

# FINANCIAL INFORMATION FORUM

September 6, 2023

**By electronic mail**

Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090  
Attn: David S. Shillman, Associate Director

**Re: Reporting of non-executable RFQ responses to CAT**

Dear Mr. Shillman,

On June 1, 2023 Financial Information Forum (“FIF”), on behalf of our members, submitted a letter to the Securities and Exchange Commission (the “Commission”) relating to the reporting of non-executable RFQ responses to the consolidated audit trail (“CAT”).<sup>1</sup> FIF is submitting this letter as a follow-up to our June 1 letter to emphasize the importance for the Commission to provide timely guidance as to the conditions under which non-executable RFQ responses would be reportable to CAT.

In the June 1 letter, FIF wrote:

If the Commission determines, notwithstanding the points above, that non-executable RFQ responses must be reported to CAT, industry members will require additional guidance from the Commission, the Plan Participants and FINRA CAT with respect to when a non-executable RFQ response would be reportable and when a non-executable RFQ response would not be reportable. This guidance is necessary because of the current lack of guidance on this point and also to ensure that firms (and the CAT Transaction Reporting system) do not end-up with linkage errors resulting from soliciting and responding firms adopting different interpretations as to when a non-executable RFQ response is reportable to CAT.<sup>2</sup>

On July 31, 2023 the Participants in the National Market System Plan Governing the Consolidated Audit Trail (the “CAT Plan Participants”) published updates to the CAT Technical Specifications to require CAT reporting of non-executable RFQ responses (referred to in the Technical Specifications as RFQ responses

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<sup>1</sup> This letter is available on the FIF website at <https://fif.com/index.php/working-groups?start=0>.

<sup>2</sup> Id. at 12.

that are not immediately actionable or “NIA RFQ responses”).<sup>3</sup> The Technical Specifications designate August 1, 2024 as the compliance date for firms to report NIA RFQ responses to CAT.<sup>4</sup> In a request for exemption relating to the reporting of NIA RFQ responses submitted by the CAT Plan Participants to the Commission on May 23, 2023, the CAT Plan Participants write:

Specifically, FINRA CAT expects to publish updated technical specifications to facilitate reporting of NIA Electronic RFQ Responses by July 2023, and Industry Members have indicated that they require approximately twelve (12) months from publication of final technical specifications in order to develop and implement necessary systems changes.<sup>5</sup>

FIF members note that, at this point, given the lack of guidance from the Commission as to when a non-executable RFQ response would be reportable to CAT, FIF members are not in a position to proceed with the necessary work for reporting non-executable RFQ responses to CAT. FIF members further note that the current timeline does not provide industry members with the requested 12-month implementation period. FIF members would like to make the Commission aware of the following challenges with the current implementation timeline:

- Before industry members can proceed with development work, industry members must wait for the RFQ platform operators to complete their analysis and publish updated technical specifications for industry members.
- The RFQ platform operators cannot proceed with their own analysis until the Commission has provided the guidance requested above and in the FIF letter submitted on June 1.
- After the RFQ platform operators and industry members complete development work, all parties will need sufficient time for testing.
- Certain soliciting broker-dealers do not currently receive and process automated data feeds from the RFQ platform operators. These are often smaller broker-dealers. These broker-dealers will have significant work to receive and process these data feeds for CAT reporting.

These challenges further support the importance for the Commission to provide timely guidance as to the conditions under which non-executable RFQ responses would be reportable to CAT.

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<sup>3</sup> CAT Reporting Technical Specifications for Industry Members, Version 4.0.0 r10 (July 31, 2023) (“CAT Technical Specifications”), available at [https://catnmsplan.com/sites/default/files/2023-07/07.31.2023\\_CAT\\_Reporting\\_Technical\\_Specifications\\_for\\_Industry\\_Members\\_v4.0.0r20\\_REDLINE.pdf](https://catnmsplan.com/sites/default/files/2023-07/07.31.2023_CAT_Reporting_Technical_Specifications_for_Industry_Members_v4.0.0r20_REDLINE.pdf) (note: this is a link to the redline version highlighting the changes published on July 31, 2023).

<sup>4</sup> Id. at 39.

<sup>5</sup> Letter dated May 23, 2023 from Brandon Becker, CAT NMS Plan Operating Committee Chair, to Vanessa Countryman, Secretary, Securities and Exchange Commission, available at <https://catnmsplan.com/sites/default/files/2023-05/05.23.23-Exemption-Request-Regarding-Responses-to-Electronic-RFQs.pdf>, at 5.

If you would like clarification on any of the items discussed in this letter or would like to discuss further, please contact me at [howard.meyerson@fif.com](mailto:howard.meyerson@fif.com).

Very truly yours,

/s/ Howard Meyerson

Howard Meyerson  
Managing Director, Financial Information Forum

Cc: Hugh Beck, Securities and Exchange Commission  
Brandon Becker, CAT NMS Plan Operating Committee  
Erika Berg, Securities and Exchange Commission  
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