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
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
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
We are here
Q&A