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# Monthly CAT Implementation Update

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November 18, 2021

# Agenda

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

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# State of the CAT

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# Upcoming Key Date

Topic	Event	Date
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

### November 4, 2021 – November 10, 2021

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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
11/4/2021	.1829%	.0013%	.0008%	.0030%	.0012%	.0221%	.0011%	.4247%	.0044%	.0016%	.0007%	.1316%	.0707%	.2461%	.1854%
11/5/2021	.0001%	.0008%	.0004%	.0020%	.0011%	.0141%	.0012%	.0198%	.0059%	.0014%	.0007%	.1397%	.0756%	.0071%	.0024%
11/8/2021	.0011%	.0010%	.0004%	.0021%	.0018%	.0139%	.0021%	.0192%	.0061%	.0015%	.0008%	.2034%	.1873%	.0081%	.0040%
11/9/2021	.0105%	.0007%	.0004%	.0024%	.0019%	.0882%	.0747%	.0174%	.0059%	.0014%	.0008%	.1078%	.0876%	.0270%	.0229%
11/10/2021	.0037%	.0007%	.0004%	.0034%	.0030%	.0115%	.0017%	.0399%	.0047%	.0015%	.0014%	.1542%	.1358%	.0137%	.0072%

# Options – Rolling Five Day Period

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

### November 4, 2021 – November 10, 2021

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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
11/4/2021	.0700%	.0148%	.0141%	.0097%	.0097%	.1401%	.1315%	1.4138%	.0940%	.0158%	.0157%	.1276%	.1004%
11/5/2021	.0001%	.0322%	.0314%	.0105%	.0105%	.2199%	.2119%	.2061%	.1630%	.0209%	.0209%	.0554%	.0535%
11/8/2021	.0001%	.0112%	.0103%	.0068%	.0062%	.0496%	.0410%	.0503%	.0062%	.0114%	.0108%	.0218%	.0192%
11/9/2021	.0001%	.0130%	.0122%	.0069%	.0068%	.0914%	.0846%	.0972%	.0605%	.0138%	.0133%	.0261%	.0242%
11/10/2021	2.6168%	.0173%	.0163%	.0429%	.0411%	.0736%	.0673%	.0734%	.0416%	.0937%	.0933%	2.6831%	2.6800%

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# CAT NMS Plan, Exemptive Relief and Interpretive Updates

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# Exemptive Request Letters

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- ▶ On October 27, 2021, the Plan Participants submitted to the SEC a [request for exemptive relief](#) from certain provisions of the CAT NMS Plan related to creating a unique CAT Customer-ID (“CCID”) for each foreign customer. This request amended and replaced in its entirety a similar request previously submitted to the SEC on September 13, 2021.



# New FAQs

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- ▶ Four Transaction [FAQs](#) published since the last Monthly CAT Implementation Update (October 21, 2021).
  - J6 was added to clarify that quotes entered directly in the OTC Link IDQS via OTC Link IDQS's Dealer Application are “structured” and thus not covered by the SEC's Exemptive Relief Order.
    - These are reportable beginning in Phase 2d as manual quotes.
  - K21 was added to clarify that the *cancelFlag* on a MOOT event must be populated with ‘true’ when an Industry Member executes a manual option trade on an exchange floor, and that trade is subsequently cancelled.
  - K22 was added to detail the reporting requirements when using an algorithmic strategy involving multiple component securities (for example, a Vega algorithm), where the trading instructions do not include the full materials terms of an order for each or any component security.
  - K23 was added to detail the reporting requirements when at least one but not all legs of a multi-leg strategy are known at the time the instruction is given from one Industry Member to another Industry Member.

# Updated FAQs

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- ▶ Nine Updated Transaction [FAQs](#) published since the last Monthly CAT Implementation Update (October 21, 2021).
  - B45, regarding RFQ responses, had minor updates to clarify that certain reporting requirements *begin* in certain phases.
  - B54 was retired concurrent with OATS retirement.
  - D10 was reframed as a plain “cash order” rather than a “cash not held order”.
  - D33 was updated to reflect the new start time for Cboe’s Global Trading Hours.
  - K15 was updated to include equity leg calculations when the order contains equity legs.
  - P5, P6, P10, and P13 were updated to conform with revisions to the Industry Member Technical Specifications.

# Updated FAQs

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- ▶ One Updated CAIS [FAQ](#) published since the last Monthly CAT Implementation Update (October 21, 2021).
  - Q39 was updated to clarify that the institutional client, rather than the end-customer, is an authorized trader in the example.

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# Technical Specification Updates

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# Technical Specification & Reporting Scenarios Updates

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- ▶ Clean and Redlined versions of the [Phase 2d Industry Member Reporting Scenarios \(v4.7\)](#) were published on November 3, 2021.

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# CAIS/LTID Reporting

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# CAT Customer and Account Information

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The LTID reporting requirement for Small Industry Members starts on December 13, 2021

# CAIS Updates

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- ▶ Appendix E of the CAT CAIS CCID Technical Specifications, [Country Codes](#) and [Region Codes](#), is now available in machine-readable format on the [Reference Data](#) page of [www.catnmsplan.com](http://www.catnmsplan.com).
- ▶ Upcoming CAIS Webinars:
  - The next [Monthly CAIS/LTID Industry Testing Checkpoint Call](#) is December 1, 2021 at 4:15 pm ET
- ▶ Recently Posted CAIS Webinar Recordings and Presentations:
  - CAIS/LTID Checkpoint Call
    - [Monthly CAIS/LTID Industry Testing Checkpoint Call](#) (November 3, 2021)
  - CAIS TSWGs:
    - [CAT CAIS Technical Specification Working Group Q&A](#) (November 16, 2021)
    - [CAT CAIS Technical Specification Working Group Q&A](#) (November 2, 2021)



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# Compliance

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# Industry Member Report Card Updates

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- ▶ The October 2021 Industry Member Transaction and CAIS Report Cards were published on November 15, 2021
  
- ▶ Other Resources:
  - [Industry Member Report Card- Known Issues List](#)
  - [CAIS Compliance Glossary](#)
    - CAIS Monthly Report Card Glossary
    - CAIS Daily Stats Glossary
  - [Transaction Compliance Glossary](#)
    - Industry Member Compliance Report Card Glossary
    - Daily Compliance Error Rate
  - 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](#)
  - June 9, 2021 [Industry Member CAIS Report Card Webinar](#)

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# Upcoming Industry Webinars and Other Updates

# Industry Webinars

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- ▶ Upcoming:
  - The next [Industry Testing Checkpoint Call](#) will be held on November 23, 2021 at 4:15 pm ET
  - The next [Monthly CAT Implementation Update](#) will be held on *Wednesday*, December 15, 2021 at 4:15 pm ET
- ▶ Recently posted Webinar Recordings and Presentations:
  - Transaction Checkpoint Calls:
    - [Industry Testing Checkpoint Call](#) (November 16, 2021)
    - [Industry Testing Checkpoint Call](#) (November 9, 2021)
    - [Industry Testing Checkpoint Call](#) (October 26, 2021)
  - [Monthly CAT Implementation Update](#) (October 21, 2021)

# Phase 2d Coordinated Industry Tests

- The lists of participating IMIDs from the five previous tests are posted to the CAT website
- The last Phase 2d coordinated industry test is on CAT Trading Day Friday, November 26, 2021
  - Participation in the industry tests is optional, but all Industry Members are encouraged to participate
  - Please refer to [CAT Alert 2021-03](#) for additional information

<u>Test Number</u>	CAT Trading Day of the Coordinated Industry Test	Data Due to Industry Test	List of Participating IMIDs Posted as <a href="#">Reference Data</a> on the <a href="#">CAT Website</a>
6	11/26/21	By 8 am on 11/29/21	By 9 am on 12/1/21

# Other General Updates

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- ▶ The Production Environment will be unavailable from approximately 8-10 am ET on December 13, 2021, during which time Industry Members will not be able to submit data to CAT.
  - FINRA CAT will send a communication when the system becomes unavailable and will send another communication when the system is back up.

# FINRA CAT Helpdesk

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Questions may be directed to the FINRA CAT Helpdesk at 888-696-3348 or [help@finracat.com](mailto:help@finracat.com)

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**Q&A**

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# How to Ask a Question during Today's Call

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- **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.