

# Active Accounts and Periodic Refresh Requirements

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12/14/21

# Active Accounts

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- ▶ “‘Active Accounts’ means account that has had activity in Eligible Securities within the last six months”  
--Section 1.1 of the CAT NMS Plan
  
- ▶ This includes all CAT-reportable activity events (e.g., MENO, MONO, MEOR, MEPA, etc.) associated with Firm Designated ID (representing an account, Relationship ID, or Entity ID)
  - As outlined in [FAQ Q40](#), all accounts with any CAT-reportable activity on or after January 11, 2022 must be reported to CAIS on or by July 11, 2022

# Footnote 33

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- ▶ “To ensure the completeness and accuracy of Customer information and associations, in addition to daily updates, broker-dealers would be required to submit periodic full refreshes of Customer information to the CAT. The scope of the ‘full’ Customer information refresh would need to be further defined, with the assistance of the Plan Processor, to determine the extent to which inactive or otherwise terminated accounts would need to be reported”

--Footnote 33 of the CAT NMS Plan

# Periodic Refresh Requirements

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- ▶ Section 3.7 of the CAT Reporting Customer and Account Technical Specifications for Industry Members-CCID outlines the Periodic Customer & Account Information Refresh requirements
  - Any FDID record that has no set *fdidEndDate* or has an *fdidEndDate* set to a date greater than the current calendar date must be submitted to, and accepted into, CAIS no less often than every 12 calendar month period
  - The FDID must be submitted with the full current data and its
  - associated CAT Customers
  - Monthly refresh report excludes any FDID with an *fdidEndReason* populated and an *fdidEndDate* set on or before the date of the report
  - Inconsistency scans exclude any CAT Customers that only have associations to FDIDs where the *roleEndDate* is set on or before the date of the scan

# Active Account and Refresh Requirements

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- ▶ Do the periodic refresh requirements only apply to “Active Accounts”?
  - The Periodic Refresh requirements apply to **all** FDIDs that where there is no *fdidEndDate* set or has an *fdidEndDate* set to a date greater than the current calendar date
- ▶ If an account has had no CAT-reportable activity in six months—however, the account remains open at the firm—how can this be reported to CAIS?
  - A new *fdidEndReason* value of ‘INACTIVE’ will be added for Industry Members that opt to inactivate FDIDs that have had no CAT-reportable transaction activity in the prior six months
  - Inactivated FDIDs would *not* be subject to periodic refresh requirements
  - This will be included in a future iteration of CAT Reporting Customer and Account Technical Specifications for Industry Members-CCID, along with related scenarios

# Additional Guidance

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- ▶ If an account that has been inactivated in CAIS (i.e., an *fdidEndReason* of 'INACTIVE') and CAT-reportable activity later resumes in the account, how can this be reported to CAIS?
  - When CAT-reportable transaction activity resumes, the Industry Member must reactivate the same FDID in CAIS by reporting it again with null values for the *fdidEndDate* and *fdidEndReason* attributes
  - Upon the resumption of CAT-reportable activity in an inactive account, Industry Members are required to report the full, current data for the FDID record in their submission within T+1

# Additional Guidance

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- ▶ Can an Industry Member continue to report updates to Customer and Account information in accounts that have NOT had any CAT-reportable activity in six months (e.g., a mailing address for an account record changes 8-months after the last CAT-reportable activity)?
  - Yes, the Industry Member may continue to report “Received Industry Member Data,” including Customer and Account information to CAIS
  - As outlined in [FAQ Q8](#), voluntarily-provided data must be timely, accurate and complete

# Inactivating and Reactivating an FDID

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**Initial Submission of the FDID Record to inactive after six months of inactivity (e.g., July)**

<i>firmDesignatedID</i>	<i>fdidDate</i>	<i>fdidEndDate</i>	<i>fdidEndReason</i>
MyAcctRec	2021-01-01	2021-07-15	INACTIVE

**Resubmission of the FDID Record to reactivate (e.g., October) upon resumption of CAT-reportable activity**

<i>firmDesignatedID</i>	<i>fdidDate</i>	<i>fdidEndDate</i>	<i>fdidEndReason</i>
MyAcctRec	2021-01-01		

- ▶ Upon reactivation, the IM must report the full, current data for the FDID record in their submission, which is then stored as the current version of the FDID in CAIS
- ▶ CAIS retains the current version, and historical data, for the FDID so that Regulators can see the FDID was inactivated for a period of time

## Example 1 – Periodic Refresh and INACTIVE FDIDs

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Industry Member opts to inactivate FDID ABC123 after six months of inactivity with no CAT-reportable activity

<i>firmDesignatedID</i>	<i>fdidDate</i>	<i>fdidEndDate</i>	<i>fdidEndReason</i>
ABC123	2021-01-01	2023-05-01	INACTIVE
DEF456	2020-10-15		
GHI789	2018-06-15		
JKL101112	2019-08-10		

- ▶ In this example, as FDID ABC123 was ended in in CAIS with an *fdidEndReason* of 'INACTIVE', FDID ABC123 will **not** be subject to periodic refresh requirements or included in monthly refresh reports
  - All of the other FDIDs are subject to periodic refresh requirements

## Example 2 – Periodic Refresh and FDIDs *NOT* Inactivated

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Industry Member does NOT inactivate FDID ABC123 after six months of inactivity with no CAT-reportable activity

<i>firmDesignatedID</i>	<i>fdidDate</i>	<i>fdidEndDate</i>	<i>fdidEndReason</i>
ABC123	2021-01-01		
DEF456	2020-10-15		
GHI789	2018-06-15		
JKL101112	20219-08-10		

- ▶ In this example, FDID ABC123 will be subject to periodic refresh requirements and included in monthly refresh reports, along with all of the other FDIDs
  - The FDID must be submitted with the full current data and its associated CAT Customers, subject timeliness, accuracy and completeness requirements as outlined in [FAQ Q8](#)

# 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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- **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.