

Seeking Public Input on the Consolidated Audit Trail and Other Audit Trails and Data Sources



On April 16, 2026, the Securities and Exchange Commission issued a concept release to solicit public comment in support of a comprehensive review of the Consolidated Audit Trail (CAT) and other audit trails and related data sources currently used in the regulation of U.S. securities markets.

Background

Effective oversight of the U.S. securities markets by the Commission and by self-regulatory organizations, including the national securities exchanges and national securities associations (collectively, the SROs), relies on, among other things, access by regulatory users to accurate and timely market data. Because the vast majority of securities transactions in modern markets occur electronically, at high speeds and volumes and across trading venues, cross-market data plays an important role in that oversight.

Before the implementation of the CAT, cross-market audit trail information had significant limitations, and analysis of cross-market trading activity was often a cumbersome, complex, and time-consuming process that was prone to error. To improve the accuracy, completeness, accessibility, and timeliness of the data available to regulators, the Commission, in 2012, adopted Rule 613 under the Securities Exchange Act of 1934 to require the SROs to jointly develop a national market system plan to create, implement, and maintain the CAT (the "CAT NMS Plan"). The CAT NMS Plan was approved by the Commission in 2016.

Highlights of the Concept Release

Developments Following Approval of the CAT NMS Plan

There have been a number of developments in the nearly ten years since the CAT NMS Plan was approved by the Commission, including:

- The CAT has been implemented, and other audit trails and data sources, like the Order Audit Trail System (OATS), have been retired.
- The annual costs of maintaining and operating the CAT have grown well beyond the Commission's 2016 estimate, in part because markets have experienced much higher volumes and more trading activity than anticipated.

- The Commission has received suggestions from the SROs and other market participants about potential considerations for, and improvements to, audit trails and/or related data sources, including petitions for rulemaking related to the operation and funding of the CAT. In addition, there have also been legal challenges to the CAT.

Comprehensive Review of the CAT and Other Audit Trails and Related Data Sources

To further consider these developments, the Commission has determined to conduct a comprehensive review of the CAT and other audit trails and related data sources currently used by securities regulators.

The concept release solicits comments to aid this comprehensive review, on topics including, but not limited to, CAT funding and cost management, the regulatory purpose of the CAT, the structure and governance of the CAT, the design and scope of the CAT, and the cybersecurity and data privacy of the CAT and other audit trails and related data sources, as well as comments regarding the appropriate balance between privacy and confidentiality considerations, civil liberties protections, and regulatory need.

The Commission encourages comment from all interested parties on the general and specific questions raised in the concept release, as well as on any other aspects of audit trails and related data sources either currently in use or that should be created. The Commission also welcomes comments on any costs, burdens, or benefits that may result from possible regulatory responses related to the items discussed in the concept release or otherwise raised by commenters.

What's Next

The concept release will be published on the SEC's website and in the *Federal Register*. The comment period will remain open for 60 days from publication in the *Federal Register*.