



CAT Alert – 2018-002

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Industry Member Technical Specification 1.0

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Summary

On October 30, 2018, the participants of the CAT NMS Plan (“Participants”) published the final version of the *CAT Reporting Technical Specifications for Industry Members* (“Technical Specifications”). This version incorporates industry feedback submitted to the Participants since publication of the Version 0.6 draft published on September 5, 2018. No further material changes to the Technical Specifications are planned for publication before the November 15, 2019 CAT implementation date. Therefore, Industry Members should begin development using Version 1.0.

This alert summarizes those changes, with other related information.

1.1 Dates and approvals

Version 1.0 covers Phases 2a and 2b of Industry Member reporting, in accordance with the phased-in approach to Industry Member Reporting to the CAT.

Key dates for the implementation of Phases 2a and 2b are described in the Technical Specifications and in the August 9, 2018 **Industry Outreach Webinar**. Note that a proposed amendment to the CAT NMS Plan will be filed with the Securities and Exchange Commission (“Commission”) to reflect the phased approach

for Industry Member reporting described in the Technical Specifications. That proposal is subject to the Commission’s approval.

1.2 Modified scope

The scope for each phase as described in the August 9, 2018 Industry Outreach Webinar referenced above is reflected in Version 1.0, with the **exception** of the following **equity items** that have been deferred to Phase 2c:

- Electronic quotes in listed securities not sent to an exchange or the ADF
- Marking of representative orders related to price guaranty scenarios (e.g., guaranteed VWAP)
- Reporting changes to client instructions regarding modifications to algos
- Linkage of duplicate electronic messages related to a manual order event between the electronic event and the original manual route

1.3 Key changes to Specifications

Significant changes that appear in version 1.0 of the Technical Specifications are summarized below¹.

ITEM	CHANGE DESCRIPTION
Session ID	Removed Session ID as a component of the IM to IM linkage criteria and require routed order ID be unique for each calendar day/symbol/IMID combination.
OTC Equity Quote Events	Added solicited/unsolicited code, sequence number and quote condition to OTC equity quote events.
Option Origin Code	Added Origin Code to Option New Order Event and replaced occClearingRange with Origin Code on other events.
Optional reporting of linked multi-leg option orders in special circumstances	In the <i>narrow circumstances</i> of a multi-leg linked complex order being sent or received in order routing protocols as multiple messages containing the single legs, it is preferred to not report the event associated with the messages to CAT in Phase 2b. However, if the CAT Reporter cannot suppress the events, they may report with the individual legs marked with <i>handlingInstructions</i> value of CMPX (complex order) and with the appropriate Prior Unlinked and Next Unlinked fields. It should be noted that the reporting of this scenario will change in Phase 2d.

¹ To view tracked changes from v0.7, including respective change logs, please click here for [v0.9 \(redline\)](#).

ITEM	CHANGE DESCRIPTION
Preventing errors on unlinked events due to the definition of 2b scope	Two fields have been added to most option events to indicate circumstances where due to the definition of Phase 2b scope, unlinked events would occur. By appropriately using the Prior Unlinked and Next Unlinked fields, the CAT Reporter can indicate that the prior or next event is not being reported because it involves a manual order, a complex order, or a paired order. This will indicate to the Plan Processor to not attempt linkage.
Duplicate Electronic Messages Related to Manual Order Events	Added electronic duplicate indicator for electronic messages that duplicate previously reported manual orders and optional Manual Order ID field on the electronic message that will be used in Phase 2c to link the electronic duplicate to the original manual order.
Reporting Changes to Client Instructions regarding modifications to Algos	Added ALG and ALGMod as optional values in the handlingInstructions field as optional in Phase 2a.
Representative Order Flags	Modified values for representative order flags and order fulfillment linkage flags and added an appendix providing detailed guidance on the representative order linkage requirements.
Child Order Events	Added child order events for options.
Internalized Trades	Updated Trade Event to allow for the reporting of FDID and account type for the firm side of an internalized trade instead of an order ID.
IMID usage in IM to IM linkage	A methodology for determining which IMID to use when routing to or receiving an order from another Industry Member has been published in CAT Alert 2018-003.

1.4 Reporting Scenarios document

Industry Members should note that the Participants have created a separate companion document to be used in conjunction with the Technical Specifications, the [CAT Reporting Scenarios for Industry Members](#) (“Reporting Scenarios”).

The Reporting Scenarios document contains detailed reporting guidance on how to report various equity and options order handling and execution scenarios. This document will be updated periodically as new scenarios are presented to the Participants. The Reporting Scenarios document is subject to the same Operating Committee approval process as the Technical Specifications. The reporting scenarios section of the Technical Specification has been removed in lieu of this new companion document.

1.5 CAT FAQs to be published by November 15, 2018

Now that the Technical Specifications are final, the SRO Participants plan to publish FAQs covering issues that are relevant to CAT by November 15, 2018, including the issues that are covered in OATS to CAT FAQ mapping published on August 15, 2018.

1.6 Addenda to Technical Specifications – March 2019

By no later than **March 31, 2019**, the participants of the CAT NMS Plan (“Participants”) will publish a set of **addenda** to the *CAT Reporting Technical Specifications for Industry Members* (“Technical Specifications”).

The addenda will include further details surrounding several key implementation issues, as summarized in the subsections below.

1.6.1 Industry Member and Security Master Daily lists

The 3/31/19 addenda will include additional information surrounding the following **items**, including file formats, retrieval instructions and sample files.

- SRO-assigned Industry Member Identifiers
- Conflicts in SRO-Assigned Industry Member Identifiers
- Start-of-day Security Master
- End-of-day Security Master

1.6.2 JSON Schema

The 3/31/19 addenda will include the **JSON schema** file (noted in Section 2.4 of the Technical Specifications). The schema file will be posted on the CAT public website.

1.6.3 Registering instructions for ATS Order Types

The 3/31/19 addenda will include specific instructions for registering **ATS Order Types**. This information will be published in a CAT alert.

Note that all ATS Order Types must be registered with CAT **twenty(20)** business days prior to the order type becoming effective.

1.7 Upcoming webinars

The SROs Participants will host an industry webinar on **Wednesday, November 7, 2018** to provide an overview of the final Technical Specifications and discuss key implementation dates, including but not limited to CAT Reporter Registration and the CAT Reporter Portal (i.e., web user interface).

Additionally, the SROs Participants will be hosting two product specific webinars to provide in depth overviews of the key requirements for equities and options, as follows:

- **Options webinar** – Thursday, November 8, 2018
- **Equity webinar** – Wednesday, November 14, 2018

