

April 30, 2021

VIA EMAIL AND HAND DELIVERY

Ms. Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: CAT NMS Plan Section 6.6(c)(ii) Quarterly Progress Report

Dear Ms. Countryman:

The Participants¹ in the National Market System Plan Governing the Consolidated Audit Trail (“CAT NMS Plan” or “Plan”)² respectfully submit the enclosed Quarterly Progress Report (“QPR”) for the calendar quarter ending on March 31, 2021 (“Q1 2021”), pursuant to Section 6.6(c)(ii) of the CAT NMS Plan.³ In accordance with Section 6.6(c)(ii), the Q1 2021 QPR includes a detailed description of the progress made by the Participants during Q1 2021 toward achieving each of the milestones set forth in the Implementation Plan.⁴ Please feel free to contact any of the Participants if you have any questions.

Respectfully submitted,

Participants of the CAT NMS Plan

Enclosures

cc: The Hon. Gary Gensler, Chair
The Hon. Hester M. Peirce, Commissioner
The Hon. Elad L. Roisman, Commissioner
The Hon. Caroline A. Crenshaw, Commissioner
The Hon. Allison Herren Lee, Commissioner
Mr. Christian Sabella, Acting Director, Division of Trading and Markets
Mr. David S. Shillman, Associate Director, Division of Trading and Markets
Mr. David Hsu, Assistant Director, Division of Trading and Markets
Hugh Beck, Senior Advisor for Regulatory Reporting
Mr. Mark Donohue, Senior Policy Advisor, Division of Trading and Markets

¹ The twenty-five Participants of the CAT NMS Plan are: BOX Exchange LLC; Cboe BYX Exchange, Inc., Cboe BZX Exchange, Inc., Cboe EDGA Exchange, Inc., Cboe EDGX Exchange, Inc., Cboe C2 Exchange, Inc. and Cboe Exchange, Inc.; Financial Industry Regulatory Authority, Inc. (“FINRA”); Investors Exchange LLC; Long-Term Stock Exchange, Inc., MEMX LLC, Miami International Securities Exchange LLC, MIAX Emerald, LLC, MIAX PEARL, LLC; NASDAQ BX, Inc., Nasdaq GEMX, LLC, Nasdaq ISE, LLC, Nasdaq MRX, LLC, NASDAQ PHLX LLC, The NASDAQ Stock Market LLC; and New York Stock Exchange LLC, NYSE American LLC, NYSE Arca, Inc., NYSE Chicago, Inc. and NYSE National, Inc.

² The Limited Liability Company Agreement of Consolidated Audit Trail, LLC is the CAT NMS Plan. Unless otherwise noted, capitalized terms are used as defined in Rule 613, in the CAT NMS Plan or in this letter.

³ A copy of the Q1 2021 QPR is available on the CAT NMS Plan public website at www.catnmsplan.com.

⁴ The Implementation Plan was filed with the Commission on July 22, 2020 and is available on the CAT NMS Plan public website at www.catnmsplan.com. Subsequent QPRs are also available on the CAT NMS Plan public website.

CAT Q1 2021 Quarterly Progress Report

FILED APRIL 30, 2021

APPENDIX C MILESTONES

	Implementation Plan Completion Date	Targeted Completion Date or Actual Completion Date ¹	Milestone/Interim Step ²	Description of Any Variance From the IP	Other Factual Indicators ³	Description of Status as of 3/31/2021 ⁴
1	4/26/2021	4/26/2021	Interim Step: Production Go-Live for Equities 2c reporting requirements (Large Industry Members)	N/A	On track for completion <ul style="list-style-type: none"> · Test environment opened for Equities Phase 2c file submission and data integrity validations on Jan. 25, 2021 · Pre-production system testing completed as of March 25, 2021 	In progress
2	4/26/2021	4/26/2021	Interim Step: LTID Account Information Reporting Go-Live for Phases 2a, 2b and 2c (Large Industry Members)	N/A	On track for completion <ul style="list-style-type: none"> · CAIS LTID Production, which opened on December 14, 2020, continues to be open 	In progress
3	6/30/2021	6/30/2021	Row 10 of App. C-10(b) & Row 13 of App. C-10(b): FCAT Plan Processor makes Phase 2d testing environment available	N/A	On track for completion <ul style="list-style-type: none"> · Development of test 	In progress

¹ The "Completion Date" indicates the targeted completion date for the milestone, unless the status for the milestone has been designated as "Completed." In that case, the "Completion Date" indicates the date by which the milestone was completed.

² To further enhance the publicly available information, the Participants have included additional details in this document to reflect certain interim steps not included in the Implementation Plan to complete implementation of the CAT. These interim steps are provided for informational purposes only and are not relevant for purposes of assessing the Participants' timely satisfaction of the Financial Accountability Milestones.

³ For milestones that are in progress or have not been initiated, this will include the basis for making the adjustment and the impact of this adjustment on any other Implementation Milestone, and, if applicable, any other factual indicators that demonstrate the current level of completion with respect to the Implementation Milestone.

⁴ This Quarterly Progress Report reflects activities by the Participants to meet the relevant milestones and interim steps. Additional information and metrics on Industry Member testing and readiness are provided in industry update meetings and related materials. See CAT Event Materials, available at <https://catnmsplan.com/events/materials>.

	Implementation Plan Completion Date	Targeted Completion Date or Actual Completion Date ¹	Milestone/Interim Step ²	Description of Any Variance From the IP	Other Factual Indicators ³	Description of Status as of 3/31/2021 ⁴
					environment for Phase 2d commenced	
4	6/30/2021	6/30/2021	Row 11 of App. C-10(b) & Row 14 of App. C-10(b): FCAT Plan Processor and Industry Members begin testing for 2d reporting	N/A	On track for completion • Development of test environment for Phase 2d commenced	In progress
5	12/13/2021	12/13/2021	Row 3 of App. C-10(c) & Row 5 of App. C-10(c): FCAT Plan Processor creates linkages of the lifecycle of order events based on the received data through Phase 2d	N/A	N/A	On track to commence
6	12/13/2021	12/13/2021	Interim Step: Production Go-Live for Options 2d reporting requirements (Large Industry Members)	N/A	N/A	On track to commence
7	12/13/2021	12/13/2021	Interim Step: Production Go-Live for Equities 2a reporting requirements (Small Non-OATS Reporters)	N/A	N/A	On track to commence
8	12/13/2021	12/13/2021	Interim Step: Production Go-Live for Options 2b reporting requirements (Small OATS Reporters and Small Non-OATS Reporters)	N/A	N/A	On track to commence
9	12/13/2021	12/13/2021	Interim Step: Production Go-Live for Equities 2c reporting requirements (Small OATS Reporters and Small Non-OATS Reporters)	N/A	N/A	On track to commence
10	12/13/2021	12/13/2021	Interim Step: Production Go-Live for Options 2d reporting requirements (Small OATS Reporters and Small Non-OATS Reporters)	N/A	N/A	On track to commence
11	12/13/2021	12/13/2021	Interim Step: LTID Account Information Reporting Go-Live for Phases 2d (Large Industry Members)	N/A	N/A	On track to commence
12	12/13/2021	12/13/2021	Interim Step: LTID Account Information Reporting Go-Live for Phases 2a, 2b, 2c and 2d (Small Industry Members)	N/A	N/A	On track to commence
13	1/31/2022	1/31/2022	Row 5 of App. C-10(a) & Row 7 of App. C-10(a): Customer Account Information – Test Environment Opens (All Industry Members)	N/A	N/A	On track to commence
14	7/11/2022	7/11/2022	Row 6 of App. C-10(a) & Row 8 of App. C-10(a): Customer and Account Information – Production Environment Go-Live (All Industry Members)	N/A	N/A	On track to commence

PARTICIPANT MILESTONES

	Implementation Plan Completion Date	Targeted Completion Date or Actual Completion Date	Milestones	Description of Any Variance From the IP	Other Factual Indicators	Description of Status as of 3/31/2021
1	7/31/2020	4/30/2021	Release 7: Equity Transition from RSA Specifications to CAT Participant Technical Specifications	N/A	On track for completion <ul style="list-style-type: none"> · Revised Plan Participant Release 7 Technical Specification provided on January 30, 2021 · Test environment for RSA submission opened on Feb. 15, 2021 and Participants are engaged in testing 	In Progress
2	4/26/2021	4/26/2021	Section 8.1.1 of Appendix D of the CAT NMS Plan discusses the requirements of the OTQT. Specifically, that section states: The online targeted query tool will provide authorized users with the ability to retrieve processed and/or validated (unlinked) data via an online query screen that includes the ability to choose from a variety of pre-defined selection criteria. Targeted queries must include date(s) and/or time range(s), as well as one or more of a variety of fields, including the following: ...CAT Reporter correction rate over time.	Completed on February 22, 2021, which is two months earlier than the targeted date of April 26, 2021	N/A	Completed

FINANCIAL ACCOUNTABILITY MILESTONES

	Implementation Plan Completion Date	Targeted Completion Date or Actual Completion Date	Milestones	Description of Any Variance From the IP	Other Factual Indicators	Description of Status as of 3/31/2021
1	7/31/2020	7/20/2020	FAM Period 1 Completion of Initial Industry Member Core Equity and Option Reporting, defined under CAT NMS Plan Section 1.1 as the reporting by Industry Members (excluding Small Industry Members that are not OATS reporters) of both: (a) equities transaction data, excluding Customer Account Information, Customer-ID, and Customer Identifying Information; and (b) options transaction data, excluding Customer Account Information, Customer-ID, and Customer Identifying Information.	N/A	N/A	Completed
2	12/31/2020	12/31/2020	FAM Period 2 Completion of Full Implementation of Core Equity Reporting, defined under CAT NMS Plan Section 1.1 as the point at which: (a) Industry Member reporting (excluding reporting by Small Industry Members that are not OATS reporters) for equities transactions, excluding Customer Account Information, Customer-ID, and Customer Identifying Information, is developed, tested, and implemented at a 5% Error Rate or less and with sufficient intra-firm linkage, inter-firm linkage, national securities exchange linkage, and trade reporting facilities linkage to permit the Participants and the Commission to analyze the full lifecycle of an order across the national	N/A	N/A	Completed

	Implementation Plan Completion Date	Targeted Completion Date or Actual Completion Date	Milestones	Description of Any Variance From the IP	Other Factual Indicators	Description of Status as of 3/31/2021
			market system, excluding linkage of representative orders, from order origination through order execution or order cancellation; and (b) the query tool functionality required by Section 6.10(c)(i)(A) and Appendix D, Sections 8.1.1-8.1.3 and Section 8.2.1 incorporates the Industry Member equities transaction data described in condition (a) and is available to the Participants and to the Commission			
3	12/31/2021	12/31/2021	FAM Period 3 Completion of Full Availability and Regulatory Utilization of Transactional Database Functionality, defined under CAT NMS Plan Section 1.1 as the point at which: (a) reporting to the Order Audit Trail System (“OATS”) is no longer required for new orders; (b) Industry Member reporting for equities transactions and simple electronic options transactions, excluding Customer Account Information, Customer-ID, and Customer Identifying Information, with sufficient intra-firm linkage, inter-firm linkage, national securities exchange linkage, trade reporting facilities linkage, and representative order linkages (including any equities allocation information provided in an Allocation Report) to permit the Participants and the Commission to analyze the full lifecycle of an order across the	N/A	On track to be met <ul style="list-style-type: none"> • The SEC approved FINRA’s OATS retirement filing which describes the conditions under which OATS will be retired • Phase 2a has been fully implemented as of October 26, 2020 • Phase 2b has been fully implemented as of January 4, 2021 • The average overall error rate is less than 5% as of March 31, 2021 • The query tool functionality incorporates the data described in condition (b) and is available to the Participants and to the Commission • Incorporation of the data described in condition (c) into the query tool functionality and making it available to the Participants and to the Commission is on track to commence 	In Progress

	Implementation Plan Completion Date	Targeted Completion Date or Actual Completion Date	Milestones	Description of Any Variance From the IP	Other Factual Indicators	Description of Status as of 3/31/2021
			<p>national market system, from order origination through order execution or order cancellation, is developed, tested, and implemented at a 5% Error Rate or less;</p> <p>(c) Industry Member reporting for manual options transactions and complex options transactions, excluding Customer Account Information, Customer-ID, and Customer Identifying Information, with all required linkages to permit the Participants and the Commission to analyze the full lifecycle of an order across the national market system, from order origination through order execution or order cancellation, including any options allocation information provided in an Allocation Report, is developed, tested, and fully implemented;</p> <p>(d) the query tool functionality required by Section 6.10(c)(i)(A) and Appendix D, Sections 8.1.1-8.1.3, Section 8.2.1, and Section 8.5 incorporates the data described in conditions (b)-(c) and is available to the Participants and to the Commission; and</p> <p>(e) the requirements of Section 6.10(a) are met.</p>			
4	12/30/2022	12/30/2022	<p>FAM Period 4</p> <p>Completion of Full Implementation of CAT NMS Plan Requirements, defined under CAT NMS Plan Section 1.1 as the point at which the Participants have satisfied all of their obligations to build and</p>	N/A	<p>On track to be met</p> <ul style="list-style-type: none"> See completion of FAM 1 and FAM 2 and factual indicators for FAM 3 for progress to completion of FAM 4 	In Progress

	Implementation Plan Completion Date	Targeted Completion Date or Actual Completion Date	Milestones	Description of Any Variance From the IP	Other Factual Indicators	Description of Status as of 3/31/2021
			<p>implement the CAT, such that all CAT system functionality required by Rule 613 and the CAT NMS Plan has been developed, successfully tested, and fully implemented at the initial Error Rates specified by Section 6.5(d)(i) or less, including functionality that efficiently permits the Participants and the Commission to access all CAT Data required to be stored in the Central Repository pursuant to Section 6.5(a), including Customer Account Information, Customer-ID, Customer Identifying Information, and Allocation Reports, and to analyze the full lifecycle of an order across the national market system, from order origination through order execution or order cancellation, including any related allocation information provided in an Allocation Report.</p>			

EXEMPTION MILESTONES

	Order Completion Date	Targeted Completion Date or Actual Completion Date	Milestones	Description of Any Variance From the Order	Other Factual Indicators	Description of Status as of 3/31/2021
1	4/30/2021	4/30/2021	Incorporation of error correction rate functionality in the query tool search functionality	N/A	Participants are working with Commission staff to identify appropriate measures with respect to the December orders	In progress
2	7/31/2021	7/31/2021	Corrections received after T+5 are to be reprocessed, with the Participants' regulatory staff and SEC notified and informed as to how reprocessing will be completed	N/A	Participants are working with Commission staff to identify appropriate measures with respect to the December orders	In Progress
3	12/13/2021	12/13/2021	An order that a Participants receives, but then rejects, is a CAT Reportable Event, and that the receipt of that order and the time at which that order was received also must be reported pursuant to Section 6.3(d). Rejected orders that are reported to the Central Repository must be processed and assembled to create the complete lifecycle of each Reportable Event.	N/A	Participants are working with Commission staff to identify appropriate measures with respect to the December orders	In Progress
4	7/31/2023	7/31/2023	Section 8.1.2 of Appendix D of the CAT NMS Plan sets forth timeframes in which results must be returned for various types of queries	N/A	Participants are working with Commission staff to identify appropriate measures with respect to the December orders	In Progress
5	7/31/2023	7/31/2023	Section 8.1.2 of Appendix D requires: "The online targeted query tool must support parallel processing of queries. At a minimum, the online targeted query tool must be able to process up to 300 simultaneous query requests with no performance degradation."	N/A	Participants are working with Commission staff to identify appropriate measures with respect to the December orders	In Progress
6	7/31/2023	7/31/2023	The Plan Processor "must have completed initial	N/A	Participants are working with Commission staff to	In Progress

	Order Completion Date	Targeted Completion Date or Actual Completion Date	Milestones	Description of Any Variance From the Order	Other Factual Indicators	Description of Status as of 3/31/2021
			data validation, made lifecycle linkages (i.e., completed processing and linkage of the initial transaction data) and communicated errors to CAT Reporters" by T+1 at noon		identify appropriate measures with respect to the December orders	
7	7/31/2023	7/31/2023	Linkage of SIP Data and CAT Data	N/A	Participants are working with Commission staff to identify appropriate measures with respect to the December orders	In Progress
8	7/31/2023	7/31/2023	Report port level settings as special handling instructions as part of Material Terms of an Order	N/A	Participants are working with Commission staff to identify appropriate measures with respect to the December orders	In Progress
9	7/31/2023	7/31/2023	Link all related order events from all CAT Reporters in the lifecycle of a representative orders	N/A	Participants are working with Commission staff to identify appropriate measures with respect to the December orders	In Progress