

Press Release

SEC Provides for Phased CAT Broker-Dealer Reporting Timelines with Conditional Exemption for Impacts of COVID-19

FOR IMMEDIATE RELEASE
2020-92

Washington D.C., April 20, 2020 —The Securities and Exchange Commission announced it has voted to issue two exemptive orders in order to move Consolidated Audit Trail (CAT) implementation forward: (1) establishing a phased CAT reporting timeline for broker-dealers, and (2) permitting introducing brokers that meet certain requirements to follow the small broker-dealer reporting timeline.

The first Commission order focuses on allowing for equity and options reporting in phases, taking into account the complexity of reporting events. In order to address the impact of COVID-19 while preserving progress toward existing milestones, the first exemptive order also allows for a delayed start to CAT reporting conditioned upon compliance with certain other obligations. These obligations include milestones related to testing and releases of CAT functionality, as well as all other compliance dates for broker-dealer reporting to the CAT.

The second Commission order focuses on those introducing brokers that meet the net capital requirements for small broker-dealers under Rule 0-10(c)(1) under the Securities Exchange Act of 1934, but fail to qualify as small broker-dealers for the purposes of the CAT NMS Plan. This order provides exemptive relief permitting these firms to follow the CAT reporting timeline applicable to small broker-dealers.

Following today's actions, select milestones for broker-dealer reporting to the CAT are:

- June 22, 2020: Initial equities reporting for large broker-dealers and small broker-dealers that currently report to FINRA's Order Audit Trail System (OATS);
- July 20, 2020: Initial options reporting for large broker-dealers; and
- Dec. 13, 2021: Full equities and options reporting for large and small broker-dealers; and
- July 11, 2022: Full customer and account reporting for large and small broker-dealers.

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