

CAT Alert – 2018-003

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IMID usage in order routing events

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Summary

Industry member IDs (IMIDs) that appear in **order event reports** submitted to CAT must conform to rules established to minimize ID conflicts and streamline event processing. Rules/standards related to proper IMID representation in order event records are described below.

1.1 Orders routed to an exchange

Firms routing an order to an exchange must populate the **Sender IMID** field in the Order Route Event with the identifier used when the order was submitted to the exchange. This identifier should be the same as **Routing Party** ID reported by the Participant Exchange on its own CAT Order Accept Event. This requirement is consistent with current OATS guidance which requires that the Exchange Participant ID is populated with the exchange identifier used when entering the order.

1.2 Orders routed to another industry member

When orders are routed between two Industry Members, the same IMID (defined here as any SRO-assigned identifier) must be used by *both* the sender and received or the events cannot be unlinked.

The guidance below is provided to assist IM CAT Reporters in determining which IMID to use when routing to or receiving an order from another IM CAT Reporter.

1.2.1 FINRA members

For orders received from or routed to an **alternative trading system (ATS)**, the **FINRA ATS MPID** must be used. FINRA members must use the same MPID for CAT reporting that it uses for related **trade reporting facility (TRF)** trade reporting, or, for quoting on an interdealer quotation system.

If there is no ATS, TRF or quoting MPID requirement, firms may agree to use any valid IMID when routing to or receiving from another FINRA member, as long as both IM CAT Reporters use the same IMID.

1.2.2 Non-FINRA members

When a firm routes orders to/from a non-FINRA member firm it is recommended that *existing* identifiers used for **Tick Size Pilot Market Maker Transaction Reporting Linkage** be used.

Routing and receiving firms may agree to use a valid IMID when routing and receiving orders.

1.5 Default CAT reporting IMID

The Plan Processor is required to publish each day a list of all SRO-assigned identifiers that includes a designated **Default CAT Reporting IMID**. The default IMID is selected by each CAT Reporter when they register as a CAT Reporter.

If two parties do *not* have a pre-determined agreement as to which IMID should be used when reporting the receipt or route of an order from another IM CAT Reporter, the published **default CAT Reporting IMID** should be used.

The default IMID can be either an equity- or options-assigned identifier and can be used on **both** equity and options events regardless of whether it was assigned by an equity or options exchange.

Example:

Suppose a non-FINRA member firm has a CBOE-assigned option identifier and a NYSE-assigned equity identifier, as follows:

- CBOE-assigned options ID - **BDAO**
- NYSE-assigned equity ID – **BDA** (the CAT Reporting IMID)

In this example, when a second firm receives an order from the above firm, and the second firm does *not* have an agreement with the ordering firm as to *which* IMID to use, the CAT Reporting IMID (**BDA**) should be used.

1.5. Conflicts with SRO-assigned IMIDs

Because a single **Industry member ID (IMID)** might be used by different SROs for different entities, the Plan Processor shall publish a daily file highlighting any conflicts among the SRO-assigned IMIDs.

If such a conflict exists for a specific IMID, the Industry Member can choose to use either 1) the IMID assigned by an SRO that is *not* in conflict with other IDs, or 2) the IMID field may be populated with the *combination* of the issuing SRO and that specific SRO-assigned Industry Member Identifier.

Example:

if the identifier AAAA is conflicted with another SRO-assigned Market Participant identifier in the CAT, **either** of the following can be used:

- A different SRO-Assigned Market Participant Identifier assigned by another SRO but pointing to the same firm (e.g., **AAAB**)
- The combination of the ID and the source SRO (e.g., **FINRA-AAAA**).