

# FINANCIAL INFORMATION FORUM

January 29, 2026

**By electronic mail to rule-comments@sec.gov**

Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090  
Attn: Secretary

**Re: File Number 4-698: Joint Industry Plan; Order Approving an Amendment to the National Market System Plan Governing the Consolidated Audit Trail, as Modified by Amendment Nos. 1 and 2 and by the Commission, Regarding the Customer and Account Information System**

Dear Secretary,

The Financial Information Forum (“FIF”)<sup>1</sup> is submitting this letter in response to the above-referenced Order (the “PII Approval Order” or the “Order”) published by the Securities and Exchange Commission (the “Commission”) on January 13, 2026.<sup>2</sup> The Order approves a rule filing (the “rule filing”) by Consolidated Audit Trail, LLC (“CAT LLC”) to remove personally-identifiable information (“PII”) from the consolidated audit trail (“CAT”) (and, more specifically, from the CAT Customer and Account Information System, referred to as “CAIS”).<sup>3</sup> FIF is submitting this letter on behalf of FIF members that are Industry Members, as defined in the National Market System Governing the Consolidated Audit Trail. In this letter, we sometimes use the term “CAT” broadly to include CAIS and sometimes refer specifically to CAIS.

FIF members and FIF would like to thank CAT LLC for initiating and submitting the rule filing. FIF members would also like to thank the Commission for approving the rule filing and publishing the PII Approval Order. FIF is submitting this letter to discuss the implementation schedule for the Order and certain issues that the Commission and CAT LLC should consider in light of the Order.

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<sup>1</sup> FIF ([www.fif.com](http://www.fif.com)) was formed in 1996 to provide a centralized source of information on the implementation issues that impact the securities industry across the order lifecycle. Our participants include broker-dealers, exchanges, back office service bureaus, and market data, regulatory reporting and other technology vendors in the securities industry. Through topic-oriented working groups, FIF participants focus on critical issues and productive solutions to technology developments, regulatory initiatives, and other industry changes.

<sup>2</sup> Securities Exchange Act Release No. 104586 (Jan. 13, 2026), 91 FR 2164 (Jan. 16, 2026) (“Order”).

<sup>3</sup> See letter from Brandon Becker, CAT NMS Plan Operating Committee Chair, to Vanessa Countryman, Secretary, Securities and Exchange Commission (Mar. 7, 2025), available at <https://catnmsplan.com/sites/default/files/2025-03/03.07.25-Proposed-CAT-NMS-Plan-Amendment-CAIS.pdf>.

## A. Implementation schedule

### *Rule filing and PII Approval Order*

CAT LLC sets forth the proposed implementation schedule for the removal of PII from CAT in a letter that CAT LLC submitted to the Commission on May 28, 2025 in response to comments on the rule filing.<sup>4</sup> The May 2025 CAT LLC letter describes the following key implementation milestones:

- “Stop providing visibility to regulators of existing Names, Addresses, and YOBs in CAT - approximately 3 months from the effective date;
- Continue to accept submissions from Industry Members that include Names, Addresses, and YOBs, but stop processing any such information in CAT ... - approximately 3 months;
- Reject any submissions from Industry Members that continue to include Names, Addresses, and YOBs ... - approximately 6 months or more depending on the amount of time required for Industry Members to update their reporting systems;
- Delete all existing Names, Addresses, and YOBs from CAT ... - approximately 9-12 months after the data migration is completed and verified; it will take approximately 2-3 months to permanently remove old data.”<sup>5</sup>

In the Order, the Commission requests certain changes to the implementation schedule:

“The Commission agrees that a phased implementation schedule is appropriate, to help assure that the removal of PII from the CAT is implemented in a careful and efficient manner, with minimal impact on other CAT Data. The Commission, however, encourages the Plan Processor to extend the approximately three month period for providing regulators with visibility into the existing Names, Addresses, and YOBs in CAT, to provide regulators with sufficient transition time. The Commission also believes that it may be appropriate for the Plan Processor to extend the phased implementation schedule in light of pending amendments to the CAT NMS Plan that, if approved, could require the Plan Processor to make further changes to CAIS and Industry Members to make changes to their reporting systems.”<sup>6</sup>

FIF members request clarification as to whether the milestones in the schedule proposed by CAT LLC and approved by the Commission (subject to certain modifications) are sequential or simultaneous.

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<sup>4</sup> Letter from Brandon Becker, CAT NMS Plan Operating Committee Chair, to Vanessa Countryman, Secretary, Securities and Exchange Commission (May 28, 2025), available at [https://catnmsplan.com/sites/default/files/2025-05/05.28.25\\_CAT-LLC-Response-to-Comments-CAIS-Amendment.pdf](https://catnmsplan.com/sites/default/files/2025-05/05.28.25_CAT-LLC-Response-to-Comments-CAIS-Amendment.pdf).

<sup>5</sup> Id. at 16-17.

<sup>6</sup> Order, at 91 FR 2179.

### ***Optional period***

FIF members support the decision by CAT LLC to provide a period during which Industry Members will be permitted, but not required, to submit PII to CAT (we refer to this period as the “optional period”). FIF members request clarification as to the changes to the CAIS Technical Specifications that will be associated with the initiation of this optional period. If the changes to the CAIS Technical Specifications would only involve changing certain required fields to optional and removing associated validations, FIF members would support the initiation of this period as soon as possible. At the same time, FIF members understand that time could be required for CAT LLC to complete the necessary work to initiate the optional period. FIF members would appreciate further clarification from CAT LLC in response to the points discussed in this paragraph.

The rule filing provides that the CAT system will not process PII submitted by Industry Members during the optional period. FIF members request additional clarification from CAT LLC as to how the CAT system will handle PII submitted during the optional period, including confirmation that the CAT system will not store PII submitted during this period.

### ***Mandatory period***

Subsequent to the optional period, a “mandatory period” will commence during which Industry Members will no longer be permitted to submit PII to CAIS. At this time, FIF members believe that a period of six months from the publication of updated Technical Specifications would be sufficient for Industry Members to comply with a prohibition against submitting PII to CAIS. This time estimate is subject to two caveats: (i) FIF members have not yet seen the updates to the Technical Specifications; based on a review of the updates upon publication, FIF members might determine that an additional time period for implementation would be required; and (ii) to the extent that Industry Members require clarification as to specific requirements set forth in the updated Technical Specifications, this could require additional time for implementation. Regarding clauses (i) and (ii) of the preceding sentence, FIF members intend to review and comment on any Technical Specification updates that are published on an expedited basis.

As discussed above, FIF members believe that the start date for the mandatory period should be a specified time period after the publication of updated Technical Specifications. It would be inefficient and unnecessarily costly for Industry Members to proceed to implement technical changes prior to the publication of updated Technical Specifications.

### ***CAT LLC rule filing to reduce CAT costs***

The Commission states in the Order that it “... believes that it may be appropriate to extend the phased implementation schedule in light of pending amendments to the CAT NMS Plan ....”<sup>7</sup> The Commission is

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<sup>7</sup> Ibid.

referring to a recent rule filing by CAT LLC to reduce CAT operating costs<sup>8</sup> and the Commission's associated Notice of Filing.<sup>9</sup> We refer to this rule filing as the "cost reduction rule filing." FIF members agree that this a valid issue to consider and note that the benefits of removing PII from CAIS at an earlier date must be weighed against the benefits of a single implementation that avoids duplication of effort. It would be more cost-efficient to implement changes to the CAIS system in one phase as opposed to multiple phases because each implementation phase would involve its own analysis, development, testing and integration steps and the associated costs. At the same time, implementing CAIS changes in one phase could involve a delay in implementation of the planned PII changes. One potential approach to achieve both objectives would be to implement the optional period without waiting for the Commission to take action on the cost reduction rule filing and delay the required period until the Commission has taken action on the cost reduction rule filing. FIF members are not able to make a definitive recommendation at this time without having a better understanding as to the changes to the Technical Specifications that will be involved with (i) implementing the PII Approval Order, and (ii) implementing CAIS changes that would result from the Commission's approval of the cost reduction rule filing.

### ***Requests for additional clarification***

FIF members request additional clarification on the following points relating to the planned implementation schedule:

- In the Order, the Commission directs CAT LLC to "... implement a mechanism to delete from CAIS, or otherwise make inaccessible to regulatory users ..." specified data attributes containing PII.<sup>10</sup> FIF members request clarification that the Commission's intent is for PII to be deleted from CAT and that making PII inaccessible to regulatory users is intended as an interim step prior to the deletion of PII.
- In the Order, the Commission "... encourages the Plan Processor to extend the approximately three month period for providing regulators with visibility into the existing Names, Addresses, and YOBs in CAT, to provide regulators with sufficient transition time."<sup>11</sup> FIF members request that the Commission provide additional clarification as to the reason for this requested extension.
- The last milestone in the implementation schedule references the completion of a "data migration" process that would precede a "data removal" process. FIF members request that CAT LLC provide additional clarification on what is entailed by the planned data migration process, the difference between the data migration process and the data removal process, and the reason for the proposed 9-12 month period for the data migration process.

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<sup>8</sup> Letter from Robert Walley, CAT NMS Plan Operating Committee Chair, to Vanessa Countryman, Secretary, Securities and Exchange Commission (Dec. 7, 2025), available at <https://catnmsplan.com/sites/default/files/2025-12/LLC-Proposed-CAT-NMS-Plan-Amendment-2025-Cost-Savings-Amendment-12.17.25.pdf>.

<sup>9</sup> Securities Exchange Act Release No. 104504 (Dec. 23, 2025), 90 FR 61506 (Dec. 31, 2025).

<sup>10</sup> Order, at 91 FR 2178.

<sup>11</sup> Id. at 91 FR 2179.

## B. Trading and markets oversight function going forward

The Commission’s approval of the Order will involve changes to the trading and markets oversight function currently performed by Commission and self-regulatory organization (“SRO”) personnel. In this letter, we refer to Commission and SRO personnel who perform the trading and markets oversight function as “regulatory personnel.”

With the removal of PII from CAIS, FIF members are aware of two potential approaches that regulators could take to obtain customer information:

- Continue to rely on, and expand, the current use of Electronic Blue Sheets (“EBS”)
- Continue to rely on, and ultimately automate, the process recently adopted by regulatory personnel to send FDIDs to Industry Members and request customer information based on those FDIDs (referred to as a “request-response process”).

FIF members support the second approach. FIF, on behalf of FIF members, has submitted a series of letters discussing the need to retire EBS on an expedited basis.<sup>12</sup> EBS involves the transmission of large volumes of PII in plaintext; accordingly, the retention and expansion of EBS is directly contradictory to the Commission’s primary objective in approving the PII rule filing (i.e., the protection of PII). With the removal of PII from CAIS, if the Commission were to rely on the first option above, the Commission would need to significantly expand the current volume of EBS requests, thereby counteracting the effects of the PII Approval Order.

In prior letters, FIF members have also noted that EBS is duplicative of CAT, does not account for the increasingly common arrangement where an account is managed by a party that is not the beneficial owner of the account, and requires significant and costly processing by Industry Members. FIF has covered these points in detail in other letters.<sup>13</sup> Consistent with the above, FIF members request that the Commission focus on retiring EBS on an expedited basis.

FIF members appreciate the statements by the Commission in the Order that indicate the Commission’s support for the second approach. The Commission writes as follows in the Order:

With respect to the creation of a request-response system, Commission agrees that it is beyond the scope of the Proposed Amendment. However, such a system could decrease regulators’ reliance on EBS, which could facilitate the eventual elimination of EBS and could reduce the cost and burdens to Industry Members and increase efficiencies. Accordingly, as stated in the CAIS Exemption Order, the Commission continues to urge the Participants to work with industry members to establish such a request-response system by taking advantage of the systems industry members have

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<sup>12</sup> See, for example, FIF letter to the Commission (July 14, 2025), available at <https://www.sec.gov/comments/4-698/4698-625367-1847814.pdf> (“July 2025 FIF Letter”), at 4-9. In this letter, FIF is specifically referring to EBS for securities that are subject to CAT reporting.

<sup>13</sup> Ibid.

already established to format and submit customer information consistent with CAT specifications.<sup>14</sup>

In the passage quoted above, the Commission notes that a request-response process could take “... advantage of the systems industry members have already established to format and submit customer information consistent with CAT specifications.”<sup>15</sup>

In connection with implementing changes to CAIS reporting, Industry Members will need to make determinations as to (i) the customer records that they should maintain going forward, and (ii) the retention requirements with respect to existing customer records. Many, if not all, Industry Members made changes to their customer recordkeeping practices to conform to the CAIS reporting requirements. With the upcoming changes to CAIS, should Industry Members continue to maintain their customer records as developed to comply with CAIS reporting, or are certain changes to recordkeeping practices previously implemented by Industry Members to comply with CAIS reporting no longer required? FIF members request that the Commission, the Financial Industry Regulatory Authority and the other self-regulatory organizations (“SROs”) provide guidance on these questions. FIF members note that Industry Members have incurred significant costs to update their customer recordkeeping practices to comply with CAIS reporting requirements and believe that, at least for the short and medium term, it would be most efficient for Industry Members to retain their customer records as developed for CAIS. FIF members further note that a request-response process could be based on the current customer recordkeeping formats maintained by Industry Members. FIF has discussed this request-response process in prior letters to the Commission and plans to discuss this further in a comment letter to be submitted in response to the cost reduction rule filing. For the longer-term, the Commission and the SROs could consider whether certain customer recordkeeping requirements required for CAIS reporting are no longer appropriate. FIF members are available to discuss these issues with Commission and SRO personnel.

### **C. Transformed identifiers**

In a letter submitted by FIF on July 14, 2025, FIF members highlighted potential security and privacy concerns with the retention of TID files in CAIS containing hashed tidValues.<sup>16</sup> FIF members continue to consider this to be a concern and request further discussion with the Commission and CAT LLC on this issue.

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<sup>14</sup> Order, at 91 FR 2169.

<sup>15</sup> Ibid.

<sup>16</sup> July 2025 FIF Letter, at 9-10.

FIF appreciates the opportunity to comment on the PII Approval Order. 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