

Agenda

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

State of the CAT

Upcoming Key Dates

Phase 2c has been fully implemented!

Topic	Event	Date
Release Availability	Test Environment Opens for Phase 2d reporting requirements	June 28, 2021
Compliance Go-Live	Production Go-Live for 2d reporting requirements	December 13, 2021

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

Equities – Rolling Five Day Period

Initial T+1 vs. T+5 8 am Data Ready for Regulators

April 22, 2021 – May 05, 2021

Trade Date	Late%	Rejection Initial	Rejection Adjusted	Intrafirm Initial	Intrafirm Adjusted	Interfirm Sent Initial	Interfirm Sent Adjusted	Interfirm Received Initial	Interfirm Received Adjusted	Exchange Initial	Exchange Adjusted	TRF Initial	TRF Adjusted	Overall Error Rate Initial	Overall Error Rate Adjusted
4/22/2021	.0010%	.0010%	.0005%	.0024%	.0017%	.0860%	.0480%	.0818%	.0468%	.5204%	.5134%	.1857%	.1782%	.1162%	.1047%
4/23/2021	.1657%	.1149%	.1108%	.0880%	.0051%	.4670%	.0256%	.5031%	.1849%	.5412%	.0083%	.2115%	.1707%	.5576%	.3072%
4/26/2021	.8895%	.6801%	.1486%	1.5732%	.0684%	1.0608%	.0287%	2.4420%	.9296%	.5649%	.0058%	.2106%	.1657%	3.0683%	1.1788%
4/27/2021	.0245%	.1117%	.1051%	.0668%	.0127%	.0859%	.0205%	1.1574%	1.0519%	.5282%	.0024%	2.6794%	.1273%	.4312%	.2755%
4/28/2021	2.6073%	.1100%	.1055%	.0238%	.0154%	2.9555%	.0080%	2.5082%	1.1129%	.6779%	.0832%	2.5163%	.1191%	3.4151%	2.7667%
4/29/2021	.1494%	.1153%	.1017%	.0959%	.0074%	.1273%	.0086%	1.5132%	1.3963%	.5815%	.0024%	2.3590%	2.3123%	.6385%	.4394%
4/30/2021	1.2604%	.0098%	.0047%	.5471%	.0077%	.0657%	.0177%	3.1795%	.3526%	.5809%	.0082%	2.4633%	2.4109%	2.1447%	1.3207%
5/3/2021	.0391%	.0076%	.0068%	.0160%	.0105%	.1119%	.0193%	.5621%	.3697%	.5667%	.0107%	2.9711%	2.9239%	.2388%	.1008%
5/4/2021	.0070%	.0035%	.0030%	.0133%	.0083%	.0718%	.0168%	.2453%	.1964%	.6071%	.0101%	2.1141%	2.0853%	.1652%	.0457%
5/5/2021	.0044%	.0039%	.0032%	.0110%	.0078%	.0991%	.0515%	.0932%	.0433%	.5649%	.0099%	2.2265%	2.2020%	.1394%	.0278%

Options – Rolling Five Day Period

Initial T+1 vs. T+5 8 am Data Ready for Regulators

April 22, 2021 – May 05, 2021

Trade Date	Late%	Rejection Initial	Rejection Adjusted	Intrafirm Initial	Intrafirm Adjusted	Interfirm Sent Initial	Interfirm Sent Adjusted	Interfirm Received Initial	Interfirm Received Adjusted	Exchange Initial	Exchange Adjusted	Overall Error Rate Initial	Overall Error Rate Adjusted
4/22/2021	.0003%	.0237%	.0231%	.0122%	.0083%	.0124%	.0108%	.0962%	.0912%	.0213%	.0174%	.0399%	.0355%
4/23/2021	.0385%	.1004%	.0416%	.0105%	.0098%	.0332%	.0138%	.1833%	.1092%	.4571%	.4560%	.3019%	.2410%
4/26/2021	.1433%	.0113%	.0046%	.0467%	.0434%	.2016%	.0433%	3.7698%	.4289%	1.3195%	.6056%	.6839%	.3872%
4/27/2021	.0008%	.0044%	.0025%	.0201%	.0123%	.0453%	.0137%	.3876%	.3196%	.5986%	.5979%	.2250%	.2167%
4/28/2021	.7877%	.0072%	.0053%	.0119%	.0090%	17.2777%	.0102%	.3911%	.2816%	.6413%	.6410%	1.2614%	1.0139%
4/29/2021	1.6242%	.0063%	.0048%	.0109%	.0048%	.0136%	.0105%	.2903%	.2840%	.6657%	.6640%	1.8603%	1.8544%
4/30/2021	1.8253%	.0056%	.0047%	.0100%	.0050%	.0139%	.0111%	.2552%	.0744%	.6485%	.6482%	2.0591%	2.0520%
5/3/2021	1.3500%	.0060%	.0045%	.0081%	.0033%	.0256%	.0220%	.3139%	.0917%	.1324%	.1301%	1.4101%	1.4016%
5/4/2021	.0730%	.0069%	.0054%	.0152%	.0056%	.0220%	.0198%	.2579%	.0803%	.1609%	.1594%	.1452%	.1347%
5/5/2021	.8609%	1.5663%	.7866%	.0112%	.0052%	.0274%	.0246%	.4180%	.0944%	.1340%	.1312%	2.4819%	1.6935%

2c Production – Statistics & Observations

April 26, 2021 – May 7, 2021

Item	Statistic
Representative Order Linkage Rate	99.91%
Fulfillment Order Linkage Rate	99.40%
Allocation Events Rejection Rate	1.74%
Top Allocation Events Rejection Errors	Missing or Invalid <i>firmDesignatedID</i> Missing or Invalid <i>symbol</i> Missing or Invalid <i>allocationKeyDate</i> Missing or Invalid <i>tradeDate</i> Missing or Invalid <i>settlementDate</i> Missing or Invalid <i>allocationType</i> Invalid <i>correspondentCRD</i>

CAT NMS Plan, Exemptive Relief and Interpretive Updates

New FAQs

- ▶ 9 New [FAQs](#) published since the last Monthly CAT Implementation Update (April 15, 2021).
- ▶ Transaction-Related FAQs:
 - C8 defines the term “other forms of solicitation”.
 - M16 addresses the required steps an Industry Member must take in the limited circumstances where it changed the Firm Designated ID (FDID) for a trading account.
 - M17 states that the *firmDesignatedID* submitted to CAT CAIS must be the same *firmDesignatedID* submitted on the related Transaction Order event.
 - U27 provides guidance for populating the *settlementDate* field for allocations in “when-issued” securities.

New FAQs– continued

▶ CAIS-Related FAQs:

- Q43 which states that Industry Members must not report a *firmDesignatedID* value of 'PENDING' to CAT CAIS.
- Q44 regarding how Industry Members should report customer and account address information to CAIS.
- Q45 provides guidance on the reporting of addresses that are not directly used for routine account and/or customer communications.
- Q46 states that 'FOREIGN' is not a permissible *customerType* value for Customers with a US Taxpayer Identification Number.
- Q47 provides further clarification on the allowable value 'ADVISER' in the *customerType* field.

Updated FAQs

- ▶ 18 Updated [FAQs](#) published since the last Monthly CAT Implementation Update (April 15, 2021).
- ▶ Transaction-Related FAQs:
 - A26 was updated to clarify how the *orderKeyDate* field must be populated should an Industry Member optionally report secondary events for primary events that were not required to be reported to CAT.
 - A29, defining Small Industry Members, was updated to reflect the exemptive relief granted in April 2020.
 - B71 was updated to clarify when equity and options orders tied to a product that is not CAT-reportable using a formula (such as a specific delta) are required to use the “Tied To” *handlingInstructions* values.
 - C5 was updated to include a reference to FAQ B68 and clarify how the *accountHolderType* field should be populated for complex option orders.
 - D10, regarding “cash orders”, was updated to conform with the 2d Spec.

Updated FAQs– continued

- K6 was updated to remove the portion that stated that the Phase 2d reporting requirements for solicitation responses was under consideration.
- K12, regarding options sell orders, was updated to conform with the Phase 2d Technical Specifications.
- M1, M3, M6 and M10 were updated to clarify the reporting requirements for Firm Designated IDs to both CAT Transaction and CAT CAIS systems.
- M4 was updated to illustrate the required use of Firm Designated ID in scenarios where an order is placed in a master account and later allocated to subaccounts.
- M8 was updated to clarify that Industry Members must report the Firm Designated ID on all Transaction Order events requiring one.
- U22 was updated to clarify which *allocationType* value should be used for allocations to average price accounts held in the name of a specific client of an Introducing Broker.
- U25 was updated to include the reporting requirements for Amended Allocation events optionally reported to CAT for allocations that occurred prior to the date that the allocation was required to be reported to CAT.

Updated FAQs– continued

▶ CAIS-Related FAQs:

- Q3 was updated to clarify that FDIDs with associated LTIDs reported by Large Industry Members on or after April 26, 2021 are required to be reported to CAT CAIS.
- Q7 was updated to clarify that Sensitive Identifiers, dates of birth and account numbers are not permitted to be submitted to CAT CAIS in any field of any record.
- Q20 was updated to include an example for when a Large Industry Member is required to report an FDID with associated LTIDs to CAIS.

Technical Specification Updates

Technical Specification & Reporting Scenarios Updates

- ▶ An updated version of the Phase 2c [Technical Specifications](#) was published on May 10, 2021.
- ▶ An overview of the Technical Specifications updates was presented at the [May 11, 2021 CAT Technical Specification Working Group](#).
- ▶ Schema Updates:
 - The Phase 2c Industry Member Schema, version 3.1.0 r13 was published on May 12, 2021.
 - The Phase 2d Industry Member Schema, version 4.0.0 r8 was published on May 19, 2021.
- ▶ Between publications, the Planned Technical Specifications Updates list will be maintained on the [Technical Specifications](#) page of www.catnmsplan.com.

CAIS/LTID Reporting

CAT Customer and Account Information



CAIS Updates

- ▶ The [CAT Reporting Customer and Account Technical Specifications for Industry Members-LTID v1.2.2](#) was published on April 20, 2021
- ▶ The [CAT Reporting Customer and Account Technical Specifications for Industry Members-CCID v2.0 r2](#) was published on May 7, 2021
- ▶ New [CAIS Compliance Glossary](#) was published on May 6, 2021
- ▶ The first CAIS Report Card will be published in June 2021 for the month of May 2021

CAIS Events

- ▶ The next [Monthly CAIS/LTID Industry Testing Checkpoint Call and CAIS Report Card](#) is June 9, 2021
- ▶ The recordings and presentations from the following industry webinars are available at www.catnmsplan.com:
 - [CAT Customer and Account Reporting Requirements and CAIS Technical Specification Overview](#) (May 18, 2021)
 - [Monthly CAIS/LTID Industry Testing Checkpoint Call and Transformed Identifiers Creation Webinar](#) (May 5, 2021)
 - [CAT CAIS Technical Specification Working Group Q&A](#) (May 4, 2021)

CAIS Disclosure Form

- ▶ On April 26, 2021, the SROs published [CAT Alert 2021-02-Standards for Completing the Customer And Account Reporting Disclosure Form](#)
 - This alert provides information about the two types of disclosures (Type 1 Disclosure (optional) and Type 2 Disclosure (required)), who may self-report, self-reporting and disclosure considerations, when to self-report, and how to complete the Customer and Account Reporting Disclosure Form.
- ▶ The related Customer and Account Reporting Form and a sample Form in PDF format can be found on [catnmsplan.com](https://www.catnmsplan.com) at <https://www.catnmsplan.com/forms>

Compliance

Transaction Report Card Updates

- ▶ On May 17, 2021, the April 2021 Industry Member Report Cards were published.
- ▶ Other Resources:
 - [Industry Member Report Card- Known Issues List](#)
 - [Daily Compliance Error Rate Glossary and Industry Member Compliance Glossary](#)
 - August 20, 2020 [Industry Member Compliance Report Card Webinar](#)
 - December 16, 2020 [Industry Member Report Card Webinar](#)
 - February 24, 2021 [Industry Member Report Card 101 Webinar](#)
 - March 23, 2021 [Industry Member Report Card – Reporting Scenario Examples](#)

Clock Synchronization

- ▶ The [Self Reporting Clock Synchronizations Deviation Form](#) was updated on April 26, 2021 to capture more information about the CAT Reporter in Item 1.

Upcoming Industry Webinars and Other Updates

Other Updates

- ▶ [Small Firms Roadmap to December 13, 2021](#)
- ▶ Updated [FINRA CAT Connectivity Supplement for Industry Members](#) was published on April 22, 2021

Industry Webinars

▶ Upcoming:

- The next bi-weekly [Industry Testing Checkpoint Call](#) will be held on May 25, 2021 at 4:15 pm ET.
- On Thursday, June 10, 2021 at 11 am ET, Consolidated Audit Trail, LLC and FINRA CAT, LLC will host an [industry webinar](#) which will review the steps that Small Firms must take to prepare for reporting to the CAT Transaction System and CAT Customer and Account Information System (“CAIS”) by the compliance date on December 13, 2021.
- On Thursday, June 24, 2021 at 1 pm ET, Consolidated Audit Trail, LLC and FINRA CAT, LLC will host an [industry webinar](#) focusing on the Phase 2d reporting requirements.

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