

# Reducing the Operating Costs of the Consolidated Audit Trail



On Sept. 30, 2025, the Securities and Exchange Commission issued conditional exemptive relief from certain requirements of the National Market System Plan governing the Consolidated Audit Trail (CAT) (the “CAT NMS Plan”), Rule 613 of Regulation NMS, and Rule 17a-1 under the Securities Exchange Act of 1934.

This relief addresses four areas related to CAT:

- Lifecycle linkages
- Re-processing of late records
- Providing an online targeted query tool (OTQT)
- Data storage and retention

## Why This Matters

The conditional exemptive order allows the self-regulatory organizations that are participants in the CAT NMS Plan (Participants) to expeditiously and meaningfully reduce CAT operating costs while retaining the CAT’s core regulatory functionality.

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## Requirement to Create Lifecycle Linkages by T+1 at Noon ET

Pursuant to previous exemptive relief issued by the Commission in November 2023, the Participants are currently required to provide interim lifecycle linkages by T+1 at 9 p.m. ET and final lifecycle linkages by T+5 at 8 a.m. ET. In December 2024, the Commission subsequently approved an amendment to the CAT NMS Plan that removed the requirement to link and create order lifecycles for Options Market Maker quotes in Listed Options OMM (OMM Quotes). The exemptive relief granted Sept. 30, 2025, enables the Participants to further relax requirements related to the provision of lifecycle linkages.

Specifically, the exemptive relief would allow the CAT NMS Plan processor (Plan Processor) to provide only final lifecycle linkages for all order events by T+5 at 8 a.m. ET, except that no lifecycle linkages will be required for options market maker quotes in listed options consistent with the December 2024 plan amendments for OMM quotes. As a condition to this relief, upon requests made by authorized regulatory users from the Participants or the Commission, the Plan Processor must create interim CAT Order IDs for a specified trade date or dates and thereby provide linked lifecycles to regulators before T+5 at 8 a.m. ET.

## Requirements for Re-Processing of Late Records

Pursuant to previous exemptive relief issued by the Commission in November 2023, the Participants currently perform certain re-processing on data that is received late, including re-processing that assembles all late-reported CAT data into complete order event lifecycles to present such data to regulatory users in a manner substantially similar to how such data would have been presented if it had been reported on time (Full Replay process). The conditional exemptive relief issued on Sept. 30, 2025, enables the Participants to cease performing the Full Replay process altogether. It also reduces the frequency and scope of other weekly re-processing for late records known as the Enhanced Late to the Lifecycle process, subject to which late records are currently associated with all relevant lifecycles as part of normal re-processing, such that order event lifecycles may be associated with more than one CAT Order ID, among other things.

Specifically, pursuant to the conditions of this exemptive relief, the Participants must ensure that the Plan Processor maintains the Enhanced Late to the Lifecycle process for late records (i.e., post T+5 data) from trade dates within the prior three years, including lifecycle mapping which indicates all lifecycle associations made during the Enhanced Late to the Lifecycle process. The Enhanced Late to the Lifecycle process must be run quarterly. For data outside of this three-year window, no re-processing is required. Upon requests by authorized regulatory users from the Participants or the Commission, the Plan Processor must run the Full Replay process on specified data, such that late records received through Friday of the prior week are available for regulatory users on the following business day at 8 a.m. ET, absent extraordinary circumstances. Finally, the Plan Processor must continue to notify regulatory users how re-processing will be completed for late records.

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## Requirement to Provide an OTQT

The conditional exemptive order grants relief to the Plan Processor from providing Participants and the SEC with access to CAT Data through certain OTQT functionality. However, the Plan Processor must maintain currently-existing controls, monitoring, logging, and reporting for the remaining query tools – user-defined direct queries and bulk extract, as well as for certain MIRS tools that are provided as part of the OTQT functionality. In addition, OTQT functionality may not be eliminated until two months after the publication of the conditional exemptive order in the Federal Register.

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## Requirements Related to Data Storage and Retention

Pursuant to this conditional exemptive relief, the Participants will be allowed to:

- Delete all CAT data older than five years, rather than six years as provided by the CAT NMS Plan;
- Move CAT data older than three years to a more cost-effective storage tier, which will not be immediately accessible but will be made available to regulatory users when requested;

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- Delete all options market quotes in listed options data after one year; and
  - Delete all interim operational data older than 15 days.
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## **What's Next**

The exemptive relief granted by the Commission is immediately effective.

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