
SIFMA Publishes Recommendations for the Creation of a Consolidated Audit Trail.

SIFMA announced it has published a new white paper, "Industry Recommendations for the Creation of a Consolidated Audit Trail (CAT)." This paper presents SIFMA's views on how the CAT system should be organized, provides key principles on operations, structure, governance, and scope, and outlines the industry vision of how the CAT system should be implemented and expanded.

"SIFMA supports the creation of an effective, efficient CAT system that will improve regulators' supervisory capabilities, thereby strengthening financial markets and enhancing trust and confidence in the financial industry," said Kenneth E. Bentsen, Jr., acting president and CEO. "Creating a CAT that captures the full lifecycle of trades is a massive undertaking that will require significant resources from the industry. This document is meant to provide our input on the best path forward."

"Establishing a CAT system that efficiently captures securities orders across all markets will provide regulators with an important new tool for monitoring trading activity," added Randy Snook, executive vice president, business policy and practices. "An effective CAT system will improve transparency in our markets, which is critical for building confidence in the financial system."

In its paper, SIFMA identified eight guiding principles for the development of a CAT system:

- Elimination of Duplicative Systems and Reporting;
- Appropriate Flexibility and Scalability;
- Centralized Administration;
- Public Transparency and Industry Engagement;
- Minimal Disruption to Existing Market and Business Practices;
- Reuse of Existing Assets and Standards;
- Data Security, Privacy and Consumer Protection; and
- Special Considerations for Options.
- SIFMA utilized these principles to make specific recommendations on ten key topics that are vital to CAT implementation. Highlights of these recommendations include:

The full white paper is available here: http://www.sifma.org/issues/item.aspx?id=8589942773

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