
Monthly CAT Implementation Update

October 15, 2020

Agenda

- State of the CAT
- CAT NMS Plan, Exemptive Relief and Interpretive Updates
- Technical Specification Updates
- CAIS/LTID Reporting
- Compliance
- Upcoming Industry Webinars
- Q&A

State of the CAT

Validations Live In Compliance Period

Phase 2a (Equities)		Phase 2b (Options)	
Validation	Compliance Go-Live Date	Validation	Compliance Go-Live Date
Late, Data Integrity	June 22, 2020	Late, Data Integrity	July 20, 2020
Intrafirm Linkage	July 27, 2020	Intrafirm Linkage	August 24, 2020

Equities (September 14, 2020-October 12, 2020)		Options (September 14, 2020-October 12, 2020)	
# of Firms Submitting	1,217	# of Firms Submitting	743
Avg. Daily Volume	14.5B	Avg. Daily Volume	1.4B
Avg. Daily Late %	0.52%	Avg. Daily Late %	0.41%
Avg. Daily Rej %	0.15%	Avg. Daily Rej %	0.67%
Avg. Daily Intrafirm Unlinked %	0.25%	Avg. Daily Intrafirm Unlinked %	0.07%
Avg. Overall Daily Error Rate	0.74%	Avg. Overall Daily Error Rate	0.73%

Compliance dates are listed in the [Timeline](#)

Production Statistics

October 5 – October 9, 2020

Product Type	Firm Count	Total Weekly Aggregate Accepted Count	Late %	Initial Rejection %	Initial Intrafirm Unlinked %	Initial Compliance Error %	Adjusted Compliance Error %	Interfirm Sent Unlink %	Interfirm Received Unlink%	Exchange Unlink %	TRF Unlink %
Equities	1,159	62,741,273,102	.4791%	.0153%	.0313%	.5145%	.4913%	8.5439%	10.3529%	27.4590%	33.5171%
Options	669	5,725,915,962	.8151%	.0043%	.0279%	.8354%	.8340%	1.0953%	6.0561%	48.9483%	N/A
Unknown	106	158,852	N/A	.6585%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

1. File Rejection Rate is 0.16%.
2. Average daily Accepted volume is about 12.5 B for Equities and 1.1B for Options.
3. Initial & Adjusted Error Rates include Late + Rejections + Intrafirm Errors.

Indicative Industry Member Equities 10/26/20 Compliance Rate–Inclusive of All Errors

Trade Date	Overall Indicative 10/26/20 Compliance Error Rate %
10/5/2020	7.9457%
10/6/2020	7.5969%
10/7/2020	7.2187%
10/8/2020	7.5763%
10/9/2020	6.8482%

Upcoming Compliance Dates

Phase 2a (Equities)

Validation	Available in Test Environment	Available in Production Environment	Compliance Go-Live Date
Interfirm Linkage	July 27, 2020	August 10, 2020	October 26, 2020
TRF and Exchange Linkage	September 9, 2020	September 28, 2020	October 26, 2020

Phase 2b (Options)

Validation	Available in Test Environment	Available in Production Environment	Compliance Go-Live Date
Interfirm Linkage	July 27, 2020	August 10, 2020	January 4, 2021
Exchange Linkage	September 9, 2020	September 28, 2020	January 4, 2021

Compliance dates are listed in the [Timeline](#)

Interfirm Linkage Updates

- ▶ Interfirm unmatched rates overall are approximately 9%, down from 20% as reported last month:
 - Equities interfirm unmatched rates 9%
 - Options interfirm unmatched rates 6%
- ▶ Areas to focus on:
 - Communication between counterparties on linkage keys
 - Correct population of IMIDs
- ▶ FINRA CAT shares statistics, observations and suggested best practices on Weekly Testing Checkpoint Calls
- ▶ Compliance date is October 26, 2020 for equities and January 4, 2021 for options
- ▶ Resources:
 - [Interfirm Linkage Overview \(7/22/2020\)](#)
 - [Interfirm Linkage Overview \(8/12/2020\)](#)
 - [Interfirm Linkage Overview \(8/19/2020\)](#)

Exchange Linkage Update

- ▶ Exchange unmatched rates overall are approximately:
 - 27% for equities exchanges
 - 49% for options exchanges
- ▶ Areas to focus on:
 - *session*: ensure session meets the exchange requirements and does not include any characters that were not sent to the exchange
 - *senderIMID*: may be different from the *CATReporterIMID*- verify with the exchange what the SRO-assigned identifier is
 - *routedOrderID*: the inclusion or deletion of special characters such as spaces, underscores or slashes in order to match the *routedOrderID* captured by the exchange
- ▶ FINRA CAT shares statistics, observations and suggested best practices on Weekly Testing Checkpoint Calls
- ▶ Compliance date is October 26, 2020 for equities and January 4, 2021 for options
- ▶ Resources:
 - New [Plan Participant Contact List](#)
 - This list provides Industry Members with a contact for error linkage issues and interpretive issues related to the respective Plan Participant. This list will continue to be updated as additional contact information is available.
 - Updated on 10/6/20: [Order Routing Field Mapping between CAT and Exchanges](#)
 - Added LTSE, MEMX, and MIAX PEARL Equities exchanges
 - Section 2.4.1 of the [Technical Specifications for Industry Members](#)
 - [Exchange Route Matching Industry Webinar \(9/16/20\)](#)

TRF Linkage Update

- ▶ TRF unmatched rates overall are approximately 33%
- ▶ Areas to focus on:
 - *tapeTradeID* vs. *tradeID*:
 - *tapeTradeID* is the Compliance ID, Branch Sequence Number or FINRA Compliance Number
 - *tradeID* is the Unique ID assigned to this execution by the Industry Member
 - Linking to the correct side of the trade report
 - Reporting Side MPID must match the Reporting Side Compliance ID, Branch Sequence Number or FINRA Compliance Number and Contra Side MPID must match the Contra Side Compliance ID, Branch Sequence Number or FINRA Compliance Number. It is not permissible for the Reporting Side MPID to match the Contra Side Compliance ID, Branch Sequence Number or FINRA Compliance Number or vice versa.
- ▶ FINRA CAT shares statistics, observations and suggested best practices on Weekly Testing Checkpoint Calls
- ▶ Compliance date is October 26, 2020
- ▶ Resources:
 - Section 2.4.1 of the [Technical Specifications for Industry Members](#)
 - [TRF Linkage Industry Webinar \(9/29/20\)](#)

CAT NMS Plan, Exemptive Relief and Interpretive Updates

Amendments

- ▶ None since the last Monthly CAT Implementation Update (September 17, 2020)

Exemptive Relief Requests and Orders

- ▶ None since the last Monthly CAT Implementation Update (September 17, 2020)

New FAQs

- ▶ 13 New FAQs published since the last Monthly CAT Implementation Update (September 17, 2020). Highlights include:
 - New FAQ E31 regarding malformed messages
 - New FAQs Q32 – Q37 related to Customer and Account Information, including CAIS LTID reporting requirements
 - New FAQs U17-U22 related to allocation reporting

FAQ Updates

- ▶ 6 Updated FAQs published since the last Monthly CAT Implementation Update (September 17, 2020).
- ▶ No change in guidance— only language clarification:
 - Updated FAQ B12 regarding reporting of the equity leg of a complex order
 - Updated FAQ F3 regarding agency orders filled on an average price basis
 - FAQs B49, U2 and U16 regarding booking of shares/contracts
- ▶ FAQ B7 was retired and moved to Section I, Foreign Securities as New FAQ I9
 - No change in guidance – only language clarification

Unique *orderID* Requirements

- ▶ As of September 28, 2020, the Phase 2d CAT Reporting Technical Specifications for Industry Members is being updated to remove the requirement for Industry Members to change and provide a new unique *orderID* on CAT Order Modification and Order Adjustment events.
- ▶ This update will be reflected in the next version of the CAT Reporting Technical Specifications for Industry Members which will be posted to www.catnmsplan.com on November 6, 2020.
- ▶ An email announcement was sent to all subscribers of the [Consolidated Audit Trail \(CAT\) Email Subscription Service](#) on September 28, 2020.

Technical Specification Updates

Technical Specification Updates

- ▶ A new version of all 3 Technical Specifications will be published on the first Friday of each month beginning on November 6, 2020
- ▶ Between publications, the Planned Technical Specifications Updates list will be maintained on the [Technical Specifications](#) page of www.catnmsplan.com
- ▶ Recent Technical Specification Publications were reviewed during the September 22, 2020 CAT [Technical Specification Working Group](#)

Reporting Scenarios Updates

- ▶ A new version of both Reporting Scenarios documents will be published on the first Friday of each month beginning on November 6, 2020

CAIS/LTID Reporting

CAIS LTID Timeline

08/20/2020
CAIS LTID Registration
Begins

08/24/2020
CAIS LTID Industry
Test Environment
Opens

10/05/2020
CAIS LTID Certification
Opens

12/14/2020
CAIS LTID Production
Opens

4/26/2021
CAIS LTID Mandatory
Reporting

Industry Test Status CAIS LTID – As of 10/15/20

Item	Statistic – This Week
Number of Firms Registered	446
Number of Firms Certified	1
Number of Total Submitters	6
Number of Unique Firms	6
Number of Files Received	35 <ul style="list-style-type: none">• Reporter Portal: 25• SFTP: 10
Number of Files Rejected	12
File Reject Rate	34.29%

CAIS LTID Registration and Onboarding

- ▶ Although it was recommended that all organizations that need to access CAIS for the submission of LTID data complete the registration form no later than October 5, 2020, registration will remain open.
- ▶ Reporters that have no accounts with associated LTIDs to report at this time are still encouraged to complete the registration process in order to quickly and efficiently onboard in the future if and when necessary.
- ▶ CAIS LTID Production Certification opened on October 5, 2020 and remains open.

Other CAIS Resources

- ▶ On September 22, 2020 v1.1.2 of the CAT CAIS Reporting Scenarios were published on the [Reporting Scenarios](#) section of catnmsplan.com
- ▶ On October 14, 2020, Consolidated Audit Trail, LLC and FINRA CAT, LLC published a video tutorial, [How to Access the CAT CAIS Reporter Portal](#).
- ▶ Bi-Weekly CAIS Industry Testing Checkpoint calls are being held every other Wednesday. Registration is available on the [Events](#) section of catnmsplan.com.

Compliance

Report Card Updates

- ▶ Report Cards will be made available on a rolling basis in line with compliance dates for Phase 2a validation releases
- ▶ On October 14, 2020, the September 2020 Industry Member Report Cards were published which included:
 - Equities: Ingestion, Intrafirm and Out of Sequence Statistics
 - Options: Ingestion, Intrafirm and Out of Sequence Statistics
- ▶ On Wednesday, December 16, 2020 at 3:30 pm ET, Consolidated Audit Trail, LLC and FINRA CAT, LLC will host an [industry webinar](#) to provide an overview of the November 2020 Industry Member Compliance Report Card with addition of Interfirm, Exchange and TRF reporting statistics
- ▶ Resources:
 - [Updated Industry Member Compliance Glossary](#)
 - [Industry Member Compliance Report Card Webinar](#)

Upcoming Industry Webinars

Upcoming Industry Webinars

- ▶ On Wednesday, October 21, 2020 at 4:15 pm ET, Consolidated Audit Trail, LLC and FINRA CAT, LLC will host an [industry webinar](#) with a specific focus on Industry Members serving as an outbound router on behalf of an NMS Exchange.

Other Updates

- ▶ On September 22, 2020, version 1.15 of the [Industry Member Onboarding Guide](#) was posted to the [Transaction Registration & Onboarding](#) page of catnmsplan.com.
- ▶ On September 23, 2020, Consolidated Audit Trail, LLC and FINRA CAT, LLC hosted an industry webinar focusing on [Phase 2c](#), highlighting the differences from Phase 2a/2b with a specific focus on allocations.

Q&A

How to Ask a Question during Today's Call

- **For participants using computer audio:**
 - Click the “Raise Hand” button at the bottom of the participants window.
 - A visual prompt will indicate that your line has been unmuted.
- **For participants using phone audio:**
 - Enter *9 on your phone keypad.
 - An audio prompt will indicate that your line has been unmuted.

FINRA CAT Helpdesk

Questions may be directed to the FINRA CAT Helpdesk at 888-696-3348 or help@finracat.com