

# SEC Proposes Transparency and Financial Accountability Amendments to the CAT NMS Plan

**FOR IMMEDIATE RELEASE**  
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*Washington D.C., Sept. 9, 2019 —*

The Securities and Exchange Commission today voted to propose amendments to the national market system plan governing the Consolidated Audit Trail (the “CAT NMS Plan”).

The proposed amendments to the CAT NMS Plan would require self-regulatory organizations that are participants to the CAT NMS Plan (the “Participants”) to file with the Commission and publish a complete implementation plan for the Consolidated Audit Trail (“CAT”) and quarterly progress reports, each of which must be approved by the Operating Committee established by the CAT NMS Plan and submitted to the CEO, President, or equivalently situated senior officer at each Participant. In addition, the proposed amendments would include financial accountability provisions that establish target deadlines for four implementation milestones and reduce the amount of fee recovery available to the Participants if those target deadlines are missed.

“CAT needs to be implemented without further delays,” said SEC Chairman Jay Clayton. “The proposed amendments are designed to bring greater transparency and accountability to the implementation of the CAT.”

The public comment period will remain open for 45 days following publication of the proposing release in the Federal Register.

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## **Fact Sheet**

### **Action**

Today, the Commission voted to propose amendments to the CAT NMS Plan that are designed to decrease the likelihood of additional delays to CAT implementation by increasing operational transparency and attaching financial accountability to the Participants’ regulatory obligation to implement the CAT in an efficient and expeditious manner.

### **Operational Transparency Amendments**

- The Participants must file with the Commission, and make publicly available, a detailed implementation plan and ongoing quarterly progress reports.
- Each document must be submitted to the CEO, President, or an equivalently situated senior officer at each Participant and then approved by a supermajority vote of the Operating Committee.
- To the extent that any document is not approved by a unanimous vote of the Operating Committee, each Participant whose Operating Committee member did not vote to approve the document must separately file with the Commission, and make publicly available, a statement identifying itself and explaining why it did not vote to approve the document in question.

### **Financial Accountability Amendments**

- The proposed amendments establish target deadlines for four critical implementation milestones defined in the proposal, based largely on dates previously published by the SROs:
  - April 30, 2020: Initial Industry Member Core Equity Reporting
  - December 31, 2020: Full Implementation of Core Equity Reporting Requirements
  - December 31, 2021: Full Availability and Regulatory Utilization of Transactional Database Functionality
  - December 31, 2022: Full Implementation of CAT NMS Plan Requirements
- If the Participants do not meet these target deadlines, the amount of CAT funding that they can recover from Industry Members will be reduced at regular intervals.

**What's next?**

The Commission will seek public comment on the proposed amendments for 45 days following publication of the proposing release in the Federal Register.

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