

MEMO# 33973

December 21, 2021

CAT NMS Plan Participants Withdraw Proposed CAT Funding Model

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TO: Chief Information Security Officer Committee
Equity Markets Advisory Committee
ETF (Exchange-Traded Funds) Committee
Technology Committee RE: CAT NMS Plan Participants Withdraw Proposed CAT Funding Model

Last Friday, the SEC published a notice announcing that on December 8, the participants to the Consolidated Audit Trail (CAT) National Market System (NMS) Plan ("Participants") withdrew its proposed amendment to revise the CAT funding model.^[1] As proposed, the funding model would have apportioned the CAT's development, implementation, and operating costs between the plan Participants and Industry Members, i.e., broker-dealers. Industry Members as a group would have been required to pay 75 percent of those costs and each would have been assessed a fee based on the level of message traffic generated by their respective market activities, e.g., orders or quoting.

ICI previously submitted a comment letter to the SEC that recommended disapproval of the proposed amendment based on the disproportionate burden allocation.^[2]

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endnotes

^[1] Securities and Exchange Act Release No. 34-93817 (Dec. 20, 2021), available at <https://www.sec.gov/rules/sro/nms/2021/34-93817.pdf>.

^[2] Letter from Dorothy Donohue, Deputy General Counsel, ICI to Vanessa Countryman, Secretary, SEC (Aug. 16, 2021), on Order Instituting Proceedings to Determine Whether to Approve or Disapprove an Amendment to the National Market System Plan Governing the

Consolidated Audit Trail, available at
<https://www.sec.gov/comments/4-698/4698-9143600-247486.pdf>.

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