

FINANCIAL INFORMATION FORUM

July 18, 2023

By electronic mail

Brandon Becker
CAT NMS Plan Operating Committee Chair

Shelly Bohlin
President and Chief Operating Officer, FINRA CAT

Re: Reporting of non-executable RFQ responses to CAT

Dear Mr. Becker and Ms. Bohlin,

Financial Information Forum (“FIF”) and our members would like to thank the CAT Plan Participants and FINRA CAT for reviewing with FIF members their July 10, 2023 presentation on Electronic RFQ Responses (the “July 10 RFQ Presentation”). FIF members understand that the CAT Plan Participants and FINRA CAT intend to publish Technical Specifications relating to Electronic RFQ Responses during July 2023. Given this timeframe, FIF members will not have sufficient time to comment in detail on the July 10 RFQ Presentation. FIF members appreciate the statement from FINRA CAT representatives during the July 10 RFQ Presentation that the CAT Plan Participants and FINRA CAT will update the Technical Specifications and other applicable documentation, where appropriate, based on comments and questions raised by industry members.

While FIF is not commenting in detail on the July 10 RFQ Presentation, there is one important point that FIF members want to raise. In light of the fact that the Securities and Exchange Commission (the “Commission”), over the past several years, has been actively involved in interpreting the scope of the CAT NMS Plan,¹ and the fact that the Commission has not responded to the letter submitted by FIF on behalf of FIF members on June 1, 2023 relating to CAT reporting for non-executable (NIA) RFQ responses,² FIF members request that the CAT Plan Participants and FINRA CAT not include in the CAT

¹ As one of numerous examples that could be cited, the Commission, after multiple meetings with CAT Plan Participant, FINRA CAT and industry personnel, provide guidance on whether an employee of a Legal Entity CAT Customer would need to be separately reported as a CAT Customer.

² The July 10 Presentation refers to non-executable RFQ responses as RFQ responses that are “not immediately actionable” (NIA). As previously noted by FIF in our June 1, 2023 letters to (i) the Commission, and (ii) the CAT Plan Participants and FINRA CAT, FIF members disagree with using this terminology because it is inconsistent with

Technical Specifications and other CAT documentation any discussion of the conditions under which NIA RFQ responses are reportable to CAT.

In particular, the July 10 RFQ Presentation provides: “Only responses that are firm are required to be reported. Therefore, not immediately actionable electronic responses to RFQ will be reported using quote events.”³ FIF members request that the CAT Plan Participants and FINRA CAT not include this (or similar) wording in the CAT Technical Specifications and other CAT documentation given that the Commission has not responded to the comments submitted by FIF on June 1, 2023 that (i) based on the wording of Rule 613, the CAT NMS Plan, the CAT proposing and adopting releases and other relevant Commission source material, NIA RFQ responses are not reportable to CAT (whether or not they are “firm”), and (ii) the Commission has not provided guidance as to what would represent a “firm” NIA RFQ response for purposes of CAT reporting.

Very truly yours,

/s/ Howard Meyerson

Howard Meyerson
Managing Director, Financial Information Forum

Cc: Hugh Beck, Securities and Exchange Commission
Erika Berg, Securities and Exchange Commission
Mark Donohue, Securities and Exchange Commission
David Hsu, Securities and Exchange Commission
Andrew Sherman, Securities and Exchange Commission
David S. Shillman, Securities and Exchange Commission
Haixiang Zhu, Securities and Exchange Commission

Commission Rule 600(b)(1), but FIF uses this terminology in this letter to be consistent with the terminology used in the July 10 RFQ Presentation.

³ July 10 RFQ Presentation, at Slide 6.