



BOXSM
REGULATION

Regulatory Circular

RC-2019-02

TO: BOX Options Participants
FROM: BOX Regulation
SUBJECT: CAT Transitioning to New Plan Processor
DATE: February 4, 2019

CAT NMS, LLC confirms that it is transitioning the Consolidated Audit Trail ("CAT") project to a new Plan Processor. In transitioning the project to a new Plan Processor, the Participants are evaluating the impact the transition will have on current Industry Member implementation plans. While certain dates may change, there are no material changes planned for the Industry Member Technical Specifications. The Participants will continue to work with industry participants to finalize the Industry Member Reporting Specification. As an initial matter, the Participants anticipate the initial test period for data ingestion will move from August 2019 to late 2019 and plan to announce a more fulsome implementation schedule shortly. The Participants plan to host an industry webcast in the very near future to provide more information and answer questions.

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.