

Information Notice

Completion of Historical CAT Cost Recovery Assessment 1

December 24, 2024

Suggested Routing

- ▶ Compliance
- ▶ Legal
- ▶ Trading

Key Topic(s)

- ▶ Consolidated Audit Trail
- ▶ E-Bill
- ▶ Historical CAT Cost Recovery Assessment 1

Referenced Rules and Notices

- ▶ Rule 6897

Summary

Effective January 1, 2025, Historical CAT Cost Recovery Assessment 1 will no longer be in effect for transactions in eligible securities executed by FINRA member CAT executing brokers.

Questions concerning this *Notice* should be directed to:

- ▶ Amanda Rath, Associate Director, Finance, at (240) 386-6637 or [email](#); or
- ▶ Faisal Sheikh, Assistant General Counsel, Office of General Counsel, at (202) 728-8379 or [email](#).

Discussion

FINRA Rule 6897(b)(1)(A) implemented a Consolidated Audit Trail (CAT) cost recovery fee—Historical CAT Cost Recovery Assessment 1—to recover FINRA's contributions towards the creation, implementation and maintenance of the CAT prior to January 1, 2022 (\$4,391,414), and provides that this fee will remain in effect on a monthly basis until \$4,391,414 has been collected from member CAT executing brokers.¹ Rule 6897(b)(1)(A) also states that FINRA will provide notice to firms when Historical CAT Cost Recovery Assessment 1 is no longer in effect.

FINRA anticipates it will collect \$4,391,414 from the application of Historical CAT Cost Recovery Assessment 1 on transactions through December 31, 2024, and therefore is providing notice that Historical CAT Cost Recovery Assessment 1 will not be assessed on members' transactions beginning on January 1, 2025. Firms therefore will no longer receive monthly invoices from FINRA for the Historical CAT Cost Recovery Assessment 1 after January 2025 (*i.e.*, the last invoice for Historical CAT Cost Recovery Assessment 1 based on December 2024 transactions will be sent to member CAT executing brokers in January 2025, with payments due February 2025).²

Endnotes

1. For additional information regarding Historical CAT Cost Recovery Assessment 1, *see* Rule 6897(b)(1)(A); *see also* Securities Exchange Act Release No. 101064 (September 17, 2024), 89 FR 77558 (September 23, 2024).
2. Historical CAT Cost Recovery Assessment 1 is unrelated to “Historical CAT Assessment 1.” “Historical CAT Assessment 1” is a separate fee assessed, not by FINRA, but by CAT LLC pursuant to the CAT NMS Plan. Historical CAT Assessment 1 will remain in effect until CAT LLC provides notice otherwise. *See* Securities Exchange Act Release No. 101012 (September 12, 2024), 89 FR 76626 (September 18, 2024); *see also* FINRA Rule 6897(a)(1)(A).