

# SIFMA Technology Conference

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# Agenda

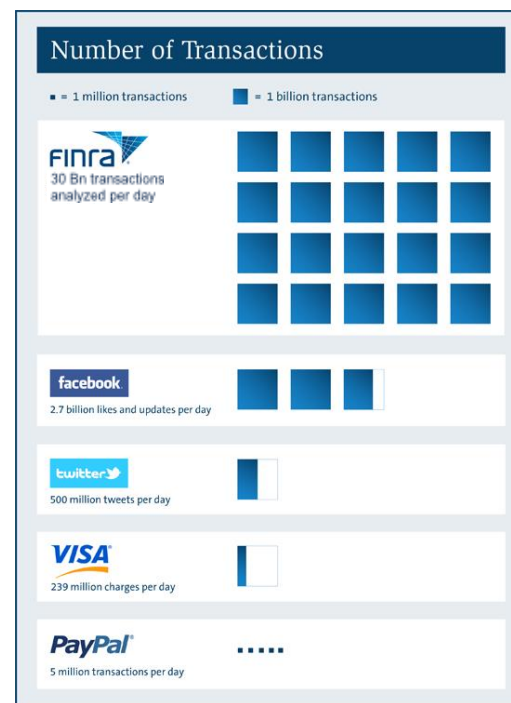
- **FINRA Technology**
- **Big Data and Cloud Computing**
- **Risk Platform Redesign (RPR) and Comprehensive Automated Risk Data System (CARDS)**
- **The Consolidated Audit Trail (CAT)**
- **Q&A**

# FINRA Technology

- FINRA's technology is vital to **protecting investors**—and has become a key component of our ability to:
  - effectively oversee brokerage firms;
  - accurately monitor the U.S. equities markets;
  - quickly detect potential fraud; and
  - keep investors informed through tools like BrokerCheck
- FINRA's role in **promoting investor confidence** is focused on the following set of organizing principles:
  - To be data informed,
  - To be technology empowered,
  - To be responsive to change, and
  - To be capable of more quickly and effectively identifying and disciplining bad actions

# FINRA Technology

Every day, **FINRA processes over 30 Billion transactions** and monitors nearly 6 billion shares traded in U.S.-listed equities markets, using **technology powerful enough to detect potential abuses.**



# Big Data Technology & Advantages to FINRA

**Big Data: Platform designed to crunch epic amounts of data using an army of dirt-cheap servers**

## **Advantages:**

- Virtually infinite processing and storage
- “Scale out” horizontally
- Open Source
- Simple

# Cloud Computing & Advantages to FINRA

**Cloud Computing: Enables rapid and cost-effective reallocation of computing power between applications in response to shifting demands.**

## **Advantages:**

- Pay only for capacity actually used
- Time to market is improved
- Elastic & Cheap
- Security is equal to or better than with self-managed data centers

# FINRA Technology's Big Data/Cloud Strategy

2013

- **Proof of Concepts**
- **Vendor selection**
- **Some implementations**

2014

- **FINRA Cloud Migration - Market Regulation Technology**
- **FINRA Cloud Migration - Public Website, Broker Check**

2015+

- **FINRA Cloud Migration - Market Regulation Technology**
- **Launch Big Data open source project**
- **FINRA Cloud Migration – Other Applications**

# Risk Platform Redesign (RPR): An Overview

- **Objective:** To transform the Member Regulation risk-based program by implementing new technologies supporting Web Based Exam programs, implementing the Surveillance program, and initiating and expanding the CARDS pilot.



# Risk Platform Redesign (RPR): Progress

- More risk-based strategy and less prescriptive
- More focused and informed
- More interactive
- More efficient

# CARDS: An Overview

- **CARDS will provide us with on-going “birds eye view surveillance” that complements our boots-on-the-ground exams**

## CARDS: Current State

- Gathering data from the top 50-60 firms
- Enhanced our market surveillance program
- Conducting a Proof of Concept (PoC) involving 2 major clearing firms, collecting data for 100s of their correspondents.

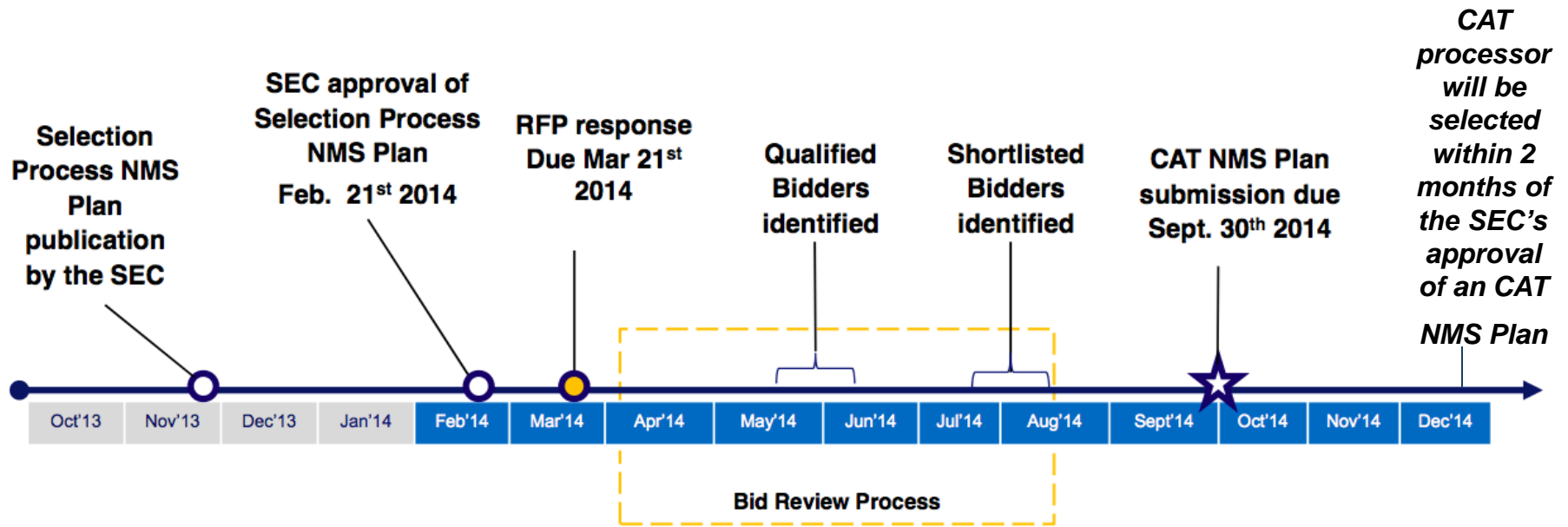
## CARDS: What's Next?

- Expand and develop the CARDS program
- Released a Regulatory Notice (13-42) for industry comment
- Pursuing use of a standard data submission format and process for all firms
- Further refine and develop the draft specification and operational model for CARDS

# The Consolidated Audit Trail (CAT)

- **Central repository for SEC & all SROs to look at 100% of market activity, linked to accounts, broader products/asset classes, cross market – Equities AND Options**

# CAT NMS Plan Development



  
We are here

# Q&A

