



BOXSM
REGULATION

Regulatory Circular

RC-2018-11

TO: BOX Options Participants
FROM: BOX Regulation
SUBJECT: CAT Reporting Technical Specifications for Industry Members
DATE: September 6, 2018

CAT Reporting Technical Specifications

Today CAT NMS, LLC published version 0.6 of the CAT Reporting Technical Specifications for Industry Members (“IM Technical Specifications”) for Industry Member reporting to the CAT. The IM Technical Specifications are available on the CAT NMS Plan website at:
<https://www.catnmsplan.com/wp-content/uploads/2018/09/Industry-Member-Tech-Specs-Order-Events-v0.6.pdf>.

This version of the IM Technical Specifications represents the last draft version that will be published for industry comment before the release of the final IM Technical Specifications, targeted for October 30, 2018. This version covers both Phase 2A and Phase 2B reporting under the following phased approach to the implementation of Industry Member reporting:

Phase	Planned Date
2A – Equities Part 1	11/15/2019
2B – Options Part 1	5/31/2020
2C – Equities Part 2	9/1/2020
2D – Options Part 2	5/15/2021

The national securities exchanges and Financial Industry Regulatory Authority that are the participants (“Participants”) in the National Market System Plan Governing the Consolidated Audit Trail (“CAT NMS Plan”) seek input on any missing or unclear elements that will prevent Industry Members from implementing the IM Technical Specifications for Phase 2A and Phase 2B. Please note that the Participants have received industry feedback on a number of issues, incorporating changes to the IM Technical Specifications to address these where possible and as further described in the IM Technical Specifications. Additional details on changes can be found at <https://www.catnmsplan.com/wp-content/uploads/2018/09/CAT-Alert-2018-001.pdf>.

This final draft can be used for planning and design purposes for Phase 2A and Phase 2B but is subject to change based on industry feedback. The SROs encourage feedback specifically focused on areas where further explanation is required in order to begin development work.

The Participants plan to file a proposed modification to the CAT NMS Plan with the Securities and Exchange Commission (“Commission or SEC”) to reflect the phased approach for Industry Member reporting described in the newest version of the IM Technical Specifications. The proposal will be subject to the Commission’s approval.

Feedback and questions can be directed to the Thesys CAT Help Desk:

Email Address: helpdesk@thesyscat.com

Hours of Operation: 9AM-5PM Eastern Time (Weekdays only; except US Equity Market Observed Holidays)

Background

Rule 613 of the Securities Exchange Act of 1934 requires national securities exchanges and national securities associations to submit a national market system plan to the Commission to create, implement, and maintain the CAT that would allow regulators to more efficiently and accurately track all activity in U.S. equity and options markets. Pursuant to Rule 613, the Participants filed with the Commission the CAT NMS Plan, which was approved by the Commission on November 15, 2016.

Under Rule 613(g)(2), each member of a national securities exchange or national securities association is required to comply with all the provisions of the CAT NMS Plan. Relatedly, as mandated under Rule 613, the CAT NMS Plan requires each Participant to adopt rules requiring its members to comply with Rule 613 and the CAT NMS Plan, and to agree to enforce compliance by its members in that regard. Accordingly, each Participant has adopted rules requiring its members to comply with Rule 613 and the CAT NMS Plan. See, e.g., FINRA Rule 6800 Series.

The SROs jointly own and operate CAT NMS, LLC, which was formed by the SROs to arrange for and oversee the creation, implementation, and maintenance of the CAT as required under Rule 613. Further, the CAT is a facility of each SRO. Accordingly, when Industry Member reporting commences, Industry Members will submit data to an SRO facility.

Contact

Please review the information provided herein. If you have any questions regarding this information, please contact BOX Regulation at BOXMRC@BOXregulation.com.