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STATEMENT

Chairman Paul S. Atkins Letter to Robert Walley, Chair, CAT NMS Plan Operating Committee

Paul S. Atkins, Chairman (</about/sec-commissioners/paul-s-atkins>)

Aug. 10, 2026

Mr. Robert Walley
Chair
CAT NMS Plan Operating Committee
c/o Mr. Andre Owens
Wilmer Cutler Pickering Hale and Dorr LLP
2100 Pennsylvania Avenue NW
Washington, DC 20037

Dear Mr. Walley:

During my tenure, the Commission has achieved significant reductions in the annual operating costs of the Consolidated Audit Trail ("CAT") and eliminated reporting of personally identifiable information to the CAT. We made this progress by issuing targeted exemptive relief and approving amendments to the CAT NMS Plan.[1] I thank the Participants for their collaboration on these important reforms, which have reduced the costs and scope of the CAT, thereby creating a more efficient and cost-effective system. Nevertheless, further changes are needed to address the costs, governance, and funding of the CAT. To address these issues, I directed staff to initiate a comprehensive review of the CAT.

Accordingly, on April 16, 2026, the Commission issued a concept release soliciting public comment in support of a comprehensive review of the CAT and other audit trails and related data sources currently used in the regulation of the U.S. securities markets (the “Concept Release”).^[2] The Commission has received, and staff have reviewed, hundreds of comments in response to the Concept Release. One theme emerges from the comment file: investors and market participants want the Commission to take more responsibility for managing and funding this project.

Now that the comment period has concluded, I have requested that staff provide detailed recommendations on fundamental changes that should be made to the CAT. Based on my experience with the operation of the CAT, I believe that it is critical for the Commission to move quickly and lay the groundwork necessary to restructure the CAT to address persistent cost, governance, and funding issues.

Pursuant to this aim, I have instructed staff to:

1. explore ways to fund the CAT, including through the use of appropriated funds and Section 31 transaction fees;
2. draft for Commission consideration a rulemaking that, if adopted, would rescind Rule 613 and require the exchanges, FINRA and broker-dealers to report CAT data to the Commission or its designee while utilizing current CAT infrastructure and reporting specifications;
3. assess SEC resources for purposes of assuming responsibility of the CAT and identify needs related to SEC governance of the CAT.

These measures would provide a significant, positive change to the structure of the CAT and address fundamental issues with its current costs, governance, and funding. Because many of these actions would need to occur in tandem, the transition would likely not be complete until late 2027. It is therefore important to communicate our approach now, so that market participants and investors can understand the substantial reforms that we plan to make.

As staff consider the restructuring of the CAT, we will make it a priority to ensure that market participants are given a voice in the process, both now, and after we have assumed responsibility of the CAT, to the extent the Commission adopts rules to restructure the CAT. We remain mindful that such changes should be implemented as seamlessly as possible. Additionally, we will continue to update the public regularly on notable developments as the

Commission seeks to reform the CAT to a fit-for-purpose regulatory resource that is appropriately governed and operated at reasonable cost.

I look forward to further engagement with you, and other stakeholders, on this critical initiative.

Sincerely,

Paul S. Atkins Chairman

[1] See, e.g., Securities Exchange Act Release No. 104586 (Jan. 13, 2026), 91 FR 2164 (Jan. 16, 2026); Securities Exchange Act Release No. 105107 (Mar. 27, 2026), 91 FR 16284, 16307 (Apr. 1, 2026).

[2] See Securities Exchange Act Release No. 105251 (Apr. 16, 2026), 91 FR 20945 (Apr. 20, 2026).

Last Reviewed or Updated: Aug. 11, 2026