

Information Notice

Consolidated Audit Trail: Industry Presentation by CMRWG on CAT Compliance Rules

FINRA is issuing this *Information Notice* to inform members of a scheduled industry presentation by the Cross Market Regulation Working Group (CMRWG) and FINRA CAT regarding SRO regulation of Consolidated Audit Trail (CAT) Compliance Rules and FINRA CAT's role in CAT compliance.

Please see the attached ISG CMRWG Regulatory Notice 2020-02 that was issued by the participants of the ISG CMRWG.

Questions concerning this *Notice* should be directed to Dave Chapman, Vice President, Market Regulation, at (240) 386-4995 or dave.chapman@finra.org.

July 17, 2020

Suggested Routing

- ▶ Compliance
- ▶ Legal
- ▶ Operations
- ▶ Senior Management

Key Topics

- ▶ Regulatory Inquiries

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**Notice to SRO Members
ISG CMRWG 2020-02**

To: All SRO Members and Member Organizations

From: Cross Market Regulation Working Group (“CMRWG”) of the U.S. Subgroup of the Intermarket Surveillance Group (“ISG”)

Date: July 16, 2020

Subject: CAT Compliance Rules—Industry Presentation

The ISG is an international group of exchanges, market centers, and market regulators that perform front-line market surveillance in their respective jurisdictions. The group was formed to facilitate the coordination and development of programs and procedures to identify possible fraudulent and manipulative activities across markets and to facilitate information sharing related to those efforts.

The CMRWG was established as a voluntary working group of the ISG’s U.S. Subgroup to focus on ways to reduce unnecessary regulatory duplication. The CMRWG’s participants (the “Participants”) include certain U.S.-based self-regulatory organizations.¹ The CMRWG serves as a non-exclusive forum for the Participants’ regulatory employees to share information and collaborate in connection with their ongoing surveillance, investigation and enforcement efforts. By doing so, the Participants seek to reduce unnecessary duplication in those regulatory efforts consistent with their obligations to oversee the U.S. securities markets.

The Participants have worked together to enter into an amended plan pursuant to Rule 17d-2 under the Securities Exchange Act of 1934 (the “Rule 17d-2 Plan”) as well as related regulatory services agreements in order to allocate and coordinate regulation of the Participants’ respective Consolidated Audit Trail (“CAT”) Compliance Rules. Relatedly, the Participants have developed

¹ The participating self-regulatory organizations include the following: 1) BOX Exchange LLC; 2) Cboe BYX Exchange, Inc.; 3) Cboe BZX Exchange, Inc.; 4) Cboe C2 Exchange, Inc.; 5) Cboe EDGA Exchange, Inc.; 6) Cboe EDGX Exchange, Inc.; 7) Cboe Exchange, Inc.; 8) Financial Industry Regulatory Authority, Inc.; 9) Investors’ Exchange, LLC; 10) Long-Term Stock Exchange, Inc; 11) Miami International Securities Exchange LLC; 12) MIAX PEARL, LLC; 13) MIAX Emerald, LLC; 14) Nasdaq BX, Inc.; 15) Nasdaq GEMX, LLC; 16) Nasdaq ISE, LLC; 17) Nasdaq MRX, LLC; 18) Nasdaq PHLX LLC; 19) The Nasdaq Stock Market LLC; 20) New York Stock Exchange LLC; 21) NYSE American LLC; 22) NYSE Arca, Inc.; 23) NYSE Chicago, Inc.; 24) NYSE National, Inc.; and 25) MEMX LLC.

a coordinated approach to enforcement of the CAT Compliance Rules under the Participants' respective Minor Rule Violation Plans.

In an effort to communicate to industry members about the coordinated approach and to address questions related to regulation of the CAT Compliance Rules, the Participants will be hosting a presentation on July 29, 2020 at 10:00 a.m. ET along with the CAT Plan Processor, FINRA CAT, to discuss the allocation and coordination of regulatory responsibilities among the Participants as SROs, and the respective roles of the Participants and FINRA CAT in CAT compliance. Please raise any questions that you may have and want included in this presentation by July 22, 2020 by contacting the Chair of the CMRWG, Sarah McDowell, at smcdowell@cboe.com.

More detailed information on the July 29, 2020 presentation may be found at: <https://www.catnmsplan.com/events/cat-compliance-industry-webinar-7292020>.
