

# CAT Fee Alert 2025-2

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### 1. Revisions Summary

Version	Publish Date	Description
1.0	5/29/2025	Initial publication.

### 2. Summary

This CAT Alert provides notice to Industry Members of the proposed implementation of CAT Fee 2025-2, including the effective dates and the fee rate of \$0.000009 per executed equivalent share. Upon its implementation, CAT Fee 2025-2 would replace CAT Fee 2025-1 (which has a fee rate of \$0.000022). In addition, CAT Fee 2025-2 is separate from and will be in addition to any Historical CAT Assessment to Industry Members.

### 3. CAT Fee 2025-2

On May 28, 2025, the Operating Committee for the CAT NMS Plan voted to establish a Prospective CAT Fee, referred to as CAT Fee 2025-2. Accordingly, the Participants to the CAT NMS Plan will file fee filings to implement CAT Fee 2025-2 for immediate effectiveness. Such fee filings will describe CAT Fee 2025-2 in detail. Subject to the regulatory requirements related to such fee filings, CAT Fee 2025-2 would operate as follows:

- Each CAT Executing Broker will receive its first invoice for CAT Fee 2025-2 in August 2025, which will set forth the fees calculated based on transactions in July 2025, and will receive an invoice for CAT Fee 2025-2 for each month thereafter until January 2026.

- Each month, invoices for CAT Fee 2025-2 will set forth a fee for each transaction in Eligible Securities executed by the CAT Executing Broker in its capacity as a CAT Executing Broker for the Buyer (“CEBB”) and/or the CAT Executing Broker for the Seller (“CEBS”) (as applicable) from the prior month as set forth in CAT Data. The fee for each such transaction will be calculated by multiplying the number of executed equivalent shares in the transaction by the fee rate of \$0.000009 per executed equivalent share.
- In accordance with the requirements of Section 11.3(a)(i)(A)(III) of the CAT NMS Plan, notwithstanding the last contemplated invoice date of January 2026 for CAT Fee 2025-2, CAT Fee 2025-2 will continue in effect after January 2026, with each CAT Executing Broker receiving an invoice for CAT Fee 2025-2 each month, until a new subsequent CAT Fee is in effect with regard to Industry Members in accordance with Section 19(b) of the Exchange Act. Consolidated Audit Trail, LLC will provide notice when CAT Fee 2025-2 will no longer be in effect.

#### **4. Invoicing of CAT Fee 2025-2**

Subject to the regulatory requirements related to the fee filings for CAT Fee 2025-2, Industry Members would be required to pay CAT Fee 2025-2 to CAT LLC beginning with the August 2025 invoice (based on transactions in July 2025), which would be due in September 2025.

Each CAT Executing Broker will receive one invoice for all CAT Fees in effect each month. Beginning with the August 2025 invoice for CAT fees, CAT Fee 2025-2 will be set forth as a separate line item. To the extent that any other CAT fee(s) is or becomes effective while CAT Fee 2025-2 is in effect, the invoices will list each such additional CAT fee as a separate line item on the invoice.

More details about CAT billing are available in CAT Alert 2023-2.

#### **5. CAT Fee 2025-1**

The last contemplated invoice date for CAT Fee 2025-1 is July 2025 (based on transactions in June 2025), provided CAT Fee 2025-2 is in effect at that time. Accordingly, if CAT Fee 2025-2 is in effect by July 2025, CAT Fee 2025-2 would replace CAT Fee 2025-1, and beginning in August 2025, CAT Reporters would receive invoices for CAT Fee 2025-2, not CAT Fee 2025-1.

#### **6. Reduction in Fee Rate Due Partially to Surplus Reserve Offset**

The reduction of the fee rate from \$0.000022 for CAT Fee 2025-1 to \$0.000009 for CAT Fee 2025-2 is related, in part, to (i) the collection of CAT fees in excess of the budgeted CAT costs for 2025 in light of the greater actual executed equivalent share volume than the projected executed equivalent share volume for CAT Fees 2024-1 and 2025-1, and (ii) a reduction in anticipated budgeted costs associated with the implementation of certain cost savings measures approved by the SEC pertaining to the processing of options market maker quotes and the

storage of certain data.<sup>1</sup> As a result, the Updated 2025 CAT Budget takes into account a surplus reserve balance that will offset a portion of CAT costs for the remainder of 2025 (by comparison the Original 2025 CAT Budget included incremental reserve to be collected).<sup>2</sup> If the fee rate for CAT Fee 2025-2 were calculated solely based on the reasonably budgeted costs for CAT for July – December 2025 excluding the reduction in that amount due to the surplus reserve offset, the fee rate would be \$0.000017.

## 7. Resources

- CAT Funding Model Approval Order [<https://www.govinfo.gov/content/pkg/FR-2023-09-12/pdf/2023-19525.pdf>]
- CAT Alert 2023-2 [<https://www.catnmsplan.com/sites/default/files/2024-07/07.31.24-CAT-Alert-2023-02.pdf>]
- CAT Fee Alert 2024-3 [<https://www.catnmsplan.com/sites/default/files/2024-11/11.22.2024-CAT-Fee-Alert-2024-3.pdf>]
- CAT Fee Alert 2025-1 [[https://www.catnmsplan.com/sites/default/files/2025-01/01.28.25-CAT\\_Fee\\_Alert\\_2025-1.pdf](https://www.catnmsplan.com/sites/default/files/2025-01/01.28.25-CAT_Fee_Alert_2025-1.pdf)]

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<sup>1</sup> Securities Exchange Act Rel. No. 101901 (Dec. 12, 2024), 89 Fed. Reg. 103033 (Dec. 18, 2024).

<sup>2</sup> Section 11.1(a)(ii) of the CAT NMS Plan provides, in part, that, “[t]o the extent collected CAT fees exceed CAT costs, including the reserve of 25% of the annual budget, such surplus shall be used to offset future fees.”