolute certainty, and that the estimates and assumptions they described provide an adequate basis for the Commission to evaluate the costs and benefits of the proposed amendment.³⁰ CAT LLC further notes that the estimated cost savings do not reflect or incorporate potential cost savings related to the 2025 Cost Savings Exemptive Order.³¹ CAT LLC also notes that, in some cases as

²⁴ See, e.g., id. at 61510 (stating that the Interim CAT-Order-ID Amendment is “consistent with and would codify the exemptive relief related to interim CAT-Order-ID as set forth” in the 2025 Cost Savings Exemptive Order); 61521 (stating that the OTQT Amendment “is consistent with and would codify the exemptive relief related to the OTQT as set forth” in the 2025 Cost Savings Exemptive Order).

²⁵ See id. at 61509.

²⁶ See id. at 61507-08 n.12.

²⁷ See id.

²⁸ See id.

²⁹ See id.

³⁰ See id.

³¹ See id.

noted below, the potential cost savings allowed under the 2025 Cost Savings Exemptive Order and the cost savings described in this 2025 Cost Savings Amendment may differ.³²

III. Discussion and Commission Findings

After careful review, the Commission, pursuant to Section 11A of the Exchange Act,³³ and Rule 608(b)(2)³⁴ thereunder, is approving the Proposed Amendment with certain modifications from the Commission. Section 11A of the Exchange Act authorizes the Commission, by rule or order, to authorize or require the self-regulatory organizations to act jointly with respect to matters as to which they share authority under the Exchange Act in planning, developing, operating, or regulating a facility of the national market system.³⁵ Rule 608 of Regulation NMS authorizes two or more SROs, acting jointly, to file with the Commission proposed amendments to an effective NMS plan,³⁶ and further provides that the Commission shall approve an amendment to an effective NMS plan if it finds that the amendment is necessary or appropriate in the public interest, for the protection of investors and the maintenance of fair and orderly markets, to remove impediments to, and perfect the mechanisms of, a national market system, or otherwise in furtherance of the purposes of the Exchange Act.³⁷

The Participants have sufficiently demonstrated that the proposed cost savings measures, as modified by the Commission, are appropriate. There are a number of potential approaches to reducing the costs of the CAT, all of which have estimated savings of varying amounts and potential downsides, such as increased costs for Industry Members or a reduction in the regulatory utility of the CAT. As modified, the Proposed Amendment strikes a reasonable and

³² See id.

³³ 15 U.S.C. 78k-1.

³⁴ 17 CFR 242.608(b)(2).

³⁵ See 15 U.S.C. 78k-1(a)(3)(B).

³⁶ See 17 CFR 242.608.

³⁷ See 17 CFR 242.608(b)(2).

appropriate balance between reducing costs and preserving the core regulatory functionality and utility of the CAT. Furthermore, approval of the Proposed Amendment does not foreclose the implementation of further measures designed to reduce the costs of the CAT, and as part of the ongoing comprehensive review of the CAT,³⁸ the Commission expects to engage with the Participants, Industry Members, and the public more broadly on issues relating to the costs of the CAT and potential cost savings measures, among other things.

A. Interim CAT-Order-ID Amendment

The Interim CAT-Order-ID Amendment proposes to amend the CAT NMS Plan to eliminate the daily delivery of an interim CAT-Order-ID and instead provide for delivery of interim CAT-Order-IDs only on an “as requested by the SEC” basis.³⁹ CAT LLC states that the Interim CAT-Order-ID Amendment is consistent with and would codify the exemptive relief relating to interim lifecycle requirements granted in the 2025 Cost Savings Exemptive Relief Order.⁴⁰

Appendix D, Section 6.1 of the CAT NMS Plan states that “Noon Eastern Time T+1 (transaction date + one day)” is the deadline for “[i]nitial data validation, lifecycle linkages and communication of errors to CAT Reporters.”⁴¹ The CAT NMS Plan further states that the Plan Processor⁴² must “link and create the order lifecycle” using a “daisy chain approach,” in which

³⁸ See Securities Exchange Act Release No. 104144 (Sept. 30, 2025), 90 FR 47853, 47854 (Oct. 2, 2025) (stating that “the Chairman of the Commission instructed the staff to undertake a comprehensive review of the CAT” and citing Prepared Remarks Before SEC Speaks, Chairman Paul S. Atkins, May 19, 2025, available at <https://www.sec.gov/newsroom/speeches-statements/atkins-prepared-remarks-sec-speaks-051925>). See also Notice, at 61509 (calling for comments and quantitative data from Industry Members regarding, among other things, whether Industry Members support the continued existence of the CCID (under the Reference Data Amendment, see *infra* Part III.G, or otherwise) or would support its full elimination, and the costs and benefits that could result from either approach.

³⁹ See Notice, at 61510-12.

⁴⁰ See *id.* at 61510; 2025 Cost Savings Exemptive Relief Order, at 47854-56.

⁴¹ See CAT NMS Plan, at Appendix D, Section 6.1; see *id.* at Section 1.1 (defining “CAT Reporter” as “each national securities exchange, national securities association and Industry Member that is required to record and report information to the Central Repository pursuant to SEC Rule 613(c)”).

⁴² “Plan Processor” is defined as “the Initial Plan Processor or any other Person selected by the Operating Committee pursuant to SEC Rule 613 and Sections 4.3(b)(i) and 6.1, and with regard to the Initial Plan Processor, the Selection Plan, to perform the CAT processing functions required by SEC Rule 613 and set forth in [the CAT NMS Plan].” See CAT NMS Plan, at Section 1.1.

“a series of unique order identifiers, assigned to all order events handled by CAT Reporters[,] are linked together by the Central Repository and assigned a single CAT-generated CAT-Order-ID that is associated with each individual order event and used to create the complete lifecycle of an order.”⁴³ The Plan Processor provides the lifecycle linkages that are required on T+1 by assigning an interim CAT-Order-ID.⁴⁴ A final CAT Order ID is then assigned when corrected and linked data is processed and made available to regulators on T+5 at 8 a.m. Eastern Time.⁴⁵

On November 2, 2023, the Commission issued an order that granted exemptive relief from these requirements (the “November 2023 Order”), subject to certain conditions, including the condition that the Plan Processor maintain or improve the existing performance of functionality providing lifecycle linkages for all order events by T+1 at 9 p.m. Eastern Time, except an interim CAT Order ID was not required for Options Market Maker quotes in Listed Options (“OMM Quotes”).⁴⁶ In the 2024 Cost Savings Amendment, the Commission removed the requirement that OMM Quotes be subject to “any requirement to link and create an order lifecycle,” such that OMM Quotes need not “undergo any linkage validation, linkage feedback, or lifecycle enrichment processing, but will undergo ingestion validation.”⁴⁷

Accordingly, CAT LLC states that pursuant to the current CAT NMS Plan and the November 2023 Order, the Plan Processor currently assigns an interim CAT-Order-ID by T+1 at 9 p.m. Eastern Time, rather than by T+1 at noon Eastern Time, except with regard to OMM

⁴³ See CAT NMS Plan, at Appendix D, Section 3.

⁴⁴ The “CAT Order ID” is “a unique order identifier or series of unique order identifiers that allows the central repository to efficiently and accurately link all reportable events for an order, and all orders that result from the aggregation or disaggregation of such order.” See 17 CFR 242.613(j)(1); see also CAT NMS Plan, at Section 1.1 (“‘CAT-Order-ID’ has the same meaning provided in SEC Rule 613(j)(1).”). See Securities Exchange Act Release No. 95234 (July 8, 2022), 87 FR 42247, 42250-51 (July 14, 2022) (“July 2022 Order”), for further discussion of the lifecycle linkage requirements of the CAT NMS Plan.

⁴⁵ See CAT NMS Plan, at Appendix D, Section 6.1.

⁴⁶ See Securities Exchange Act Release No. 98848 (Nov. 2, 2023), 88 FR 77128, 77130 (Nov. 8, 2023) (“November 2023 Order”).

⁴⁷ See 2024 Cost Savings Amendment, at 103034-38; see also CAT NMS Plan, at Appendix D, Section 3.4.

Quotes, and subsequently provides a final CAT-Order-ID at T+5 at 8 a.m. Eastern Time.⁴⁸

In the 2025 Cost Savings Exemptive Relief Order, the Commission granted conditional exemptive relief to allow the Participants to further relax requirements related to the provision of lifecycle linkages on T+1.⁴⁹ Specifically, the Commission granted conditional exemptive relief from the requirements in Sections 3 and 6.1 of Appendix D of the CAT NMS Plan that lifecycle linkages be created by T+1 at noon Eastern Time, subject to the following conditions: (i) the Plan Processor must provide lifecycle linkages with a final CAT Order ID for all order events by T+5 at 8 a.m. Eastern Time, except that lifecycle linkages will not be required for OMM Quotes consistent with the provisions approved by the 2024 Cost Savings Amendment; and (ii) upon requests made by authorized regulatory users from the Participants or the Commission, the Plan Processor shall create interim CAT Order IDs for a specified trade date or dates and thereby provide linked lifecycles to regulators before T+5 at 8 a.m. Eastern Time.⁵⁰ This conditional exemptive relief was intended to supersede the conditional exemptive relief set forth in the November 2023 Order with respect to lifecycle linkage timeframes.⁵¹

Pursuant to the Interim CAT-Order-ID Amendment, the phrase “lifecycle linkages” would be deleted from a bullet regarding what is required by Noon Eastern Time T+1, in Section 6.1 of Appendix D of the CAT NMS Plan.⁵² Similarly, the phrase “Life Cycle Linkage” would be deleted from Figure A in Section 6.1 of Appendix D of the CAT NMS Plan, which currently states: “12:00 PM ET T+1 Initial Validation, Life Cycle Linkage, Communication of Errors.”⁵³ These changes would eliminate language in Section 6.1 of Appendix D of the CAT NMS Plan

⁴⁸ See Notice, at 61510-11. Pursuant to Section 3.4 of Appendix D of the CAT NMS Plan, the Plan Processor is not required to create lifecycle linkages for OMM Quotes. *Id.* at 61511 n.27.

⁴⁹ See 2025 Cost Savings Exemptive Relief Order, at 47854-56.

⁵⁰ *Id.* at 47856.

⁵¹ See *id.*; See also November 2023 Order, at 77130 (noting that the conditional exemptive relief provided by the November 2023 Order continued to be in force for the other areas addressed therein, except as provided in Parts II.C-D of the November 2023 Order).

⁵² See Notice, at 61511.

⁵³ See *id.*

requiring life cycle linkage on T+1 and in advance of the provision of final CAT-Order-ID processing and linkage. The Interim CAT-Order-ID-Amendment would also include a revision to Section 6.1 of Appendix D of the CAT NMS Plan, to state that the data made available to Participant regulatory staff and the SEC on T+6 must not only be corrected but also linked.⁵⁴

Pursuant to the Interim CAT-Order-ID Amendment, the Participants propose to amend the CAT NMS Plan to require the Plan Processor to create and make available interim CAT-Order-IDs upon the request of certain Commission staff.⁵⁵ Specifically, a new provision would be added to Section 6.1 of Appendix D of the CAT NMS Plan stating that, “[u]pon request of a senior officer of the SEC’s Division of Trading and Markets, the SEC’s Division of Enforcement, or the SEC’s Division of Examinations to CAT LLC, the Plan Processor shall be directed to create an interim CAT-Order-ID and make it available to regulators.”⁵⁶ This provision would also state that the timing and cost of ad hoc runs of the interim CAT-Order-ID would be based on the number of trade dates and the data volumes to be processed in the request, but generally would be anticipated to be processed by T+2 at 9 p.m. ET if the request is received prior to T+2 at 4 a.m. ET, or within 14 hours of receiving the request if such request was received after T+2 at 4 a.m. ET.⁵⁷

⁵⁴ See *id.* Pursuant to the Data Availability Amendment, discussed *infra* Part III.F, final CAT-Order-IDs and the processing of corrected and linked data would be required on T+6 instead of T+5 as previously required by the Plan. See also Notice, at 61524-26.

⁵⁵ See *id.* at 61511. CAT LLC states that the Participants rely on the final CAT-Order-ID and do not require an interim CAT-Order-ID. See *id.*

⁵⁶ See *id.* This provision differs from the condition relating to interim lifecycle linkages in the 2025 Cost Savings Exemptive Relief Order, which stated that, “[u]pon requests made by authorized regulatory users from the Participants or the Commission, the Plan Processor shall create interim CAT Order IDs for a specified trade date or dates and thereby provide linked lifecycles to regulators before T+5 at 8 a.m. Eastern Time.” See 2025 Cost Savings Exemptive Relief Order, at 47855.

⁵⁷ See Notice, at 61511. The provision’s description of the timing and cost of creating an interim CAT Order ID ad hoc is consistent with what the Commission understood would be the timing and cost when it issued the 2025 Cost Savings Exemptive Relief Order. See 2025 Cost Savings Exemptive Relief Order, at 47855 n.29 (stating that while the Commission understands that the timing and cost of creating an interim CAT Order ID ad hoc may vary based on the number of trade dates and data volumes to be processed in the request, the Commission understands that interim CAT Order IDs can generally be created by T+2 at 9 p.m. Eastern Time if the request is received prior to T+2 at 4 a.m. Eastern Time, or within 14 hours of receiving the request if such request is received after T+2 at 4 a.m. Eastern Time).

CAT LLC states that the removal of the requirement to provide interim lifecycle linkages is consistent with the exemptive relief set forth in the 2025 Cost Savings Exemptive Order, and thus the estimated cost savings for the Interim CAT-Order-ID Amendment are the same as expected with regard to the implementation of the 2025 Cost Savings Exemptive Order related to interim linkage, specifically \$2 to \$3 million in estimated annual cost savings for cloud hosting services.⁵⁸ CAT LLC states that to implement the proposal, the Plan Processor has proposed a one-time change request fee of approximately \$225,000, and the Plan Processor estimates that it would take approximately 6 to 8 weeks to fully implement the changes for the Interim CAT-Order-ID Amendment.⁵⁹ With respect to requests for interim CAT-Order-IDs, CAT LLC states that it would add a separate line item to its budget to reflect costs related to these requests and the estimated cost of an ad hoc interim CAT-Order-ID delivery could range from approximately \$8,000 to \$12,000, but ultimately would depend on various unknowns including the then-current availability of compute resources and the size of the data volumes to be processed in the request.⁶⁰

Two commenters state that they support the Interim CAT-Order-ID Amendment.⁶¹ One of these commenters states that it supports the Interim CAT-Order-ID Amendment, as well as the

⁵⁸ See Notice, at 61511.

⁵⁹ See *id.* at 61512. CAT LLC states that one-time implementation costs will generally consist of Plan Processor labor costs associated with coding and software development, as well as any related cloud fees associated with the development, testing, and load testing of the proposed changes for the proposed amendment. *Id.*

⁶⁰ See *id.* at 61511. CAT LLC states that this estimate includes compute and storage costs for daily ad hoc interim lifecycle processing and is based on demand rates for a typical day with average data volumes. CAT LLC states that the estimated number of authorized ad hoc runs per year that would be requested by the SEC cannot be predicted by CAT LLC or the Plan Processor. *Id.*

⁶¹ See Letter to Vanessa Countryman, Secretary, Commission, from Howard Meyerson, Managing Director, Financial Information Forum (“FIF”), dated Feb. 10, 2026 (“FIF February 2026 Letter”), at 2, 4; Letter to Vanessa Countryman, Secretary, Commission, from Katie Kolchin, CFA, Managing Director, Head of Equity & Options Market Structure and Joseph Corcoran, Managing Director & Associate General Counsel, Securities Industry and Financial Markets Association (“SIFMA”), dated March 12, 2026 (“SIFMA March 2026 Letter”), at 6-7. Both these commenters also previously submitted a comment letter stating that the commenter needed additional time to finalize and submit their comment letter in response to the Notice. See Letter to Vanessa Countryman, Secretary, Commission, from Howard Meyerson, Managing Director, FIF, dated January 29, 2026; Letter to Vanessa Countryman Secretary, Commission, from Joseph Corcoran, Managing Director & Associate General Counsel, SIFMA, dated January 30, 2026.

other amendments, based on the projected cost savings to the CAT system, and further states that these amendments would not impact the quality of CAT data, do not raise security concerns, and would not increase the compliance and operational costs for Industry Members.⁶²

Timely access to linked data has been and continues to be one of the regulatory goals of Rule 613 and the CAT NMS Plan. Even after the Interim CAT-Order-ID Amendment is implemented, regulators will be able to access linked and corrected audit trail data by T+6 in the regular course, which should generally continue to be faster than was possible before the CAT existed.⁶³ CAT LLC represents that the Participants rely on the final CAT-Order-ID and do not require an interim CAT-Order-ID, and that the Participants do not believe that elimination of the interim CAT-Order-ID would impact their regulatory programs.⁶⁴ The Interim CAT-Order-ID Amendment does not impact the availability of the final CAT-Order-ID which reflects corrections to errors that have been corrected.⁶⁵

Moreover, the Participants propose to amend the CAT NMS Plan to provide that the Commission will be able to request the creation of an interim CAT-Order-ID from the Plan Processor before T+6, as well as to access and analyze raw unprocessed data between T+2 at 8 a.m. Eastern Time and T+5 at 8 a.m. Eastern Time,⁶⁶ which functionality should continue to enable regulatory users to expeditiously review data as needed, albeit slightly slower than is currently possible.⁶⁷

⁶² See FIF February 2026 Letter, at 4.

⁶³ See CAT NMS Plan Approval Order, at 84783 (noting that OATS Data was not available until T+8). Final CAT-Order-IDs would be available at T+6, and not T+5, pursuant to changes to the CAT NMS Plan the Commission is approving in the “Data Availability Amendment,” see *infra* Part III.F.

⁶⁴ See Notice, at 61511.

⁶⁵ See *id.* The modification to make clear that final CAT Data must be both corrected and linked is appropriate and codifies and clarifies existing practice. *Id.* In the absence of interim CAT-Order-IDs, it is important that the Plan Processor continue to both correct and link final CAT-Order-IDs to ensure that such data is sufficiently complete and accurate for regulatory use.

⁶⁶ See proposed Section 6.1 of Appendix D of the CAT NMS Plan.

⁶⁷ The proposed requirements for requesting ad hoc interim CAT-Order-ID in the Interim CAT-Order-ID Amendment differ from what was provided for in the 2025 Cost Savings Exemptive Relief Order. See *supra* note 56; 2025 Cost Savings Exemptive Relief Order, at 47855.

For the reasons discussed below, the Commission deems it appropriate to modify the Interim CAT-Order-ID Amendment so that it does not define which Commission staff are able to request ad hoc linkage processing.⁶⁸ The Commission is not a party to the Plan. By statute, the Commission is the regulator of the Participants, and an NMS Plan should not dictate how the Commission carries out its regulatory oversight. The Commission is therefore modifying the Interim CAT-Order-ID Amendment to remove the proposed limitation on which Commission personnel have authority to initiate ad hoc requests. The Commission is committed to ensuring that meaningful controls and safeguards are in place regarding who will have authority to initiate ad hoc requests and will appropriately limit the Commission personnel and anticipates that the Participants would do the same for their regulatory users.

Additionally, the Commission deems it appropriate to modify the CAT NMS Plan to allow for ad hoc requests for interim CAT-Order-IDs to be submitted by Participant regulatory users. As discussed above, timely access was one of the regulatory goals of Rule 613 and the CAT NMS Plan. While CAT LLC represented that the Participants do not require an interim CAT-Order-ID, to preserve the Participants' timely access to linked data in the event it is needed, the CAT NMS Plan should also allow for ad hoc requests for interim CAT-Order-IDs to be submitted by Participant regulatory users. The Commission also therefore deems it appropriate to modify the Interim CAT-Order-ID Amendment to require the Plan Processor to create and make available interim CAT-Order-IDs upon request from the Participants or the Commission, in a manner more consistent with the 2025 Cost Savings Exemptive Relief Order.

The Interim CAT-Order-ID Amendment, as modified and described below, will preserve the core regulatory benefits of Rule 613 and the CAT NMS Plan, while enabling the Participants

⁶⁸ CAT LLC states that the Interim CAT-Order-ID Amendment “is consistent with and would codify the exemptive relief related to the interim CAT-Order-ID as set forth in the 2025 Cost Savings Exemptive Order,” see Notice, at 61510, but the 2025 Cost Savings Exemptive Relief Order states that one of the conditions of exemptive relief states that, [u]pon requests made by authorized regulatory users from the Participants or the Commission, the Plan Processor shall create interim CAT Order IDs for a specified trade date or dates and thereby provide linked lifecycles to regulators before T+5 at 8 a.m. Eastern Time.” See 2025 Cost Savings Exemptive Relief Order, at 47855.

to realize meaningful cost savings by avoiding the substantial cost of delivering interim CAT-Order-IDs on a regular basis. Specifically, the Interim CAT-Order-ID Amendment, as modified by the Commission, will allow regulators to request linked data from the Plan Processor before T+5, as well as to access and analyze raw unprocessed data between T+2 at 8 a.m. Eastern Time and T+5 at 8 a.m. Eastern Time, which functionality should continue to enable regulatory users to effectively and expeditiously review data in the case of a major market event, albeit slightly slower than is currently possible.

Specifically, in the new proposed paragraph to Section 6.1 of Appendix D of the CAT NMS Plan within the Interim CAT-Order-ID Amendment, the Commission is removing language limiting the provision to requests “of a senior officer of the SEC’s Division of Trading and Markets, the SEC’s Division of Enforcement, or the SEC’s Division of Examinations to CAT LLC,” and adding new text so that the first clause of the paragraph reads: “Upon requests made by authorized regulatory users from the Participants or the Commission.” In comparison to proposed Section 6.1 of Appendix D of the CAT NMS Plan in the Proposed Amendment, the following changes would apply, with deletions shown through [brackets], and additions shown with *italics*:

* * *

Upon requests *made by authorized regulatory users from the Participants or the Commission*[of a senior officer of the SEC’s Division of Trading and Markets, the SEC’s Division of Enforcement, or the SEC’s Division of Examinations to CAT LLC], the Plan Processor shall be directed to create an interim CAT-Order-ID and make it available to regulators. The timing and cost of ad hoc runs of the interim CAT-Order-ID would be based on the number of trade dates and the data volumes to be processed in the request, but generally would be anticipated to be processed by T+2 at 9 p.m. ET if the request is received prior to T+2 at 4 a.m. ET, or within 14 hours of receiving the request if such request was received after T+2 at 4 a.m. ET.

* * *

B. Data Storage Amendment

The Data Storage Amendment proposes to amend the CAT NMS Plan to permit the Plan Processor to delete (i) all CAT Data older than three years (other than CAT Data with a shorter retention period as described below); (ii) OMM Quotes older than six months; (iii) Interim

Operational Data older than 15 days; and (iv) quote and NBBO data included in the SIP Data⁶⁹ from the OPRA Plan or any successor SIP⁷⁰ for Listed Options⁷¹ (“Options SIP Data”) older than six months.⁷² CAT LLC states that the Data Storage Amendment expands upon the exemptive relief in the 2025 Cost Savings Exemptive Relief Order by: (i) deleting all CAT Data older than three years, rather than older than five years; (ii) deleting OMM Quotes older than six months, rather than older than one year; and (iii) deleting Options SIP Data older than six months, rather than older than five years.⁷³

Several data storage and retention requirements govern the Participants’ storage of data and/or data stored within the CAT. First, the Participants are subject to the storage requirements of Rule 17a-1, which states, among other things, that “[e]very national securities exchange [and] national securities association . . . shall keep and preserve at least one copy of all documents, including all correspondence, memoranda, papers, books, notices, accounts, and other such records as shall be made or received by it in the course of its business as such and in the conduct of its self-regulatory activity,” and that “[e]very national securities exchange [and] national securities association . . . shall keep such documents for a period of not less than five years, the first two years in an easily accessible place, subject to the destruction and disposition provisions of Rule 17a-6.”⁷⁴

Second, Rule 613(e)(8) states that the CAT NMS Plan must require the Central Repository to “retain the information collected pursuant to paragraph (c)(7) and (e)(7) . . . in a convenient and usable standard electronic data format that is directly available and searchable electronically without any manual intervention for a period of not less than five years.”⁷⁵

⁶⁹ See Section 6.5 of the CAT NMS Plan.

⁷⁰ See Section 1.1 of the CAT NMS Plan.

⁷¹ See Section 1.1 of the CAT NMS Plan.

⁷² See Notice, at 61512-17.

⁷³ See Notice, at 61513.

⁷⁴ See 17 CFR 240.17a-1.

⁷⁵ See 17 CFR 242.613(e)(8).

The CAT NMS Plan itself imposes several storage requirements with respect to CAT Data, including requirements in Section 6.5(b) that the Central Repository retain “the information collected pursuant to paragraphs (c)(7) and (e)(7) of SEC Rule 613 in a convenient and usable standard electronic data format that is directly available and searchable electronically without any manual intervention by the Plan Processor for a period of not less than six (6) years.”⁷⁶ Additionally, pursuant to Section 1.4 of Appendix D of the CAT NMS Plan, “[t]he Plan Processor must develop a formal record retention policy and program for the CAT, to be approved by the Operating Committee, which will, at a minimum . . . [m]ake data directly available and searchable electronically without manual intervention for at least six years” Section 6.3 of Appendix D of the CAT NMS Plan provides an exception to these requirements for several kinds of data, including “Interim Operational Data older than 15 days,”⁷⁷ which may be retained in an archive storage tier, meaning such data is not directly available and searchable without manual intervention.⁷⁸

In the 2025 Cost Savings Exemptive Relief Order, the Commission granted conditional exemptive relief from the above-described requirements of Rule 17a-1,⁷⁹ Rule 613(e)(8), Sections 6.1(d)(i) and 6.5(b) of the CAT NMS Plan, and Sections 1.4 and 6.3 of Appendix D of

⁷⁶ See CAT NMS Plan, at Section 6.5(d). Section 6.1(d)(i) of the CAT NMS Plan also requires the Plan Processor to comply with the recordkeeping requirements of Rule 613(e)(8).

⁷⁷ “Interim Operational Data” is defined as “all processed, validated and unlinked data made available to regulators by T+1 at 12:00 p.m. ET and all iterations of processed data made available to regulators between T+1 and T+5, but excludes the final version of corrected data that is made available at T+5 at 8:00 a.m. ET,” and “[f]or the avoidance of doubt, ‘Interim Operational Data’ does not include processed data relating to Options Market Maker quotes in Listed Options made available to regulators by T+1 at 12:00 p.m. ET.” See CAT NMS Plan, at Appendix D, Section 6.3.

⁷⁸ The CAT NMS Plan states that the Plan Processor will restore archived data to an accessible storage tier upon request to the CAT Help Desk by an authorized regulatory user from the Participants or a senior officer from the SEC. See CAT NMS Plan, Appendix D, Section 6.3.

⁷⁹ Because the CAT is a facility of the Participants, it is subject to the record-keeping provisions of Rule 17a-1, and so the Participants required exemptive relief from Rule 17a-1 to delete OMM Quotes data after one year from the CAT System and to delete Interim Operational Data older than 15 days. See 2025 Cost Savings Exemptive Relief Order, at 47858. The Commission stated in the 2025 Cost Savings Exemptive Relief Order that conditions enabling the Participants to delete all CAT Data older than five years and/or to move CAT Data older than three years to a more cost-effective storage tier are already consistent with or more generous than Rule 17a-1, although they are more lenient than the requirements otherwise contained in Rule 613 and/or the CAT NMS Plan. See *id.* at 47858 n.54.

the CAT NMS Plan, to the extent necessary to allow the Participants to: (i) delete all CAT Data older than five years; (ii) move CAT Data older than three years to a more cost-effective storage tier (i.e., a tier requiring some “manual intervention” to retrieve data), subject to the condition that the Plan Processor will restore archived CAT Data which is older than three years old to an accessible storage tier upon request to the CAT Help Desk by an authorized regulatory user from the Participants or from the SEC;⁸⁰ (iii) delete OMM Quotes data after one year from the CAT System; and (iv) delete Interim Operational Data older than 15 days.⁸¹

Pursuant to the Data Storage Amendment, CAT LLC proposes to change Section 6.1(d)(i) of the CAT NMS Plan to replace the requirement to comply with the recordkeeping requirements of Rule 613(e)(8) with a requirement to instead comply with the recordkeeping requirements of Section 6.5 and Appendix D.⁸² CAT LLC proposes to amend Section 6.5(b)(i) of the CAT NMS Plan to permit the Plan Processor to delete CAT Data older than three years, by amending the first sentence of the provision to state that CAT Data will be retained for a period of not less than three years, and in a convenient and usable standard electronic data format that is directly available and searchable electronically without any manual intervention by the Plan Processor, subject to the exceptions in Section 3.4, Section 6.3 and Section 6.4 of Appendix D.⁸³ Pursuant to this change, CAT LLC proposes to remove references in that sentence to the information collected pursuant to paragraphs (c)(7) and (e)(7) of Rule 613 and language requiring CAT Data be stored by the Plan Processor for a period of not less than six years.⁸⁴

⁸⁰ CAT Data is currently stored in four storage tiers: S3 Frequent Access, S3 Infrequent Access, S3 Instant Archive Access, and S3 Glacier Deep Archive. The 2025 Cost Savings Exemptive Relief Order permits the Participants to move all CAT Data older than three years to a storage tier like S3 Glacier Deep Archive. Id. at 47858 n.55.

⁸¹ See id. at 47857-58.

⁸² See Notice, at 61514. Rule 613(e)(8) requires, among other things, that CAT data be made “directly available and searchable electronically without any manual intervention for a period of not less than five years.” 17 CFR 242.613(e)(8).

⁸³ See id.

⁸⁴ See id.

The Data Savings Amendment also includes changes to Sections 1.4, 3.4, and 6.3 of Appendix D of the CAT NMS Plan.⁸⁵ Section 1.4 of Appendix D's requirement for a formal record retention policy and program for the CAT would be changed to state that the policy and program must "retain CAT Data for a period of not less than three (3) years and make it directly available and searchable electronically without manual intervention, subject to the exceptions in Section 3.4, Section 6.3 and Section 6.4 of Appendix D," instead of stating that the policy and program must make data directly available and searchable electronically without manual intervention for at least six years, subject to the exceptions in Section 6.3 of Appendix D.⁸⁶ Section 3.4 of Appendix D would be changed to include a sentence stating, "[n]otwithstanding any other provision of the CAT NMS Plan, this Appendix D, or Exchange Act Rule 17a-1, Options Market Maker quotes in Listed Options older than six months may be deleted by the Plan Processor."⁸⁷ Section 6.3 of Appendix D of the CAT NMS Plan, regarding exceptions to data availability requirements, would be changed to delete a provision allowing for the archiving of Interim Operational Data older than 15 days, because Section 6.4 of Appendix D, discussed below, would instead allow for deletion of such data.⁸⁸

The Data Storage Amendment would also establish a new Proposed Section 6.4 of Appendix D of the CAT NMS Plan, which would describe the reduced retention periods for Interim Operational Data and Options SIP Data.⁸⁹ Specifically, proposed Section 6.4 of Appendix D would state that, "[n]otwithstanding any other provision of the CAT NMS Plan, this Appendix D, or Exchange Act Rule 17a-1, the following may be deleted from the CAT by the Plan Processor," Interim Operational Data older than 15 days and Options SIP Data older than

⁸⁵ See id. at 61514-15.

⁸⁶ See id.

⁸⁷ See id. at 61515.

⁸⁸ See id.

⁸⁹ See id.

six months.⁹⁰ Proposed Section 6.4 of Appendix D would further state that “Interim Operational Data” means all processed, validated and unlinked data made available to regulators by T+2 at 8:00 a.m. ET and all iterations of processed data made available to regulators between T+2 and T+6, but excludes the final version of corrected data that is made available by T+6 at 8:00 a.m. ET.⁹¹ Proposed Section 6.4 of Appendix D would also state that “Options SIP Data” means quote and NBBO data included in the SIP Data from the OPRA Plan or any successor SIP for Listed Options.⁹²

CAT LLC states that the Data Savings Amendment would allow CAT LLC to achieve an estimated \$23.5 to \$32 million in annual cost savings for cloud hosting services.⁹³ CAT LLC states that the Data Storage Amendment expands upon the substance of the exemptive relief related to data storage and retention granted by the Commission in the 2025 Cost Savings Exemptive Order, and that this expansion increases the anticipated cost savings related to data storage and retention by approximately \$6.5 to \$9 million as compared to the 2025 Cost Savings Exemptive Order.⁹⁴ CAT LLC states that to implement the Data Storage Amendment, the Plan Processor has proposed a one-time change request setting forth an implementation fee of approximately \$165,000 - \$265,000, and that the Plan Processor estimates that it would take approximately three to four months to fully implement the changes for the Data Storage Amendment.⁹⁵

⁹⁰ See id.

⁹¹ See id. Proposed Section 6.4 of Appendix D of the CAT NMS Plan would also state that, for the avoidance of doubt, “Interim Operational Data” does not include processed data relating to Options Market quotes in Listed Options made available to regulators by T+2 at 8:00 a.m. ET. See id.

⁹² See id.

⁹³ See id. CAT LLC provides a range of estimated reduction in cloud hosting fees for each individual component of the Data Storage Amendment in the Notice. See id. at 61514.

⁹⁴ See id. at 61513.

⁹⁵ See Notice, at 61516. CAT LLC states that one-time implementation costs will generally consist of Plan Processor labor costs associated with coding and software development, as well as any related cloud fees associated with the development, testing, and load testing of the proposed changes for the proposed amendment. Id.

One commenter states that it supports the Data Storage Amendment, but with a requested change.⁹⁶ The commenter states that it supports the Data Storage Amendment, as well as the other amendments, based on the projected cost savings to the CAT system, and further states that these amendments would not impact the quality of CAT data, do not raise security concerns, and would not increase the compliance and operational costs for Industry Members.⁹⁷ However, the commenter states that it supports the proposal to delete CAT data older than three years, provided that this change would not (i) impede the retirement of Electronic Blue Sheets (“EBS”) or (ii) result in a material increase in the number of EBS or equivalent informational requests.⁹⁸ The commenter estimates that the incremental savings from removing CAT data after three years as compared to removing CAT data after five years and moving CAT data to lower cost storage after three years is between \$2.0 million and \$2.8 million and requesting that CAT LLC provide its own estimate of the incremental costs savings as well as any information it can provide as to whether the deletion of CAT data after three years would (i) impede the retirement of EBS or (ii) result in a material increase in the number of EBS or equivalent informational requests.⁹⁹

The commenter also asks that in connection with approving the Data Storage Amendment, that the Commission provide a safe-harbor exemption (or direct the SROs to adopt rules providing a safe-harbor exemption) that Industry Members similarly are not required to retain CAT data that is older than three years.¹⁰⁰ This commenter states that CAT LLC previously provided guidance that, according to each of the Participant’s CAT compliance rules, information required to be reported to the CAT must be maintained in accordance with Rule 17a-4(b), and stated that this rule states that these records must be preserved for at least three years,

⁹⁶ See FIF February 2026 Letter, at 2, 4.

⁹⁷ See *id.* at 4.

⁹⁸ See *id.* In the Notice, CAT LLC states that the Data Storage Amendment would reduce costs with limited regulatory impact and without having an adverse impact on Industry Members or their costs. See Notice, at 61517.

⁹⁹ See Letter to Vanessa Countryman, Secretary, Commission, from Howard Meyerson, Managing Director, FIF, dated Mar. 2, 2026, (“FIF March 2026 Letter”) at 2.

¹⁰⁰ See FIF February 2026 Letter, at 4.

the first two years in an accessible place.¹⁰¹ The commenter states that the guidance appears to apply to the underlying data being reported, and it is not clear whether this guidance also applies to the CAT submissions themselves, and requests that the Commission provide guidance specifically with respect to CAT submissions, as requested above.¹⁰²

Another commenter states that it has concerns related to the Data Storage Amendment, but states that it is pleased to see that the Participants sought to further the cost reduction measures from the 2025 Cost Savings Exemptive Order.¹⁰³ The commenter states that it supports efforts to reduce the costs associated with CAT data older than three years, but states that any modification to the CAT data retention framework should be evaluated holistically to ensure that apparent savings at the Plan level do not result in cost-shifting to Industry Members or undermine the retirement of legacy systems such as EBS, and that the Data Storage Amendment would not produce net cost savings if reducing CAT retention periods leads to increased regulatory requests directed to Industry Members for historical data or necessitates the continued maintenance of EBS to fill potential data gaps.¹⁰⁴ The commenter asks the Commission to carefully assess all available cost-reduction alternatives, including whether historical CAT data could be migrated to a lower-cost storage tier—such as a cold storage environment—where the data would remain available to regulators when necessary, subject to a reasonable retrieval delay.¹⁰⁵

CAT LLC subsequently submitted a comment letter providing a breakdown of the incremental savings that would be achieved for each component of the Data Storage Amendment

¹⁰¹ See id.

¹⁰² See id. at 4 (citing FINRA CAT, LLC, CAT FAQ A23, available at: <https://catnmsplan.com/faq>).

¹⁰³ See SIFMA March 2026 Letter at 5-6. The commenter notes that the Data Storage Amendment would lead to the highest amount of annual CAT cost savings of any of the proposed cost saving measures included in the Proposed Amendment. Id. at 6.

¹⁰⁴ See id.

¹⁰⁵ See id. The commenter states that such an approach could preserve regulatory access and support the retirement of duplicative systems, while avoiding unintended operational and compliance burdens on Industry Members. Id.

as compared to the 2025 Cost Savings Exemptive Relief Order.¹⁰⁶ With respect to the commenter's request regarding the incremental savings from removing CAT data after three years as compared to removing CAT data after five years and moving CAT data to lower cost storage after three years, CAT LLC states that the proposal to delete CAT Data older than three years would result in an estimated reduction in cloud hosting fees of \$8.8 to \$12 million, while the 2025 Cost Savings Exemptive Relief Order allowing CAT Data older than three years (but no longer than five years) be moved to a more cost-effective storage tier would result in an estimated reduction in cloud hosting fees of \$7.2 to \$9.8 million.¹⁰⁷

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.¹⁰⁸ 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.¹⁰⁹ 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,¹¹⁰ and thus regulators need to access and analyze trading activity that is older than three years. To acquire

¹⁰⁶ See Letter to Vanessa Countryman, Secretary, Commission, from Robert Walley, CAT NMS Plan Operating Committee Chair, CAT LLC, dated March 10, 2026 ("CAT LLC March 2026 Response Letter"), at 4-6.

¹⁰⁷ See *id.* at 4. CAT LLC March 2026 Response Letter also contains differences in the estimated reduction in cloud hosting fees between the different elements of the Data Storage Amendment and the 2025 Cost Savings Exemptive Order, showing a total estimated reduction in cloud hosting fees of \$23.5 to \$32 million for the Proposed Amendment as compared to estimated savings of \$17.2 to \$23.4 million for the data storage related exemptive relief in the 2025 Cost Savings Exemptive Order. *Id.*

¹⁰⁸ When the Commission issued the 2025 Cost Savings Exemptive Order, it considered this need when providing exemptive relief allowing for the deletion of CAT Data older than five years, with CAT Data older than three years to be stored in a cheaper, slower archival method, rather than permitting deletion of all CAT Data after three years as is being approved. See 2025 Cost Savings Exemptive Order, at 47858.

¹⁰⁹ See Notice, at 61516 (citing 2025 Cost Savings Exemptive Order, at 47858). CAT LLC states that OTQT usage metrics (via DIVER) from January to November 2025 demonstrate that only 2% of DIVER requests (750 out of 38,028 requests) were for trade dates older than three years. See *id.*

¹¹⁰ See 29 U.S.C. 2462.

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 information directly from market participants, such as exchange market data or trade data from Industry Members through EBS or other processes.¹¹¹

As noted above, one commenter supports the deletion of CAT Data older than three years provided this change would not (i) impede the retirement of EBS or (ii) result in a material increase in the number of EBS or equivalent informational requests.¹¹² The deletion of CAT Data older than three years is not anticipated to result in a significant increase in the number of EBS or other informational requests given the more limited regulatory need for this older data. To the extent there is an increase in these requests, it is justified by the cost savings from the amendment.¹¹³

As discussed above, a commenter requests a “safe-harbor exemption” or that the Commission direct the SROs to adopt rules providing a safe-harbor exemption that Industry Members are not required to retain CAT data that is older than three years.¹¹⁴ However, such an exemption is not necessary because the Proposed Amendment does not change the obligations of Industry Members to maintain records pursuant to Rule 17a-4,¹¹⁵ and does not subject any Industry Member data to more lengthy record retention time periods than currently required.

¹¹¹ CAT LLC states that the Participants do not anticipate generally needing CAT Data older than three years to support their regulatory programs. See id.

¹¹² One commenter supports the proposal to delete CAT data older than three years provided that, among other things, it does not result in a material increase in the number of EBS or equivalent informational requests. See FIF February 2026 Letter, at 6. See also FIF March 2026 Letter, at 2.

¹¹³ CAT LLC does not specifically state what would be the estimated savings of deleting CAT Data older than three years versus storing CAT Data older than three years and up to five years in lower cost storage. The commenter estimated the difference to be between \$2.0 million and \$2.8 million based on the Notice, and asked CAT LLC to provide its own estimate. See FIF March 2026 Letter, at 2.

¹¹⁴ See FIF February 2026 Letter, at 6. The commenter states that its members “request that the Commission provide guidance specifically with respect to CAT submissions.” Id.

¹¹⁵ See 17 CFR 240.17a-4. See also CAT FAQ A23, available at: <https://catnmsplan.com/faq>. As this guidance is from the Participants and FINRA CAT, LLC, the Commission anticipates CAT LLC will provide further guidance to Industry Members. To the extent appropriate or needed, this guidance can be revisited.

The Data Storage Amendment only changes the obligations relating to the storage of CAT Data within the CAT itself. Rule 17a-4 will continue to require each Industry Member to preserve certain records for certain time periods.¹¹⁶ Information required to be reported to the CAT must be maintained in accordance with Rule 17a-4(b) – the Data Storage Amendment does not change any Industry Member record-keeping obligations.

The Data Storage Amendment would provide significant cost savings. Storage costs are a significant component of overall CAT costs, with the amount of information required to be stored by the Plan Processor far greater than originally anticipated at the adoption of the CAT NMS Plan.¹¹⁷ The Data Storage Amendment targets two types of data: (1) CAT Data older than three years and (2) three specific subsets of CAT Data that collectively drive a substantial portion of CAT costs.¹¹⁸ These subsets of CAT Data, specifically OMM Quotes, Options SIP Data, and Interim Operational Data, incur substantial storage costs. Limiting the amount of these two types of data stored in the CAT is reasonable in light of the substantial cost savings and limited regulatory value of this data in comparison to other types of CAT Data and the fact that the relevant CAT Data will remain available from other sources,¹¹⁹ albeit slightly less efficiently than currently possible.

Additionally, the proposed replacement of language in Sections 6.1(d)(i) and 6.5(b)(i) of the CAT NMS Plan referencing Rule 613 would eliminate confusion or perceived inconsistency regarding legacy language in Rule 613. For proposed Section 6.1, replacing the reference to Rule 613(e)(8) with a reference to Section 6.5 and Appendix D directs readers to sections of the CAT

¹¹⁶ See 17 CFR 240.17a-3; 17 CFR 240.17a-4.

¹¹⁷ CAT LLC states that the Plan Processor projects that cumulative storage will be approximately 820 to 830 petabytes for 2025, more than 28 times the original estimate of 29 petabytes of raw, uncompressed data in the CAT NMS Plan Approval Order. See Notice, at 61515.

¹¹⁸ CAT LLC states that OMM Quotes are the single largest data source for the CAT, comprising approximately 98% of all Options Exchange events and approximately 44% of all transaction volume. See id. at 61516. In addition, CAT LLC states that Options SIP Data represents 25% of storage costs. Id.

¹¹⁹ For example, the Participants state that they have access to Options SIP Data through other sources outside of CAT, and therefore it would not impact Participant regulatory programs if Options SIP Data older than 6 months was removed from the CAT because the Participants can access this data through other means. See CAT LLC March 2026 Response Letter, at 6.

NMS Plan which are substantially more descriptive regarding the recordkeeping requirements relating to CAT Data, while removing a reference to language in Rule 613(e)(8) that would otherwise conflict with the Data Storage Amendment, specifically the requirement of Rule 613(e)(8) to require the central repository to retain certain information in a convenient and usable standard electronic data format that is directly available and searchable electronically without any manual intervention for a period of not less than five years.¹²⁰ The deletion of the reference to “the information collected pursuant to paragraphs (c)(7) and (e)(7) of SEC Rule 613” would also help avoid confusion.¹²¹

CAT LLC requests that, to the extent the Commission deems it necessary to grant exemptive relief from the recordkeeping and data retention requirements of Rule 17a-1 or any other provision under the Exchange Act or the CAT NMS Plan in order to effectuate this proposal, that the Commission utilize its authority under Section 36(a)(1) of the Exchange Act¹²² and Rule 608(e) of Regulation NMS¹²³ to grant such exemptive relief. Such relief is necessary in order to effectuate the Proposed Amendment, as Rule 17a-1 would otherwise require the customer data and information in CAIS be preserved by the Participants.¹²⁴ The Commission finds that it is appropriate in the public interest and consistent with the protection of investors under Section 36 of the Exchange Act,¹²⁵ as well as consistent with the public interest, the

¹²⁰ See 17 CFR 242.613(e)(8).

¹²¹ See 17 CFR 242.613(c)(7) and (e)(7).

¹²² See 15 U.S.C. 78mm(a)(1), which provides, in relevant part, that the “Commission, by rule, regulation, or order, may conditionally or unconditionally exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions, from any provision or provisions of this title or of any rule or regulation thereunder, to the extent that such exemption is necessary or appropriate in the public interest, and is consistent with the protection of investors.”

¹²³ See 17 C.F.R. 242.608(e), which provides that “[t]he Commission may exempt from the provisions of this section, either unconditionally or on specified terms and conditions, any self-regulatory organization, member thereof, or specified security, if the Commission determines that such exemption is consistent with the public interest, the protection of investors, the maintenance of fair and orderly markets and the removal of impediments to, and perfection of the mechanisms of, a national market system.”

¹²⁴ Rule 17a-1 requires national securities exchanges and national securities associations, among others, to keep and preserve at least one copy of all documents, including all correspondence, memoranda, papers, books, notices, accounts, and other such records as shall be made or received by it in the course of its business as such and in the conduct of its self-regulatory activity. 17 CFR 240.17a-1.

¹²⁵ 17 CFR 242.608(e).

protection of investors, the maintenance of fair and orderly markets and the removal of impediments to, and the perfection of, a national market system under Rule 608(e) under the Exchange Act,¹²⁶ to grant relief that exempts each Participant from the recordkeeping and data retention requirements for CAT Data that would no longer be required to be retained by the Plan Processor under the Data Storage Amendment and that otherwise would apply as set forth in Rule 17a-1 under the Exchange Act. This relief applies only to the Participants' and the Plan Processor's obligations to keep and preserve specific CAT Data in the CAT, and does not apply to any information or records that are required to be kept and preserved outside of the CAT. For example, if information from CAT is used in systems outside the CAT, such as a Participant's surveillance systems, the relief would not apply to such information.

In connection with this exemption, the Commission is modifying, pursuant to Rule 608(b)(2),¹²⁷ proposed Section 3.4, and Sections 6.3 and 6.4 of Appendix D of the CAT NMS Plan to remove references to Exchange Act Rule 17a-1. As proposed, each of these Sections would state “[n]otwithstanding any other provision of the CAT NMS Plan, this Appendix D, or Exchange Act Rule 17a-1.” (emphasis added). However, an NMS plan cannot void or otherwise modify the requirements of the Exchange Act. The CAT NMS plan is a contractual agreement among the Participants created pursuant to the Exchange Act and, absent an exemption or other relief, the NMS Plan and the Participants themselves are subject to applicable Exchange Act requirements. In addition, references to Exchange Act Rule 17a-1 in the CAT NMS Plan are unnecessary given the exemptive relief granted above and previously by the Commission. For these reasons, the Commission deems it appropriate to modify Section 3.4 of the CAT NMS Plan, and Sections 6.3 and 6.4 of Appendix D of the CAT NMS Plan, to remove the references to Exchange Act Rule 17a-1.

¹²⁶ 17 CFR 240.17a-1.

¹²⁷ 17 CFR 242.608(b)(2).

Specifically, the Commission is modifying the first sentence of Section 3.4 of Appendix D of the CAT NMS Plan such that it will state: “The provisions of this section shall govern the processing and storage of Options Market Maker quotes in Listed Options and shall override any conflicting provisions in the CAT NMS Plan or this Appendix D.” In addition, the Commission is modifying the sentence proposed to be added to Section 3.4 of Appendix D of the CAT NMS Plan in a similar fashion, such that it will read: “Notwithstanding any other provision of the CAT NMS Plan or this Appendix D, Options Market Maker quotes in Listed Options older than six months may be deleted by the Plan Processor.” In comparison to proposed Section 3.4 of Appendix D of the CAT NMS Plan in the Proposed Amendment, the following changes would apply, with deletions shown through [brackets], and additions shown with *italics*:

3.4 Requirements for Options Market Maker Quotes in Listed Options

The provisions of this section shall govern the processing and storage of Options Market Maker quotes in Listed Options and shall override any conflicting provisions in the CAT NMS Plan[,] *or* this Appendix D[,] *or* Exchange Act Rule 17a-1].

* * *

Notwithstanding any other provision of the CAT NMS Plan[,] *or* this Appendix D[,] *or* Exchange Act Rule 17a-1], Options Market Maker quotes in Listed Options older than six months may be deleted by the Plan Processor.

The Commission is modifying the first sentence of Section 6.3 of Appendix D of the CAT NMS Plan such that it will state: “Notwithstanding any other provision of the CAT NMS Plan or this Appendix D, the following types of data may be retained in an archive storage tier.” In comparison to proposed Section 6.3 of Appendix D of the CAT NMS Plan in the Proposed Amendment, the following changes would apply, with deletions shown through [brackets], and additions shown with *italics*:

6.3 Exceptions to Data Availability Requirements

Notwithstanding any other provision of the CAT NMS Plan[,] *or* this Appendix D[,] *or* Exchange Act Rule 17a-1], the following types of data may be retained in an archive storage tier. Archived data is not directly available and searchable electronically without manual intervention and will not be subject to any query tool performance requirements until it is restored to an accessible storage tier. The Plan Processor will restore archived data to an accessible storage tier

upon request to the CAT Help Desk by an authorized regulatory user from the Participants or a senior officer from the SEC.

* * *

The Commission is modifying the first sentence of Section 6.4 of the Appendix D of the CAT NMS Plan such that it will state: “Notwithstanding any other provision of the CAT NMS or this Appendix D, the following may be deleted from the CAT by the Plan Processor:”

In comparison to proposed Section 6.4 of Appendix D of the CAT NMS Plan in the Proposed Amendment, the following changes would apply, with deletions shown through [brackets], and additions shown with *italics*:

6.4 Retention of Interim Operational Data and Options SIP Data

Notwithstanding any other provision of the CAT NMS Plan[,], *or* this Appendix D[,], or Exchange Act Rule 17a-1], the following may be deleted from the CAT by the Plan Processor:

* * *

C. Late Data Re-Processing Amendment

The Late Data Re-Processing Amendment proposes to amend the CAT NMS Plan to discontinue re-processing for all late or corrected data received after T+4 at 8 a.m. Eastern Time (“Late Reported Data”).¹²⁸ This would expand upon the substance of exemptive relief related to late data re-processing granted by the Commission in the 2025 Cost Savings Exemptive Order by eliminating all late-reprocessing.¹²⁹

Appendix D, Section 3 of the CAT NMS Plan requires that “[a]ll CAT Data reported to the Central Repository must be processed and assembled to create the complete lifecycle of each Reportable Event.”¹³⁰ The CAT NMS Plan sets a deadline of T+3 at 8 a.m. Eastern Time for the “[r]esubmission of corrected data” and a deadline of T+5 at 8 a.m. Eastern Time for the Plan

¹²⁸ See Notice, at 61517.

¹²⁹ See *id.*

¹³⁰ “CAT Data” is defined as “data derived from Participant Data, Industry Member Data, SIP Data, and such other data as the Operating Committee may designate as ‘CAT Data’ from time to time.” See CAT NMS Plan, at Section 1.1.

Processor to make “[c]orrected data available to Participant regulatory staff and the SEC.”¹³¹

For data corrections received after T+5, the CAT NMS Plan specifies that “Participants’ regulatory staff and the SEC must be notified and informed as to how re-processing will be completed.”¹³²

The processing of Late Reported Data has been the subject of previous exemptive relief. Pursuant to the November 2023 Order the Commission, among other things, granted exemptive relief from these requirements, subject to the following conditions:¹³³

- The Plan Processor was required to maintain its implementation of functionality that was approved by the Operating Committee on January 14, 2022 (the “Late to the Lifecycle process”) and on September 20, 2022 (the “Targeted Replay process”) (collectively, the “Enhanced Late to the Lifecycle process”). Prior to the implementation of this functionality, in the limited circumstances in which there was a missing link between two disjointed segments of an order lifecycle, new or corrected data would join only one of the pre-existing segments and would be assigned to only one of the relevant lifecycle CAT Order IDs for the disjointed segment and evaluated for further re-processing. Under the Enhanced Late to the Lifecycle process, all late records (i.e., records received after T+5)¹³⁴ include the date of the correction and, if applicable, the record identifier of the record being corrected as part of normal re-processing. In addition, the late record became associated with all relevant lifecycles as part of normal re-processing, such that order event lifecycles may be associated with more than one CAT Order ID.
- The Participants were required to approve a change order to adopt:
 - Functionality to create a lifecycle mapping which indicates all lifecycle

¹³¹ See CAT NMS Plan, at Appendix D, Section 6.1.

¹³² See CAT NMS Plan, at Appendix D, Section 6.2.

¹³³ See November 2023 Order, at 77130-31.

¹³⁴ For the purposes of the November 2023 Order and this Order, references to data received after T+5, or to post-T+5 data, submissions, or reports, are to data received after T+4 at 8 a.m. Eastern Time. See November 2023 Order, at 77130.

- associations made during the Enhanced Late to the Lifecycle process;
- Functionality to present to regulatory users post-T+5 data in a manner substantially similar to how such data would have been represented if it had been reported prior to T+5, including by replicating and replaying records with enrichments impacted by post-T+5 submissions, creating updated enrichments, and persisting the replicated records within the underlying data (the “Full Replay process”); and
 - Functionality to enhance the OTQT, including the ability to include or exclude any records that were created or replaced as a result of the Full Replay process.
- The Plan Processor was required to schedule the Enhanced Late to the Lifecycle process and the Full Replay process to run weekly, such that late reported data received through Friday of the prior week are available for regulatory users on the following business day at 8 a.m. Eastern Time, absent extraordinary circumstances, for data within the prior 18 months. For data outside of this 18-month window, the Participants were required to schedule the Enhanced Late to the Lifecycle process and the Full Replay process to run no less frequently than quarterly.¹³⁵

In the 2025 Cost Savings Exemptive Relief Order the Commission granted further exemptive relief relating to the re-processing of Late Reported Data that superseded the conditional exemptive relief set forth in the November 2023 Order with respect to the re-processing of data received after T+5.¹³⁶ Specifically, the Commission granted conditional exemptive relief from the re-processing requirements for late records in Appendix D, sections 3, 6.1, and 6.2 of the CAT NMS Plan, subject to the following conditions:¹³⁷

¹³⁵ See November 2023 Order, at 77130-31.

¹³⁶ See 2025 Cost Savings Exemptive Relief Order, at 47855-56. The Commission stated that the conditional exemptive relief provided by the November 2023 Order continued to be in force for the other areas addressed therein, except as provided in Parts II.A and II.C of the 2025 Cost Savings Exemptive Relief Order. *Id.* at 47856 n.39.

¹³⁷ See *id.* at 47856.

- The Plan Processor must maintain its implementation of the above-described Enhanced Late to the Lifecycle process for late records from trade dates within the prior 3 years. For data outside of this 3-year window, no re-processing is required.
- For all late records, the Plan Processor must run the above-described Enhanced Late to the Lifecycle process no less frequently than quarterly.
- The Plan Processor must maintain the above-described functionality that creates a lifecycle mapping which indicates all lifecycle associations made during the Enhanced Late to the Lifecycle process.
- Upon requests made by authorized regulatory users from the Participants or the Commission, the Plan Processor must perform the Full Replay process on specified data, such that late records received through Friday of the prior week are available for regulatory users on the following business day at 8 a.m. Eastern Time, absent extraordinary circumstances.¹³⁸
- For late records received after T+5 at 8 a.m. Eastern Time, the Plan Processor must continue to notify regulatory users how re-processing will be completed.

In the Late Data Re-Processing Amendment, CAT LLC proposes to amend Section 6.2 of Appendix D of the CAT NMS Plan to change the re-processing requirements for Late Reported Data.¹³⁹ Specifically, CAT LLC proposes to revise 6.2 of Appendix D of the CAT NMS Plan to state that “[n]otwithstanding any other requirements of the CAT NMS Plan, or the Exchange Act or the rules and regulations thereunder, records received after T+4 at 8:00 a.m. Eastern Time will not be subject to any re-processing and will be added to the audit trail without any lifecycle

¹³⁸ In the 2025 Cost Savings Exemptive Relief Order, the Commission stated that it expects that the timing and cost of performing the Full Replay process would likely vary based on the number of trade dates and data volumes to be processed in the request, as well as on the availability of compute resources. *Id.* at 47856 n.38. The Commission stated that although the Commission does not expect regulatory users to utilize the Full Replay process frequently, it may be appropriate for the Participants to budget for its potential use. *Id.*

¹³⁹ *See* Notice, at 61517-21.

enrichments.”¹⁴⁰ CAT LLC also proposes to remove the requirement that “[i]f corrections are received after T+5, Participants’ regulatory staff and the SEC must be notified and informed as to how re-processing will be completed,” and the statement that “[t]he Operating Committee will be involved with decisions on how to re-process the data; however, this does not relieve the Plan Processor of notifying the Participants’ regulatory staff and the SEC.”¹⁴¹

CAT LLC states that with this proposed change, the Plan Processor will continue to provide data regarding late submissions to CAT Reporters and regulators and continue to make available summary statistics on late submission through its report card program.¹⁴² Additionally, CAT LLC states that FINRA CAT will continue to publish detailed information regarding late submissions and other issues to regulators through its data issue search system, and to send summary emails describing new data issues to all query tool users on a weekly basis.¹⁴³ CAT LLC states that the distinction between trade date and submission date continues to be available on a record-by-record basis within the Central Repository and so regulators can identify and review late data submissions by leveraging summary statistics provided by the Plan Processor, by reviewing the catalog of data issues updated daily in the data issue search system, and by reviewing the underlying records themselves.¹⁴⁴

CAT LLC states that it has seen substantial compliance with CAT reporting timelines, and that, for example, in the past year, only 0.82% of Reportable Events were reported late, and only 0.07% of Reportable Events required re-processing.¹⁴⁵ Through the first ten months of 2025, CAT LLC states that the vast majority of first-time “late” data (99.72%) is reported by T+4 8 a.m., and when firms submit repairs and corrections, most of the corrections and repairs

¹⁴⁰ See *id.* at 61519.

¹⁴¹ See *id.*

¹⁴² See *id.*; Section 10.4 of Appendix D of the CAT NMS Plan (requiring compliance report cards to include the “[n]umber of transactions submitted later than reporting deadlines”).

¹⁴³ See Notice, at 61519 n.85 (citing Appendix C of the CAT NMS Plan at C-12).

¹⁴⁴ See *id.* at 61519.

¹⁴⁵ See *id.* at 61520.

(94.2%) are submitted beyond T+60, which indicates that changes to feedback timing would not dramatically impact how regulators perceive CAT Data when measured in the aggregate.¹⁴⁶

In addition, CAT LLC states that it understands that, with this proposed change, the Plan Processor would retain the ability to perform Late to the Lifecycle and Full Replay re-processing on an ad hoc basis if required for regulatory purposes.¹⁴⁷ CAT LLC states that it further understands that there would be no material impact to FINRA CAT's proposed operating fees to maintain the functionality, as it is an extension of other required system elements (*e.g.*, linkage).¹⁴⁸ CAT LLC states that the only ongoing cost for any such ad hoc processing of Late Reported Data would be due to incremental cloud hosting fees associated with each ad hoc processing request.¹⁴⁹

CAT LLC states that the Late Data Re-Processing Amendment would reduce CAT costs for cloud hosting services by approximately \$14 to \$19 million annually, plus a \$300,000 reduction to the Plan Processor annual operating fee.¹⁵⁰ CAT LLC states that the estimated annual cloud hosting cost savings from the exemptive relief granted in the 2025 Cost Savings Exemptive Order relating to late data re-processing is approximately \$12.5 to \$17, meaning that the incremental savings of the Late Data Re-Processing Amendment as compared to the exemptive relief granted in the 2025 Cost Savings Exemptive Order relating to late data re-processing is approximately \$1.5 to \$2 million.¹⁵¹ CAT LLC states that to implement the proposal, the Plan Processor has proposed a one-time change request setting forth an implementation fee of approximately \$250,000 - \$500,000, and that the Plan Processor estimates

¹⁴⁶ See *id.*

¹⁴⁷ See *id.* at 61519 n.83.

¹⁴⁸ See *id.*

¹⁴⁹ See *id.*

¹⁵⁰ See *id.* at 61517.

¹⁵¹ See *id.*

that it would take approximately two to four months to fully implement the changes for the Late Date Re-Processing Amendment.¹⁵²

Two commenters state that they support the Late Data Re-Processing Amendment.¹⁵³ One of these commenters states that it supports the Late Data Re-Processing Amendment, as well as the other amendments, based on the projected cost savings to the CAT system, and further states that these amendments would not impact the quality of CAT data, do not raise security concerns, and would not increase the compliance and operational costs for Industry Members.¹⁵⁴

In response to Commission staff questions, CAT LLC states that the Late Data Re-Processing Amendment is designed to eliminate all Enhanced Late to the Lifecycle and Full Replay re-processing in order to realize significant cost savings, not to preserve it through ad hoc requests or to codify an ad hoc requirement into the CAT NMS Plan.¹⁵⁵ CAT LLC states that the Proposed Amendment would eliminate any requirement, obligation, or expectation under the CATNMS Plan to conduct such re-processing in any manner, and that while it would remain theoretically possible to conduct such re-processing in extraordinary circumstances,¹⁵⁶ the objective is to eliminate this process entirely.¹⁵⁷ CAT LLC states that introducing an ad hoc requirement would introduce costs that would undermine the intended savings and would be inconsistent with the premise of this proposal.¹⁵⁸ CAT LLC also states that pursuant to the Late

¹⁵² See id. at 61520. One-time implementation costs will generally consist of Plan Processor labor costs associated with coding and software development, as well as any related cloud fees associated with the development, testing, and load testing of the proposed changes for the proposed amendment. Id.

¹⁵³ See FIF February 2026 Letter, at 2, 4; SIFMA March 2026 Letter at 6-7.

¹⁵⁴ See FIF February 2026 Letter, at 4.

¹⁵⁵ See CAT LLC March 2026 Response Letter, at 3.

¹⁵⁶ See id. CAT LLC states an example of extraordinary circumstances were if the Commission were to issue an emergency order directing CAT LLC to perform re-processing of late reported data. Id. CAT LLC states that absent a Commission order, all decisions regarding whether to perform Enhanced Late to the Lifecycle or Full Replay re-processing on an ad hoc basis will be at the sole discretion of the Operating Committee, taking into account any associated costs. Id. at 3 n.9.

¹⁵⁷ See id. at 3.

¹⁵⁸ See id.

Data Re-Processing Amendment, records received after T+4 at 8 a.m. Eastern Time would not receive any standard lifecycle enrichments under the Late Data Re-Processing Amendment, which includes CAT Lifecycle ID, CAT FDID,¹⁵⁹ Lifecycle Sequence, Associated Lifecycles, Link Status Code, Unlinked Flag, CAT Venue Order ID, Multi-lifecycle Flag, and Top Indicator.¹⁶⁰

Even though the percentage of CAT Data that is Late Reported Data is small,¹⁶¹ not re-processing all Late Reported Data received after T+4 at 8 a.m. could have a materially negative impact on the quality of CAT Data. Therefore, the Commission is modifying the proposed Late Data Re-Processing Amendment to codify exemptive relief removing the need to perform “Full Replay” re-processing, require “Enhanced Late to the Lifecycle” processing on a quarterly basis for trade dates within the prior 3 years, require the Plan Processor to maintain lifecycle mapping that indicates all lifecycle associations made during the “Enhanced Late to the Lifecycle” process, and provide for ad hoc requests for Full Replay re-processing. This approach to late data re-processing is consistent with the approach provided in the 2025 Cost Savings Exemptive Relief Order.¹⁶² In the context of a market data analysis, a small percentage of uncorrected linkages and unlinked CAT Data increases error rates and could distort results or findings if the errors and late data of a relevant data set are substantial or particularly meaningful with respect to the specific market data analysis being performed. The Commission’s modification will result

¹⁵⁹ See id. CAT LLC states that FDID would still be present on Late Reported Data if reported within the record itself; for example, an originating New Equities Order (MENO) or New Options Order (MONO). Id.

¹⁶⁰ See id. CAT LLC states that the “lifecycle map,” which indicates all lifecycle associations made during the Enhanced Late to Lifecycle process, would continue to exist and reflect lifecycle associations made through prior re-processing of late CAT data, but new entries to the lifecycle map would be recorded only in the limited instances where the Plan Processor has been instructed to perform ad hoc Enhanced Late to Lifecycle or Full Replay re-processing. Id.

¹⁶¹ See Notice, at 61520 (stating that in the past year, only 0.82% of Reportable Events were reported late, and only 0.07% of Reportable Events required re-processing).

¹⁶² CAT LLC states that all Participants believe that the Late Data Re-Processing Amendment’s approach would be sufficient for their regulatory purposes and is vastly preferable to routinely incurring the current, significant costs of regular, automated re-processing. See id. The cessation of all late data re-processing could have an impact on the regulatory use of CAT by the Commission, and the Commission does not believe that at this time it would be appropriate to stop all late data re-processing for an estimated incremental cost savings of \$1.5 to \$2 million.

in the Plan Processor continuing to run the Enhanced Late to the Lifecycle Process as currently done pursuant to the 2025 Cost Savings Exemptive Relief Order. As such, pursuant to the Late Data Re-Processing Amendment as modified by the Commission, regulatory users will maintain the ability to quickly and reliably identify and link all relevant lifecycles associated with late-reported data, although more manual intervention would be required than if Full Replay re-processing were implemented.¹⁶³ The Late Data Re-Processing Amendment as proposed, without the Enhanced Late to the Lifecycle Process, would require regulators to rely on summary statistics and manual review and sequencing,¹⁶⁴ such that identifying and linking relevant lifecycles would be a difficult, time-consuming, and potentially inaccurate process. These concerns must be balanced against the cost savings associated with the Late Data Re-Processing Amendment.

For the reasons discussed above, the potential cost savings of the Late Data Re-Processing Amendment do not justify the Participants' proposal to cease re-processing or lifecycle enrichments to Late Reported Data at this time. While the Proposed Amendment states that CAT LLC understands that, with this proposed change, the Plan Processor would retain the ability to perform Late to the Lifecycle and Full Replay reprocessing on an ad hoc basis if required for regulatory purposes,¹⁶⁵ the Proposed Amendment provides no mechanism for

¹⁶³ The Full Replay process is functionality designed to present regulatory users post-T+5 data in a manner substantially similar to how such data would have been presented if it had been reported prior to T+5, including by replicating and replaying records with enrichments impacted by post-T+5 submissions, creating updated enrichments, and persisting the replicated records within the underlying data. See 2025 Cost Savings Exemptive Relief Order, at 47856. By contrast, the Enhanced Late to the Lifecycle Process requires regulatory users to take additional steps to gather information about all related lifecycles together in instances where late-reported data requires such re-processing.

¹⁶⁴ See Notice, at 61519 (stating that the distinction between trade date and submission date will be available on a record-by-record basis in the Central Repository and that regulators can identify and review late data submissions by leveraging summary statistics provided by the Plan Processor, by reviewing the catalog of data issues updated daily in the data issue search system, and by reviewing the underlying records themselves).

¹⁶⁵ See Notice, at 61519 n.83.

performing this reprocessing on an ad hoc basis, other than an “emergency order” from the Commission directing CAT LLC to do so.¹⁶⁶

CAT LLC represents that cessation of regular, automated re-processing of Late Reported Data would result in an estimated \$14 to \$19 million in annual cost savings for cloud hosting services, compared to estimated savings of \$12.5 to \$17 million from the relief granted by the 2025 Cost Savings Exemptive Order.¹⁶⁷ The incremental savings from the proposed Late Data Re-Processing Amendment compared to the 2025 Cost Savings Exemptive Order is approximately \$1.5 to \$2 million in estimated annual cloud hosting cost savings, which and for the reasons discussed above, does not at this time justify the elimination of all late data re-processing.

Thus, pursuant to Rule 608(b)(2),¹⁶⁸ the Commission deems it appropriate to modify the Late Data Re-Processing Amendment. These changes will result in amending the plan to be consistent with the exemptive relief related to late data re-processing granted in the 2025 Cost Savings Exemptive Order. Specifically, the Commission is modifying the proposed additional language of Section 6.2 of the CAT NMS Plan to remove a reference to the Exchange Act, require the usage of Enhanced Late to the Lifecycle re-processing on Late Reported CAT Data, and to implement the ability for Participant and Commission staff to request Full Replay re-processing on an ad hoc basis, in a manner similar to that which was proposed for requests for interim processing and linkage in the Interim CAT-Order-ID Amendment, described above in Part III.A. Specifically, the Commission is reverting the deletion of a paragraph in Section 6.2 of Appendix D regarding notification of corrections and modifying the proposed new paragraph in Section 6.2 of Appendix D of the CAT NMS Plan, as proposed by CAT LLC in the Late Data Re-Processing Amendment, and adding three additional new paragraphs to Section 6.2 of

¹⁶⁶ See CAT LLC March 2026 Response Letter, at 3.

¹⁶⁷ See Notice, at 61517.

¹⁶⁸ 17 CFR 242.608(b)(2).

Appendix D, as follows, with deletions shown through [brackets], and additions shown with *italics*:

6.2 Data Availability Requirements

* * *

If corrections are received after T+4, Participants' regulatory staff and the SEC must be notified and informed as to how re-processing will be completed. The Operating Committee will be involved with decisions on how to re-process the data; however, this does not relieve the Plan Processor of notifying the Participants' regulatory staff and the SEC.

Notwithstanding any other requirements of the CAT NMS Plan[, or the Exchange Act or the rules and regulations thereunder], records received after T+4 at 8:00 a.m. Eastern Time will [not]be subject to [any]*the following* re-processing: [and will be added to the audit trail without any lifecycle enrichments.]

The Plan Processor must perform "Enhanced Late to the Lifecycle" processing for late records with trade dates within the prior 3 years. Under the Enhanced Late to the Lifecycle process, all late records (i.e., records received after T+4) include the date of the correction and, if applicable, the record identifier of the record being corrected as part of normal re-processing. In addition, the late record is associated with all relevant lifecycles as part of normal re-processing, such that order event lifecycles may be associated with more than one CAT Order ID. For all late records, the Plan Processor must run the above-described Enhanced Late to the Lifecycle process no less frequently than quarterly.

The Plan Processor must maintain functionality that creates a lifecycle mapping which indicates all lifecycle associations made during the Enhanced Late to the Lifecycle process.

Upon requests made by authorized regulatory users from the Participants or the Commission, CAT LLC shall direct the Plan Processor to perform Full Replay re-processing to specified CAT Data, such that late records received through Friday of the prior week are available for regulatory users on the following business day at 8 a.m. Eastern Time, absent extraordinary circumstances. Full Replay functionality must present to regulatory users post-T+5 data in a manner substantially similar to how such data would have been represented if it had been reported prior to T+5, including by replicating and replaying records with enrichments impacted by post-T+5 submissions, creating updated enrichments, and persisting the replicated records within the underlying data.

* * *

As proposed, Section 6.2 of the CAT NMS Plan stated that, “[n]otwithstanding any other requirements of the CAT NMS Plan, or the Exchange Act or the rules and regulations thereunder, records received after T+4 at 8:00 a.m. Eastern Time will not be subject to any reprocessing and will be added to the audit trail without any lifecycle enrichments.” (emphasis added). However, an NMS plan cannot void or otherwise modify the requirements of the

Exchange Act. The CAT NMS Plan is a contractual agreement among the Participants created pursuant to the Exchange Act and, absent an exemption or other relief, the NMS Plan and the Participants themselves are subject to applicable Exchange Act requirements. This includes the rules and regulations thereunder, and as such, the CAT NMS Plan should not state that a provision of the Plan overrides the Exchange Act or the rules and regulations thereunder. The Commission is modifying the Late Data Re-Processing Amendment to restore the deleted paragraph regarding notification to Participants' regulatory staff and the SEC, but is modifying the paragraph to update a reference to "corrections received after T+5" to "corrections received after T+4" to more accurately capture what is considered a late record under current CAT reporting timelines.¹⁶⁹

The Commission's other modifications to Section 6.2 of Appendix D of the CAT NMS Plan are largely designed to codify the conditional exemptive relief granted in the 2025 Cost Savings Exemptive Order relating to the processing of late CAT data, but modifying the conditions to recognize that "late records" are those that arrive after T+4 at 8 a.m. ET. By codifying the conditional exemptive relief, the core lifecycle linkage functionality envisioned by Rule 613 and the CAT NMS Plan will be preserved.¹⁷⁰ As discussed above, it is not appropriate at this time to fully cease the re-processing of all late data submitted to the CAT. For the less than 1% of late-reported data that does require additional re-processing to construct an order

¹⁶⁹ See also Notice, at 61517 (defining "Late Reported Data" as late or corrected data received after T+4 at 8 a.m. Eastern Time); *id.* at 61517 n.67 (stating that for purposes of the Proposed Amendment, references to data received "after T+5" or to post-T+5 data, submissions, or reports, are to data received "after T+4 at 8 a.m. Eastern Time").

¹⁷⁰ See, e.g., Securities Exchange Act Release No. 77724 (Apr. 27, 2016), 81 FR 30614, 30693 (May 17, 2016) ("Currently regulators can spend days and up to months processing data they receive into a useful format. Part of this delay is due to the need to combine data across sources that could have non-uniform formats and to link data about the same event both within and across data sources. . . . [T]he Commission preliminarily believes that the Plan would reduce or eliminate the delays associated with merging and linking order events within the same lifecycle." (footnote omitted)); see also *id.* at 30670 ("Regardless of whether order lifecycle reports are reflected in the same or different data sources, the process of linking lifecycle events is complex and can create inaccuracies. . . . The inability to link all records affects the accuracy of the resulting data and can force an inefficient manual linkage process that would delay the completion of the data collection and analysis portion of the examination, investigation, or reconstruction.").

event lifecycle,¹⁷¹ requiring the Participants to run the Enhanced Late to the Lifecycle process quarterly for trade dates within the prior 3 years and maintain lifecycle mapping should still provide regulatory users with the ability to quickly and reliably identify and link all relevant lifecycles associated with the late-reported data that is most frequently needed and accessed by regulatory users. Although this approach requires some manual intervention by regulatory users, this is a reasonable trade-off for the estimated \$12.5 to \$17 million dollars of cost savings in estimated annual cloud hosting fees that CAT LLC and the Commission expects will likely flow from limited usage of the Full Replay process and any additional costs savings that may be realized from requiring the Plan Processor to perform the Enhanced Late to the Lifecycle process quarterly instead of weekly.¹⁷²

It is important to maintain the ability to perform Full Replay re-processing for Late Reported Data on an ad hoc basis because there may be circumstances in which the most complete re-processing of Late Reported Data could be important for regulatory purposes, such as if there are major market events. Under the Late Data Re-Processing Amendment, Commission and Participant regulatory staff would have no ability to request ad hoc reprocessing, as absent a Commission order, all decisions regarding whether to perform Enhanced Late to the Lifecycle or Full Replay re-processing on an ad hoc basis will be at the sole discretion of the Operating Committee, taking into account any associated costs.¹⁷³ There may be circumstances where regulatory users would need to make such requests to react to major market events in a more effective and expeditious way. Similar to the ad hoc request ability for interim CAT-Order-IDs, the Commission is committed to ensuring that meaningful controls and safeguards are in place and appropriately limit the Commission personnel that will have

¹⁷¹ See Notice, at 61520.

¹⁷² See *id.* at 61517.

¹⁷³ See CAT LLC March 2026 Response Letter, at 3 n.9.

authority to initiate ad hoc requests for Full Replay re-processing, and anticipates that the Participants will do the same for their regulatory users.

As noted above, CAT LLC represents that retaining the ability to perform both Late to the Lifecycle and Full Replay re-processing on an ad hoc basis would have no material impact to FINRA CAT's proposed operating fees to maintain the functionality, as it is an extension of other required system elements.¹⁷⁴ Like the ad hoc ability to request interim CAT-Order-IDs, the Commission expects that the Participants would identify the incremental cloud hosting fees associated with any ad hoc processing requests initiated by the Commission in the CAT budget.¹⁷⁵ The Commission expects to utilize this ad hoc ability infrequently, and recognizes that the Participants believe that the proposed approach would have been sufficient for their regulatory purposes,¹⁷⁶ but believes that maintaining some ability to re-process Late Reported Data is essential in maintaining the integrity of the CAT and CAT Data should the need arise.

D. OTQT Amendment

The OTQT Amendment proposes to eliminate the requirement to provide an online targeted query tool ("OTQT") to regulatory users.¹⁷⁷ CAT LLC states that the OTQT Amendment is consistent with and would codify the exemptive relief related to the OTQT as set forth in the 2025 Cost Savings Exemptive Order.¹⁷⁸

Section 6.10(c)(i) of the CAT NMS Plan requires the Plan Processor to provide the Participants and the Commission with access to processed CAT Data through different methods, including an OTQT and user-defined direct queries and bulk extracts.¹⁷⁹ Specifically, the CAT

¹⁷⁴ See id. at 61519 n.83.

¹⁷⁵ See supra Part III.A. CAT LLC states that introducing an ad hoc requirement would introduce costs that would undermine the intended savings and would be inconsistent with the premise of this proposal. See CAT LLC March 2026 Response Letter, at 3.

¹⁷⁶ See Notice, at 61520.

¹⁷⁷ See id. at 61521-23.

¹⁷⁸ See id. at 61521.

¹⁷⁹ The OTQT functionality implemented by the Plan Processor is implemented through various tools, which are referred to as "DIVER," "MIRS," "OLA Viewer," and "ARLE." The user-defined query tool is referred to as "BDSQL," and the bulk extract tool as "Direct Read."

NMS Plan specifies that the OTQT “will provide authorized users with the ability to retrieve CAT Data via an online query screen that includes the ability to choose from a variety of pre-defined selection criteria.”¹⁸⁰ Section 8.1, including Sections 8.1.1 through 8.1.3, of Appendix D of the CAT NMS Plan sets forth certain performance requirements for the OTQT, subject to certain conditional exemptive relief granted by the Commission in the November 2023 Order.¹⁸¹

In the 2025 Cost Savings Exemptive Relief Order, the Commission granted conditional exemptive relief from the above-described provisions in the CAT NMS Plan which direct the Participants to maintain an OTQT and setting forth performance requirements for the OTQT for DIVER, ARLE, OLA Viewer, and MIRS volume concentration and market replay tools, subject to the following conditions: (i) to ensure that the remaining CAT query tools continue to perform at the same level in the absence of certain OTQT functionality, the Plan Processor must maintain currently-existing performance requirements, controls, monitoring, logging, and reporting for the user-defined direct queries (BDSQL) and bulk extract (Direct Read) tools, as well as for the MIRS reporting statistics tools that provide regulatory users with access to compliance information; and (ii) to enable Participants and the Commission sufficient time to adjust their regulatory programs to use any necessary replacement tools, OTQT functionality may not be eliminated earlier than 2 months after the publication of the 2025 Cost Savings Exemptive Relief Order in the Federal Register.¹⁸² The conditional exemptive relief granted in the 2025 Cost Savings Exemptive Relief Order relating to OTQT was intended to supersede the conditional exemptive relief set forth in the November 2023 Order with respect to OTQT performance requirements.¹⁸³

Pursuant to the OTQT Amendment, Section 6.10(c) of the CAT NMS Plan would be changed to delete references to: (i) “two different methods” of accessing CAT Data; and (ii) a

¹⁸⁰ See CAT NMS Plan, at Section 6.10(c)(i)(A).

¹⁸¹ See 2025 Cost Savings Exemptive Relief Order, at 47857.

¹⁸² See 2025 Cost Savings Exemptive Relief Order, at 67857.

¹⁸³ See id.; November 2023 Order, at 77130, 77132-34.

reference to “an online targeted query tool.”¹⁸⁴ Section 6.10(c)(i)(A) of the CAT NMS Plan, which currently describes the OTQT, would be replaced with a “Reserved” designation.¹⁸⁵ Similarly, Sections 8.1.1 and 8.1.2 of Appendix D of the CAT NMS Plan, both relating to the OTQT, would be deleted in their entirety and replaced with a “Reserved” designation.¹⁸⁶ References to OTQT would also be removed from the title of Section 8.1.3 of Appendix D of the CAT NMS Plan, and Sections 3.4., 8.1., and 8.4 of Appendix D of the CAT NMS Plan.¹⁸⁷ Section 8.2.2. of Appendix D of the CAT NMS Plan would be changed to remove a sentence stating that “[t]he CAT System must contain the same level of control, monitoring, logging and reporting as the online targeted query tool.”¹⁸⁸

CAT LLC states that, after consultation with the Plan Processor, it has determined that eliminating the OTQT, as permitted pursuant to the 2025 Cost Savings Exemptive Order and as described in the OTQT Amendment, would allow CAT LLC to achieve a total of approximately \$2.5 - \$3.5 million in annual cost savings for cloud hosting services.¹⁸⁹ CAT LLC states that to implement the proposal, the Plan Processor has proposed a one-time change request implementation fee of approximately \$135,000, and the Plan Processor estimates that it would take approximately eight to ten weeks to fully implement the changes for the OTQT Amendment.¹⁹⁰

¹⁸⁴ See Notice, at 61520.

¹⁸⁵ See *id.*

¹⁸⁶ See *id.* at 61521-22. One paragraph in Section 8.1.2 of Appendix D of the CAT NMS Plan was modified by the CAIS Amendment. See CAIS Amendment Approval Order, at 2170. For purposes of the Proposed Amendment, the Commission is considering the proposal as deleting this paragraph in its entirety, as modified by the CAIS Amendment, consistent with the proposed deletion of the entire Section 8.1.2 of Appendix D of the CAT NMS Plan.

¹⁸⁷ See *id.* at 61522.

¹⁸⁸ See *id.*

¹⁸⁹ See *id.* CAT LLC states that the estimated cost savings for the OTQT Amendment are the same as expected with regard to the implementation of the exemptive relief related to the OTQT in the 2025 Cost Savings Exemptive Order. *Id.*

¹⁹⁰ See *id.* CAT LLC states that one-time implementation costs will generally consist of Plan Processor labor costs associated with coding and software development, as well as any related cloud fees associated with the development, testing, and load testing of the proposed changes for the proposed amendment. *Id.*

Two commenters state that they support the OTQT Amendment.¹⁹¹ One of these commenters states that it supports the OTQT Amendment, as well as the other amendments, based on the projected cost savings to the CAT system, and further states that these amendments would not impact the quality of CAT data, do not raise security concerns, and would not increase the compliance and operational costs for Industry Members.¹⁹² The other commenter states that the OTQT Amendment is consistent with and would codify the exemptive relief related to the OTQT set forth in the 2025 Cost Savings Exemptive Order.¹⁹³

The OTQT Amendment would result in significant cost savings with limited regulatory impact. The OTQT Amendment exemptive relief already allows the Participants to remove OTQT functionality from the CAT with respect to DIVER, ARLE, OLA Viewer, and MIRS volume concentration and market replay tools, in the absence of the Proposed Amendment.¹⁹⁴ Pursuant to the Proposed Amendment, the portion of MIRS referred to as market replay would also be removed, as would reject statistics and CAIS statistics, but regulatory users would continue to have access to certain transaction reporting compliance statistics.¹⁹⁵ Removal of the OTQT functionality will not impact the reporting requirements applicable to Industry Members or have an adverse impact on Industry Members or their costs. OTQT is an internal tool within the CAT and is only available to regulatory users, and has no impact on the reporting obligations of CAT Reporters, whether Participants or Industry Members.

The elimination of OTQT functionality would not in any way impact the underlying CAT Data that is made available to regulators, or otherwise impair the regulatory programs of the Participants or the Commission. As stated in the 2025 Cost Savings Exemptive Order, Commission staff already have the necessary skill sets to use the BDSQL and Direct Read tools,

¹⁹¹ See FIF February 2026 Letter, at 2, 4; SIFMA March 2026 Letter, at 6-7.

¹⁹² See FIF February 2026 Letter, at 4.

¹⁹³ See SIFMA March 2026 Letter, at 7.

¹⁹⁴ See 2025 Cost Savings Exemptive Relief Order, at 47857.

¹⁹⁵ See CAT LLC March 2026 Response Letter, at 6.

which will be maintained by the Plan Processor, and the Commission has already developed internal tools that replicate functionality supplied by the DIVER, ARLE, OLA Viewer, and MIRS volume concentration and market replay tools that would no longer be available.¹⁹⁶ Further, the Commission understands from its communications with the Participants that their regulatory groups would be able to conduct their regulatory programs using only BDSQL and Direct Read or otherwise could adjust by creating their own internal tools to replicate the same targeted queries they would otherwise run on DIVER.¹⁹⁷ CAT LLC states that it understands that the Participants have already built their own tools to use in place of the OTQT, or rely on other Participants that have already done so.¹⁹⁸

It is reasonable to change the provisions in the CAT NMS Plan to remove requirements relating to the OTQT, including the removal of the sentence stating that “[t]he CAT System must contain the same level of control, monitoring, logging and reporting as the online targeted query tool,” in Section 8.2 of Appendix D of the CAT NMS Plan. Deletion of this sentence does not affect the comparable requirements related to user-defined direct queries or bulk extracts, because the requirement being deleted is repetitive of requirements regarding control, monitoring, logging and reporting set forth in Section 8.2.2 of Appendix D of the CAT NMS Plan.¹⁹⁹

E. Rejected Message Amendment

¹⁹⁶ See 2025 Cost Savings Exemptive Relief Order, at 47857. The Commission understands from the Participants that regulatory users would continue to have access to certain transaction reporting compliance statistics in the MIRS reporting statistics tool. See CAT LLC March 2026 Response Letter, at 6. With respect to the MIRS tools providing reject statistics and CAIS statistics, the Commission does not believe such tools will be necessary once the amendments proposed herein are implemented.

¹⁹⁷ See 2025 Cost Savings Exemptive Order, at 47857.

¹⁹⁸ See Notice, at 61523.

¹⁹⁹ See Notice, at 61522.

The Rejected Message Amendment proposes to change the CAT NMS Plan such that Participants would not be required to record and electronically report to the CAT any order rejected by the Participant nor any Reportable Events related to such rejected order.²⁰⁰

Rule 613(c)(7) and Section 6.3(d)(i) of the CAT NMS Plan require Participants to “record and electronically report to the Central Repository” certain information for “each order and each Reportable Event,” including “for original receipt or origination of an order.”²⁰¹ The CAT NMS Plan specifies that “order” has “the meaning set forth in Rule 613(j)(8),”²⁰² which further defines “order” to include: “(i) [a]ny order received by a member of a national securities exchange or national securities association from any person; (ii) [a]ny order originated by a member of a national securities exchange or national securities association; or (iii) [a]ny bid or offer.”²⁰³ These provisions require the Participants to report all orders that are “received,” not just those orders that are “received and successfully processed by the matching engine,” those orders that are “received and accepted,” and/or those orders that are “received and assigned an order ID”; the reporting requirement is not conditioned on how a Participant acts on an order that is received. For example, if a Participant receives a message that contains all of the terms necessary for an order to be executed, that message still constitutes a “received” order that must be reported pursuant to the provisions of Section 6.3(d) of the CAT NMS Plan regardless of whether it is subsequently rejected. Moreover, as “CAT Data,” rejected orders must also be “processed and assembled to create the complete lifecycle of each Reportable Event” under Appendix D, Section 3 of the CAT NMS Plan.

On December 16, 2020, the Commission granted the Participants temporary exemptive relief, until December 13, 2021, from the requirement in Section 6.3(d) of the CAT NMS Plan

²⁰⁰ See *id.* at 61523-24.

²⁰¹ See 17 CFR 242.613(c)(7); CAT NMS Plan, at Section 6.3(d)(i).

²⁰² See CAT NMS Plan, at Section 1.1.

²⁰³ See 17 CFR 242.613(j)(8).

that the Participants report rejected orders.²⁰⁴ At the time, the Commission stated that it understands that the Participants were currently only reporting a subset of the rejected orders that are required to be reported by Section 6.3(d) and were working on implementing functionality that will permit the Participants to report additional rejected orders.²⁰⁵ On July 8, 2022, to give the Participants and Industry Members sufficient time either to implement the required functionality or to obtain the Commission’s approval of an alternative solution, the Commission granted temporary conditional exemptive relief from the requirement set forth in Rule 613(c)(7) and Section 6.3(d)(i) of the CAT NMS Plan that Participants “record and electronically report to the Central Repository” certain information for orders that are received and subsequently rejected, and from the requirement set forth in Appendix D, Section 3 of the CAT NMS Plan that “[a]ll CAT Data” related to such orders be “processed and assembled to create the complete lifecycle of each Reportable Event.”²⁰⁶ This exemptive relief was set to expire on July 31, 2024.²⁰⁷

On November 2, 2023, the Commission granted conditional exemptive relief from the requirements set forth in Rule 613(c)(7) and Section 6.3(d)(i) and Appendix D, Section 3 of the

²⁰⁴ See Securities Exchange Act Release No. 90688 (Dec. 16, 2020), 85 FR 83634, at 83636 (Dec. 22, 2020). The Commission conditioned this relief on the Participants including in Quarterly Progress Reports factual indicators that describe “any updates to specifications and/or scenarios documents relating to the capture and reporting of rejected orders.” Id. at 83636-37.

²⁰⁵ See id.

²⁰⁶ See July 2022 Order, supra note 44, at 42256-57. As conditions to this exemptive relief, the Commission stated that: (i) the Participants must maintain or improve their existing reporting of orders that are received and subsequently rejected, including existing efforts towards implementing functionality that would permit the Participants to report additional rejected orders; (ii) the Participants must provide, in Quarterly Progress Reports submitted pursuant to Section 6.6(c) of the CAT NMS Plan, factual indicators that describe any improvements to the Participants’ reporting of orders that are received and subsequently rejected, as well as improvements to the functionality that creates linkages for such orders; and (iii) to ensure that the Participants remain on track to either come into compliance with the requirements of the CAT NMS Plan or obtain the Commission’s approval of an alternative solution by July 31, 2024, the Participants and the Plan Processor must meet with Commission staff on at least a monthly basis to provide a detailed status update regarding their current efforts towards this goal and promptly respond to related requests for additional information or data. Id. at 42257.

²⁰⁷ Id.

CAT NMS Plan relating to Participant reporting of rejected orders and subsequent linkage of such orders.²⁰⁸ This relief was subject to certain conditions:

- The Participants must maintain or improve their existing reporting of orders that are received and subsequently rejected, including maintenance by Participants of any existing reporting or linkage of the keys necessary for the linkage processing specified below. The Plan Processor must maintain its existing validations of such orders.
- The Participants must approve a change order to adopt the below-described functionality no later than 60 days following the effective date of this Order:
 - Functionality that will attempt “forward lifecycle linkage” processing, including all enrichments currently provided for other order events, of Industry Member MEOR, MOOR, and MEMR Order Route events containing a routeRejectedFlag populated as “true” with their corresponding Participant Reject Message events described in the Participant Technical Specifications in instances where the keys necessary for such linkage are available (*i.e.*, Symbol (or Option ID), RoutingParty, RoutedOrderID, Session).²⁰⁹

The Commission stated that such functionality must be fully implemented and made available to regulatory users within twelve months of the change order’s approval by the Participants.²¹⁰

CAT LLC states that the Participant Technical Specifications reflect the exemptive relief provided in the November 2023 Exemptive Order.²¹¹

²⁰⁸ See November 2023 Order, *supra* note 46, at 77132. The Commission stated that it understands that, notwithstanding this Order, the Participants continue to disagree with its interpretation of these requirements and challenge the feasibility of strict compliance with that interpretation, and that the November 2023 Order does not resolve the parties’ interpretive disagreement on this issue, but instead provides exemptive relief that renders resolution of the issue unnecessary. See *id.* at 77132 n.33.

²⁰⁹ *Id.* at 77132. The Commission stated that “forward lifecycle linkage” processing referred to above is intended to capture functionality that the Participants believe may be feasible in light of a study of recent data. *Id.* at 77132 n.34 (further clarifying the scope of the conditions imposed on the exemptive relief).

²¹⁰ *Id.* at 77132.

²¹¹ See Notice, at 61523.

Pursuant to the Rejected Message Amendment, proposed Section 6.3(h) of the CAT NMS Plan would state that, notwithstanding any provision of the CAT NMS Plan (including Appendix D) or the Exchange Act, no Participant shall be required to record and electronically report to the Central Repository any order rejected by the Participant nor any Reportable Events related to such rejected order.²¹² The proposed provision also states that, for the avoidance of doubt, an order that is received by the Participant but not accepted by the Participant is an order rejected by the Participant for purposes of the paragraph.²¹³

CAT LLC states that, after consultation with the Plan Processor, it has determined that eliminating the requirement for Participants to report rejected order messages would allow CAT LLC to achieve approximately \$500,000 in cost savings for cloud services annually.²¹⁴ CAT LLC states that to implement the Rejected Message Amendment, the Plan Processor has proposed a one-time change request setting forth an implementation fee of approximately \$75,000 to \$150,000 and estimates an implementation time of approximately two to four months.²¹⁵

Two commenters state that they support the Rejected Message Amendment.²¹⁶ One of these commenters states that it supports the Rejected Message Amendment, as well as the other amendments, based on the projected cost savings to the CAT system, and further states that these amendments would not impact the quality of CAT data, do not raise security concerns, and

²¹² See id.

²¹³ See id. CAT LLC states that under the current Participant Technical Specifications, the Rejected Message Amendment refers to “Reject Message Events (RME).” See CAT LLC March 2026 Response Letter, at 6.

²¹⁴ See id. CAT LLC states that this cost savings estimate is based on certain assumptions and the current scope of the CAT, and may vary based on, among other things, the details of the requirements in any final amendment approved by the Commission. Id. CAT LLC states that the Rejected Message Amendment would provide material cost savings for the Participants collectively as well. Id. at 61523-24.

²¹⁵ See id. at 61524. CAT LLC states that the one-time implementation costs will generally consist of Plan Processor labor costs associated with coding and software development, as well as any related cloud fees associated with the development, testing, and load testing of the proposed changes for the proposed amendment. Id.

²¹⁶ See FIF February 2026 Letter, at 2, 4; SIFMA March 2026 Letter at 6-7 (noting that the Rejected Message Amendment was not part of the 2025 Cost Savings Exemptive Order).

would not increase the compliance and operational costs for Industry Members.²¹⁷ However, the commenter states that, as a general principle, when CAT LLC proposes a change for Participants, CAT LLC should also consider whether an equivalent change should also apply for Industry Members, and that similarly, when the Commission is considering changes to the obligations of Participants, the Commission should also consider whether equivalent changes should also apply for Industry Members.²¹⁸ The commenter states that requiring a Participant to report an order route request that the Participant receives and rejects is (and always has been) beyond the scope of Rule 613, and that this applies to Industry Members as well.²¹⁹

The commenter states that it understands that there is currently no requirement for Industry Members to report order route requests that they receive and reject.²²⁰ The commenter explains that while the Participant Technical Specifications document includes a Reject Message Event,²²¹ there is no equivalent event in the Technical Specifications document for Industry Members and thus there currently is no mechanism in CAT for an Industry Member to report a route request that it receives and rejects.²²² The commenter states that it is concerned the proposed Rejected Message Amendment, by specifically referencing Participants, could create an inference that Industry Members are required to report route requests that they receive and reject.²²³ The commenter requests that the Commission and CAT NMS Plan clarify in writing through an amendment to the CAT NMS Plan or updates to the CAT Technical Specifications

²¹⁷ See FIF February 2026 Letter, at 4.

²¹⁸ See *id.* at 5.

²¹⁹ See *id.* at 5-6.

²²⁰ See *id.* at 5.

²²¹ See *id.* at 5 (citing CAT Reporting Technical Specifications for Plan Participants, Version 4.2.0-r1 (Aug. 22, 2025), available at https://catnmsplan.com/sites/default/files/2025-08/08.22.2025-CAT_Reporting_Technical_Specifications_for_Participants_4.2.0-r1.pdf, at 47-50).

²²² See *id.* at 5. The commenter states that the scenario where an Industry Member receives and rejects a route request should be distinguished from the scenario when an Industry Member accepts a route request (thereby creating a New Order) and subsequently cancels the order that the Industry Member has created (this could be a “reject” in FIX). *Id.* at 5 n.19. The commenter states that under the latter scenario, the Industry Member is required to report New Order and Order Cancel events to CAT. *Id.*

²²³ See *id.* at 5.

that Industry Members also are not required to report route requests that they receive and reject.²²⁴ The commenter states that generally, amendments relating to Participants should not be read to impose new or implied obligations on Industry Members absent express Commission action, and states that there is no policy basis for differentiating between Participants and Industry Members on this issue; if there were such a basis, it would be necessary to explain this in the rule filing.²²⁵ The other commenter also urges the Commission and the Participants to strongly consider providing Industry Members with the same form of relief.²²⁶

CAT LLC states in response that the Rejected Message Amendment is not intended to create an inference that Industry Members are required to report to the CAT a routed order message that they receive and reject.²²⁷ CAT LLC states that the focus on Participant reporting obligations is because the proposal is intended to clarify a longstanding interpretive disagreement between the SEC and the Participants regarding Participants' obligations to report rejected order messages to the CAT.²²⁸ CAT LLC states that it is considering this issue separately from this Proposed Amendment and anticipates additional discussions with the industry and Commission staff on the issue to determine whether a separate amendment to the CAT NMS Plan is appropriate.²²⁹

The Rejected Message Amendment should produce meaningful cost savings with limited impact on regulatory use of the CAT. For example, CAT LLC states that it understands that the Participants have not used rejected message data reported for regulatory purposes to date.²³⁰ The Rejected Message Amendment only applies to certain rejected messages received by

²²⁴ See id. at 5.

²²⁵ See id. at 5.

²²⁶ See SIFMA March 2026 Letter, at 5.

²²⁷ See CAT LLC March 2026 Response Letter, at 7.

²²⁸ See id. at 7-8.

²²⁹ See id. at 8.

²³⁰ See Notice, at 61524.

Participants, and it does not affect the reporting requirements applicable to Industry Members.²³¹ Because the Rejected Message Amendment only applies to the Participants, no “inference” should be read into the provision regarding Industry Member reporting obligations and it is not necessary to modify the Rejected Message Amendment to apply to Industry Members. In addition to the annual savings for CAT, the Participants will also have cost savings collectively because they would no longer have to collect, process, and report these rejection events for the CAT.²³² The cost savings are a reasonable trade-off for the elimination of the requirement to report rejected message information.

However, pursuant to Rule 608(b)(2),²³³ the Commission deems it appropriate to modify the amendment to proposed Section 6.3(h) of the CAT NMS Plan as approved to remove a reference to the Exchange Act. As proposed, Section 6.3(h) would state that, “[n]otwithstanding any provision of the CAT NMS Plan (including Appendix D) or the Exchange Act, no Participant shall be required to record and electronically report to the Central Repository any order rejected by the Participant nor any Reportable Events related to such rejected order.” (emphasis added). However, an NMS plan cannot void or otherwise modify the requirements of the Exchange Act. The CAT NMS plan is a contractual agreement among the Participants created pursuant to the Exchange Act and, absent an exemption or other relief, the NMS Plan and the Participants themselves are subject to applicable Exchange Act requirements. For these reasons, the Commission deems it appropriate to modify proposed Section 6.3(h) to remove the words, “or the Exchange Act,” to remove the implication that Section 6.3(h) overrides “any provision” of the Exchange Act. In comparison to proposed Section 6.3(h) of the CAT NMS Plan, the following changes apply, with deletions shown through [brackets]:

²³¹ See also *id.* (stating that the requirement to report rejected order messages applies to Participants, not Industry Members, and, therefore, does not directly affect the reporting and other requirements applicable to Industry Members).

²³² See *id.* at 61523-24.

²³³ 17 CFR 242.608(b)(2).

(h) Rejected Messages. Notwithstanding any provision of the CAT NMS Plan (including Appendix D) [or the Exchange Act], no Participant shall be required to record and electronically report to the Central Repository any order rejected by the Participant nor any Reportable Events related to such rejected order. For the avoidance of doubt, an order that is received by the Participant but not accepted by the Participant is an order rejected by the Participant for purposes of this paragraph.

In addition, although not requested by the Participants, the Commission finds that it is appropriate in the public interest and consistent with the protection of investors under Section 36 of the Exchange Act,²³⁴ as well as consistent with the public interest, the protection of investors, the maintenance of fair and orderly markets and the removal of impediments to, and the perfection of, a national market system under Rule 608(e) under the Exchange Act,²³⁵ to grant relief that exempts each Participant from the recordkeeping and data retention requirements for CAT Data subject to the Rejected Message Amendment and that otherwise would apply as set forth in Rule 17a-1 under the Exchange Act. This relief applies only to the Participants' obligation to keep and preserve specific CAT Data within the CAT, and does not apply to any information or records that the Participants are required to keep and preserve outside of the CAT. This exemptive relief would ensure that the Rejected Message Amendment is consistent with Exchange Act requirements.

F. Data Availability Amendment

The Data Availability Amendment proposes to: (1) extend the time by which raw unprocessed data must be made available to Participants' regulatory staff and SEC from 12 p.m. Eastern Time on T+1 to 8 a.m. Eastern Time on T+2, and (2) extend the time by which final data must be ready for regulators from 8 a.m. Eastern Time on T+5 to 8 a.m. Eastern Time on T+6.²³⁶

Sections 6.1, 6.2, and 6.3 of Appendix D of the CAT NMS Plan set forth timelines regarding data availability for regulators. Section 6.1 of Appendix D of the CAT NMS Plan states that the Participants require the following timeframes for the identification,

²³⁴ 17 CFR 242.608(e).

²³⁵ 17 CFR 240.17a-1.

²³⁶ See Notice, at 61524-26.

communication, and correction of errors from the time an order event is received by the processor: (1) “Noon Eastern Time T+1 (transaction date + one day) – Initial data validation, lifecycle linkages and communication of errors to CAT Reporters;” (2) “8:00 a.m. Eastern Time T+3 (transaction date + three days) – Resubmission of corrected data;” and (3) “8:00 a.m. Eastern Time T+5 (transaction date + five days) – Corrected data available to Participant regulatory staff and the SEC.” Section 6.2 of Appendix D of the CAT NMS Plan states that “[p]rior to 12:00 p.m. Eastern Time on T+1, raw unprocessed data that has been ingested by the Plan Processor must be available to Participants’ regulatory staff and the SEC,” and that “[b]etween 12:00 p.m. Eastern Time on T+1 and T+5, access to all iterations of processed data must be available to Participants’ regulatory staff and the SEC.”²³⁷ Section 6.3 of Appendix D of the CAT NMS Plan states that “Raw Unprocessed Data” means “data that has been ingested by the Plan Processor and made available to regulators prior to 12:00 p.m. Eastern Time on T+1,” and states that “Interim Operational Data” means “all processed, validated and unlinked data made available to regulators by T+1 at 12:00 p.m. ET and all iterations of processed data made available to regulators between T+1 and T+5, but excludes the final version of corrected data that is made available at T+5 at 8:00 a.m. ET.”

Pursuant to the Data Availability Amendment, Sections 6.1, 6.2 and 6.3 of Appendix D of the CAT NMS Plan would be revised to implement a proposed revised data availability timeline.²³⁸ Section 6.1 of Appendix D of the CAT NMS Plan would be amended to replace references to 8:00 a.m. Eastern Time T+5 with 8:00 a.m. Eastern Time T+6, and make corresponding changes to the times in Figure A²³⁹ in Section 6.1 of Appendix D of the CAT

²³⁷ In addition, Section 3.4 of the CAT NMS Plan states that Options Market Maker quotes in Listed Options will undergo ingestion validation only and such unlinked data will be made available to regulators by T+1 at 12 p.m. Eastern Time.

²³⁸ See Notice, at 61524-25.

²³⁹ Figure A is a chart within Section 6.1 of Appendix D of the CAT NMS Plan that is labeled CAT Central Repository Data Processing Timelines.

NMS Plan.²⁴⁰ Proposed Section 6.2 of Appendix D of the CAT NMS Plan would replace references to 12:00 p.m. Eastern Time on T+1 with references to 8:00 a.m. Eastern Time on T+2 and replace references to T+5 to T+6, as well as specify that processing is a six-day process instead of a five-day process.²⁴¹ Proposed Section 6.3 of Appendix D of the CAT NMS Plan would replace a reference to 12:00 p.m. Eastern Time on T+1 to 8:00 a.m. Eastern Time on T+2 with respect to Raw Unprocessed Data older than 15 days.²⁴²

CAT LLC states that the Data Availability Amendment would reduce CAT costs for cloud hosting services by approximately \$1.5 to \$2 million annually.²⁴³ CAT LLC states that assuming CAT Data is required to be made available on a daily basis, expanding the data availability timeline beyond T+2 and/or T+6 would not result in additional material cost savings because the Plan Processor would still be required to process the same amount of data.²⁴⁴ CAT LLC states that to implement the proposal, the Plan Processor has proposed a one-time change request setting forth an implementation fee of approximately \$200,000 - \$400,000, and that the Plan Processor estimates that it would take approximately three to six months to fully implement the changes for the Data Availability Amendment.²⁴⁵

Two commenters state that they support the Data Availability Amendment.²⁴⁶ One of these commenters states that it supports the Data Availability Amendment, as well as the other amendments, based on the projected cost savings to the CAT system, and further states that these

²⁴⁰ See id. at 61525.

²⁴¹ See id.

²⁴² See id.

²⁴³ See id.

²⁴⁴ See id. at 61525 n.112.

²⁴⁵ See id. at 61525. One-time implementation costs will generally consist of Plan Processor labor costs associated with coding and software development, as well as any related cloud fees associated with the development, testing, and load testing of the proposed changes for the proposed amendment. Id.

²⁴⁶ See FIF February 2026 Letter, at 2, 4; SIFMA March 2026 Letter, at 6-7 (noting that this was addressed in the 2025 Cost Savings Exemptive Order).

amendments would not impact the quality of CAT data, do not raise security concerns, and would not increase the compliance and operational costs for Industry Members.²⁴⁷

The Data Availability Amendment would provide for substantial cost savings with limited regulatory impact and without having an adverse impact on Industry Members. The Data Availability Amendment would provide the Plan Processor with additional time to process the extremely large data volumes handled by the CAT on an ongoing basis, while only delaying the availability of processed and linked CAT Data to regulators by one day.²⁴⁸ Importantly, CAT LLC states that changing the timelines for providing data to the regulators would not directly affect the reporting and other requirements applicable to Industry Members.²⁴⁹

CAT LLC states that the Participants “unanimously agree” that obtaining a final lifecycle by T+6, in lieu of T+5, is sufficient to conduct their regulatory programs.²⁵⁰ The Commission agrees that a delay of one day for the receipt of final lifecycles is sufficient to conduct regulatory programs, and that it would not unduly impact regulatory use of CAT Data. In addition, should the Participants or the Commission want processed and linked data sooner, as discussed in Part III.A. above, the Interim CAT-Order-ID Amendment provides a mechanism for Participant and Commission staff to request such interim processing be done. The cost savings are a reasonable trade-off for the elimination of the regulatory benefit of maintaining the T+5 timing, because even if there were a major market event or a regulatory need for linked data where receiving linked data at T+5 instead of T+6 could be relevant or important, the Participants and Commission would have access to interim linked data pursuant to the ad hoc request ability.

²⁴⁷ See FIF February 2026 Letter, at 4.

²⁴⁸ It is reasonable to only delay the availability of data by one day because CAT LLC states that assuming CAT Data is required to be made available on a daily basis, expanding the data availability timeline beyond T+2 and/or T+6 would not result in additional material cost savings because the Plan Processor would still be required to process the same amount of data. See Notice, at 61525 n.112.

²⁴⁹ See *id.* at 61525.

²⁵⁰ See *id.*

It is reasonable to have access to raw unprocessed data ingested by the Plan Processor prior to T+2 at 8 a.m. Eastern Time. Having access to raw unprocessed data a day earlier, at T+1 at 8 a.m. Eastern Time, is generally not critical for regulatory users. Linked data is of greater regulatory value, and as noted above, the Interim CAT-Order-ID Amendment would provide a mechanism for requesting that the raw unprocessed data be quickly processed and linked for regulatory use.

The Commission is modifying the Proposed Amendment, pursuant to Rule 608(b)(2),²⁵¹ to modify existing CAT NMS Plan language to fix a technical issue and make the provision consistent with the Data Availability Amendment, and consistent with a proposed modification in the CAT LLC February 2026 Letter.²⁵² Specifically, Section 3.4 of the CAT NMS Plan currently states that OMM Quotes will undergo ingestion validation only and such unlinked data will be made available to regulators by T+1 at 12:00 p.m. Eastern Time. To be consistent with the Data Availability Amendment and the timing of the provision of other unprocessed CAT Data to regulatory users, the Commission is modifying Section 3.4 of the CAT NMS Plan to replace “T+1 at 12:00 p.m. Eastern Time” with “T+2 at 8:00 a.m. Eastern Time.” This modification is appropriate, because it makes this provision consistent with the Data Availability Amendment and would help avoid confusion about when data would be made available to regulators pursuant to the Proposed Amendment.

G. Reference Data Amendment

The Commission recently approved an amendment to the CAT NMS Plan that eliminated all CAT NMS Plan requirements to report Names, Addresses, YOBs, SSNs/ITINs, and EINs to the CAT and to remove such previously reported customer information stored in the CAT,²⁵³ as

²⁵¹ See CAT LLC February 2026 Letter, at 3.

²⁵² 17 CFR 242.608(b)(2).

²⁵³ See CAIS Amendment Approval Order. This effectively codified and expanded upon prior exemptive relief from the requirement to report Names, Addresses, and YOBs for natural persons with social security numbers or tax-payer identification numbers. See Securities Exchange Act Release No. 102386 (Feb. 10, 2025), 90 FR 9642, 9643 (Feb. 14, 2025), <https://www.sec.gov/files/rules/sro/nms/2025/34-102386.pdf> (“CAIS Exemption Order”).

well as codified the Participants' current method of generating anonymized customer identifiers ("CAT Customer-IDs" or "CCIDs") without requiring the receipt or storage of individual SSNs/ITINs in the CAT.²⁵⁴

The Initial Proposed Amendment included proposed amendments to the CAT NMS Plan to eliminate both the requirement to report Customer Account Information and Customer Identifying Information to the CAT, eliminate CAIS from the CAT, and adopt a new approach for the generations of CCIDs ("Reference Data Amendment"). The CAIS Amendment was approved after the submission of the Initial Proposed Amendment, and thus the proposed Reference Data Amendment in the Initial Proposed Amendment included changes to the CAT NMS Plan based on the text of the CAT NMS Plan prior to the approval of the CAIS Amendment.²⁵⁵ On February 24, 2026, CAT LLC submitted CAT LLC February 2026 Letter, which proposed revisions to the Initial Proposed Amendment to reflect the intervening changes to the language of the CAT NMS Plan following the Commission's approval of the CAIS Amendment.²⁵⁶ On March 10, 2026, CAT LLC submitted CAT LLC March 2026 Response Letter, which proposes one additional revision to the Proposed Amendment, further revising the proposed definition of "Reference Data" to include "Customer Type."²⁵⁷

²⁵⁴ See CAIS Amendment Approval Order, at 2166. Pursuant to the CCID alternative, the Plan Processor generates a unique CCID, using a two-phase transformation process that avoids having individual social security numbers or tax-payer identification numbers ("SSNs/ITINs") reported to or stored in the CAT. In the first transformation phase, a CAT Reporter transforms the SSN/ITIN into an interim transformed value. This transformed value, and not the SSN/ITIN, is submitted to a separate system within the CAT ("CCID Subsystem"). The transformed value is sent to the CAT separate and apart from the other customer and account information. The CCID Subsystem then performs a second transformation to create the globally unique CCID for each Customer that is unknown to, and not shared with, the original CAT Reporter. The CCID is then sent to the customer and account information system ("CAIS") of the CAT, where it is linked with the other customer and account information. The CCID may then be used by the Participants' regulatory staff and Commission staff in queries and analysis of CAT data. See Securities Exchange Act Release No. 88393 (Mar. 17, 2020), 85 FR 16152, 16153 (Mar. 20, 2020), <https://www.govinfo.gov/content/pkg/FR-2020-03-20/pdf/2020-05935.pdf> ("CCID Exemption Order").

²⁵⁵ See Notice, at 61509 n.15 (stating that the SEC has not yet approved or disapproved the CAIS Amendment).

²⁵⁶ See CAT LLC February 2026 Letter, *supra* note 7.

²⁵⁷ See CAT LLC March 2026 Response Letter, at 9.

The Reference Data Amendment, as proposed to be changed by the CAT LLC in its February 2026 Response Letter, differs from the CAIS Amendment in that it proposes to, as described in greater detail below: (i) eliminate the requirement to report Account Reference Data and Customer Reference Data to the CAT; (2) eliminate CAIS from the CAT and instead establish the Reference Database;²⁵⁸ and (3) utilize a revised approach for the generation of CCIDs that minimizes the data needed for its creation (the “Reference Data Approach”).²⁵⁹ Under the Reference Data Approach, certain previously required information would not be reported to the CAT, such as Large Trader IDs (“LTIDs”) and Legal Entity Identifiers (“LEIs”), and the Reference Database would be limited to the storage of CCID Generation Data and CCID Transaction Enrichment Data, as defined below, as well as account type, clearing broker, branch office, registered representative, and individual’s role in the account.

CAT LLC states that pursuant to the Reference Data Approach, Industry Members would be required to collect and record certain identification information for their Customers (such as SSNs, ITINs, Employer Identification Numbers (“EINs”) or foreign identifiers, collectively “CCID Generation Data”), and instead of submitting such information to the CAT, each Industry Member would submit to the Reference Database of the CAT (the information system of the CAT that would contain Reference Data) (1) the hashed version of each Customer’s identification information, which would be referred to as the Transformed Identifier or TID, as well as (2) the type of identifier used to create the Transformed Identifier (*e.g.*, SSN/ITIN, EIN or foreign identifier), and such type of identifier would be referred to as the Transformed

²⁵⁸ The Reference Database would not include the same information as the CAIS, and regulatory and other features related to the CAIS and the collection of Customer information (*e.g.*, Regulatory Portal, CAIS Report Card, CCID Rotation) would also be eliminated. See Notice, at 61528.

²⁵⁹ CAT LLC further states that the CAIS Amendment involves targeted changes to the broader CAIS infrastructure, while fully eliminating CAIS and related functionality would be simpler and more straightforward, and therefore less time consuming. See CAT LLC March 2026 Response Letter, at 6-7. CAT LLC states that, if approved, the Reference Data Amendment would effectively supersede the CAIS Amendment, and the associated implementation costs would be lower than those under the CAIS Amendment. Id. at 7.

Identifier Type or TID Type.²⁶⁰ CAT LLC states that the process for generating CCIDs from this information would be materially the same as the current process, using a combination of TID, TID Type, Foreign TID Type and Foreign TID Country Codes to generate CCIDs based on a combination of these field values.²⁶¹

CAT LLC states that Industry Members would be required to submit to the Reference Database that replaces the CAIS database, certain “CCID Transaction Enrichment Data” for each account and Customer, as applicable: (i) Firm Designated ID; (ii) Date FDID Opened, which means the date the account was opened (or the Account Effective Date); (iii) Date FDID Closed, which means the date the account was closed (or relationship or entity identifier was ended) at the Industry Member; (iv) Customer Role Start Date, which means the date the Customer became associated with the account; and (v) Customer Role End Date, which means the date the Customer is no longer associated with the account.²⁶² Furthermore, CAT LLC states that Industry Members would be required to report to the Reference Database the following data types: account type, clearing broker, branch office, registered representative, and individual’s role in the account.²⁶³

Pursuant to the Reference Data Approach, Reference Data, which includes CCID Generation Data, CCID Transaction Enrichment Data, and account type, clearing broker, branch office, registered representative, and individual’s role in the account, would be reported to and collected in the Reference Database.²⁶⁴ In addition, CAT LLC states that the Plan Processor

²⁶⁰ See Notice, at 61528. For foreign Customers, each Industry Member would be required to submit two items in addition to the TID and TID Type; Industry Members also would be required to submit (1) the Foreign TID Type, which is the type of foreign identifier used to create the TID (*e.g.*, passport, LEI, driver’s license), and (2) the Foreign TID Country Code, which is the country that issued the foreign identifier used to create the TID. Id.

²⁶¹ See id.

²⁶² See id.

²⁶³ See id.

²⁶⁴ See id. CAT LLC states that with the elimination of the CAIS database, regulatory and other features related to CAIS and the collection of Customer information (*e.g.*, Regulatory Portal, CAIS Report Card, CCID Rotation) also would be eliminated. See id.

would enrich Reportable Events for an order with the CCID for the relevant Customer using the FDID as the key and map CCIDs to FDIDs, which would allow regulators to associate a Customer with transaction data.²⁶⁵ CAT LLC states that once the Plan Processor enriches Reportable Events with the CCID, regulators can track the same CCID and Customer across different FDIDs and across different Industry Members.²⁶⁶ CAT LLC states that with the elimination of CAIS, the CAIS regulatory portal would be eliminated, but that to the extent that a regulator needs to use a social security number, EIN, or foreign identifier (which it has obtained from outside the CAT) to investigate CAT activity, the Plan Processor would provide a method (e.g., an application programming interface (“API”)) that would permit regulators to use the social security number to look up a CCID.²⁶⁷

CAT LLC states that the Reference Data Amendment, as proposed in the Initial Proposed Amendment, would reduce CAT costs for cloud hosting services by approximate \$4 to \$6 million annually, as well as provide for potential reductions in the operating fees for the Plan Processor.²⁶⁸ In the Initial Proposed Amendment, CAT LLC states that the potential cost savings related to the operating fees for the Plan Processor with regard to the 2025 Cost Savings Amendment are \$7 million.²⁶⁹ CAT LLC states that while the November 2025 CAT budget includes approximately \$24.5 million in CAIS-related Plan Processor fees, including a \$20.7 million in CAIS operating fee and a \$3.8 million license fee,²⁷⁰ which would be eliminated with the elimination of CAIS, the elimination of these fees would be offset in part by other estimated increases in Plan Processor fees, resulting in total Plan Processor fees of approximately \$47

²⁶⁵ See id. CAT LLC states that under the Reference Data Approach, the mapping table would be expanded to include the additional Reference Data elements, and relevant historical CCID, FDID and Reference Data will be migrated to the updated mapping table; with such migration, such relevant historical data would not be eliminated. See id.

²⁶⁶ See id.

²⁶⁷ See id. at 61528-29.

²⁶⁸ See Notice, at 61526.

²⁶⁹ See id.

²⁷⁰ See id. at 61526 n.114.

million on an annualized basis, an estimate \$7 million reduction from the \$54 million in total Plan Processor fees under the proposed 2025 Cost Savings Amendment.²⁷¹ CAT LLC states that to implement the Reference Data Amendment, as proposed in the Initial Proposed Amendment, the Plan Processor has proposed a one-time change request implementation fee of approximately \$2.5 - \$3.5 million, and that the Plan Processor estimates that it would take approximately nine to twelve months, including an allowance for three to four months for industry testing, to fully implement the changes for the Reference Data Amendment.²⁷²

One commenter states that it supports the Reference Data Amendment.²⁷³ The commenter states that it supports the Reference Data Amendment, as well as the other amendments, based on the projected cost savings to the CAT system, and further states that these amendments would not impact the quality of CAT data, do not raise security concerns, and would not increase the compliance and operational costs for Industry Members.²⁷⁴

Another commenter states that it supports the Reference Data Approach as well as finalizing the elimination of PII from the CAT, but is concerned that the Reference Data Amendment leaves “unanswered the significant question of how regulators plan to identify a person engaged in problematic trading activity identified in CAT data in connection with an investigation.”²⁷⁵ The commenter requests that the Participants, or at least FINRA, develop and execute with industry collaboration a plan to create a request-response system that would address this question and enable the retirement of EBS.²⁷⁶

²⁷¹ See id. at 61526.

²⁷² See id. CAT LLC states that one-time implementation costs will generally consist of Plan Processor labor costs associated with coding and software development, as well as any related cloud fees associated with the development, testing, and load testing of the Reference Data Approach. Id.

²⁷³ See FIF February 2026 Letter, at 2, 4.

²⁷⁴ See id. at 4.

²⁷⁵ See SIFMA March 2026 Letter, at 4. This commenter states that it strongly supports prior actions to protect investors’ confidential information by the Commission and the Participants. Id.

²⁷⁶ See SIFMA March 2026 Letter, at 4-5. The other commenter also supports creation of a request-response system as a replacement for EBS, and CAT LLC provided a response in CAT LLC March 2026 Response Letter. See infra notes 317-318 and accompanying text.

CAT LLC represents that the process for generating the CCID under the Reference Data Approach is materially the same as the current process, which the Commission has previously codified in the CAT NMS Plan by approving the CAIS Amendment.²⁷⁷ As discussed previously,²⁷⁸ the CCID process (or CCID alternative), which allows the Participants to generate a unique CCID using a two-phase transformation process that avoids having SSNs/ITINs reported to or stored in the CAT, preserves a core regulatory purpose of the CAT by allowing for the tracking of a specific order of a Customer throughout its entire lifecycle without the reporting or storage of social security numbers in the CAT. The ability to link information about order events throughout the national market system to a unique customer identifier is one of the core regulatory advances of the CAT over the fragmented regulatory data sources that preceded it, and thus the CCID process greatly facilitates the regulatory and surveillance efforts of the Participants and the Commission by, among other things, enabling regulators to detect potentially unlawful trading activity and to identify those responsible for or victims of it.²⁷⁹ The Commission continues to believe that the CCID process provides CAT the ability to provide customer attribution of order and trade activity even if such trading activity spans multiple broker-dealers, and without this ability, the value and usefulness of the CAT would be significantly diminished.²⁸⁰

The Commission believes that it is reasonable to reduce the amount of data Industry Members would be required to submit to the CAT, including the removal of requirements to report LTIDs and LEIs, which was not proposed in the CAIS Amendment.²⁸¹ As noted above, the Plan Processor would still have sufficient information to generate CCIDs, but Industry Members would no longer need to incur costs related to the submission of information that was

²⁷⁷ See Notice, at 61528; CAIS Amendment Approval Order, at 2166-69.

²⁷⁸ See CAIS Amendment Approval Order, at 2168.

²⁷⁹ See CCID Exemption Order, at 16156 n.78.

²⁸⁰ See *id.*

²⁸¹ See Notice, at 61528.

previously required to be reported to the CAT. While the Commission has previously stated that large trader identifiers and LEIs could assist regulators in identifying the name of a legal entity associated with a particular FDID,²⁸² the Commission believes that regulators will still be able to effectively perform cross-market, cross-broker, and cross-market surveillance of market participants because all customers will have a CCID. In addition, the Commission believes that removal of this reporting requirement would reduce the reporting burden on Industry Members.

The Commission believes that the retirement of CAIS, and deletion from CAIS of all Customer information or other data in CAIS, and maintenance of a FDID-CCID mapping table and historical FDIDs, CCIDs and Reference Data is reasonable. Regulators would have the ability to access the Reference Database to information regarding account type, clearing broker, branch office, registered representative, and individual's role in the account.²⁸³ Having access to this data in CAT could reduce the number of requests regulatory staff make to Industry Members without access to such information.²⁸⁴ With CAT transactional data and the Reference Database, regulators will have sufficient information to effectively perform regulatory functions including investigations, enforcement, and surveillance. In particular, with the Reference Data Approach and pursuant to proposed Section 9.5 of Appendix D of the CAT NMS Plan, regulators would have access to a mapping table for the FDIDs, CCIDs and Reference Data, and would be able to use a tool to look up a CCID using the input used to identify unique Customers for the TID, where such inputs may include, but are not limited to, individual tax payer identification number ("ITIN") or social security number ("SSN"), Employer Identification Number (EIN, including QI-EIN, WP-EIN, and WT-EIN), or certain foreign identifiers.

²⁸² See CAIS Amendment Approval Order, at 2169.

²⁸³ See Notice, at 61529; proposed Section 1.1 (defining "Reference Data" as "CCID Generation Data, CCID Transaction Enrichment Data, account type, clearing broker, branch office, registered representative, and individual's role in the account," and the "Reference Database" as "the information system of the CAT containing Reference Data").

²⁸⁴ See Notice, at 61528 (stating that these "five categories of data would assist regulatory surveillance programs and would help to reduce Electronic Blue Sheet requests and other inquiries from the Participants and the SEC").

In light of the security risks and the increasing sophistication of cybercriminals and bad actors, it is reasonable to eliminate the CAIS system. The Commission considered the trade-off between the protection of investors' personal information and losses to regulatory efficiency that would result from eliminating this information from the CAT and has concluded that the regulatory benefit of collecting this information no longer justifies the associated risks. Pursuant to the Reference Data Approach, Industry Members would still be required to transform SSNs/ITINs/government issued ID numbers into interim values and report those TIDs to the CCID Subsystem for each order, such that the system of generating CCIDs will not be materially impacted.

The CAT LLC's proposed changes to the CAT NMS Plan are reasonably designed to implement the Reference Data Amendment and Reference Data Approach. Thus, subject to further modifications described below, pursuant to Rule 608(b)(2),²⁸⁵ the Commission is modifying the Proposed Amendment to be consistent with the modifications to the original Proposed Amendment relating to the Reference Data Amendment.²⁸⁶ The Commission deems this is appropriate because the modifications to the Initial Proposed Amendment made by CAT LLC February 2026 Letter reflect the intervening changes to the language of the CAT NMS Plan following the Commission's approval of the CAIS Amendment, which occurred on January 13, 2026, after the Initial Proposed Amendment was submitted to the Commission. The changes in the CAT LLC February 2026 Letter avoid confusion and help clarify the scope of changes to the CAT NMS Plan being proposed by the Reference Data Amendment.

Accordingly, to implement the intervening changes to the language of the CAT NMS Plan following the Commission's approval of the CAIS Amendment as proposed in the CAT

²⁸⁵ 17 CFR 242.608(b)(2).

²⁸⁶ These modifications to the original Proposed Amendment are described on pages 2 to through 5 in the CAT LLC February 2026 Letter, and the updated revisions described on those pages are set forth in Exhibit A to CAT LLC February 2026 Letter. See CAT LLC February 2026 Letter, at 7-28 (Exhibit A reflecting updated revisions).

LLC February 2026 Letter, the Commission is making changes to the Proposed Amendment as discussed below.

The Commission is modifying the Proposed Amendment to amend Section 1.1 of the CAT NMS Plan to add, modify, and delete definitions that apply to the CAT NMS Plan. The new definitions are being proposed to be added to Section 1.1 of the CAT NMS Plan are:

- “CCID Generation Data” shall mean the Transformed Identifier and Transformed Identifier Type.
- “CCID Transaction Enrichment Data” shall mean Firm Designated ID, Date FDID Opened, Date FDID Closed, Customer Role Start Date, and Customer Role End Date.
- “Customer Role Start Date” means the date the Customer became associated with the relevant account for the order.
- “Customer Role End Date” means the date the Customer is no longer associated with the relevant account for the order.
- “Date FDID Closed” means the date the relevant account for the order was closed (or relationship or entity identifier was ended) at the Industry Member.
- “Date FDID Opened” means the date the relevant account for the order was opened; except, however, that (a) in those circumstances in which an Industry Member has established a trading relationship with an institution but has not established an account with that institution, the Industry Member will provide the Account Effective Date in lieu of the “Date FDID Opened;” and (b) in those circumstances in which the relevant account was established prior to the implementation date of the CAT NMS Plan applicable to the relevant CAT Reporter (as set forth in Rule 613(a)(3)(v) and (vi)), and no “date account opened” is available for the account, the Industry Member will provide the Account Effective Date in the following circumstances: (i) where an Industry Member changes back office providers or clearing firms and the date account opened is changed to the date the account was opened on the new back

office/clearing firm system; (ii) where an Industry Member acquires another Industry Member and the date account opened is changed to the date the account was opened on the post-merger back office/clearing firm system; (iii) where there are multiple dates associated with an account in an Industry Member's system, and the parameters of each date are determined by the individual Industry Member; and (iv) where the relevant account is an Industry Member proprietary account.

- “Foreign TID Country Code” means the country that issued the foreign identifier used to create the Transformed Identifier.
- “Foreign TID Type” means, for foreign customers, the type of foreign identifier used to create the Transformed Identifier (e.g., passport, Legal Entity Identifier (“LEI”), or driver’s license).
- “Transformed Identifier Type” or “TID Type” means the type of identifier used to create the Transformed Identifier (e.g., SSN/ITIN, EIN or foreign identifier).

For the same reasons, the Commission is modifying two proposed definitions in Section 1.1 of the CAT NMS Plan: “Reference Data”²⁸⁷ and “Transformed Identifier” or “TID.” The modified definition of Reference Data would no longer refer to “the data elements in Account Reference Data and Customer Reference Data,” but would instead mean CCID Generation Data, CCID Transaction Enrichment Data, customer type,²⁸⁸ account type, clearing broker, branch office, registered representative, and individual’s role in the account. The modified definition of “Transformed Identifier” or “TID” would be modified to mean the transformed version of the input used to identify unique Customers, where such inputs may include, but are not limited to, individual tax payer identification number (“ITIN”) or social security number (“SSN”),

²⁸⁷ In addition, CAT LLC proposes to modify a reference to “Customer information,” in Section 6.2 of Appendix D of the CAT NMS Plan, to instead state “Reference Data.” See CAT LLC February 2026 Letter, at 17.

²⁸⁸ CAT LLC states that after subsequent discussion with Industry Members, it proposes to revise the definition of “Reference Data” to “clarify” that Customer Type would continue to be reportable. See CAT LLC March 2026 Response Letter, at 9.

Employer Identification Number (EIN, including QI-EIN, WP-EIN, and WT-EIN), or certain foreign identifiers.²⁸⁹

The Commission is also modifying the Proposed Amendment to delete three definitions in Section 1.1 of the CAT NMS Plan that were added to the CAT NMS Plan in the CAIS Amendment and which CAT LLC states would no longer be needed under the proposed amendment, specifically, “CCID Subsystem,” “Account Reference Data,” “Customer Reference Data.”²⁹⁰ These changes to Section 1.1 of the CAT NMS Plan, specifically the new, modified, and deleted definitions, are reasonably designed to implement the Reference Data Approach, by clarifying what data would be required to reported to CAT by Industry Members under this approach and what data would be maintained in the CAT System and where it would be maintained.

The Commission is also modifying proposed Section 6.4(d)(ii)(C) of the CAT NMS Plan to replace “for original receipt or origination of an order, the Firm Designated ID for the relevant Customer, and in accordance with Section 6.4(d)(iv), the Reference Data for the relevant Customer and” with “with respect to the original receipt or origination of an order, the CCID Transaction Enrichment Data for the relevant account for the order, and the CCID Generation Data for the relevant Customer for the order, in accordance with Section 6.4(d)(iv).”²⁹¹ This change is reasonably designed to modify reporting requirements to require CCID Transaction Enrichment Data and CCID Generation Data be reported to the CAT.

²⁸⁹ The definition of “Transformed Identifier” or “TID” was added to the CAT NMS Plan in the CAIS Amendment. See CAIS Amendment Approval Order, at 2167. As approved in the CAIS Amendment Approval Order, Section 1.1 of the CAT NMS Plan states that “Transformed Identifier” or “TID” means the transformed version of the input used to identify unique Customers, including, but not limited to, individual tax payer identification number (“ITIN”) or social security number (“SSN”) submitted by Industry Members in place of an ITIN or SSN. See id.

²⁹⁰ See CAT LLC February 2026 Letter, at 2. See also CAIS Amendment Approval Order, at 2166. CAT LLC February 2026 Letter outlines other changes to the Reference Data Amendment as compared to the Initial Proposed Amendment, including no longer proposing to modify or delete certain definitions that would have been modified or deleted if the CAIS Amendment were not approved. See CAT LLC February 2026 Letter, at 2-3.

²⁹¹ This same subsection, Section 6.4(d)(ii)(C) of the CAT NMS Plan, was modified by the CAIS Amendment prior to the filing of the Proposed Amendment. See CAIS Amendment Approval Order, at 2170.

The Commission is also modifying proposed Section 6.4(d)(iv) of the CAT NMS Plan to:

(i) replace references to “Customer information” with “Reference Data”; (ii) state that each Industry Member must submit an initial set of the Reference Data required in Section 6.4(d)(ii)(C) for Each Customer with an Active Account(s), instead of for just Active Accounts; (iii) delete a requirement that Industry Member submit to the Central Repository a complete set of all Customer information; (iv) delete a requirement that the Plan Processor correlate Customer information across all Industry Members, and (v) modify the provision to state that the Plan Processor will use the CCID Generation Data to assign a Customer-ID for each Customer, and use the CCID Transaction Enrichment Data to enrich and link all Reportable Events associated with an order with the CCID for a Customer. These changes are consistent with the Reference Data Approach and remove reporting requirements relating to Customer information that will no longer be required to be reported to the CAT.

The Commission is also modifying the Proposed Amendment to update the title of various Sections of Appendix D of the CAT NMS Plan to reflect the modified approach. Section 9 of Appendix D of the CAT NMS Plan would be changed from “CAT Reference Data” to “CAT-Customer-ID.”²⁹² Section 9.1 of Appendix D of the CAT NMS Plan would be re-titled “Assignment of CCID” instead of “Reference Data Storage.”²⁹³ Section 9.2 of Appendix D of the CAT NMS Plan would be renamed to “CCID Transaction Enrichment Data,” instead of “Required Data Attributes for Customer Information Data Submitted by Industry Members.” Section 9.4 of Appendix D of the CAT NMS Plan would be renamed from “Error Resolution for Customer Data” to “Error Resolution for Reference Data.”²⁹⁴ These changes to the titles of

²⁹² The CAIS Amendment modified the title of Section 9 of Appendix D of the CAT NMS Plan to “CAT Reference Data.” See CAIS Amendment Approval Order, at 2170.

²⁹³ The CAIS Amendment modified the title of Section 9.1 of Appendix D of the CAT NMS Plan to “Reference Data Storage.” See CAIS Amendment Approval Order, at 2176.

²⁹⁴ CAT LLC also proposes to modify Section 9.4 of Appendix D of the CAT NMS Plan to specify that the Central Repository must have an audit trail showing the resolution of all errors related to Reference Data. See Notice, at 2171.

Section 9 better reflect the Reference Data Approach and remove references to concepts that no longer apply to the CAT, such as CAT-Customer-ID and Customer Information Data.

The Commission is modifying proposed Section 9.1 of Appendix D of the CAT NMS Plan so that it states that the CAT must capture and store in the Reference Database the TID and TID Type for each customer (or, for foreign customers, the TID, TID Type, Foreign TID Type and Foreign TID Country Code) submitted by Industry Members to the CAT, and references to the separate database for Customer and Customer Account Information, as well as required attributes, would be deleted. References to Customer and Customer Account Information, as well as references to previously collected Customer information would be replaced with references to “Reference Data.” Language regarding validation of previously collected Customer information would also be removed. The provision would also be updated to state that the Plan Processor will design and implement a robust data validation process for submitted Reference Data. These changes are reasonably designed to implement the Reference Data Approach, including in particular the new requirements related to the capture and storage of TID and TID Type, and removal of language regarding Customer and Customer Account Information which will no longer be applicable.

The Commission is also modifying proposed Section 9.1 of Appendix D of the CAT NMS Plan. The first paragraph would be modified to state that the CAT must capture and store in the Reference Database the TID and TID Type for each customer (or, for foreign customers, the TID, TID Type, Foreign TID Type and Foreign TID Country Code) submitted by Industry Members to the CAT. A requirement that for legal entities, the CAT must capture LEIs would be deleted, as well as a requirement that the Plan Processor have a process to periodically receive full account lists to ensure the completeness and accuracy of the account database. The Reference Data Amendment, as modified by CAT LLC February 2026 Letter, would also update various references in the section to Reference Data or CCID Generation Data, delete references to the CCID Subsystem and Customer information, and update references to broker-dealers to

“Industry Members.” These changes are reasonably designed to implement the Reference Data Approach and clarify what information would be stored in the CAT.

The Commission is also modifying Section 9.2 of Appendix D of the CAT NMS Plan to delete a reference to Customer information data attributes and a list of such data attributes, specifically Transformed Identifier, Market Identifiers (Large Trader ID, LEI), Type of Account, Firm Designated ID, Primer Broker ID, Bank Depository ID, and Clearing Broker. Instead, the first paragraph of modified Section 9.2 of Appendix D of the CAT NMS Plan would state that, “[t]he following CCID Transaction Enrichment Data must be accepted by the Central Repository and stored in the Reference Database of the CAT: FDID, Date FDID Opened, Date FDID Closed, Customer Role Start Date, and Customer Role End Date.” In addition, proposed Section 9.2 of Appendix D of the CAT NMS Plan would have a new paragraph stating that, “[i]n addition, the following data must be accepted by the Central Repository and stored in the Reference Database of the CAT: account type, clearing broker, branch office, registered representative, and individual’s role in the account.” These changes are reasonably designed to implement the Reference Data Approach by updating language regarding what data attributes would be collected by the CAT under the new approach.

The Commission is also modifying Section 9.3 of Appendix D of the CAT NMS Plan by deleting language regarding assignment of CAT-Customer-ID and generation and assignment of unique CAT-Customer-IDs for each Transformed Identifier submitted by broker-dealer CAT Reporters to the CCID Subsystem and deleting language stating that once a CAT-Customer-ID is assigned, it will be added to each linked (or unlinked) order record for that Customer, and adding language to the first paragraph to state that, “[o]nce a CAT-Customer-ID is assigned, the Plan Processor will use the CCID Transaction Enrichment Data to enrich Reportable Events for that Customer with the CCID.” In addition, CAT LLC proposes to add a reference to the CCID:FDID mapping table in this section. The Commission is modifying the final paragraph in the provision to state that, “Participants and the SEC must be able to use the unique CAT-

Customer-ID to track orders from any Customer or group of Customers, regardless of what brokerage account was used to enter the order, including through a CCID:FDID mapping table, which allows regulators to identify if the same Customer is trading across accounts and/or across Industry Members.” These changes are reasonably designed to implement the Reference Data Approach and codify the CCID:FDID mapping table which will increase the regulatory utility of the CAT.

The Commission is also modifying the CAT NMS Plan to delete existing Section 9.5 of Appendix D of the CAT NMS Plan, which pertains to deletion from CAIS of certain reported Customer data, and would instead replace the provision with one regarding “Regulator Access to Reference Data.” Specifically, the provision would state that “[t]he Plan Processor will provide a mapping table for the FDIDs, CCIDs and Reference Data, and make such mapping table available to regulators via the user defined direct query and bulk extraction tools, and, if requested, via a regulator’s own regulatory applications for the CAT. The Plan Processor also must provide regulators with a method (e.g., an application programming interface (“API”)) that regulators could use to look up a CCID using the input used to identify unique Customers for the TID, where such inputs may include, but are not limited to, individual tax payer identification number (“ITIN”) or social security number (“SSN”), Employer Identification Number (EIN, including QI-EIN, WP-EIN, and WT-EIN), or certain foreign identifiers.” These changes are reasonably designed to implement the Reference Data Approach and outline the regulatory tools and information available to regulators under the new approach.

In addition to the modifications that the Commission is making to implement the intervening changes to the language of the CAT NMS Plan following the Commission’s approval of the CAIS Amendment as discussed above, the Commission is also modifying proposed Section 9.6 of Appendix D of the CAT NMS Plan. As proposed in the Initial Proposed Amendment, proposed Section 9.6 of Appendix D of the CAT NMS Plan, “Deletion of Certain Customer data,” would permit the deletion of customer data and retirement of CAIS.

Specifically, the provision would state that, “[n]otwithstanding any other provision of the CAT NMS Plan, this Appendix D, or the Exchange Act, CAT LLC shall direct the Plan Processor to retire CAIS and to develop and implement a mechanism to delete from CAIS all Customer information or other data in CAIS, except for the FDID-CCID mapping table and historical FDIDs, CCIDs and Reference Data. The Plan Processor will migrate the FDID-CCID mapping table and historical FDIDs, CCIDs and Reference Data to the updated mapping table. For the avoidance of doubt, such data does not constitute records that must be retained by the CAT under Exchange Act Rule 17a-1.” The Commission is modifying this provision as described below.

In conjunction with proposed Section 9.6 of Appendix D of the CAT NMS Plan, the Participants specifically request, “[t]o the extent that the Commission deems it necessary,” exemptive relief from Rule 17a-1 under the Exchange Act to effectuate the proposed changes set forth in proposed new Section 9.6 of Appendix D of the CAT NMS Plan, on a retroactive and prospective basis.²⁹⁵ Such relief is necessary in order to effectuate the Proposed Amendment, as Rule 17a-1 would otherwise require the customer data and information in CAIS be preserved by the Participants.²⁹⁶ The Commission finds that it is appropriate in the public interest and consistent with the protection of investors under Section 36 of the Exchange Act,²⁹⁷ as well as consistent with the public interest, the protection of investors, the maintenance of fair and orderly markets and the removal of impediments to, and the perfection of, a national market system under Rule 608(e) under the Exchange Act,²⁹⁸ to grant relief that exempts each Participant from the recordkeeping and data retention requirements for Customer data and information in the CAIS that is subject to Section 9.6 of Appendix D of the CAT NMS Plan and that otherwise

²⁹⁵ See Notice, at 61532.

²⁹⁶ Rule 17a-1 requires national securities exchanges and national securities associations, among others, to keep and preserve at least one copy of all documents, including all correspondence, memoranda, papers, books, notices, accounts, and other such records as shall be made or received by it in the course of its business as such and in the conduct of its self-regulatory activity. 17 CFR 240.17a-1.

²⁹⁷ 17 CFR 242.608(e).

²⁹⁸ 17 CFR 240.17a-1.

would apply as set forth in Rule 17a-1 under the Exchange Act. This relief applies only to the Participants' obligation to keep and preserve the customer information and records in CAIS. It does not apply to any customer information or records that the Participants are required to keep and preserve outside of CAIS.

In addition, pursuant to Rule 608(b)(2),²⁹⁹ the Commission is modifying proposed Section 9.6 of Appendix D of the CAT NMS Plan, as it was proposed in the Initial Proposed Amendment, as described below. In the Initial Proposed Amendment, Section 9.6 of Appendix D of the CAT NMS Plan would state that “[n]otwithstanding any other provision of the CAT NMS Plan, this Appendix D, or the Exchange Act, CAT LLC shall direct the Plan Processor to develop and implement a mechanism to delete from CAIS. . .” (emphasis added).³⁰⁰ In addition, the provision would state, “[f]or the avoidance of doubt, such data does not constitute records that must be retained by the CAT under Exchange Act Rule 17a-1.”³⁰¹ However, an NMS plan cannot void or otherwise modify the requirements of the Exchange Act. The CAT NMS plan is a contractual agreement among the Participants created pursuant to the Exchange Act and, absent an exemption or other relief, the NMS Plan and the Participants themselves are subject to applicable Exchange Act requirements. In addition, this reference to Exchange Act Rule 17a-1 in the CAT NMS Plan is unnecessary given the exemptive relief granted above and previously by the Commission. For these reasons, the Commission deems it appropriate to modify Section 9.6 of the CAT NMS Plan to remove the references to the Exchange Act and Exchange Act Rule 17a-1.

In addition, the Commission is modifying proposed Section 9.6 of Appendix D of the CAT NMS Plan to add language consistent with the language of a similar provision (Section 9.5 of Appendix D) previously approved CAIS Amendment, which clarifies that CAT LLC or the

²⁹⁹ 17 CFR 242.608(b)(2).

³⁰⁰ See Notice, at 61561.

³⁰¹ Id.

Plan Processor shall be permitted to delete any such information that has been improperly reported by an Industry Member to the extent that either becomes aware of such improper reporting through self-reporting or otherwise. In addition, the Commission is adding a sentence stating that CAT LLC shall direct the Plan Processor to document all deletions of Customer information from the Reference Database and provide periodic reports of all such deletions to the Operating Committee.

The Commission deems it appropriate to make these changes because they will help ensure that CAT LLC and the Plan Processor will be able to delete improperly reported Customer data after implementation of the Reference Data Amendment and help ensure that the Plan Processor documents deletions of Customer information and provide periodic reports to the Operating Committee. These changes are consistent with what was proposed by the Participants in the CAIS Amendment, and approved by the Commission in the CAIS Amendment Approval Order.³⁰²

The approved Section 9.6 of Appendix D of the CAT NMS Plan is shown below:

9.6 Deletion of Certain Customer Data

Notwithstanding any other provision of the CAT NMS Plan or this Appendix D, CAT LLC shall direct the Plan Processor to retire CAIS and to develop and implement a mechanism to delete from CAIS all Customer information or other data in CAIS, except for the FDID-CCID mapping table and historical FDIDs, CCIDs and Reference Data. The Plan Processor will migrate the FDID-CCID mapping table and historical FDIDs, CCIDs and Reference Data to the updated mapping table. CAT LLC or the Plan Processor shall be permitted to delete any such information that has been improperly reported by an Industry Member to the extent that either becomes aware of such improper reporting through self-reporting or otherwise. CAT LLC shall direct the Plan Processor to document all deletions of Customer information from the Reference Database and provide periodic reports of all such deletions to the Operating Committee.

In comparison to proposed Section 9.6 of the CAT NMS Plan in the Initial Proposed Amendment, the following changes would apply. Deletions are shown through [brackets], and additions are shown with *italics*:

9.6 Deletion of Certain Customer Data

³⁰² See CAIS Amendment Approval Order.

Notwithstanding any other provision of the CAT NMS Plan[, or this Appendix D[, or the Exchange Act], CAT LLC shall direct the Plan Processor to retire CAIS and to develop and implement a mechanism to delete from CAIS all Customer information or other data in CAIS, except for the FDID-CCID mapping table and historical FDIDs, CCIDs and Reference Data. The Plan Processor will migrate the FDID-CCID mapping table and historical FDIDs, CCIDs and Reference Data to the updated mapping table. [For the avoidance of doubt, such data does not constitute records that must be retained by the CAT under Exchange Act Rule 17a-1.] *CAT LLC or the Plan Processor shall be permitted to delete any such information that has been improperly reported by an Industry Member to the extent that either becomes aware of such improper reporting through self-reporting or otherwise. CAT LLC shall direct the Plan Processor to document all deletions of Customer information from the Reference Database and provide periodic reports of all such deletions to the Operating Committee.*

H. Spending Cap Provision

Proposed Section 11.1(a)(iii) of the CAT NMS Plan would provide for a “spending cap,” that the Participants state is designed to safeguard against future requests or interpretations that would expand the then-existing functionality or system operations of the CAT without a clear assessment of whether the costs outweigh any associated benefits.³⁰³ Specifically, Section 11.1(a)(iii) of the Plan would provide that “[a]ny additions or modifications to the then-existing functionality or system operations of the CAT that would have the effect of materially increasing the operating expenses of the Company cannot occur unless approved pursuant to a CAT NMS Plan amendment that has become effective in accordance with Rule 608(b) of Regulation NMS or by an order of the Commission, except where such additions or modifications were approved by the Operating Committee or its designee with the intent to (i) maintain in all material respects the then-existing CAT functionality and system operations or to otherwise ensure the security of the CAT system or CAT Data; or (ii) realize cost savings.”³⁰⁴

One commenter states that it supports the proposed spending cap provision.³⁰⁵ This commenter states that the Participants note in the Proposed Amendment that incremental requests or interpretations of what is required under Rule 613 and the CAT NMS Plan have

³⁰³ See Notice, at 61535.

³⁰⁴ See *id.*

³⁰⁵ See SIFMA March 2026 Letter, at 7.

significantly increased the complexity and cost of the system, and states that its members have experienced this as well and agree with this perspective.³⁰⁶

The addition of the spending cap provision to the CAT NMS Plan is reasonable. Any change to the requirements of the CAT NMS Plan already requires the approval of an amendment to the Plan pursuant to Rule 608. As noted by the Participants, the spending cap would not affect the existing process for approving amendments to the CAT NMS Plan and is not intended to inhibit the Operating Committee in the ordinary course day-to-day management of the CAT (e.g., annual adjustments to vendor and insurance costs).³⁰⁷ The provision is designed to promote the consideration of costs prior to making additions or modifications to the then-existing functionality or system operations of the CAT, including incremental requests or interpretations of the CAT NMS Plan that would increase the costs of the system.³⁰⁸ A provision designed to help ensure that CAT costs do not materially rise as a result of additions or modifications to the functionality or systems operations of the CAT without consideration of the costs and benefits of such changes will benefit the Participants, Industry Members, and the investing public as a whole. Increases in expenses like annual adjustments to vendor and insurance costs are costs that are necessary in the day-to-day management of CAT and would not be subject to the spending cap because these costs generally are not “additions or modifications to the then-existing functionality or system operations of the CAT.”

I. Components of the Original CAT LLC Proposal Not Included in the Proposed Amendment

As discussed above in Part II, prior to the submission of the Proposed Amendment, CAT LLC developed the Original CAT LLC Proposal, but, based on feedback from the Advisory Committee and others in the industry, did not propose to fully eliminate the CAT Customer & Account Information System (“CAIS”) and the CAT Customer ID (“CCID”) (the “Full

³⁰⁶ See id.

³⁰⁷ See Notice, at 61535.

³⁰⁸ See id.

Elimination of CAIS/CCID Component”) or propose to reduce the linkage processing timeline from four days to two days (the “Reduced Linkage Processing Timeline Component”) in the Proposed Amendment.³⁰⁹ However, in the Notice CAT LLC did request comment and quantitative data from Industry Members on the relative cost and benefits of the Original CAT LLC Proposal versus the Proposed Amendment.³¹⁰

1. Full Elimination of CAIS/CCID Component

The Original CAT LLC Proposal includes the “Full Elimination of CAIS/CCID Component.”³¹¹ CAT LLC states that it instead included in the Proposed Amendment the Reference Data Amendment, discussed in supra Part III.G above, after discussions with members of the Advisory Committee and other Industry Member groups.³¹²

CAT LLC states that the Full Elimination of CAIS/CCID Component would have resulted in estimated savings for cloud hosting services of \$6.5 to \$9 million, which is more than the savings provided by Reference Data Amendment, in addition to potential savings related to the Plan Processor operating fee. However, CAT LLC states that members of the Advisory Committee and other Industry Member groups raised concerns, including the potential for increased EBS requests and other inquiries from the Participants and the SEC that may occur without the ability to track Customer activity across market, brokers, accounts using the CCID, and the increased costs related to such requests.

³⁰⁹ See Notice, at 61508. Specifically, based on industry feedback, CAT LLC proposed the Reference Data Amendment, see supra Part III.G. instead of the Full Elimination of CAIS/CCID Component, and did not include the Reduced Linkage Processing Timeline Component in the Proposed Amendment. Id. If included, CAT LLC states that the Original CAT LLC Proposal was estimated to provide approximately \$70 to \$90 million in annual cost savings, which includes an annual reduction in cloud hosting fees of \$55 to \$75 million, and approximately \$15 million in total Plan Processor operating fees. See id. at 61507; supra notes 21-22, and accompanying text.

³¹⁰ See id. at 61509. In particular, CAT LLC states that the Commission should request comment regarding whether Industry Members support the continued existence of the CCID (under the Reference Data Amendment or otherwise) or would support its full elimination, and the costs and benefits that could result from either approach, and request comment regarding whether Industry Members support a reduction of the linkage processing timeline from four days to two days as discussed in the Original CAT LLC Proposal, and the costs and benefits that could result from either approach. Id.

³¹¹ See id. at 61507.

³¹² See id. at 61509.

One commenter states that it opposes the elimination of CCIDs from CAT.³¹³ The commenter states that, among other things, removal of CCIDs removes a core function of the CAT, which is allowing regulatory personnel to identify activity of a natural person or legal entity (i) across multiple accounts at the same broker-dealer and (ii) across accounts at different broker-dealers, and that a projected cost reduction of 1.88% to 2.61% does not justify removing this core function of CAT.³¹⁴ The commenter states that if the Commission were to remove CCIDs from the CAT and terminate EBS, that it does not understand how regulatory personnel would monitor activity of a customer across accounts and broker-dealers.³¹⁵ Alternatively, if the Commission were to remove CCIDs from CAT and retain EBS, the commenter states that the increased compliance costs for Industry Members will greatly exceed cost savings, because if CCIDs are removed from CAT, the Commission will need to continue and expand the manual EBS query process, which is costly for Industry Members.³¹⁶ Instead, the commenter supports retaining CCIDs in CAT and designing an automated and secure FDID-based request and response approach as a replacement for EBS.³¹⁷ CAT LLC states that it recognizes the importance of this issue and notes that certain Participants are actively evaluating potential solutions, including the potential development of a request-response system outside of CAT,³¹⁸

³¹³ See FIF February 2026 Letter, at 6-11. See also *id.* at 25-26 (Annex 2 evaluating the Full Elimination of CAIS/CCID approval in the context of long-term objectives relating to market oversight).

³¹⁴ *Id.* at 7. See also *id.* at 7-8 (quoting Commission statements regarding the importance of CCIDs); *id.* at 10 (stating that the ability to identify trading by a customer across accounts is the core function of CAT and quoting Commission statements within the CAT Adopting Release).

³¹⁵ *Id.* at 9. See also *id.* at 21-24 (Annex 1 providing diagrams illustrating the need for CCIDs to track a customer's activity across accounts and brokers).

³¹⁶ *Id.* at 11. See also *id.* at 9 (stating that adverse impacts would include, among other things, a significant increase in the volume of EBS requests, a significant increase in ongoing operational and compliance costs for Industry Members, and the Commission, the SROs, and Industry members moving "backwards" from "automated to manual processes").

³¹⁷ *Id.* at 7. See also *id.* at 12 (quoting Commission statements identifying various shortcomings of EBS); *id.* at 13-14 (outlining deficiencies with EBS and explaining why EBS should be retired); *id.* at 14-17 (discussing issues to consider in the context of an automated request and response system).

³¹⁸ See CAT LLC March 2026 Response Letter, at 8. CAT LLC states that the Proposed Amendment should not be delayed pending the development of a request-response system to replace EBS, and that with respect to the possible retirement of EBS, Rule 17a-25, which governs EBS, ultimately is a Commission rule and is outside the purview of CAT LLC. *Id.* at 8-9. Another commenter expresses support for the development

and acknowledges that Industry Members oppose the Full Elimination of CAIS/CCID Component.³¹⁹

The Commission is approving the Proposed Amendment with the proposed changes in the Reference Data Amendment, as discussed in Part III.G above. CAT LLC proposed this Reference Data Amendment in response to industry concerns associated with the alternative, the Full Elimination of CAIS/CCID Component. This alternative was estimated to potentially result in greater cost savings than the Reference Data Amendment, but there were concerns about likely potential increases in EBS requests and resultant costs to Industry Members.³²⁰ The Reference Data Amendment we are approving in Part III.G. above would reduce reporting burdens on Industry Members, eliminate the CAIS from CAT, and maintain CCIDs while minimizing the amount of data needed for its creation. Importantly, the Reference Data Amendment will result in substantial cost savings while allowing regulators the ability to still effectively perform cross-market, cross-broker, and cross-market surveillance of market participants.

The commenter request to build an automated request-and-response system to replace EBS is beyond the scope of the Proposed Amendment, but, as previously stated, such a system could decrease reliance on EBS, which could facilitate the eventual retirement of EBS and could thereby reduce the cost and burdens to Industry Members.

2. Reduced Linkage Processing Timeline Component

The Original CAT LLC Proposal included the Reduced Linkage Processing Timeline Component, which would have reduced the linkage processing timeline from four days to two

of a request-response system outside of CAT, as well as the retirement of EBS. See SIFMA March 2026 Letter, at 2-5.

³¹⁹ See CAT LLC March 2026 Response Letter, at 9.

³²⁰ One commenter states the costs of eliminating CCIDs “will greatly exceed” the projected cost savings of the Full Elimination of CAIS/CCID Component because the Commission would then need to continue and expand the manual EBS query process, increasing the number of EBS inquiries sent to Industry Members. In addition, eliminating CCIDs without a viable alternative would greatly limit the CAT’s utility, namely the functionality that allows regulators the ability to identify a customer’s market activity across multiple exchanges, broker-dealers, and accounts. Id. at 11.

days.³²¹ However, CAT LLC states that after discussions with the Advisory Committee and other Industry Member groups, CAT LLC did not include the Reduced Linkage Processing Timeline Component in the Proposed Amendment but did seek further input on its potential cost savings and implementation.³²²

The Reduced Linkage Processing Timeline Component would have reduced the linkage processing timeline from four to two days, meaning that feedback to Industry Members would be provided twice, once on T+2 at 8 a.m. (regarding all data for trade date T submitted by T+1 at 8 a.m.) and again on T+3 8 a.m. (regarding all data for trade date T submitted by T+2 at 8 a.m.).³²³ CAT LLC states that the Reduced Linkage Processing Timeline Component would have resulted in an additional estimated savings of \$6 - \$8 million in cloud hosting services costs annually, as well as potential reductions in the operating fees for the Plan Processor.³²⁴

CAT LLC states that members of the Advisory Committee and other Industry Member groups raised several concerns, however, including that CAT Reporters would be provided two rounds of linkage feedback and the availability of feedback would be delayed by 20 hours.³²⁵ As a result, Industry Members would have just one 24-hour window to correct linkage errors associated with on-time submissions,³²⁶ and that any corrections submitted would not receive additional linkage feedback.³²⁷ CAT LLC states that members of the Advisory Committee and other Industry Member groups were concerned that these changes may increase regulatory

³²¹ See Notice, at 61507.

³²² See *id.* at 61535-36.

³²³ See *id.* CAT LLC states that, through the first ten months of 2025, 80% of linkage errors were resolved by T+2 8 a.m., 12% were resolved by T+3 8 a.m., and 1% were resolved by T+4 8 a.m. “Outside the window” repairs constituted 6% of the whole, while 2% went unrepaired. *Id.* at 61534.

³²⁴ See *id.*

³²⁵ See *id.*

³²⁶ See *id.* CAT LLC states that Industry Members would be permitted to submit corrections outside of this 24-hour window and would receive reconciliation credit, however, these submissions would be marked late and would not receive any feedback indicating whether the correction was successful. *Id.* at 61535 n.139.

³²⁷ See *id.* at 61535.

compliance risks for Industry Members, may reduce the accuracy of CAT Data, and raises the potential need for more personnel to accomplish the necessary data review and corrections.³²⁸

One commenter opposes the Reduced Linkage Processing Timeline Component because it would reduce the quality of the CAT, expose Industry Members to unreasonable compliance risk, and increase compliance and operational costs for broker-dealers beyond the cost savings projected by CAT LLC.³²⁹ The commenter states that CAT currently allows for three cycles of feedback and repair, while the proposed alternative would only allow for one cycle of feedback and repair, which is not sufficient considering the complexities of coordinating linkage issues with counterparties.³³⁰ The commenter explains that the Notice states that 20% of linkage errors were not resolved during the first cycle of feedback and repair, and while currently 18% of linkage errors are resolved beyond T+2, reducing from three feedback cycles to one feedback cycle will likely result in many of these errors never being resolved.³³¹ CAT LLC acknowledges that Industry Members oppose the Full Elimination of CAIS/CCID Component.³³²

The commenter also states that the Notice does not provide sufficient information for market participants to properly comment on, and for the Commission to make a determination on, this proposal.³³³ The commenter requests that CAT LLC provide data for 2025 on the number of linkage errors that were generated on average each day, and states that the Commission should require that this data be included in an amended rule filing prior to making a

³²⁸ See id.

³²⁹ See FIF February 2026 Letter, at 17. See also id. at 25-27 (Annex 2 evaluating the Full Elimination of CAIS/CCID approval in the context of long-term objectives relating to market oversight).

³³⁰ Id. at 18 (stating that reduction from three feedback cycles to one would significantly impair the ability of Industry Members to resolve the 7% of linkage errors that are unresolved after the 2nd feedback cycle and additional errors that are introduced after the first feedback cycle). The commenter states that ideally Industry Members should be able to repair errors within one repair cycle, but that this is not practical in many cases given the complexity of CAT reporting and CAT linkage validations, and the need for many Industry Members to coordinate this complex reporting with large numbers of counterparties. Id. at 19.

³³¹ Id. at 18 (explaining that without awareness as to which of the 20% of linkage errors remain unresolved, Industry Members would be significantly impeded in resolving remaining linkage errors).

³³² See CAT LLC March 2026 Response Letter, at 9.

³³³ Id. at 17.

determination on this specific proposal, and request that CAT LLC provide data for 2025 on the average daily number of new linkage errors that were generated on T+2, T+3 and T+4 because of previously submitted repairs.³³⁴ The commenter states that it is interested in engaging in further dialogue with CAT LLC in identifying potential changes to the linkage and repair process to reduce CAT operating costs.³³⁵

The commenter also states that the increased annual operational and compliance costs for Industry Members resulting from this change will significantly exceed the projected annual cost savings of the Reduced Linkage Processing Timeline.³³⁶ The commenter states that Industry Members would need to hire additional staff to handle the same number of linkage errors within a shorter timeframe, allocate additional resources to investigate the 20% of linkage errors that remain after the first linkage feedback cycle based on only having one cycle of feedback from FINRA CAT, and incur increased costs during regulatory examinations because of the larger number of unresolved errors that would result and less clarity regarding which errors have been resolved and which errors are still outstanding.³³⁷

Because CAT LLC did not include the Reduced Linkage Processing Timeline Component in the Proposed Amendment the Commission is making no findings with respect to it at this time.

IV. Efficiency, Competition, and Capital Formation

In determining whether to approve an amendment to the CAT NMS Plan and whether that amendment is in the public interest, Rule 613 requires the Commission to consider the

³³⁴ Id. at 19.

³³⁵ Id. at 20.

³³⁶ Id. at 19. The commenter states that similar costs will be imposed on exchanges if the current three cycles of feedback and repair are reduced to one. Id.

³³⁷ Id. at 19. The commenter further states that if the 2nd and 3rd repair cycles are intentionally eliminated, the Commission first should consider and propose, and solicit comment on, changes to current compliance and enforcement expectations relating to CAT reporting, given the reduced ability for Industry Members to repair CAT errors that would result from approval of this proposal. Id. The commenter states that Industry Members should not be sanctioned for errors that were previously remediable under Commission-approved processes. Id.

impact of that amendment on efficiency, competition, and capital formation.³³⁸ In this section, the Commission analyzes how the expected effects of the Proposed Amendment on efficiency, competition, and capital formation. The baseline is discussed immediately below, and expected effects on efficiency, competition, and capital formation are subsequently analyzed.

A. Baseline

In analyzing the impact of the Proposed Amendment on efficiency, competition and capital formation, the Commission considered the current reporting, use, and state of CAT Data³³⁹ as the baseline, which includes the recent 2025 Cost Savings Exemptive Order as well as the CAIS Amendment and the 2023 November Order. Specifically, the baseline consists of the current properties, and the actual and potential regulatory usages of the CAT Data, in the absence of the Proposed Amendment. CAT Data was intended to improve regulators' ability to perform analysis and reconstruction of market events,³⁴⁰ market analysis and research that inform policy decisions, regulatory activities such as market surveillance, examinations and investigations, and enforcement functions in an efficient and effective manner.³⁴¹ In the CAT NMS Plan Approval Order, the Commission explained how investors benefit from the CAT-enabled improvements to such regulatory activities.³⁴²

1. Requirements for and Regulatory Usage of Affected CAT Data and Functionality

a. CAT Order-ID (Requirements to Create Lifecycle Linkages)

The CAT NMS Plan requires that all CAT Data reported to the Central Repository must be processed and assembled to create the complete lifecycle of each Reportable Event.³⁴³

³³⁸ 17 CFR 242.613(a)(5).

³³⁹ See supra note 130 for a description of "CAT Data."

³⁴⁰ In market reconstructions, regulators aim to provide an accurate and factual accounting of what transpired during a market event. These market events often encompass activities in many securities across multiple trading venues. See CAT NMS Plan Approval Order, supra note 2, at 84805.

³⁴¹ See CAT NMS Plan Approval Order, supra note 2, at 84833-40.

³⁴² A discussion of the expected benefits and regulatory usage of the CAT NMS Plan is available in the CAT NMS Plan Approval Order. See CAT NMS Plan Approval Order, supra note 2, at 84816-40.

³⁴³ See CAT NMS Plan, Appendix D-8.

Furthermore, the Plan Processor must use a “daisy chain approach” to link and create the order lifecycle, in which a series of unique order identifiers, assigned to all order events handled by CAT Reporters, are linked together by the Central Repository and assigned a single CAT-generated CAT-Order-ID.³⁴⁴ This linkage, which is required the day after the transaction (at T+1 12 p.m. E.T.),³⁴⁵ is initially fulfilled through assignment of an interim CAT-Order-ID. A final Order ID is then assigned when corrected and linked data are processed and made available to regulators on T+5 at 8 a.m. E.T.³⁴⁶

The 2025 Cost Savings Exemptive Order granted exemptive relief from the requirement to generate an interim CAT-Order-ID conditional on the Plan Processor continuing to provide order linkage through a final CAT-Order ID by T+5 at 8 a.m.³⁴⁷ An additional condition of the Exemptive Order is that the Plan Processor is required to generate interim CAT-Order-IDs for specified trade dates upon request from the Commission and the Participants. The ability to submit ad hoc requests for interim CAT-Order-IDs provides regulators with access to linked lifecycles before T+5 at 8 a.m. E.T. when needed.³⁴⁸

The Interim CAT-Order-ID primarily supports near-real-time analyses, such as exploratory reviews conducted shortly after market events or to triage tips on potential ongoing violative behavior. Such regulatory activities are infrequent. Because it is provisional, the interim CAT-Order-ID is typically not used beyond T+5.

b. Data Storage and Retention

³⁴⁴ Id. The “CAT Order ID” is “a unique order identifier or series of unique order identifiers that allows the central repository to efficiently and accurately link all reportable events for an order, and all orders that result from the aggregation or disaggregation of such order.” See 17 CFR 242.613(j)(1).

³⁴⁵ See CAT NMS Plan, section 6.1.

³⁴⁶ See 2025 Cost Savings Exemptive Order, supra note 18, at 47855.

³⁴⁷ The exemptive relief granted in the 2025 Cost Savings Exemptive Order superseded the exemptive relief set forth in the November 2023 Order, which had extended the deadline to assign an interim CAT-Order-ID by nine hours, from 12 p.m. ET T+1 to 9 p.m. ET T+1. See 2025 Cost Savings Exemptive Order, supra note 18, at 47855. In addition, the Commission also removed the requirement to link and create order lifecycles for OMM quotes in the 2024 Cost Savings Amendment. See Notice, at 61510 and 2024 Cost Savings Amendment, supra note 16.

³⁴⁸ See 2025 Cost Savings Exemptive Order, at 47855.

The CAT NMS Plan requires that the Central Repository retain data for at least six years.³⁴⁹ The Commission acknowledges that the storage needs for the CAT far exceed what was envisioned when the CAT was first established.³⁵⁰ For example, the CAT NMS Plan approved by the Commission stated that it “was expected that the Central Repository will grow to more than 29 petabytes of raw, uncompressed data,”³⁵¹ but the Participants currently state that in the second half of 2025, CAT data storage averaged 840 petabytes – approximately 29 times this original estimate.³⁵² Moreover, storage costs are a key contributor to monthly CAT cloud hosting fees, ranging from 32 percent to 41 percent during the Q2 2025 – Q3 2025 period, according to the Participants.³⁵³

The CAT NMS Plan requires that all CAT Data be retained for six years. Currently, as a result of the 2025 Cost Savings Exemptive Order, retention of CAT data is five years, unless otherwise specified.³⁵⁴ For example, retention of OMM quotes is one year, while retention for Interim Operational Data is 15 days.³⁵⁵ Participants state that the retention of five years of CAT Data is a significant driver of storage costs.³⁵⁶ OMM Quotes are another major contributor to storage costs, which according to Commission analysis, comprise about 90 percent of options-

³⁴⁹ See CAT NMS Plan at Appendix C-13. In addition, this data must be kept online in an easily accessible format to enable regulators to have access to six years of audit trail materials for purposes of its regulation. See *id.* at Appendix C-130. Exchange Act Rule 17a-4(a) also requires Broker-dealers to retain data for six years. Some types of CAT data, including Interim Operational Data and Raw Unprocessed Data, can be retained in an archive storage tier after 15 days. Archived data is not directly available and searchable electronically without manual intervention and will not be subject to any query tool performance requirements. See *id.* at Appendix D-21.

³⁵⁰ See 2025 CAT Exemption Order, at 47858.

³⁵¹ See CAT NMS Plan Approval Order, *supra* note 5, at 85023.

³⁵² See letter from CAT LLC, Responses to SEC Staff Questions Related to an Amendment to the National Market System Plan Governing the Consolidated Audit Trail Regarding CAT Funding Model proposed CAT Funding Model at <https://www.sec.gov/comments/4-698/4698-715047-2237994.pdf>

³⁵³ See Notice, at 61515.

³⁵⁴ See 2025 CAT Exemption Order, at 47858.

³⁵⁵ *Id.*

³⁵⁶ See Notice, at 61516.

related events and 80 percent of all events in CAT.³⁵⁷ A third important source are SIP Options Data, which currently represent 25 percent of storage costs, according to Participants.³⁵⁸

While retention of all CAT data is currently for five years (unless otherwise specified),³⁵⁹ data older than three years are placed into a more cost-effective storage tier (i.e., a tier requiring some “manual intervention” to retrieve data).³⁶⁰ Participants state that, based on their regulatory experiences to date, they do not anticipate generally needing CAT data older than three years to support their regulatory programs.³⁶¹ In addition, the 2025 Cost Savings Exemptive Order states 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.”³⁶² Participants further state that, “...OTQT usage metrics (via DIVER) from January to November 2025 demonstrate that only 2 percent of DIVER requests (750 out of 38,028 requests) were for trade dates older than three years.³⁶³ Nevertheless, CAT data older than three years can be useful in the context of examinations and enforcement investigations, for example, to establish patterns of violative behavior and to determine when violative behavior began. They can also be useful for determining the harmed accounts in a disgorgement analysis.

Currently retention of Options SIP data is five years. Regulators use Options SIP data to uncover the NBBO at the time of a trade in order to determine whether broker-dealers are fulfilling their duty of best execution. While regulators have access to other sources of SIP data,³⁶⁴ it is more efficient to combine CAT data with SIP data accessed from CAT when necessary for regulatory activities than it is to combine them with SIP data sourced outside of

³⁵⁷ See 2024 Cost Savings Amendment, at 103044.

³⁵⁸ See Notice, at 61516.

³⁵⁹ See 2025 Cost Savings Exemptive Order, at 47858.

³⁶⁰ Id.

³⁶¹ See Notice, at 61516.

³⁶² See 2025 Cost Savings Exemptive Order, at 47858.

³⁶³ See Notice, at 61516.

³⁶⁴ See infra note 501.

CAT. Currently, three years of data are maintained in a convenient and usable standard electronic data format that is directly available and searchable electronically without any manual intervention by the Plan Processor. Moreover, archived CAT data from years four and five can be moved to an accessible storage tier upon request to the CAT Help Desk by an authorized regulatory user from the Participants or from the SEC.³⁶⁵

OMM Quotes data have substantial regulatory value (e.g., spoofing investigations and order book reconstructions).³⁶⁶ However, the Commission understands that regulators are less likely to access OMM Quotes data after a period of one year.³⁶⁷ In addition, to the extent older data is required, regulators could request access to or analyze OMM Quotes data directly from options exchanges, because Rule 17a-1 requires them to maintain OMM Quotes data for five years.³⁶⁸

Additionally, the Commission understands from communications with the Participants that Interim Operational Data have never been used for regulatory purposes after five years of CAT operation.³⁶⁹ However, as the Commission has previously stated, some future regulatory activities of SROs could depend on the use of the Raw Unprocessed, Interim Operational Data and/or submission and feedback files older than 15 days, and therefore may be affected by a delay in access to data.³⁷⁰ It could, for example, be used by SROs to investigate patterns of errors in CAT Data submissions by their members.³⁷¹ However, such regulatory activities are unlikely to be time-sensitive.³⁷²

c. Late Data Re-Processing

³⁶⁵ See 2025 Cost Savings Exemptive Order, at 47858.

³⁶⁶ See 2024 Cost Savings Amendment, at 103037.

³⁶⁷ See 2025 Cost Savings Exemptive Order, at 47858.

³⁶⁸ Id.

³⁶⁹ Id.

³⁷⁰ See 2024 Cost Savings Amendment, at 103050.

³⁷¹ Id. at note 120.

³⁷² Id.

The CAT NMS Plan requires that “[a]ll CAT Data reported to the Central Repository must be processed and assembled to create the complete lifecycle of each Reportable Event.”³⁷³

The CAT NMS Plan sets a deadline of T+3 at 8:00 a.m. E.T. for the resubmission of corrected data and a deadline of T+5 at 8:00 a.m. E.T. for the Plan Processor to make corrected data available to Participants’ regulatory staff and the SEC.³⁷⁴ For data corrections received after T+5, the CAT NMS Plan specifies that “Participants’ regulatory staff and the SEC must be notified and informed as to how re-processing will be completed.”³⁷⁵

In practice, late submissions are relatively uncommon. For context, Table 1 shows that the share of all original events that were reported late between January and March 2025 was less than 0.04 percent. Options market maker quotes were excluded from this calculation since the Commission removed the requirement for lifecycle enrichment processing of options market maker quotes in the 2024 Cost Savings Amendment.³⁷⁶

| All CAT Events, excluding Options Exchange Quote-Related Events | Q1 2025 | |
|---|-----------------------------|----------------------------|
| | Number of Events (millions) | Percent of Original Events |
| All original events | 6,213,624 | 100 |
| Original events reported late | 2,276 | 0.037 |
| Original events reported late that triggered replay | 366 | 0.006 |
| Original events that required replay | 4,687 | 0.075 |
| All replayed events | 4,444 | 0.072 |

Notes: 1. Original events are events for which Replay Flag is null (i.e., events before automated replay). 2. Replayed events are events for which Replay Flag = Y (i.e., events after automated replay). 3. Original events reported late are original events reported to CAT after T+4 8am. These are events for which Replay Flag is null and Late Outside Window Flag = Y. 4. Late reported events that triggered replay are events for which (i) Replay Flag is null, (ii) Late Outside Window Flag = Y, and (iii) CAT Lifecycle ID appears in CAT "Lifecycle Replay Map" table. These are original events reported after processing window that triggered (or would have triggered

³⁷³ See Appendix D, section 3 of the CAT NMS Plan.

³⁷⁴ *Id.* at Appendix D-19.

³⁷⁵ *Id.* at Appendix D-20.

³⁷⁶ See 2025 Cost Savings Exemptive Order, at 47855. If OMM quotes are included, the share of all events reported late falls to 0.007%.

without the current automated-replay exemption) automated replay both for themselves and for all other events in their lifecycles. 5. Original events that required replay are events for which (i) Replay Flag is null, and (ii) CAT Lifecycle ID appears in CAT "Lifecycle Replay Map" table. These are all original events that belong to lifecycles that were replayed (or would have been replayed without the current automated-replay exemption). These events include events that triggered (or would have triggered) automated replay as well as all other events in the same lifecycles. 6. This table shows that of the 0.037 percent of events that triggered were reported late, $0.006/0.037 = 16$ percent triggered replay. This is inconsistent with the information that less than 1 percent of late-reported data requires additional reprocessing to construct an order event lifecycle. See Notice, supra note 6, at 61519. The inconsistency could be due to the data presented in the table only being from Q1 2025; however, over the entirety of CAT lifecycle data, less than 1 percent of lifecycles require additional reprocessing. The inconsistency could also be due to our table considering lifecycles, but less than 1 percent of gigabytes of CAT lifecycle data require reprocessing.

There are two key stages in the processing of late data. During the first stage, known as the Enhanced Late to Lifecycle Process, late-reported data are linked together with any associated lifecycle events. This linking process involves mapping late-reported lifecycle events with any associated (on-time and late-reported) lifecycle events. As part of this mapping process, an "Associated Lifecycle ID" is generated, which identifies and links lifecycle events that were initially separated erroneously. The second stage uses the Associated Lifecycle ID to create a new, synthetic version of the entire lifecycle (containing the late-reported event) that allows for full CAT data functionality. This stage is referred to as "Full Replay," and involves the generation of a single CAT Lifecycle ID that correctly links all associated events as well as other data enrichments that are needed to populate the newly-merged lifecycle with all the standard CAT data fields.

Table [1] shows that only a fraction of late submitted orders result in Full Replay processing. For example, during Q12025, while 0.037 percent of original events were reported late, only 0.006 percent of events triggered Full Replay.³⁷⁷ However, since Full Replay processing involves associated lifecycle events that were submitted on time, the number of events that required replay (0.075 percent) was more than twice large as the number of late-submitted events.³⁷⁸

³⁷⁷ See supra table 1.

³⁷⁸ Id.

Under the 2025 Cost Savings Exemptive Order, Enhanced Late to the Lifecycle processing is performed quarterly for late records from trade dates within the prior 3 years,³⁷⁹ while Full Replay processing is performed on an ad hoc ‘as-needed’ basis upon request from the Commission or the Participants.³⁸⁰ For the small share of late-reported data that require additional re-processing, quarterly Enhanced Late to the Lifecycle processing³⁸¹ allows regulators to quickly and reliably identify and link all relevant lifecycles that are most frequently accessed by regulatory users.³⁸² In addition, regulatory users are able to request that the Plan Processor perform the Full Replay process on specified data, which should enable regulatory users to react to major market events in an effective and expeditious way.³⁸³

d. OTQT

The CAT NMS Plan requires the Plan Processor to provide the Participants and the Commission with access to processed CAT Data through two different methods: an online targeted query tool, and user-defined direct queries and bulk extracts.³⁸⁴ The OTQT functionality implemented by the Plan Processor is implemented through various tools, known as DIVER, MIRS, OLA Viewer, and ARLE.³⁸⁵ The user-defined query tool is referred to as BDSQL, and the bulk extract tool as Direct Read.³⁸⁶ The CAT NMS Plan specifies that the OTQT will, “...provide authorized users with the ability to retrieve CAT Data via an online

³⁷⁹ For data outside of this 3-year window, no re-processing is required. See 2025 Cost Savings Exemptive Order, at 47856.

³⁸⁰ The November 2023 Order required the Plan Processor to perform both the Enhanced Late to the Lifecycle and the Full Replay processes weekly. The 2025 Cost Savings Exemptive Order reduced the required frequency of Enhanced Late to the Lifecycle processing to weekly and to an “upon request” basis for Full Replay processing. See id.

³⁸¹ Under the baseline established by the 2025 Cost Savings Exemptive Order, only trade dates within the prior 3 years require late reprocessing. See id.

³⁸² Id.

³⁸³ Section 6.10(c)(i) of the CAT NMS Plan.

³⁸⁴ Id.

³⁸⁵ See 2025 Cost Savings Exemptive Order, 47856 n.42.

³⁸⁶ Id.

query screen that includes the ability to choose from a variety of pre-defined selection criteria.”³⁸⁷

The 2025 Cost Savings Exemptive Order provided conditional exemptive relief from online tools that fulfill the OTQT requirement, including DIVER, ARLE, OLA Viewer, and MIRS volume concentration and market replay tools.³⁸⁸ The provision of this relief was conditional on the Plan Processor maintaining currently-existing performance requirements, controls, monitoring, logging, and reporting for the user-defined direct queries (BDSQL) and bulk extract (Direct Read) tools, as well as for the MIRS reporting statistics tools that provide regulatory users with access to compliance information.³⁸⁹

The Commission understands from communications with the Participants that their regulatory groups are able to conduct their regulatory programs using only BDSQL and Direct Read or otherwise could adjust by creating their own internal tools to replicate the same targeted queries they would otherwise run on DIVER. The Commission has stated that it has already developed internal tools that replicate functionality supplied by DIVER, ARLE, OLA Viewer, and MIRS volume concentration and market replay tools.³⁹⁰ Further, the Commission’s regulatory program would not be impaired by the loss of certain OTQT functionality and that Staff already have the necessary skill sets to use the BDSQL and Direct Read tools, which will be maintained by the Plan Processor.³⁹¹

³⁸⁷ Section 6.10(c)(i) of the CAT NMS Plan.

³⁸⁸ The conditional exemptive relief granted in the 2025 Cost Savings Exemptive Order superseded the conditional exemptive relief set forth in the November 2023 Order with respect to OTQT performance standards. See November 2023 Order, *supra* note 46, at 77130 for a discussion of the relief provided by the November 2023 Order.

³⁸⁹ See 2025 Cost Savings Exemptive Order, at 47857. This compliance information includes information on CAIS statistics. CAIS statistics include information on Industry Members that submitted data to CAIS and whether that data contained errors. MIRS also contains information on the total number of rejected orders and the number/percent of these orders that could or could not be linked to the Exchange Rejected Message Events.

³⁹⁰ *Id.*

³⁹¹ *Id.*

To enable Participants and the Commission sufficient time to adjust their regulatory programs to use any necessary replacement tools, the 2025 Cost Savings Exemptive Order required that OTQT functionality not be eliminated earlier than 2 months after publication of the Order in the Federal Register.³⁹² OTQT functionality was removed on February 1, 2026.

e. Rejected Messages

The CAT NMS Plan requires all order events, even those that are subsequently rejected, to be reported.³⁹³ Orders are rejected by an exchange primarily because they have been submitted with improper coding that fails to conform with the exchange’s technical specifications. The Commission has stated that Participants must report all orders that are “received,” not just those orders that are “received and successfully processed by the matching engine,” those orders that are “received and accepted,” and/or those orders that are “received and assigned an order ID”; the reporting requirement is not conditioned on how a Participant acts on an order that is received.³⁹⁴ For example, if an exchange Participant receives a message that contains all the terms necessary for an order to be executed, that message still constitutes a “received” order that must be reported pursuant to the provisions of Section 6.3(d) of the CAT NMS Plan regardless of whether it is subsequently rejected.³⁹⁵ Moreover, as “CAT Data,” rejected orders must also be “processed and assembled to create the complete lifecycle of each Reportable Event” under Appendix D, Section 3 of the CAT NMS Plan.³⁹⁶

³⁹² Id.

³⁹³ The requirements related to Participant reporting of rejected orders are found in Rule 613(c)(7) and section 6.3(d)(i) and Appendix D, section 3 of the CAT NMS Plan. See discussion in the Notice, at 61523 and the July 2022 Order, at 42256.

³⁹⁴ See Notice, at 61523 and July 2022 Order, supra note 44, at 42256; The Commission also recognized that “the Participants continue to disagree with its interpretation of these requirements and challenge the feasibility of strict compliance with that interpretation.” Id.

³⁹⁵ See Notice, at 61523.

³⁹⁶ Id.

CAT LLC states that the requirement to report rejected order messages applies to Participants, not Industry Members, and, therefore, does not directly affect the reporting and other requirements applicable to Industry Members.³⁹⁷

Orders that are received and rejected are part of a complete order event lifecycle, in the same way that cancelled orders are part of a complete order event lifecycle. The Commission has stated that without information about these events, regulatory users reviewing trading activity could struggle to determine how orders that are received but rejected were resolved.³⁹⁸ However, “CAT LLC understands that the Participants have not used rejected message data reported for regulatory purposes to date.”³⁹⁹ Therefore, according to CAT LLC, “the data collected with respect to such messages may be of little beneficial use to regulators.”⁴⁰⁰ In the November 2023 Order, the Commission granted conditional relief pertaining to the Participant reporting of rejected orders and subsequent linkage of such orders in order to allow Participants time to develop and implement improved functionality for the collection of rejected messages.⁴⁰¹ This conditional relief required that: a) Participants must maintain or improve their existing reporting of orders that are received and subsequently rejected, and b) Participants must adopt functionality that will attempt “forward lifecycle linkage” processing, including all enrichments currently provided for other order events.⁴⁰²

f. Data Availability: Adopting A More Cost-Effective Data Availability Timeline

³⁹⁷ See supra note 231.

³⁹⁸ See July 2022 Order, at 42256.

³⁹⁹ See Notice, at 61524.

⁴⁰⁰ See id.

⁴⁰¹ The November 2023 stated that such functionality must be fully implemented and made available to regulatory users within twelve months of the change order’s approval by the Participants. November 2023 Order, at 77132.

⁴⁰² See Notice, at 61523 and November 2023 Order, at 77132, nn.33-34.

CAT order events must be processed within established timeframes to ensure that data can be made available to Participants' regulatory staff and the SEC in a timely manner.⁴⁰³ Regulators use CAT data to analyze market events and support enforcement investigations.⁴⁰⁴ Timely access to CAT data can help regulators learn about these events quickly and assess whether they need to intervene or provide information to the public to protect investors.

The CAT data processing timelines start on the day the order event is received by the Central Repository for processing. Most events must be reported to the CAT by 8 a.m. on the Trading Day after the order event occurred (referred to as T+1).

There are two timeframes that concern data availability:⁴⁰⁵

1. Prior to 12:00 p.m. E.T. on T+1 - raw unprocessed data that has been ingested by the Plan Processor must be available to Participants' regulatory staff and the SEC.
2. Between 12:00 p.m. E.T. on T+1 and T+5 - access to all iterations of processed data must be available to Participants' regulatory staff and the SEC.

In addition, the Plan Processor must provide reports and notifications to Participant regulatory staff and the SEC regularly during the five-day process, indicating the completeness of the data and errors. Notice of major errors or missing data must be reported as early in the process as possible. If any data remains un-linked after T+5, it must be available and included with all linked data with an indication that the data was not linked.⁴⁰⁶

g. CAIS, Customer Account Information, Customer Identifying Information

The CAIS Amendment, which was approved on January 12, 2026, establishes the baseline with regard to CAIS, Customer Account Information, and Customer Identifying Information. Under the baseline, there are no CAT NMS Plan requirements to report Customer

⁴⁰³ See Section 6.1 of Appendix D of the CAT NMS Plan (Data Processing).

⁴⁰⁴ See *supra* note 340.

⁴⁰⁵ See Section 6.2 of Appendix D of the CAT NMS Plan (Data Availability Requirements).

⁴⁰⁶ *Id.*

Names, Addresses, Year-of-Birth's, SSNs/ITINs, and EINs, and all such previously reported customer information stored in the CAT can be removed.⁴⁰⁷ Instead, the Participants generate anonymized customer identifiers without requiring the receipt or storage of individual SSNs/ITINs in the CAT.⁴⁰⁸

CAT maintains transaction data in the Central Repository, separate from Customer Reference data, which are maintained in CAIS.⁴⁰⁹ In CAT Data, customers are uniquely identified by a CCID, which is attached to all of a customer's account records in CAIS. The CCID allows regulators to connect together all of a customer's accounts, even those held with different Industry Members. The CCID is also attached to all transaction records pertaining to the customer, allowing regulators to obtain all of a customer's transaction records across all accounts. CAT transaction records do not themselves contain information about the customer(s) in a transaction but can instead be connected to account records obtained from CAIS using customer CCIDs.⁴¹⁰

⁴⁰⁷ See CAIS Amendment, at 2166. Also, see *supra* section III.G for a discussion of exemptive orders prior to the CAIS Amendment. In sum, the CAIS Amendment: (i) codified the 2020 CCID Alternative Exemption Order; (ii) codified and expanded upon the CAIS Exemption Order by eliminating the reporting requirements relating to Names, Addresses, and YOBs for all customers, including foreign natural persons and legal entities; (iii) made other modifications related to the elimination of personally identifying information from the CAT; and (iv) required CAT LLC to direct the Plan Processor to delete from CAIS previously reported customer data currently stored in the CAT. See CAIS Amendment, at 2166.

⁴⁰⁸ The Plan Processor generates a unique CCID, using a two-phase transformation process that avoids having individual SSNs/ITINs reported to or stored in the CAT. In the first transformation phase, a CAT Reporter transforms the SSN/ITIN into an interim transformed value. This transformed value, and not the SSN/ITIN, is submitted to a separate system within the CAT ("CCID Subsystem"). The transformed value is sent to the CAT separate and apart from the other customer and account information. The CCID Subsystem then performs a second transformation to create the globally unique CCID for each Customer that is unknown to, and not shared with, the original CAT Reporter. The CCID is then sent to CAIS, where it is linked with the other customer and account information. The CCID may then be used by the Participants' regulatory staff and Commission staff in queries and analysis of CAT data. See *id.*

⁴⁰⁹ *Id.* Customer Reference Data does not contain references to name, address, date of birth, ITIN, SSN for individuals. Under the CAIS Amendment, the definition of "Customer Identifying Information" was modified to "Customer Reference Data," and references to name, address, date of birth, ITIN, SSN were removed for individuals, while name, address, EIN, and "other information of sufficient detail to identify a Customer" were removed for legal entities. The revised definition adds, for individuals, TID and customer type, and for legal entities, customer type only. In addition, the definition of "Customer Account Information" was modified to be "Account Reference Data," and account number and customer type were removed as elements of Customer Account Information. See *id.* at 2170.

⁴¹⁰ Records retained in CAIS following the CAIS Amendment include FDID, Customer Type, Large Trader ID (LTID), and Legal Entity Identifier (LEI). Additional records in CAIS that are related to FDID (accounts) include `fdidRecordList`, `fdidRecordID`, `fdidCustomerList`, `customerRecordID`, `fdidType`, `accountType`,

Besides the CCID, account records can be linked with transaction records through the Firm Designated ID (FDID).⁴¹¹ FDID is a unique identifier for accounts, determined and reported by Industry Members.⁴¹² Each FDID may be linked to one or more entities that are holders of an account, and potentially to one or more other entities that are authorized traders (but not account holders) on an account.⁴¹³ Customers may have multiple FDIDs assigned to them by different Industry Members with whom they hold accounts. In contrast, the CCID is a unique identifier for customers and is computed from identifiers reported to CAIS by Industry Members. CCIDs nominally correspond to customers on a one-to-one basis and are therefore generally preferred over the FDID as a customer identifier by regulators.⁴¹⁴

Regulators search CAIS utilizing query tools that are less flexible than the tools available for accessing the transactional database. Nevertheless, CAIS is useful for regulatory activities that involve connecting customer or account data with transaction data.⁴¹⁵ It enables regulators to efficiently establish these connections in either direction - by querying CCIDs or FDIDs from CAT transaction data to obtain the corresponding account information (“Queries of CCID”), or by searching account information to obtain the relevant CCID or FDID (“Queries of Account Information”), enables regulators to query the CAT transaction data for that customer’s transaction information.

The ability to quickly establish these connections is important for many regulatory activities, although some regulatory functions predominantly require establishing a connection

fdidDate, role, roleStartDate, DVPCustodianID, clearingBrokerID, branchOfficeCRD, fdidEndDate, fdidEndReason, replacedByFDID, priorCATReporterCRD, priorCATReporterFDID, largeTraderList, largeTraderRecordID, ltidEffectiveDate, ltidEndDate, ltidEndReason, roleEndDate, roleEndReason, registeredRepCRD. See Letter to Vanessa Countryman, Secretary, Commission, from Brandon Becker, CAT NMS Plan Operating Committee Chair, dated May 28, 2025, at 46, available at: <https://www.sec.gov/comments/4-698/4698-607367-1773454.pdf>.

⁴¹¹ See CAIS Amendment, at 2180.

⁴¹² Id.

⁴¹³ Id.

⁴¹⁴ Id.

⁴¹⁵ See id. at 2181.

only in one direction; Queries of Customer Reference Information are particularly useful when attempting to obtain transaction information for a customer identified only by name or address, as may be the case when investigating tips, complaints, and referrals. CAIS aids in establishing these connections for customers that are U.S. natural persons, non-U.S. natural persons, and legal entities alike.⁴¹⁶

On occasion, investigations are resolved in early stages, using only CAIS information and the CAT transaction information linked to a CCID retrieved from CAIS. Resolution of matters using CAIS data without making data requests to other regulators or Industry Members is cost effective and efficient. However, investigations often involve contacting Industry Members for additional information even when CAIS data are available, for example to verify the completeness of information obtained from CAT before proceeding further with an investigation of potentially violative behavior or to obtain information about activity not reported to CAT such as ETF creations and redemptions⁴¹⁷

Under the baseline, there is no CAT NMS Plan requirement to collect or store customer names, addresses, and YOB in CAIS. As previously stated by the Commission, the lack of such data in CAT will force regulators to rely on alternate sources of data to connect U.S. natural persons to their transaction information.⁴¹⁸ If a regulator needs to determine the identity of an individual behind a particular CCID, the regulator would be able to use one or more of the FDIDs associated with the CCID and contact the broker-dealer(s) who reported the FDID(s) and request the name, address and/or year of birth for the individual Customer.⁴¹⁹ Further, under the baseline, collection of the Large Trader ID (“LTID”) and Legal Entity Identifier (“LEI”) data in

⁴¹⁶ Id.

⁴¹⁷ Id. Other activity, such as fixed income transactions are also not reported to CAT.

⁴¹⁸ Id.

⁴¹⁹ Id. at 2166.

CAIS continues.⁴²⁰ For those entities that possess an LEI or LTID, regulators can obtain this identifier from a non-CAT source and use it in Queries of Customer Information to obtain the entity's CCID, if this identifier has been reported to CAIS and then use the CCID to retrieve its transaction data. Regulators can likewise identify suspicious trading activity in CAT transaction data for a certain CCID and then obtain the customer's LEI or LTID through Queries of CCID. After getting the LEI or LTID from CAIS, regulators can then obtain identifying information for the customer by requesting it from the organization that issued this identifier instead of from an Industry Member.

h. Spending Cap

The Participants have proposed a spending cap provision that would prevent expansion of the functionality or system operations of the CAT without a clear assessment of whether the benefits of any such expansion justify its associated costs.⁴²¹ The CAT NMS Plan lacks details on many issues that could affect the magnitude of costs. However, the discretion to alter CAT functionality or system operations is generally subject to Commission approval, and the Participants would be required to file a plan amendment and receive approval in order to materially increase expenses. More broadly, no national market system plan filed pursuant to this section, or any amendment thereto, shall become effective unless approved by the Commission or otherwise permitted in accordance with the procedures set forth in Rule 608.⁴²²

⁴²⁰ LTID summarizes information about a trader in accordance with large trader reporting requirements, based upon trading-level thresholds requiring additional disclosure with the Commission. Under these requirements, and independent of CAT reporting requirements, an LTID exists under Rule 13h-1 of the Exchange Act. However, there is an additional requirement to report the LTID in CAIS. See Consolidated Audit Trail, LLC 2026 Financial and Operating Budget (Dec. 8, 2025), available at https://www.catnmsplan.com/sites/default/files/2025-12/12.08.25-CAT-LLC-2026-Financial_and_Operating_Budget.pdf. For a discussion of LTIDs and the large trader requirements under Rule 13h-1 under the Exchange Act with regard to the CAT NMS Plan, see CAT NMS Plan Approval Order, at 84777-8.

⁴²¹ See Notice, at 61509.

⁴²² See 17 CFR 242.613(a)(5). In determining whether to approve the NMS plan, or any amendment thereto, and whether the NMS plan or any amendment thereto is in the public interest under Rule 608(b)(2), the Commission shall consider the impact of the national market system plan or amendment, as applicable, on efficiency, competition, and capital formation. Also, see 17 CFR 242.608(b)(2), which states that approval or disapproval of an NMS plan, or an amendment to an effective national market system plan (other than an

2. The CAT Budget

The current annual CAT budget for 2026 is approximately \$156 million.⁴²³ This budget incorporates the 2025 Cost Savings Exemptive order for the last 9 months of 2026, consistent with the expectation that the Exemptive Order will go into effect at the end of Q1 2026.⁴²⁴ This includes both the expected cost savings as well as the implementation costs stemming from the 2025 Cost Savings Exemptive order.⁴²⁵ However, the budget does not reflect savings and implementation costs stemming from the CAIS Amendment, since the budget was created prior to the approval of the CAIS Amendment.⁴²⁶ Although the estimated savings from the CAIS Amendment are \$7 to \$9 million,⁴²⁷ the portion of these savings related to cloud savings might not be realized during 2026. However, the implementation costs of the CAIS Amendment would likely be incurred during 2026. On net, the Commission predicts that the CAIS amendment will result in a net cost increase of \$0.5 million during 2026. If this estimated net cost increase is incorporated into the 2026 budget, then the \$156 million budget would rise to \$156.5 million.

3. Effects of the 2025 Cost Savings Exemptive Order

The analysis that follows takes into account the Participant's reliance on the 2025 Cost Savings Exemptive Order, to the extent possible, based upon the information that was provided. In the 2025 Cost Savings Exemptive Order, the Commission provided conditional exemptive relief in four areas: (i) requirements to create lifecycle linkages by T+1 at noon Eastern Time (Interim CAT-Order-IDs); (ii) requirements related to data storage and retention; (iii)

amendment initiated by the Commission), shall be by order. Promulgation of an amendment to an effective national market system plan initiated by the Commission shall be by rule.

⁴²³ See Consolidated Audit Trail, LLC 2026 Financial and Operating Budget (Dec. 8, 2025), [available at https://www.catnmsplan.com/sites/default/files/2025-12/12.08.25-CAT-LLC-2026-Financial_and_Operating_Budget.pdf](https://www.catnmsplan.com/sites/default/files/2025-12/12.08.25-CAT-LLC-2026-Financial_and_Operating_Budget.pdf).

⁴²⁴ Id. at nt. 3.

⁴²⁵ Id. at nt. 4.

⁴²⁶ The CAIS Amendment was approved on January 12, 2026. Participants estimate that the CAIS Amendment would reduce CAT costs by \$7-\$9 million, including \$2-\$4 million in cloud hosting fees and \$5 million in Plan Processor fees. See CAIS Amendment, at 2187.

⁴²⁷ See id.

requirements for re-processing of late records; and (iv) requirements to provide an OTQT.⁴²⁸ In total, the estimated savings from the 2025 Cost Savings Exemptive Order are from \$34 million to \$46.5 million annually.⁴²⁹ Table 2 provides the estimated annual cost savings generated by the four components of the Exemption.⁴³⁰

| 2025 Cost Savings Exemptive Order | Low Estimate (Millions of \$) | High Estimate (Millions of \$) |
|---|--|---|
| <i>Requirements to Create Interim CAT-Order-ID</i> | 2 | 3 |
| <i>Requirements Related to Data Storage and Retention</i> | 17 | 23 |
| <i>Requirements for Re-Processing of Late Records</i> | 12.5 | 17 |
| <i>Requirement to provide an OTQT</i> | 2.5 | 3.5 |
| <i>Total Estimated Annual Savings</i> | 34.0 | 46.5 |

As shown in Table 2, the Participants estimate that the exemptive relief from the requirement to create interim lifecycle linkages (interim CAT Order IDs) provides annual savings in cloud hosting fees of \$2 million to \$3 million.⁴³¹ This estimate is based on the average typical daily compute costs for interim lifecycle processing, which Participants estimate to range from approximately \$8,000 per day to \$12,000 per day for a typical day based on current data volumes and compute reservations. Assuming 252 trading days per year and \$8,000 per day to \$12,000 per day, total cost savings provided by the exemption from the interim CAT-

⁴²⁸ See 2025 Cost Savings Exemptive Order, at 47854.

⁴²⁹ The estimated annual savings from the 2025 Cost Savings Exemptive Order are based on the sum of the estimated annual savings in cloud host fees savings stemming from exemptive relief from the following CAT requirements: 1) requirements to Create Interim CAT Order IDs (\$2 to \$3 million), 2) requirements Related to Data Storage and Retention (\$17 to \$23 million), 3) re-processing requirements for late records (\$12.5 to \$17 million), and, 4) requirement to provide an OTQT (\$2.5 to \$3.5 million). See Notice, at 61510, 61513, 61517, and 61521.

⁴³⁰ Id.

⁴³¹ See Notice, at 61510. This exemptive relief supersedes the exemptive relief set forth in the November 2023 Order, which had extended the deadline to assign an interim CAT-Order-ID by nine hours, from 12 p.m. E.T. T+1 to 9 p.m. E.T. T+1. The Commission also removed the requirement to link and create order lifecycles for OMM quotes in the 2024 Cost Savings Amendment.

Order =ID is approximately \$2 million to \$3 million per year.⁴³² This estimate includes computing and storage costs for daily ad hoc interim lifecycle processing and is based on demand rates for a typical day with average data volumes. Under the 2025 Cost Savings Exemptive Order, interim CAT-Order-IDs can still be generated for the Commission on an ad-hoc basis, “as-requested” basis. However, the Participants state that the estimated number of authorized ad hoc runs per year that would be requested cannot be predicted by CAT LLC or the Plan Processor.⁴³³

Timely access to linked data is a regulatory goal of Rule 613 and the CAT NMS Plan. Under the exemptive relief, regulators are unable to immediately access lifecycle linkages before T+5.⁴³⁴ However, most regulatory activities don’t require data before T+5, and fewer require lifecycle linkages. Also, regulators are able to request linked data from the Plan Processor before T+5, as well as to access and analyze raw unprocessed data between T+2 at 8 a.m. E.T. and T+5 at 8 a.m. E.T. The maintenance of such functionality should continue to enable regulatory users to effectively and expeditiously review data in the case of a major market event, albeit somewhat more slowly than prior to the exemption, since the Participants and Commission must either wait for the Plan Processor to generate the interim CAT-Order-ID following its ad hoc request or try to identify the lifecycles themselves.⁴³⁵

The 2025 Cost Savings Exemptive Order also includes exemptive relief for requirements related to data storage and retention. This includes a reduction in the retention of all CAT data, unless otherwise specified, from six years to five years, and shifting data from years four and five into less-costly deep storage. In addition, the 2025 Cost Savings Exemptive Order reduced

⁴³² See Notice, at 61511 n.34.

⁴³³ See *id.* at 61511, n.36.

⁴³⁴ However, regulators are still able to access linked and corrected audit trail data by T+5 in the regular course, which should generally continue to be faster than was possible before the CAT existed. See CAT NMS Plan Approval Order, *supra* note 5, at 84783 (noting that corrected and linked CAT Data would be accessible on T+5, compared to OATS Data, which was not available until T+8).

⁴³⁵ See 2025 Cost Savings Exemptive Order, at 47855.

the retention period of OMM quotes from six years to one year and Interim Operational Data to 15 days. Participants estimate that these changes would generate annual savings of \$17 million to \$23 million in cloud hosting fees, although the cost savings stemming from individual data components, such as the reduction in storage of OMM quotes to one year, were not provided by the Participants.⁴³⁶

Moving CAT Data older than three years to a more cost-effective storage tier allows CAT to use lower-cost archive storage options while simultaneously maintaining records for regulatory use as needed.⁴³⁷ The Commission's experience with CAT data is that the first three years of CAT Data are more frequently accessed and needed by regulatory users. Under the Exemptive Order, the first three years of data will continue to be maintained in a convenient and usable standard electronic data format, which is directly available and searchable electronically without any manual intervention by the Plan Processor.⁴³⁸ Regulators also continue to have access to data from years four and five, although such data are kept in a more cost-effective storage tier that requires some manual intervention for retrieval, resulting in potentially slower regulatory activity relative to activity that does not require data from years four and five.⁴³⁹

Deleting all OMM Quotes data after one year significantly reduces the CAT's storage requirements, which in turn should result in significant cost savings.⁴⁴⁰ To the extent that older data are required, the Commission can request access to OMM Quotes data directly from options exchanges, because Rule 17a-1 requires them to maintain OMM Quotes data for five years.⁴⁴¹ However, this is a slower means of accessing the data relative to accessing the data directly from

⁴³⁶ The savings in cloud hosting fees provided by the 2025 Cost Savings Exemptive Order stemming from data storage and retention were initially estimated at \$11 to \$15 million. However, the size of these estimated savings was increased to \$17 to \$23 million in the Proposed Amendment. See Notice, at 61513 n.47.

⁴³⁷ See 2025 Cost Savings Exemptive Order, at 47858.

⁴³⁸ Id.

⁴³⁹ Id. at 47858.

⁴⁴⁰ Id.

⁴⁴¹ Id.

CAT. Finally, based on the potential future use of Raw Unprocessed, Interim Operational Data and/or submission and feedback files older than 15 days, as well as the Participants' statements on past use, the Commission does not expect that the deletion of Interim Operational Data older than 15 days will impact on regulatory activities.⁴⁴²

The 2025 Cost Savings Exemptive Order provided exemptive relief for the requirement to re-process late records. The 2025 Cost Savings Exemptive Order superseded the 2023 Exemptive Order, which required the Plan Processor to perform Enhanced Late to the Lifecycle and Full Replay processing weekly for data within the prior 18 months, absent extraordinary circumstances.⁴⁴³ For data outside of this 18-month window, the Participants were required to perform the Enhanced Late to the Lifecycle and the Full Replay processes no less frequently than quarterly.⁴⁴⁴ However, the Commission understood from communications with the Participants that these requirements were extremely costly even for a relatively limited amount of CAT Data.⁴⁴⁵

The Participants state that the cost of Full Replay functionality required by the CAT NMS Plan included \$360,000 in recurring annual Plan Processor operating fees and millions of dollars in annual cloud hosting services fees.⁴⁴⁶ Further, the Participants state that in the six months following implementation of the Full Replay process required by the Commission, total production costs associated with late data processing were \$7.16 million, reaching a high monthly cost of \$1.6 million in May 2025—more than 18 percent of the overall cloud costs for May 2025.⁴⁴⁷

⁴⁴² Id.

⁴⁴³ See 2025 Cost Savings Exemptive Order, at 47856. Some future regulatory activities of SROs could depend on the use of the Raw Unprocessed, Interim Operational Data and/or submission and feedback files older than 15 days and therefore may be affected by a delay in access to data. It could, for example, be used by SROs to investigate patterns of errors in CAT Data submissions by their members. However, such regulatory activities are unlikely to be time-sensitive.

⁴⁴⁴ Id.

⁴⁴⁵ Id.

⁴⁴⁶ See Notice, at 61518.

⁴⁴⁷ Id.

The 2025 Cost Savings Exemptive Order reduced Enhanced Late to the Lifecycle processing from weekly to quarterly for late records from trade dates within the prior 3 years. For data outside of this 3-year window, re-processing was no longer required. Furthermore, the Exemptive Order reduced Full Replay processing from a weekly to an ad-hoc, ‘as requested’ basis from the Participants and the Commission. The Commission stated that this reduced level of re-processing should still provide regulatory users with the ability to quickly and reliably identify and link all relevant lifecycles associated with the late-reported data that is most frequently needed and accessed by regulatory users.⁴⁴⁸ The Commission further states that, although this approach requires some manual intervention by regulatory users, the Commission believes this is a reasonable trade-off for the millions of dollars of cost savings the Commission expects will likely flow from significantly reducing the usage of the Full Replay process and any additional costs savings that may be realized from requiring the Plan Processor to perform the Enhanced Late to the Lifecycle process quarterly instead of weekly.⁴⁴⁹ Participants estimate that this exemptive relief resulted in annual savings of \$12.5 million to \$17 million in annual cloud hosting fees.⁴⁵⁰

Finally, the 2025 Cost Savings Exemptive Order provided conditional exemptive relief from online tools that fulfill the OTQT requirement, including DIVER, ARLE, OLA Viewer, and MIRS volume concentration and market replay tools. The Participants state that they, “would be able to conduct their regulatory programs using only BDSQL and Direct Read, and could otherwise adjust by creating and operating, or continuing to operate, their own internal tools to replicate the queries they would otherwise run on the OTQT.”⁴⁵¹ In addition, the Commission has stated that its own regulatory program would not be impaired by the loss of

⁴⁴⁸ See 2025 Cost Savings Exemptive Order, at 47856.

⁴⁴⁹ Id.

⁴⁵⁰ See Notice, at 61517.

⁴⁵¹ See Notice, at 61522.

certain OTQT functionality.⁴⁵² The Commission has further stated that it has already developed internal tools that replicate functionality supplied by the DIVER, ARLE, OLA Viewer, and MIRS volume concentration and market replay tools.⁴⁵³

The Commission understands, based on communications with the Participants, that elimination of the OTQT generated meaningful cost savings, reducing annual cloud hosting fees an estimated \$2.5 to \$3.5 million.⁴⁵⁴

B. Efficiency

The Commission analyzed the impact of the Proposed Amendment on efficiency. The Participants stated that the Proposed Amendment will have a positive impact on efficiency.⁴⁵⁵

The Proposed Amendment will result in significant cost savings, net of implementation costs and transfers, in operating the Central Repository. Generally, lower CAT costs reduce the CAT fees borne by market participants, thus reducing trading costs.⁴⁵⁶ Lower transaction costs promote trading activity, liquidity, and market efficiency. The Proposed Amendment will reduce the content and functionality of CAT, thus affecting the scope and timeliness of some regulatory activities.⁴⁵⁷ Regulatory activities help protect investors and maintain fair, orderly, and efficient markets. Regulators may take some steps to mitigate the Proposed Amendments' effects on regulatory activities, such as by storing older CAT data on their own systems or using alternate

⁴⁵² See 2025 Cost Savings Exemptive Order, at 47857.

⁴⁵³ Id.

⁴⁵⁴ See Notice, at 61521. See id. n.93.

⁴⁵⁵ See Notice, supra note 6, at 61536.

⁴⁵⁶ Trading costs are marginally reduced as CAT fees on a per share traded basis are generally smaller than other execution and regulatory fees. See Securities Exchange Act Release No. 105003 (Mar. 16, 2026), 91 FR 13410, 13469 (Mar. 19, 2026) (“CAT Funding Approval Order”). However, the fees themselves are already small in magnitude, so a reduction in fees will be small in magnitude. For example, the highest realized CAT fee are at least 400 times smaller than the effective half-spread. Effective half-spread captures the costs that investors pay for their order to execute against a market maker or standing limit order.

⁴⁵⁷ See, e.g., infra note 503.

sources of data (e.g., EBS requests).⁴⁵⁸ Costs incurred by regulators or Industry Members as a result of such mitigation actions would represent cost transfers from the cost of operating CAT to costs regulators incur as part of their regulatory programs,⁴⁵⁹ thus reducing some of the cost savings of the Proposed Amendment.

The Commission discusses below the effects of the provisions of the Proposed Amendment on each of the costs of operating CAT and regulatory activities.

1. Operational Cost Savings

The Proposed Amendment, as modified by the Commission, will result in significant cost savings, net of implementation costs and transfers, in operating the Central Repository. These savings persist when considering the alternate methodologies and assumptions discussed below.⁴⁶⁰

a. Estimated Cost Savings, Methodologies and Assumptions

The Participants' cost estimates are generated using current CAT costs. Specifically, the Participants state that, among other things, cost savings estimates are based on "observed data rates and volumes; current discounts, reservations and cost savings plans; and associated cloud fees."⁴⁶¹ Using current costs to generate cost savings estimates is reasonable.

Realized cost savings in the future could differ the Participants' projected cost estimates for several reasons, such as (1) assumptions made to generate the estimates, (2) uncertainty in the future direction of factors affecting costs, and (3) assumptions about implementation costs. Also, some of the cost savings identified by the Participants could represent costs being transferred to

⁴⁵⁸ For example, exchange SROs might store portions of CAT data as a part of their books and records requirements, such as off-exchange trading by their members that the exchange does not capture in its own records outside of CAT.

⁴⁵⁹ Whether the Central Repository or regulators incur the costs, these costs are generally passed through to Industry Members, and ultimately investors. See *infra* section IV.B.2.d. for a broader discussion of the cost transfer to regulators and Industry Members as a result of the Amendment.

⁴⁶⁰ Id.

⁴⁶¹ See Notice, *supra* note 6, at 61506-07 n.12.

regulators and potentially Industry Members under the Proposed Amendments. The sections that follow discuss these factors.⁴⁶²

i. Total Annual Cost Savings Under Proposed Amendment

Table 3 provides estimates for the total annual cost savings. The Participants estimate that total cost savings associated with both the Proposed Amendment the 2025 Cost Savings Exemptive Order will range from \$55 million to \$73 million annually (row A in Table 3), represents approximately 35 percent to 47 percent of the total operating costs of CAT in the 2026 Financial and Operating Budget.⁴⁶³ The Commission estimates that incorporating the modification to the Proposed Amendment into the estimate reduces this cost savings by about \$1.5 million to \$2.0 million —resulting in savings of \$53.5 million to \$71 million annually (row B in Table 3).

As also shown in Table 3, the bulk of the estimated total annual cost savings from both the Proposed Amendment, as modified by the Commission, and the 2025 Cost Savings Exemptive Order obtains from cost savings in cloud hosting, which range from \$46.5 million to \$64 million (row C in Table 3). The majority of these cloud hosting savings, from \$34 million to \$46.5 million, may already be realized as a result of provisions of the 2025 Exemptive Order that are codified in the Proposed Amendment, as modified by the Commission (row D in Table 3). The remaining cost savings in cloud hosting, \$12.5 million to \$17.5 million (row E in Table 3), result from the parts of the Proposed Amendment that expand on the 2025 Cost Savings Exemptive Order. These cost savings amount to 8 percent to 11.2 percent of Total Expenses in the 2026 CAT budget.⁴⁶⁴

⁴⁶² See infra section IV.B.1.b.

⁴⁶³ See Notice, supra note 6, at 61508-09. See also Consolidated Audit Trail, LLC 2026 Financial and Operating Budget, available at https://www.catnmsplan.com/sites/default/files/2025-12/12.08.25-CAT-LLC-2026-Financial_and_Operating_Budget.pdf.

⁴⁶⁴ The estimated total expenses in the 2026 budget is \$156.4 million. See Consolidated Audit Trail, LLC 2026 Financial and Operating Budget, available at https://www.catnmsplan.com/sites/default/files/2025-12/12.08.25-CAT-LLC-2026-Financial_and_Operating_Budget.pdf.

The remainder of the total cost savings under the Proposed Amendment, as modified by the Commission, which is about \$7 million, is attributed to cost savings from Plan Processor Operating fees (see row F in Table 3), which the Participants do not indicate are otherwise covered by the 2025 Cost Savings Exemptive Order.”⁴⁶⁵ Adding the cost savings from Plan Processor fees to the cost savings from cloud hosting results in the costs savings that can be attributed to approving the Proposed Amendment, \$19.4 million to \$24.1 million (12.4 percent to 15.4 percent).

| Table 3. Estimated Annual Cost Savings (in Millions of Dollars) | | | |
|---|--|--------------------------------------|-------------|
| Row | | Estimated Annual Cost Savings | |
| | | Low | High |
| Total Annual Cost Savings | | | |
| A | Savings from both the Proposed Amendment and the 2025 Exemptive Order | 55 | 73 |
| B | Savings Attributed to the Proposed Amendment, as modified by the Commission | 53.5 | 71 |
| Cloud Hosting Annual Cost Savings Under the Proposed Amendment as Modified by the Commission | | | |
| C | Total Savings <i>including</i> provisions in the 2025 Cost Savings Exemptive Order | 46.5 | 64 |
| D | Savings <u>associated with</u> 2025 Cost Savings Exemptive Order | 34.2 | 46.9 |
| E | Savings <u>not associated with</u> 2025 Cost Savings Exemptive Order (new incremental savings) | 12.4 | 17.1 |
| Plan Processor Operational Annual Cost Savings Under the Proposed Amendment as Modified by the Commission | | | |
| F | Cost savings | 7 | 7 |
| Note: This table was created by combining elements of the table of the Notice, <u>supra</u> note 6, at 61508-61509 with savings under the 2025 Cost Savings Exemptive Order that Participants provided for some of the amendments. See, e.g., Notice, <u>supra</u> note 6, at 61517, and <u>infra</u> Table 4. The estimates have been adjusted to account for the modifications to the Proposed Amendment by the Commission. | | | |

⁴⁶⁵ See Notice, supra note 6, at 61526.

ii. Cost Savings of Specific Amendments

The Commission considered all amendments and discusses below the estimated savings from the amendments that generate the largest savings, namely the Data Storage Amendment and Reference Data Amendment. Though the Participants broadly identify the factors behind their estimates of the cost savings of the amendments, the Commission is uncertain about the exact assumptions behind these estimates.⁴⁶⁶ Also, the Participants do not estimate savings for the Spending Cap Provision.

Table 4 includes annual estimated cost savings by individual amendment. Most of the estimated savings under the Proposed Amendment, as modified by the Commission, are due to the Data Storage Amendment and the Reference Data Amendment. Some of the estimated cost savings from the Data Storage Amendment were already realized under the 2025 Cost Savings Exemptive Order, though none of the savings from the Reference Data Amendment have already been realized. The modified Late Data Reprocessing Amendment also generates large estimated annual savings, but the Participants have already realized these savings under the 2025 Cost Savings Exemptive Order.

⁴⁶⁶ The Participants state, “[c]ost savings estimates are based on, among other factors: current CAT NMS Plan requirements; reporting by Participants, Industry Members and market data providers; observed data rates and volumes; current discounts, reservations and cost savings plans and associated cloud fees. Actual future savings could be more or less than estimated due to changes in any of these variables. Savings projections are primarily based on production environments, which represent approximately two-thirds of all cloud fees.” See Notice, supra note 6, at 61506-07 n.12. The Data Storage Amendment cost savings assumptions are more specific, with the Participants stating that the cumulative storage will rise to 820 to 830 petabytes for 2025. See Notice, supra note 6, at 61515.

Table 4
Estimated Annual Cloud Savings by Individual Amendment

| Individual Amendment | Estimated Cost Savings low estimate — high estimate | | |
|--|--|---|--|
| | Total Annual Savings (millions of \$) | Annual Savings <u>realized</u> under 2025 Cost Savings Exemptive Order (millions of \$) | Annual Savings <u>not associated</u> with 2025 Cost Savings Exemptive Order (millions of \$) |
| Interim CAT- Order-ID Amendment | 2 – 3 | 2 – 3 | 0 |
| Data Storage Amendment | 23.5 – 32 | 17.2 – 23.4 | 6.4 – 8.6 |
| Late Data Re- Processing Amendment | 12.5 – 17 | 12.5 – 17 | 0 |
| OTQT Amendment | 2.5 – 3.5 | 2.5 – 3.5 | 0 |
| Rejected Message Amendment | 0.5 | 0 | 0.5 |
| Data Availability Amendment | 1.5 – 2 | 0 | 1.5 – 2 |
| Reference Data Amendment | 4 – 6 | 0 | 4 – 6 |
| Total Annual Savings | 46.5 – 64 | 34.2 – 46.9 | 12.4 – 17.1 |

Notes: This table was created by combining elements of the table of the Notice, supra note 6, at 61508-61509 with savings under the 2025 Cost Savings Exemptive Order that Plan Participants provided for some of the amendments, along with savings under the Data Storage Amendment from the CAT LLC March Letter. See, e.g., Notice, supra note 6, at 61517. See also CAT LLC March 2026 Response Letter, supra note 106, at 4.

The Participants provide more granular estimates of savings from the Data Storage Amendment compared to the other amendments. Table 5 provides these estimates.⁴⁶⁷ Most of the savings from that Amendment, after accounting for the savings attributed to the 2025 Cost Savings Exemptive Order, are associated with the deletion of Options SIP Data older than six months. Also, as shown in Table 4, about \$17.2 million to \$23.4 million in the estimated total cost savings in Table 5 are associated with the 2025 Cost Savings Exemptive Order.⁴⁶⁸

One commenter also provides a breakdown of the incremental savings of the provisions of the Data Storage Amendment.⁴⁶⁹ Consistent with CAT LLC, the commenter attributes none of the cost savings from the deletion of Options SIP data older than six months (\$3.7 million to \$5 million) to the 2025 Cost Savings Exemptive Order and attributes all of the cost savings from deleting interim operational data older than 15 days (\$1.9 million to \$2.6 million) to the 2025 Cost Savings Exemptive Order. The commenter then estimates incremental cost savings of \$0.9 million to \$1.2 million for deleting an extra six months of OMM quotes in the Proposed

⁴⁶⁷ See CAT LLC March 2026 Response Letter, *supra* note 106, at 4. The information provided by the Participants is summarized in Table 5. A commenter suggested that the Commission should carefully assess all available cost-reduction alternatives with any reduction in CAT data retention timelines. See SIFMA March 2026 Letter, *supra* note 61, at 6; see also *supra* section III.B. The Commission does not believe that the existence of the alternatives calls into question the Proposed Amendment’s satisfaction of the approval standard in 17 CFR 242.608(b)(2) or otherwise warrant a departure from the policy choices made by the Participants. Moreover, as explained above, the Commission is conducting a comprehensive review of the CAT. See *supra* note 38 and accompanying text. Consideration of cost-reduction alternatives related to data storage may be an appropriate topic for the Commission’s comprehensive review.

⁴⁶⁸ The Data Storage Amendment will also reduce the “cost variance risk” making CAT less susceptible to changes in storage costs. See CAT LLC March 2026 Response Letter, *supra* note 106, at 4. The variance in storage costs creates an inefficiency by making it harder for CAT LLC to predict costs and, thus, could make it harder to match assessments to the actual costs. However, this risk is unlikely to be driven by fluctuations in storage volume because the volume of older data is known. Likely, the effect of the Data Storage Amendment on this risk is driven by how much data is stored in each storage tier, which depends on regulatory use. See CAT LLC March 2026 Response Letter, *supra* note 106, at 5-6. Therefore, the effect of the Data Storage Amendment on cost variance risk depends on the degree to which regulators use the data to be deleted under the amendment.

⁴⁶⁹ See FIF March 2026 Letter, *supra* note 98, at 3-4.

Amendment.⁴⁷⁰ The commenter attributes the remaining \$2.0 million to \$2.8 million to incremental cost savings from the deletion of CAT data older than three years.⁴⁷¹

| Table 5 | | | |
|--|--|---|--|
| Estimated Annual Cloud Savings Under Data Storage Amendment | | | |
| Individual Provision | Estimated Cost Savings low estimate — high estimate | | |
| | Total Annual Savings (millions of \$) | Annual Savings <u>realized</u> under 2025 Cost Savings Exemptive Order (millions of \$) | Annual Savings <u>not associated</u> with 2025 Cost Savings Exemptive Order (millions of \$) |
| Delete CAT Data older than three years | 8.8 – 12 | 7.2 – 9.8 | 1.6 – 2.2 |
| Delete OMM Quotes older than one year | 9.2 – 12.4 | 8.1 – 11 | 1.1 – 1.4 |
| Delete Interim Operational Data older than 15 days | 1.9 – 2.6 | 1.9 – 2.6 | 0 |
| Delete Options SIP Data older than six months | 3.7 – 5.0 | 0 | 3.7 — 5.0 |
| Total Annual Savings | 23.6 – 32 | 17.2 – 23.4 | 6.4 – 8.6 |
| Notes: This table was created using numbers provided in the CAT LLC March 2026 Response Letter . See CAT LLC March 2026 Response Letter, <u>supra</u> note 106, at 4. The cumulative Total Annual Savings may differ from Table 4 due to rounding by the Participants. | | | |

The Participants did not provide a cost savings estimate for the Spending Cap provision. This provision could limit future cost increases by impeding changes in functionality or system operations that could raise costs beyond the Spending Cap. This could in turn affect the cost savings under the approved amendments.

⁴⁷⁰ To do so, the commenter assumes that 90% of the cost savings is attributable to the 2025 Cost Savings Exemptive Order. The 90% assumption comes from dividing 4.5 years (data that could be deleted under the 2025 Cost Savings Exemptive Order) by 5 years (data that will be deleted including by the Proposed Amendment). See FIF March 2026 Letter, supra note 98, at 3. The Participants’ Response Letter provides a higher estimate of cost savings from deleting OMM Quotes older than six months -- \$1.1 million to \$1.4 million (Table 5). See CAT LLC March 2026 Response Letter, supra note 106, at 4. The different estimates are likely driven by the 90% assumption, which implies a constant volume of OMM quotes over time. The volume of OMM quotes has been rising. See, e.g., CAT Funding Approval Order, supra note 456, at 13462.

⁴⁷¹ See FIF March 2026 Letter, supra note 98, at 4.

Participants estimate that plan processor fees will be reduced by \$7 million due to savings associated with the elimination of CAIS under the Reference Data Amendment.⁴⁷² Specifically, the savings from the elimination of CAIS are based upon changes in how users search for data.⁴⁷³ Upon the elimination of CAIS, the Participants estimate that Plan Processor fees would equal \$47 million on an annual basis.⁴⁷⁴ This is a decrease of \$7 million from the \$54 million in Plan Processor fees in the November 2025 CAT budget.⁴⁷⁵ This \$7 million savings represents the cost savings in the Plan Processor Fees under the Proposed Amendment, as modified by the Commission, which we reported in Table 3 (see row F in Table 3).

b. Future Magnitude of Cost Savings

The Participants' cost savings estimates apply only to the first year of implementation of the Proposed Amendment.⁴⁷⁶ The Participants recognize that realized cost savings in the future could differ from their cost savings estimates, as there is uncertainty on how several factors may change in the future, including the number of exchanges, Plan requirements, data rates and volumes, discounts, reservations and cost savings plans, and cloud fees.⁴⁷⁷ The Participants state that future cost savings could be greater than their estimates as data volumes grow over time.⁴⁷⁸

The estimated cost savings (and CAT operational costs) could decline in future years as cloud computing evolves. In some estimates, the costs of host computer and storage services have steadily declined, and similar trends can be observed in the pricing of some of the cloud storage products.⁴⁷⁹ The Participants estimate annual cost savings of \$48 million to \$66 million

⁴⁷² See supra section III.G.

⁴⁷³ The Commission's understanding of the source of these cost savings is due to conversations with FINRA CAT LLC.

⁴⁷⁴ See Notice, supra note 6, at 61526.

⁴⁷⁵ Id.

⁴⁷⁶ The Participants state "... that the estimated cost savings are based on current costs for 2025..." See Notice, supra note 6, at 61507.

⁴⁷⁷ See supra note 462.

⁴⁷⁸ Id.

⁴⁷⁹ See Securities Exchange Act Release No. 101901 (Dec. 12, 2024), 80 FR 103033 (Dec. 18, 2024) at 103047, nn.211 and 212.

savings for cloud hosting services under the Proposed Amendment (including the 2025 Cost Savings Exemptive Order). These estimates are partly based on current cloud computing and storage costs.⁴⁸⁰ Declines in cloud computing costs could reduce expected future cost savings. Storage costs, however, could increase if message traffic keeps increasing, in which instance the future cost savings could be higher than the estimated ones.⁴⁸¹ Message traffic could increase as exchanges may be moving toward longer trading hours.⁴⁸² Longer trading hours could bring in more trades,⁴⁸³ and more trades could lead to a corresponding increase in message traffic.⁴⁸⁴

Potential changes in the volume of data requests are not accounted for by the Participants. Therefore, cost savings from the Proposed Amendment will be reduced by data requests from regulators to the Plan Processor.⁴⁸⁵ According to the Participants, when the Commission requests Interim CAT-Order-ID, it will cost \$8,000 to \$12,000, or more, per request to generate this data.⁴⁸⁶ The Participants have not stated the costs of ad hoc Processing of Late Reported Data. Participants have previously stated that, in general, interim data are pulled from Glacier Deep storage, and the costs incurred are a function of the size of the data being pulled in addition

⁴⁸⁰ See Notice, *supra* note 6, at 61509. The Participants state that, “Since the implementation of the 2024 Cost Savings Amendment in April 2025, storage costs during the period Q2 2025 through Q3 2025 have ranged from 32% to 41% of monthly cloud hosting services fees.” Compute costs would make up the difference. See Notice, *supra* note 6, at 61515.

⁴⁸¹ This has been acknowledged by the Participants, who stated that, “If data volumes continue to increase as they have historically, the associated costs avoided would similarly increase.” See 2024 Cost Savings Amendment, *supra* note 16, at 103037.

⁴⁸² For example, Nasdaq has recently sought Commission approval for such a schedule. See NASDAQ, [Nasdaq Seeks SEC Approval For 23-Hour, Five-Day Trading Schedule](https://www.nasdaq.com/articles/nasdaq-seeks-sec-approval-23-hour-five-day-trading-schedule) (Dec. 16, 2025), available at <https://www.nasdaq.com/articles/nasdaq-seeks-sec-approval-23-hour-five-day-trading-schedule>.

⁴⁸³ For example, traders with a higher risk preference may engage in more active trading during times when bid-ask spreads are wide relative to other times of a 23-hour period.

⁴⁸⁴ Message traffic is correlated with volume. Recent finance literature suggests that, when calibrating an exchange model, an increase in trading hours would lead to an increase in daily trading volume within medium and large markets. See Patrick Blonien & Alexander Ober, *Is 24/7 Trading Better?* (working paper Sept. 23, 2024) at 4, and 34-35, available at <https://ssrn.com/abstract=4942934> (retrieved from SSRN Elsevier database).

⁴⁸⁵ See *supra* section IV.B.1.a. for an example of the need for these requests.

⁴⁸⁶ See Notice, *supra* note 6, at 61512.

to the speed with which the request must be fulfilled.⁴⁸⁷ While it is not possible to anticipate future regulatory needs, these costs would rise if regulatory needs result in repeated requests for ad hoc reprocessing of Late Reported Data by regulators.

b. One-Time Implementation Costs

The Participants account for one-time implementation costs as well as implementation timelines.⁴⁸⁸ They provide a range for cost estimates and timelines for each amendment.⁴⁸⁹ Even after accounting for estimated implementation costs, the Proposed Amendment will result in significant cost savings.⁴⁹⁰

The Participants’ estimated implementation costs are reported in Table 6. The total costs range from \$3.55 million to \$5.175 million. These costs are small when compared to the total cloud savings under the Proposed Amendment, as modified by the Commission (including the 2025 Cost Savings Exemptive Order) that we reported in Table 4. Over half of the total implementation costs are due to the Reference Data Amendment.

| Table 6: One-Time Implementation Costs of Proposed Amendment, as Modified by the Commission¹ | | |
|--|---|---------------|
| Name | One-Time Implementation Costs (millions of \$) | |
| | Low Estimate | High Estimate |
| Interim CAT-Order-ID Amendment | 0.225 | 0.225 |
| Data Storage Amendment | 0.165 | 0.265 |
| Late Data Re-Processing Amendment | 0.25 | 0.50 |
| OTQT Amendment | 0.135 | 0.135 |
| Rejected Message Amendment | 0.075 | 0.150 |
| Data Availability Amendment | 0.2 | 0.4 |

⁴⁸⁷ See 2024 Cost Savings Amendment, *supra* note 16, at 103047. Information on the AWS website indicates that it could take up to 12 hours to restore data to the Glacier Deep archive. See Amazon, Amazon S3, available at <https://aws.amazon.com/s3/pricing>.

⁴⁸⁸ See Notice, *supra* note 6, at 61509.

⁴⁸⁹ *Id.* The implementation costs are as follows: 1. Interim CAT-Order-ID Amendment: \$225,000 (6 to 8 weeks). 2. Data Storage Amendment: \$165,000 to \$265,000: (3 to 4 months). 3. Late Data Re-Processing Amendment: \$250,000 to \$500,000 (2 to 4 months). 4. OTQT Amendment: \$135,000 (8 to 10 weeks). 5. Rejected Message Amendment: \$75,000 to \$150,000 (2 to 4 months). 6. Data Availability Amendment: \$200,000 to \$400,000 (3 to 6 months). 7. Reference Data Amendment: \$2.5 to \$3.5 million (9 to 12 months).

⁴⁹⁰ In addition, the Reference Data amendment will “supersede” the CAIS Amendment, which could lead to lower implementation costs of the CAIS Amendment. See CAT LLC March 2026 Response Letter, *supra* note 106, at 6-7.

| | | |
|---|-------------|--------------|
| Reference Data Amendment | 2.5 | 3.5 |
| Total One-Time Implementation Costs | 3.55 | 5.175 |
| Notes: 1. Based on the information provided we cannot differentiate between implementation costs already incurred under the 2025 Cost Savings Exemptive Order and those that would be incurred under the Proposed Amendment, as modified by the Commission. For purposes of this analysis, we attribute the full implementation costs to the Amendment. As a result, this is a conservative estimate. The Participants do not indicate that any implementations costs have been realized due to the 2025 Cost Savings Exemptive Order. If the Participants have already incurred the implementation costs for the 2025 Cost Savings Exemptive Order, then there would be no incremental implementation costs under the Proposed Amendment, as modified by the Commission, for the Interim CAT-Order-ID Amendment, Late Data Re-Processing Amendment, and OTQT Amendment. Information in this table is based upon the Notice, <i>supra</i> note 6, at 61509. | | |

c. Additional Offsets to Estimated Cost Savings

In response to the Data Storage Amendment and the removal of LTID/LEI from CAT, regulators are expected to increase the number of data requests to Industry Members and SROs.⁴⁹¹ Industry Members and SROs will incur costs responding to such requests, thus mitigating some of the cost savings from the Proposed Amendment, as modified by the Commission.

For regulatory activities that necessitate the use of CAT data older than three years, SIP data older than six months, or OMM quote data older than six months, regulators could reduce the impact of the Proposed Amendment on these regulatory activities by storing such data themselves. Regulators could decide to store the entire older datasets or samples or aggregations thereof.⁴⁹² If regulators do this, then they will incur storage costs. Storage costs that the Central Repository would have incurred but for the Proposed Amendment represent a cost transfer from CAT to regulators. This transfer of storage costs reduces the Participants' costs to operate CAT. Also, by no longer centrally storing older data with the Plan Processor, there could be operational inefficiencies to the extent that multiple regulators separately incur costs to store the same older data

⁴⁹¹ For example, regulators could increase their requests for trade blotters, Electronic Blue Sheets, or customer information associated with an account. See *infra* section IV.B.2.a. and section IV.B.2.d. Trade blotters are a financial record of trades made over a specific period. See Adam Hayes, *Understanding Blotters: Key Uses, How They Work, and Examples* (Sept. 7, 2025), available at <https://www.investopedia.com/terms/b/blotter.asp>. Electronic Blue Sheets are records of trading and account holder information. See FINRA, *Electronic Blue Sheets (EBS)*, available at <https://www.finra.org/filing-reporting/electronic-blue-sheets-ebs>.

⁴⁹² See *infra* section IV.B.2.a. Regulators could download CAT data and also attempt to link data themselves, particularly if regulators wish to process and link late data themselves.

One commenter, writing in support of the Proposed Amendment, stated that the Proposed Amendment will not lead to a reduction in CAT data quality or increase the compliance and operational costs for Industry Members.⁴⁹³ As discussed earlier, and also below,⁴⁹⁴ CAT data quality could have decreased if the Commission approved the Late Data Re-Processing Amendment as proposed by the Participants. In addition, a lack of CAT data may lead to increased compliance costs for Industry Members due to increased requests by regulators.⁴⁹⁵

2. Effects on Regulatory Activities

The Commission and SROs use CAT for regulatory activities that such as investigations, examinations, and market research.⁴⁹⁶ The Participants state that the amendments will have limited regulatory impact.⁴⁹⁷ While some of the amendments will have limited impact on regulatory activities, particularly where they codify the 2025 Cost Savings Exemptive Order without expansion, other amendments will have direct effects, which could be permanent in nature.⁴⁹⁸ The effects of changes associated with the Proposed Amendment that are codifying the 2025 Cost Savings Exemptive Relief are discussed above when discussing the effects of the 2025 Cost Savings Exemptive Relief.⁴⁹⁹ The full extent of the effects of the Proposed Amendment on regulatory activities will also depend in part on how regulators mitigate the impact of these

⁴⁹³ See FIF February 2026 Letter, at 4.

⁴⁹⁴ See supra section III.C and infra section IV.B.2.f.

⁴⁹⁵ See infra section IV.B.2.a and section IV.B.2.d. See also SIFMA March 2026 Letter, supra note 61, at 3, 4 and 6. SIFMA stated concerns about cost reductions shifting burdens to Industry Members.

⁴⁹⁶ See CAT NMS Plan Approval Order, supra note 2, at 84833-40 for a discussion of the benefits from the types of regulatory activities that the CAT NMS Plan was intended to improve.

⁴⁹⁷ See, e.g., Notice, supra note 6, at 61512.

⁴⁹⁸ For example, the loss of certain CAT data will be permanent, unless regulators save these data on their own systems. See infra section IV.B.2.a. Note that, in theory, even the permanent regulatory inefficiencies can be mitigated by committing sufficiently large resources (e.g., the regulator saving CAT data within their own servers that would otherwise have been deleted). The data loss will only affect data that is stored in CAT. SROs and broker-dealers have separate books and records requirements that separately requires them to maintain records of the data that is reported to CAT. See, e.g., <https://www.sec.gov/rules-regulations/2001/10/books-records-requirements-brokers-dealers-under-securities-exchange-act-1934>. Regulators could still access information by going directly to broker-dealers or SROs instead of using the CAT.

⁴⁹⁹ See supra section IV.A.3.

amendments. The Commission discusses below the likely effects of the Proposed Amendment, as modified by the Commission, on regulatory activities.

a. Data Storage Amendment

The Data Storage Amendment codifies the provision of the 2025 Cost Savings Exemptive Order relating to deletion of Interim Operational Data older than 15 days.⁵⁰⁰ The Commission discusses below the effects on regulatory activities of the approved provisions of the Data Storage Amendment that are not codifications of provisions of the 2025 Cost Savings Exemptive Order.⁵⁰¹

The Data Storage Amendment will end the storage of CAT data older than three years (except for data with shorter retention periods), OMM quote data after six months, and Options SIP data after 6 months. This may directly affect a range of regulatory activities, including enforcement investigations,⁵⁰² tips, complaints, or referrals (“TCRs”),⁵⁰³ market analysis and research,⁵⁰⁴ and examinations.⁵⁰⁵ When such activities are initiated within three years (from the

⁵⁰⁰ See supra section III.B.

⁵⁰¹ Id.

⁵⁰² For example, after a settlement or court decision, disgorgement may be a remedy for violative behavior. If disgorgement is the remedy for violative behavior, CAT data could be used to identify harmed accounts for disgorgement cases, but cases rarely get to the disgorgement stage until more than three years after violative behavior took place. If seeking disgorgement for violative behavior less than three years old, CAT data can be used to identify the accounts of victims in a disgorgement case, but regulators would need to request the names and addresses for these accounts from broker-dealers. Also, the loss of OMM quote data after six months could affect investigations such as spoofing, which can begin more than six months after the suspected activity and often review historical patterns.

⁵⁰³ The timing of TCRs is unpredictable. Upon receiving a TCR, regulators first assess whether sufficient information exists to support market analysis, then use accessible data, queries, or calls to evaluate credibility. If a TCR advances to a full examination or investigation, additional steps follow established procedures. Without CAT data, particularly for older cases, less information may be available to confirm credibility, which could slow response times or limit progression beyond initial stages. If progression is repeatedly limited, deterrence of violative behavior will be impacted.

⁵⁰⁴ For example, OMM quotes, while not always tied to a lifecycle, represent prices and are used in order book reconstructions to provide a view of market conditions. The Commission has access to Options Price Reporting Authority (“OPRA”) data, but the full breath OMM quotes are not available. Quotes from OPRA data are only available to the Commission at the top of the book, and they do not necessarily represent OMM quotes. In addition, options SIP data can be used by regulators to find the NBBO at the time of a trade to assist regulators in examining whether broker-dealers are fulfilling their duty of best execution under FINRA Rule 5310.09 (b). Such SIP data would remain available from other sources since the Participants themselves are obligated to gather SIP data as part of NMS plans. See, e.g., CONSOLIDATED TAPE ASSOCIATION, available at <https://www.ctaplan.com/index>.

⁵⁰⁵ See supra note 502 and 503.

present) then they will have access to the order and trade data from CAT. Some of these activities may yet take years to conduct, and they will be affected under the Data Storage Amendment if they extend beyond the retention periods for CAT data. Also, activities that are initiated after the retention periods and would have used CAT data will be affected.⁵⁰⁶

To be able to conduct such activities, regulators will have to expand their own data storage capabilities or request relevant data from exchanges or broker-dealers.⁵⁰⁷ If regulators decide to store data themselves, then they will need to decide on the data to keep, and this decision involves a tradeoff between the scope of data that regulators choose to keep (at times preemptively) and their storage costs for these data. Regulators determine their own needs for CAT data for their regulatory activities, so that they are well positioned to assess this tradeoff. If regulators decide to request data from broker-dealers, then these requests will impose costs on Industry Members and could take time to fulfill, thus likely delaying some regulatory activities.⁵⁰⁸

b. Rejected Message Amendment

The Rejected Message Amendment will have a minimal impact on regulatory actions that rely upon rejected message data from the Participants. Rejected order data will no longer be collected.⁵⁰⁹ The Commission has not, to date, used rejected message data in CAT for regulatory actions, and neither have the Participants.⁵¹⁰ An example of a potential Commission analysis that could use rejected message data would be the analysis of exchange outages, which are infrequent. Rejected order data would allow regulators to view a complete log of rejected

⁵⁰⁶ Regulators could still access information by going directly to broker-dealers or SROs instead of using the CAT. See supra note 498.

⁵⁰⁷ An example of data that could be requested are trade blotters. Also, OMM quote data could be collected from exchanges.

⁵⁰⁸ Trade blotters could be collected from broker-dealers.

⁵⁰⁹ The 2023 Exemptive Relief did not provide relief from collecting rejected messages. The relief under the order was conditional. There was also a one-year period to implement the conditions of the relief, but no relief was given from collecting data on rejected orders. See supra sections IV.A.1.e. and III.E.

⁵¹⁰ The Participants stated that they have not used rejected message data for regulatory purposes “to date.” See Notice, supra note 6, at 61524.

orders that were routed to an exchange during an outage. The complete log could help identify what exchange activity was related to the outage. In the absence of this log, reconstructing events during the outage could be more complex.⁵¹¹ This rejected order data could also be useful in understanding order routing, for example, because the rejected order route may be informative of a routing decision. However, subsequent routes of the same order are similarly informative and are not affected by the Proposed Amendment.

c. Data Availability Amendment

The Data Availability Amendment will affect time sensitive regulatory activities that rely on access to CAT within six days of an order event. Examples of such regulatory activities can include the analysis of market events⁵¹² and enforcement investigations of significant ongoing activity. Access to CAT for such regulatory activities will be delayed by about one day (20 hours for access to raw data and 24 hours for access to final data).⁵¹³ Most regulatory activities are not so time-sensitive that a one-day delay would have a significant effect, however.

d. Reference Data Amendment

The Reference Data amendment will have both positive and negative effects on regulatory activities. The Participants state that including the account type, clearing broker, branch office, registered representative, and individual's role in the account, "...would assist regulatory surveillance programs and would help to reduce Electronic Blue Sheet requests and other inquiries from the Participants and the SEC."⁵¹⁴ Whether or not the inclusion of this information would help to reduce EBS requests, there will still be a need for EBS and requests

⁵¹¹ MIRS data on rejected orders will no longer exist. See CAT LLC March 2026 Response Letter, supra note 106, at 6. However, it will be possible for regulatory users to construct a complete list of routed orders to each exchange by Industry Member. Nevertheless, regulatory users may not be able to identify why the orders were rejected.

⁵¹² An example of this would be meme stock events, wherein a stock gains popularity due to heightened social sentiments, often from online communities. See Adam Hayes, *What Are Meme Stocks, and Are They Real Investments?*, INVESTOPEDIA (Mar. 27, 2025), available at <https://www.investopedia.com/meme-stock-5206762>. Regulators could be concerned about whether these events involve market manipulation.

⁵¹³ See supra section III.F.

⁵¹⁴ See, e.g., Notice, supra note 6, at 61528.

for PII.⁵¹⁵ If only because of the CAIS Amendment, which is outside the scope of the Proposed Amendment, regulators will continue to have a need for Electronic Blue Sheet requests.

The Reference Data Amendment will improve regulators' access to information about investor accounts, as data currently in CAIS will be moved into a table—the CCID:FDID mapping table—to which regulators will have access via BDSQL and Direct Read tools. Information available in this table will include CCID Generation Data, CCID Transaction Enrichment Data, account type, clearing broker, branch office, registered representative, and individual's role in the account.⁵¹⁶ This will expand programmatic access to information in CAT. The ability to query account information along with information on transactions will speed up investigations, and could allow for quicker search of the remaining data. Regulators will also be able to query CCID with an identifier, though regulators already can do this through CAIS.⁵¹⁷

The Reference Data Amendment will have a negative effect on regulatory activities by removing multiples fields within CAT,⁵¹⁸ including LTID and LEI.⁵¹⁹ The reporting and maintenance of LTID and LEI in CAT allow regulatory users to search CAT using these identifiers to obtain order related information on traders and other entities with such identifiers. The reporting and maintenance of LTID and LEI in CAT thus lessen reliance on information external to CAT. LTID/LEI can be used to track individual traders without storing PII in CAT.

⁵¹⁵ One commenter recognized that regulators will still need to identify investors by reaching out to firms. See SIFMA March 2026 Letter, supra note 61, at 4.

⁵¹⁶ See Notice, supra note 6, at 61528. CCID Transaction Enrichment Data includes FDID, date FDID opened, date FDID closed, the date the customer became associated with the account, and the date the customer no longer because associated with the account. Data similar to these are already present within CAT. The CCID: FDID mapping table includes, among other fields, the FDID, the date on which the customer became associated to the FDID, and the date on which the customer stopped being associated to the FDID (if any). CCID Generation data includes the type of identifier used to create the transformed identifier, as well as the hashed version of the identifier used to generate the CCID. For foreign customer, the Foreign TID type would need to be submitted and the Foreign TID Country Code.

⁵¹⁷ Regulators will retain the ability to query CCID with a trader's SSN, ITIN, EIN, or foreign identifier through an API. See Notice, supra note 6, at 61561.

⁵¹⁸ The fields that will remain in CAT include `fdidRecordID`, `customerRecordID`, `firmDesignatedID`, `accountType`, `fdidDate`, `role`, `roleStartDate`, `clearingBrokerID`, `branchOfficeCRD`, `fdidEndDate`, `priorCATReporterCRD`, `priorCATReporterFDID`, `roleEndDate`, and `registeredRepCRD`. See CAT LLC May Response Letter, at 45 for a complete list of fields that will be lost.

⁵¹⁹ The Notice places an emphasis on the loss of LTID in CAT. See Notice, supra note 6, at 61528. Implicitly, LEI will not be included in CAT data.

LTID/LEI can also be used to find the identity of a large trader/entity from a non-CAT source and then use the LTID/LEI to find the CCID. Once in possession of the CCID, regulators can then access the large trader's/entity's transaction data. This process can also be reversed.

Violative behavior can be linked to a CCID, a query for the LTID/LEI could be made in CAIS, and a non-CAT source can be used to link the LTID/LEI to a customer.⁵²⁰

To illustrate, LTID data allows regulators to promptly identify the activities of larger traders around market events. As an alternative to having LTID data in CAT, regulators could create a list of a subset of traders that have an LTID. Regulators can also filter out these large traders by CCID if they are concerned about the activities of smaller traders over some period. Under the Reference Data Amendment, this filtering could still be done, but regulators will now have to manually define criteria for being a large trader into a query, which can yield incorrect data who large trader registrations.⁵²¹

Also, the reporting and maintenance of LTID in CAT reduced reliance on Blue Sheets. The use of Blue Sheets to determine the identity of a trader could require requests for information across multiple broker-dealers. Response from broker-dealers to EBS requests can stretch into weeks.⁵²² The use of LTID, like other information that was previously in CAIS, allows regulators to quickly determine broker-dealers servicing a large trader and any transaction data that could be linked to the customer.⁵²³ Under the Proposed Amendment, regulators will have to process information from multiple sources that will often not be linked to the large trader in question.

⁵²⁰ Despite the benefits of LTID, the information suffered from limitations. Staff experience has revealed that many LTIDs are often not included in CAT data for the accounts of large traders and, even when included, are often incorrect.⁵²⁰ See Letter to Vanessa Countryman, Secretary, Commission, from Howard Meyerson, Managing Director, Financial Information Forum, dated August 21, 2025, at 2-3. Errors in LTID reporting do not indicate CAT reporting issues.

⁵²¹ Regulatory users could filter out large traders by programming in BDSQL a sequence of logical statements to exclude large traders. However, though this might exclude traders who satisfy the conditions of being large traders, this would not imply that those excluded are registered as large traders.

⁵²² See FIF February 2026 Letter, *supra* note 61, at 12.

⁵²³ See CAIS Amendment, *supra* note 20, at 2191.

e. Interim CAT-Order-ID Amendment

The Interim CAT-Order-ID Amendment, as modified by the Commission, codifies the provision of the 2025 Cost Savings Exemptive Order relating to ad hoc requests for interim CAT-Order-IDs.⁵²⁴ In addition, the Interim CAT-Order-ID Amendment alters a provision of the 2025 Cost Savings Exemptive Order by changing the language around the timing of Interim CAT-Order-ID requests.⁵²⁵ This changes should not have an effect on regulatory activities beyond the effects of the 2025 Cost Savings Exemptive Order.⁵²⁶

The Commission modified the Proposed Amendment to remove a proposed provision of the Interim CAT-Order-ID Amendment on regulatory activities. This provision specified that only a senior officer of the SEC's Division of Trading and Markets, the SEC's Division of Enforcement, or the SEC's Division of Examinations to CAT LLC may make a request for an interim CAT-Order-ID.⁵²⁷ The Commission modified this amendment to remove the proposed limitation on which Commission personnel have authority to initiate ad hoc requests, noting that an NMS plan should not dictate how the Commission should carry out its regulatory oversight.⁵²⁸ This provision would have impaired timely access by regulators to obtain an interim CAT-Order-ID. As proposed, without timely access, regulators would have been unable to identify perpetrators of violative behavior quickly during market events.

f. Late Data Re-Processing Amendment

The Late Data Re-Processing Amendment, as modified by the Commission, will codify the provisions of the 2025 Cost Savings Exemptive Order. For this reason, it is not expected to affect regulatory activities beyond the effects discussed in the 2025 Cost Saving Exemptive

⁵²⁴ See supra section III.A.

⁵²⁵ Id.

⁵²⁶ See supra section IV.A.3 throughout for a discussion of the effects of the 2025 Cost Savings Exemptive Order.

⁵²⁷ See supra section III.A..

⁵²⁸ Id.

Order.⁵²⁹ The Commission discusses below the effects on regulatory activities of the proposed provisions of the Late Data Re-Processing Amendment, which would have eliminated all late data reprocessing.⁵³⁰

Pursuant to the Late Data Re-Processing Amendment as proposed by the Participants, late records would not have been reprocessed, linked to lifecycles, and included lifecycle enrichments. The Associated Lifecycle ID and Full Replay would no longer have been available. While this provision would have applied to a small share of records, it would have delayed the resolutions of regulatory activities, by hampering the ability of regulators to link late data for eventual aggregation.⁵³¹

Late reported data could be added to CAT in disjointed lifecycle segments, either by the Plan Processor or regulators,⁵³² but without any enrichments for late data linking lifecycles would become very difficult. Regulators would need to evaluate the granular features of a lifecycle to determine if information is missing from one lifecycle and under that scenario identify if there is another lifecycle that can be linked to it. For example, the large volume of equity data in a day, even for those orders that are executed on an exchange, would make it difficult and time consuming to determine which late reported data are part of the lifecycles executed on one exchange for one day.

Also, if the Proposed Amendment had not been modified, regulators would have been unable to use Full Replay or Associated Lifecycle ID. Consequently, if regulators had chosen to aggregate data, then these aggregations could have contained errors if the aggregated data is built upon late reported data. For example, regulators might have wished to analyze executions by CCID. Executions would have to be aggregated by CCID. If two lifecycle segments are

⁵²⁹ See supra section IV.B.3 throughout for a discussion of the effects of the 2025 Cost Savings Exemptive Order.

⁵³⁰ See supra section III.C.

⁵³¹ The Participants claim that 99.72% of all records, in the first 10 months of 2025, are received by T+4. See Notice, supra note 6, at 61520.

⁵³² Regulators would have required assistance from the Plan Processor to link these lifecycles.

disjointed due to late submission of data, a dataset of executions by CCID might not include the complete collection of executions.

g. OTQT Amendment

The OTQT amendment expands upon the fourth provision of the 2025 Cost Savings Exemptive Order.⁵³³ The OTQT Amendment exemptive relief already allows the Participants to remove OTQT functionality from the CAT with respect to DIVER, ARLE, OLA Viewer, and MIRS volume concentration and market replay tools, in the absence of the Proposed Amendment.⁵³⁴ The Proposed Amendment removes the CAT NMS Plan requirements that these tools satisfy⁵³⁵ and also removes CAIS statistics.⁵³⁶

The removal of CAIS statistics could make it harder to identify which Industry Members are submitting erroneous reference data.⁵³⁷ Some information, such information on FDID error reporting, is relevant to the information that will continue to be reported under the Reference Data Amendment.⁵³⁸ This lack of information could make more difficult the task of identifying reporters who frequently submit erroneous reference data. Regulatory activities that rely upon accurate reference data could be impacted, without the means to identify the source of the errors.⁵³⁹

h. Implementation of the Proposed Amendment

The Proposed Amendment did not establish a timeline for implementation. Looking ahead, upon the Operating Committee notifying regulators of the implementation timeline, the Commission may have to make adjustments to ongoing regulatory activities. For example,

⁵³³ See CAT LLC March 2026 Response Letter, supra note 106, at 6.

⁵³⁴ See 2025 Cost Savings Exemptive Relief Order, at 47857.

⁵³⁵ See Notice, supra note 6, at 61521.

⁵³⁶ See supra section IV.B.2.d. CAIS Statistics are part of the MIRS reporting statistics.

⁵³⁷ It is possible that information which is included in the CAIS Statistics, such as FDID reporting statistics, will be available using the BDSQL tool.

⁵³⁸ Id.

⁵³⁹ See supra section IV.B.2.d. for a discussion of the regulatory uses of reference data.

ahead of the implementation date for the Data Storage Amendment,⁵⁴⁰ an investigation using CAT data from five years ago that needs continued access to these data would have to develop a contingency plan. Regulators could decide to save on their own systems any data that they believe they would need to complete the investigation, which may result in additional costs and delays.

i. Spending Cap Provision

The Participants have proposed a spending cap to restrict Participants from materially increasing the operating expenses of CAT. Requests to expand the existing functionality of CAT or system operations would require an assessment of efficiency, competition, and capital formation.⁵⁴¹ This provision may limit the flexibility of the Participants and the Plan Processor have on the implementation details of the CAT. The effect of this provision on regulatory activities is uncertain. The spending cap, if it were to be rigid and allowed for little or no room to accommodate unexpected costs, could potentially affect the functionality and system operations of CAT, but it should have little to no effect on maintaining CAT because it allows for cost increases with the intent to: (i) maintain in all material respects the then-existing CAT functionality and system operations, or (ii) to otherwise ensure the security of the CAT system or CAT Data.⁵⁴²

C. Competition

The Participants state that the Proposed Amendment will have a positive impact on competition.⁵⁴³ These cost savings will marginally reduce the competitive advantages and disadvantages inherent in the CAT Funding Model that may impact competition in the markets

⁵⁴⁰ These data would likely be eliminated after a period of three to four months; see, e.g., Notice, supra note 6, at 61509.

⁵⁴¹ See supra section III.H. SROs will have to file a plan amendment and get approval to materially increase the expenses outside of what is excepted pursuant to Rule 608(b)(2).

⁵⁴² See supra section III.H. There could be an effect on operational cost savings. See supra section IV.B.2.b.

⁵⁴³ See, e.g., Notice, supra note 6, at 61536.

for trading and broker-dealer services.⁵⁴⁴ To the extent that the Proposed Amendment results in a reduction in the deterrence effects of CAT and a potential increase in persistence of violative behaviors,⁵⁴⁵ there could be a resulting adverse effect on competition in the market for trading services.⁵⁴⁶ Changes in requests for data will also shift competitive advantages in the market for trading services and change barriers to entry in the market for broker-dealers.

Changes in regulatory compliance will shift competitive advantages. Less data reported to CAT by the Participants will decrease the cost of regulatory compliance, possibly leading to lower transaction fees passed on by the Participants Industry Members and then from Industry Members to their customers.⁵⁴⁷ Some broker-dealers who do not have customers and participate in the market for trading services may get a competitive advantage over broker-dealers with customer relationships, since they will not receive ad-hoc requests for customer data, though they may face an increase in regulatory requests for trade blotters.⁵⁴⁸ Exchanges, in their capacity as regulators, may face higher costs.⁵⁴⁹ This could lead to an increase in transaction fees for all orders executed on exchanges, shifting order flow to off-exchange internalizers.

Barriers to entry into the market for broker-dealers could also increase, harming competition. If the Proposed Amendment results in greater requests for data from broker-dealers

⁵⁴⁴ See supra note 456. See CAT Funding Approval Order, supra note 456, at 13477-13478 for a description of the market for trading services. As stated in the Revised Funding Approval Order, there are currently 26 National Securities Exchanges in NMS Securities and 39 ATSS in NMS and over-the-counter equities. See CAT Funding Approval Order, supra note 456, at 13478 for a description of the market for broker-dealer services.

⁵⁴⁵ See supra section IV.B.2.a.

⁵⁴⁶ A reduction in the deterrence effects of CAT and a potential increase in the persistence of violative behaviors could impact the market for trading services. See supra note 503 for a discussion of a possible effect of the Proposed Amendment on deterrence; see also The CAT NMS Plan Approval Order, supra note 2, at 84885.

⁵⁴⁷ Examples of data that will no longer be reported are rejected messages and LTID/LEI. See supra section IV.B.2.b. and section IV.B.2.d. Considering which Participants would directly benefit from a reduction in compliance costs, the first example benefits all Participants, the second example will benefit FINRA members.

⁵⁴⁸ See supra section IV.B.2.d.

⁵⁴⁹ See supra section IV.B.2.d.

with customers, then the barriers to entry may potentially increase, as these broker-dealers may become exposed to a greater volume of regulatory requests. Potential entrants into the market for broker-dealers may conclude that the costs are too high to enter, since after three years they could be exposed to higher costs due to data requests.

D. Capital Formation

The Participants state that the Proposed Amendment will have a positive impact on capital formation.⁵⁵⁰ While they do not explain the mechanism, they state that the savings under the Proposed Amendment will “... benefit all participants in the markets for NMS Securities and OTC Equity Securities, including Participants, Industry Members, and most importantly, investors..”⁵⁵¹ As previously discussed,⁵⁵² the Proposed Amendment will significantly reduce the costs, net of implementation costs and transfers, of operating the Central Repository. CAT costs generally reduce the CAT fees borne by market participants, including investors.⁵⁵³ There could be a modest increase in capital formation if lower fees for Industry Members are passed on to investors.⁵⁵⁴ The elimination of CAIS and the elimination of LTID and LEI from CAT could boost investors’ confidence in the security of their trading activity data. If security is boosted, investors may feel less risk from engaging in the market.⁵⁵⁵ This could increase investor participation and investment activity, thus somewhat increasing capital formation. However, as also previously discussed,⁵⁵⁶ the Proposed Amendment will reduce the content and functionality of CAT. This could affect the scope and timeliness of regulatory activities that help protect

⁵⁵⁰ See Notice, supra note 2, at 61536.

⁵⁵¹ Id.

⁵⁵² See Section IV.B.1

⁵⁵³ See supra note 456.

⁵⁵⁴ The reduction in fees will be small. Consequently, benefits from the reduction in fees, including for capital formation, will be small. See id.

⁵⁵⁵ A lower probability of personal information being exposed would decrease the expected financial losses from engaging in the market, separate from the expected losses of any individual investment over any period.

⁵⁵⁶ See Section IV.B.1

investors and facilitate capital formation. Any decrease in the efficiency of regulatory activities caused by the Proposed Amendment could have a negative effect on capital formation.⁵⁵⁷

V. Conclusion

For the reasons discussed, the Commission, pursuant to Section 11A of the Exchange Act,⁵⁵⁸ and Rule 608(b)(2)⁵⁵⁹ thereunder, is approving the Proposed Amendment, as modified by the Commission. Section 11A of the Exchange Act authorizes the Commission, by rule or order, to authorize or require the self-regulatory organizations to act jointly with respect to matters as to which they share authority under the Exchange Act in planning, developing, operating, or regulating a facility of the national market system.⁵⁶⁰ Rule 608 of Regulation NMS authorizes two or more SROs, acting jointly, to file with the Commission proposed amendments to an effective NMS plan,⁵⁶¹ and further provides that the Commission shall approve an amendment to an effective NMS plan if it finds that the amendment is necessary or appropriate in the public interest, for the protection of investors and the maintenance of fair and orderly markets, to remove impediments to, and perfect the mechanisms of, a national market system, or otherwise in furtherance of the purposes of the Exchange Act.⁵⁶²

For the reasons set forth above, the Commission finds that the Proposed Amendment, as modified by the Commission meets the required standard.

⁵⁵⁷ Violative behavior could persist longer as a result of a decrease in timeliness of regulatory actions. See supra section IV.B.2.a. Persistence of violative behavior could deter investors from, who may feel that the risk of securities being manipulated is too high to invest in securities. If regulators can mitigate the loss of data and decrease in timeliness that would otherwise take place by backing up CAT data, then the effect on regulatory actions is likely to be small, though costs will still rise for regulators and market participants if the same level of regulatory efficiency is to be maintained. See supra section IV.B.2.a.

⁵⁵⁸ 15 U.S.C. 78k-1.

⁵⁵⁹ 17 CFR 242.608(b)(2).

⁵⁶⁰ See 15 U.S.C. 78k-1(a)(3)(B).

⁵⁶¹ See 17 CFR 242.608.

⁵⁶² See 17 CFR 242.608(b)(2).

IT IS THEREFORE ORDERED, pursuant to Section 11A of the Exchange Act,⁵⁶³ and Rule 608(b)(2)⁵⁶⁴ thereunder, that the Proposed Amendment, as modified by the Commission, (File No. 4-698) be, and hereby is, approved.

By the Commission.

Sherry R. Haywood,

Assistant Secretary.

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⁵⁶³ 15 U.S.C. 78k-1.

⁵⁶⁴ 17 CFR 242.608(b)(2).