

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-104662]

Order Granting Exemptive Relief, Pursuant to Section 36(a)(1) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 608(e) of Regulation NMS Thereunder, Relating to the Reporting of Responses to Requests for Quotes and Other Solicitation Responses Provided in a Standard Electronic Format, as Required by Section 6.4(d) of the National Market System Plan Governing the Consolidated Audit Trail

January 23, 2026

I. Introduction

On July 18, 2012, the Securities and Exchange Commission (the “Commission” or the “SEC”) adopted Rule 613 of Regulation NMS, which required the national securities exchanges and national securities associations (the “Participants”)¹ to jointly develop and submit to the Commission a national market system plan to create, implement, and maintain the consolidated audit trail (“CAT”).² The goal of Rule 613 was to create a modernized audit trail system that would provide regulators with timely access to a comprehensive set of trading data, thus enabling regulators to more efficiently and effectively analyze and reconstruct market events, monitor market behavior, conduct market analysis to support regulatory decisions, and perform surveillance, investigation, and enforcement activities. On November 15, 2016, the Commission

¹ The current Participants to the CAT NMS Plan are 24X National Exchange LLC, BOX Exchange LLC, Cboe BYX Exchange, Inc., Cboe BZX Exchange, Inc., Cboe C2 Exchange, Inc., Cboe EDGA Exchange, Inc., Cboe EDGX Exchange, Inc., Cboe Exchange, Inc., Financial Industry Regulatory Authority, Inc., Investors Exchange LLC, Long-Term Stock Exchange, Inc., MEMX LLC, Miami International Securities Exchange LLC, MIAX Emerald, LLC, MIAX PEARL, LLC, MIAX Sapphire, LLC, Nasdaq BX, Inc., Nasdaq GEMX, LLC, Nasdaq ISE, LLC, Nasdaq MRX, LLC, Nasdaq PHLX LLC, The NASDAQ Stock Market LLC, New York Stock Exchange LLC, NYSE American LLC, NYSE Arca, Inc., NYSE National, Inc., and NYSE Texas, Inc.

² See Securities Exchange Act Release No. 67457 (July 18, 2012), 77 FR 45722 (Aug. 1, 2012); 17 CFR 242.613.

approved the national market system plan required by Rule 613 (“the CAT NMS Plan”).³

On May 20, 2024, in response to a request from the Participants,⁴ the Commission granted temporary exemptive relief, pursuant to its authority under section 36(a)(1) of the Exchange Act,⁵ and Rule 608(e) of Regulation NMS under the Exchange Act,⁶ from certain reporting requirements in section 6.4(d) of the CAT NMS Plan⁷ relating to the reporting of bids and/or offers made in response to a request for quote (“RFQ”) or other form of solicitation response provided in standard electronic format (e.g., FIX) that is not “immediately actionable” (i.e., further action is required by the responder providing the quote in order to execute or cause a trade to be executed) (“NIA Electronic RFQ Responses”).⁸ Pursuant to the Prior Order, this temporary conditional exemptive relief has an expiration date of July 31, 2026.⁹

For the reasons set forth below, this Order grants the Participants exemptive relief consistent with that previously granted by the Commission relating to the reporting of NIA Electronic RFQ Responses in the Prior Order, except without the conditions previously imposed and without an expiration date.

³ See Securities Exchange Act Release No. 79318, 81 FR 84696 (Nov. 23, 2016) (“CAT NMS Plan Approval Order”). Unless otherwise noted, capitalized terms are used as defined in the CAT NMS Plan.

⁴ See letter from the Participants to Vanessa Countryman, Secretary, Commission, dated Feb. 13, 2024 (the “2024 Exemption Request”), available at: <https://catnmsplan.com/sites/default/files/2024-02/02.13.24-Exemption-Request-Responses-to-Electronic-RFQs.pdf>.

⁵ 15 U.S.C. 78mm(a)(1).

⁶ 17 CFR 242.608(e).

⁷ Section 6.4(d) of the CAT NMS Plan describes the type of information that the Participants must require Industry Members to report to the CAT and when such information must be reported.

⁸ See Securities Exchange Act Release No. 34-100181, 89 FR 45715 (May 23, 2024) (“Prior Order”).

⁹ The Prior Order stated that, as a condition to relief, the Participants must provide the Commission a written implementation plan on the reporting of NIA Electronic RFQ Responses by July 31, 2025, and that this implementation plan for the reporting of NIA Electronic RFQ Responses must: (1) identify workflows to facilitate the reporting of NIA Electronic RFQ Responses; and (2) provide or reference published technical specifications to allow for the reporting of NIA Electronic RFQ Responses by Industry Members. Id. at 45716-17. The exemptive relief granted by this Order does not include any conditions.

II. Discussion and Exemptive Relief

Section 36(a)(1) of the Exchange Act grants the Commission the authority, with certain limitations, to “conditionally or unconditionally exempt any person, security, or transaction . . . from any provision or provisions of [the Exchange Act] or of any rule or regulation thereunder, to the extent that such exemption is necessary or appropriate in the public interest, and is consistent with the protection of investors.”¹⁰ Under Rule 608(e) of Regulation NMS, the Commission may “exempt from [Rule 608], either unconditionally or on specified terms and conditions, any self-regulatory organization, member thereof, or specified security, if the Commission determines that such exemption is consistent with the public interest, the protection of investors, the maintenance of fair and orderly markets and the removal of impediments to, and perfection of the mechanism of, a national market system.”¹¹

After careful consideration, the Commission has determined to grant exemptive relief consistent with that previously granted by the Commission relating to the reporting of NIA Electronic RFQ Reponses but without conditions or time limits. Industry members and Participants have continued to devote and expend substantial resources toward the ongoing development of CAT. The implementation of electronic recording and reporting of NIA Electronic RFQ Responses has proven to be particularly challenging. Compliance requires both the sender and receiver of the information to determine how to report information to the CAT, and this information is not currently captured in a format designed to be reported to the CAT. Additionally, the Commission received comment letters stating that exemptive relief is “necessary” for electronic responses to RFQs that cannot be executed by the party that receives

¹⁰ 15 U.S.C. 78mm(a)(1).

¹¹ 17 CFR 242.608(e).

the RFQ response,¹² and cautioning that the requirement to report RFQ responses that are not actionable would “involve costly manual processes.”¹³ Also, some Industry Members maintain that the reporting of NIA Electronic RFQ Responses is not required by Rule 613 or the CAT NMS Plan.¹⁴

After further evaluation and in light of the implementation challenges, the Commission has determined that relief from Section 6.4(d) of the CAT NMS Plan for the recording and reporting of NIA Electronic RFQ Responses is appropriate because the regulatory value of this information does not justify the difficulty and costs associated with collecting and reporting such information. In addition, regulators will still have insight into the RFQ process, because any follow-up order activity subsequent to the transmission of NIA Electronic RFQ Responses that results in an execution, will be reported to the CAT.

¹² See letter to Vanessa Countryman, Secretary, Commission, from Howard Meyerson, Managing Director, Financial Information Forum, dated Sept. 9, 2024, at 2, available at: <https://www.sec.gov/comments/4-698/4698-518035-1490942.pdf>.

¹³ See letter to Vanessa Countryman, Secretary, Commission, from Howard Meyerson, Managing Director, Financial Information Forum, dated Dec. 6, 2024, at 3, available at: <https://www.sec.gov/comments/4-698/4698-558515-1603022.pdf>. See also Letter to Paul S. Atkins, Chairman, Securities and Exchange Commission, from Joseph Corcoran, Managing Director and Associate General Counsel and Gerald O’Hara, Vice President and Assistant General Counsel, Securities Industry and Financial Markets Association (“SIFMA”), dated June 6, 2025, available at: <https://www.sec.gov/comments/4-698/4698-610487-1785814.pdf> (stating that the SEC should review all of its orders granting temporary exemptive relief from CAT reporting requirements with a view to making them permanent); letter to Paul S. Atkins, Chairman, Securities and Exchange Commission, from Joanna Mallers, Secretary, FIA Principal Traders Group, dated June 26, 2025, available at: <https://www.sec.gov/comments/4-853/4853-618547-1815754.pdf> (stating that the Commission should codify its orders granting temporary exemptive relief for certain CAT requirements that are unreasonable or burdensome).

¹⁴ See, e.g., letter to Vanessa Countryman, Secretary, Securities and Exchange Commission, from Joseph Corcoran, Managing Director and Associate General Counsel and Ellen Greene, Managing Director, Equities & Options Market Structure, SIFMA, and Howard Meyerson, Managing Director, FIF, dated July 31, 2023, available at: <https://www.sec.gov/comments/4-698/4698-238359-498762.pdf>; letter to Vanessa Countryman, Secretary, Securities and Exchange Commission, from Howard Meyerson, Managing Director, Financial Information Forum, dated June 1, 2023, available at <https://fif.com/index.php/working-groups/category/271-comment-letters?download=2730:fif-letter-to-the-sec-on-cat-reporting-for-non-executable-rfq-responses&start=60&view=category>.

As provided in the Prior Order, the NIA Electronic RFQ Responses that are subject to this exemptive relief: (1) are those that satisfy the definition of an “order” as defined in Rule 613(j)(8) and the CAT NMS Plan;¹⁵ (2) do not include RFQ responses that were required to be reported commencing in Phase 2c and Phase 2d;¹⁶ and (3) do not include activity that is subject to section 6.3(g) of the CAT NMS Plan.¹⁷

Based on the foregoing, pursuant to section 36(a)(1) of the Exchange Act, it is appropriate in the public interest and is consistent with the protection of investors, and, pursuant to Rule 608(e), it is consistent with the public interest, the protection of investors, the maintenance of fair and orderly markets and the removal of impediments to, and the perfection of, the mechanisms of a national market system, to grant exemptive relief from the requirement

¹⁵ The CAT NMS Plan defines “order,” by reference to Rule 613(j)(8), to include “[a]ny order received by a member of a national securities exchange or national securities association from any person; (b) any order originated by a member of a national securities exchange or national securities association; or (c) any bid or offer.” Section 1.1. of the CAT NMS Plan; 17 CFR 242.613(j)(8).

¹⁶ See 2024 Exemption Request, at 3-4. As explained by the Participants, in April 2020 the Commission granted conditional exemptive relief to allow for the implementation of phased Industry Member reporting to the CAT across five phases, and this exemptive relief did not specifically address NIA Electronic RFQ Responses. Id.; Securities Exchange Release No. 88702 (Apr. 20, 2020), 85 FR 23075 (Apr. 24, 2020) (“Phased Reporting Exemption”). Pursuant to the Phased Reporting Exemption, any bid or offer in response to a request for quote or other form of solicitation response provided in standard electronic format (e.g., FIX) that required no further action by the responder providing the quote in order to execute or cause a trade to be executed was reportable in Phase 2c for equities and in Phase 2d for options. See Phased Reporting Exemption at 23079; see also 2024 Exemption Request, at 3-4.

¹⁷ See 2024 Exemption Request, at 4-5; Section 6.3(g) of the CAT NMS Plan (“Verbal Activity, Floor, and Upstairs Activity”). Section 6.3(g) of the CAT NMS Plan identifies certain categories of data that shall not be reportable to the Central Repository: (i) until July 31, 2030, floor broker verbal announcements of firm orders on an exchange that are otherwise reported as systematized orders; (ii) until July 31, 2030, market maker verbal announcements of firm quotes on an exchange trading floor; (iii) telephone discussions between an Industry Member and a client that may involve firm bid and offer communications; and (iv) unstructured electronic and verbal communications that are not currently captured by Industry Member order management or execution systems (e.g., electronic chats, text messages). See also Securities Exchange Act Release No. 103275 (June 16, 2025), 90 FR 26337 (June 20, 2025) (“Order Approving an Amendment to the National Market System Plan Governing the Consolidated Audit Trail, as Modified by the Commission, Regarding the Reporting of Certain Verbal Activity, Floor and Upstairs Activity”). With respect to activity subject to section 6.3(g) of the CAT NMS Plan, to the extent that NIA Electronic RFQ Responses are unstructured electronic communications that are not currently captured by Industry Member order management or execution systems, section 6.3(g)(iv) of the CAT NMS Plan already makes such messages not reportable to the CAT and thus exemptive relief is not necessary.

in section 6.4(d) of the CAT NMS Plan for the recording and reporting of NIA Electronic RFQ Responses.¹⁸ This exemptive relief is intended to mirror the relief granted in the Prior Order, except without the conditions previously imposed and without an expiration date. When this Order takes effect, the relief granted therein will supersede the relief granted in the Prior Order.

IV. Conclusion

As discussed above, it is appropriate to grant exemptive relief that exempts each Participant from the requirement in section 6.4(d) of the CAT NMS Plan for each Participant, through its Compliance Rule, to require its Industry Members to record and electronically report to the Central Repository NIA Electronic RFQ Responses.

¹⁸ To the extent that the Participants are availing themselves of exemptive relief from a CAT NMS Plan requirement, such requirement shall not be included in the requirements for the Financial Accountability Milestones. See CAT NMS Plan, at section 1.1 (“Financial Accountability Milestone” definition).

Accordingly, IT IS HEREBY ORDERED, pursuant to section 36(a)(1) of the Exchange Act,¹⁹ and Rule 608(e) of the Exchange Act²⁰ that the Participants are granted an exemption from the requirement in section 6.4(d) of the CAT NMS Plan that requires each Participant, through its Compliance Rule, to require its Industry Members to record and electronically report to the Central Repository bids and/or offers made in response to a request for quote or other form of solicitation response provided in standard electronic format (e.g., FIX) that is not “immediately actionable” (i.e., further action is required by the responder providing the quote in order to execute or cause a trade to be executed).

By the Commission.

Stephanie J. Fouse,

Assistant Secretary

¹⁹ 15 U.S.C. 78mm(a)(1).

²⁰ 17 CFR 242.608(e).