

July 14, 2016

Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: File No. 4-698 - Joint Industry Plan; Notice of Filing of the National Market System Plan Governing the Consolidated Audit Trail

To Whom It May Concern:

The FIX Trading Community¹ (FIX) (<http://www.fixtradingcommunity.org/>) would like to provide feedback to the Securities and Exchange Commission (“SEC”) on File No. **4-698 - Joint Industry Plan; Notice of Filing of the National Market System Plan Governing the Consolidated Audit Trail**. We will leave it to our member firms to reply on the specific requests for comment throughout the Joint Industry Plan but felt it appropriate to address the below two queries related to data ingestion format.

440. Data Ingestion Format. The Plan discusses the trade-offs between requiring that the CAT Reporters report data to CAT in a uniform defined format or in existing messaging protocols. [1345] The Plan does not require either method. A uniform defined format would include the current process for reporting data to OATS. This is Approach 2 in the CAT Reporters Study. [1346] Several bidders proposed to leverage the OATS format and enhance it to meet the requirements of Rule 613. The Plan states that this could reduce the burden on certain CAT Reporters (i.e., current OATS Reporters) and simplify the process for those CAT Reporters to implement the CAT. [1347] Accepting existing messaging protocols would allow CAT Reporters to submit copies of their order handling messages that are typically used across the order lifecycle and within order management processes, such as FIX. This is Approach 1 in the CAT Reporters' Survey. [1348] The Plan states that using existing messaging protocols could result in quicker implementation times and simplify data aggregation. [1349] The Plan further notes that the surveys revealed no cost difference between the two approaches, [1350] but that FIF members prefer using the FIX protocol. [1351] Should the Plan specify a particular approach? Please explain.

We agree that Approach 1 in which CAT reporters submit data to the Central Repository in an existing industry standard protocol of their choice such as the Financial Information eXchange (“FIX”) Protocol would result in quicker implementation times and simplify data aggregation. We believe that the Plan should specify a particular approach as the efficiency and transparency desired by both regulators and market participants can only be achieved if a consistent approach is taken.

As an existing standard used by thousands and thousands of firms in the financial services industry globally, the Financial Information eXchange (“FIX”) Protocol would have less of an impact than other alternatives would have to those firms directly reporting to the SEC. It does not make sense to require firms to convert from a FIX format to a proprietary format for reporting as the firms and the regulators would have to

¹ FIX Trading Community is the non-profit, industry-driven standards body consisting of over 280 member firms at the heart of global trading. The organization is independent and neutral, dedicated to addressing real business and regulatory issues impacting multi-asset trading in global markets through standardization, delivering operational efficiency, increased transparency, and reduced costs and risks for all market participants. Central to FIX Trading Community's work is the continuous development and promotion of the FIX family of standards, including the core FIX Protocol messaging language, which has revolutionized the trading environment and has successfully become the way the world trades. Visit www.fixtradingcommunity.org for more information.

build cross reference tables which creates additional work and would not only be inefficient but subject to error and interpretations. FIX already tracks the entire lifecycle of an order or trade within an organization, and even across multiple organizations once again making it a strong candidate as the recommended reporting format for the Consolidated Audit Trail.

Originally, FIX was established as a bi-lateral communications framework for the buy-side to send their orders to the sell-side and receive their trades back electronically from the sell-side. Over the past few years, FIX has also been adopted by exchanges, matching and reporting utilities and new marketplaces across the globe. Additionally, internally, many firms now use FIX for routing orders and trades between the different internal programs used for order processing. It is important to note that the FIX specification consists of two parts: the session layer transport protocol and the data format / content or application layer. It is possible to have one without the other and we are suggesting using the application layer with FIX data definitions. The true effort of hooking up report submitters lies in the semantics (content) of the messages. FIX and FIXML are widely used today as the de-facto messaging standard for pre-trade, trade and post-trade communication as well as for U.S. regulatory reporting. Examples include ISG's use of FIXML for LOPR (Large Options Position Report) reporting (via the OCC), CFTC use of FIXML, and FINRA TRACE reporting via FIX 4.4.

441. The Commission requests further information on the relative costs and benefits and strengths and weaknesses of these two data ingestion format approaches. Would either of these approaches produce more accurate data? For example, would using existing messaging protocols such as FIX be more accurate because CAT Reporters would send their messages without the possibility of adding errors when translating them to a different format? Alternatively, would using existing messaging protocols such as FIX be less accurate because the Central Repository would have to translate too many different and possibly bespoke formats into a uniform format for the CAT data? Would a hybrid approach produce the most accurate data? [1352] How else would the benefits of the CAT NMS Plan differ between these approaches?

The FIX Protocol provides a standard point of reference with industry participants and is typically used across the order lifecycle and within a firm's order management processes. FIX provides an established semantics dictionary through the trading life cycle which is extended into the regulatory reporting requirements, thereby ensuring data completeness and minimizing misinterpretation. Leveraging FIX could result in quicker implementation times and simplify data aggregation at the SRO and CAT level. The regulator can, where necessary, gain access to standardized information flows with respect to its rules in a way that simplifies both aggregation of the information (to provide a market-wide view) and to monitor compliance, while minimizing the cost of reporting obligations. Additionally, FIX is global and multi-asset class which may assist in extending CAT beyond listed options and equities.

With regards to some of the defined CAT requirements, these are some of the benefits with regards to FIX:

- *CAT Reporter-ID - Although FIX can handle any identifier, we are working to ensure a smooth transition to LEI should it evolve into the global standard.*
- *CAT Customer-ID - FIX has a party block concept which will fully support the SRO Alternate Approach if it is selected.*
- *Order-ID - FIX already uses the daisy chain approach in its processing.*

- *Average Price Processing and the Allocation Model - FIX supports allocation communications and work has recently been done to expand its functionality which will greatly increase its usage.*
- *Options - Of course, FIX is used for order routing and reporting into/from the exchanges but is also used for all clearance information into the Options Clearing Corporation (OCC).*

Because of the broad footprint of FIX and its flexibility to respond to divergent data and linkage requirements we believe that the capability to use FIX rather than proprietary protocols will result in great savings both in dollars and implementation time.

Finally, in addition to being the global protocol for communications between the buy-side, sell-side and exchanges, FIX is used both for regulatory reporting and settlement processing around the globe. Some examples of FIX usage across the global regulators are ASIC Short Sale Reporting, IIROC Transaction Reporting, FINRA TRACE Reporting, and CFTC Large Trader Reporting.

Additionally, FIX has a partnership with the Financial Information Forum (FIF) to promote standardization in trade reporting and together have collaborated on numerous regulatory initiatives over the years such as Regulation NMS, Short Sale Reporting and more recently the Consolidated Audit Trail.

The FIX Trading Community is willing to participate with the SEC in further industry discussions on this topic and hopes the SEC will consider using FIX as the recommended reporting format for the Consolidated Audit Trail. Thank you for your consideration.

Sincerely,



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FIX Trading Community