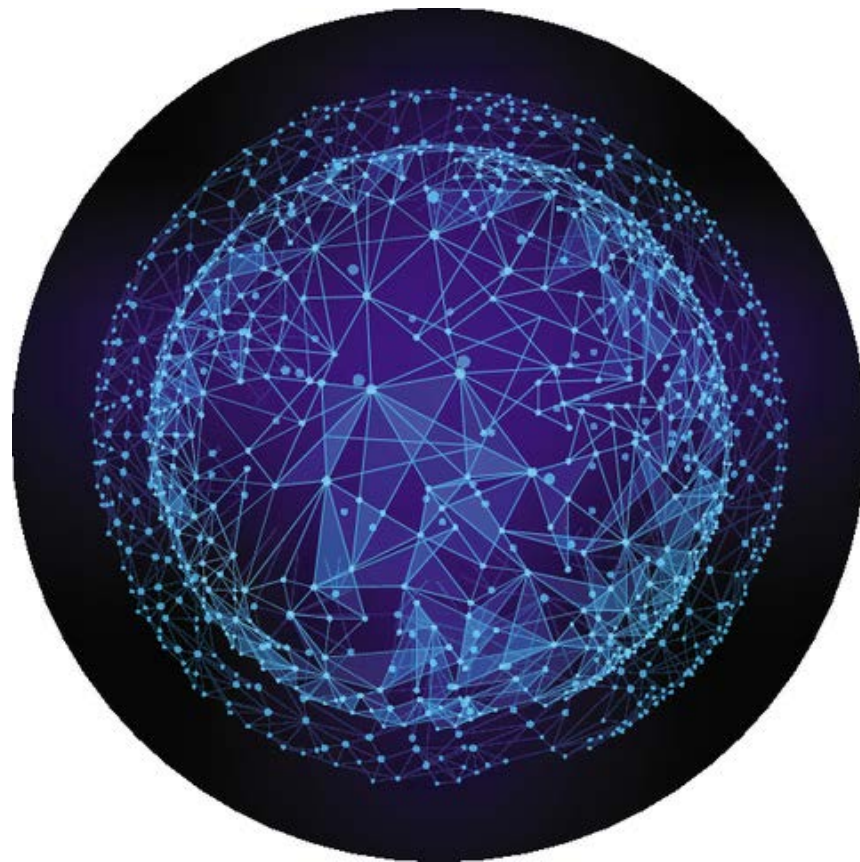


Industry Update on the Consolidated Audit Trail

An industry update on the progress of the Consolidated Audit Trail National Market System Plan presented by the CAT NMS, LLC Operating Committee



September 7, 2017

Agenda

CAT Background & Reporting Requirements

Industry Update

Upcoming Milestones of CAT

Industry Outreach

Industry Member Technical Specifications

CAT NMS Plan Website

Upcoming Events

Q&A

CAT Background & Reporting Requirements

Background

- On November 17, 2016, the SEC approved the CAT NMS Plan, which will require all US Broker-Dealers to report daily their activity in listed/OTC equities and listed options
- Unlike existing reporting regimes (e.g. OATS), CAT will require reporting of options transactions, as well as allocations and customer data
- CAT will apply to all US exchanges and Broker-Dealers (including ATs) registered with an SRO—unlike OATS, there will be no exemptions from reporting requirements
- For more details, please visit <http://www.catnmsplan.com>

Reportable Events

- CAT Reportable Events will include:
 - Receipt or origination of an order
 - Routing of an order to another market participant
 - Routing of an order between desks or departments
 - Modifications
 - Cancellations
 - Executions
 - Allocations

Customer Information

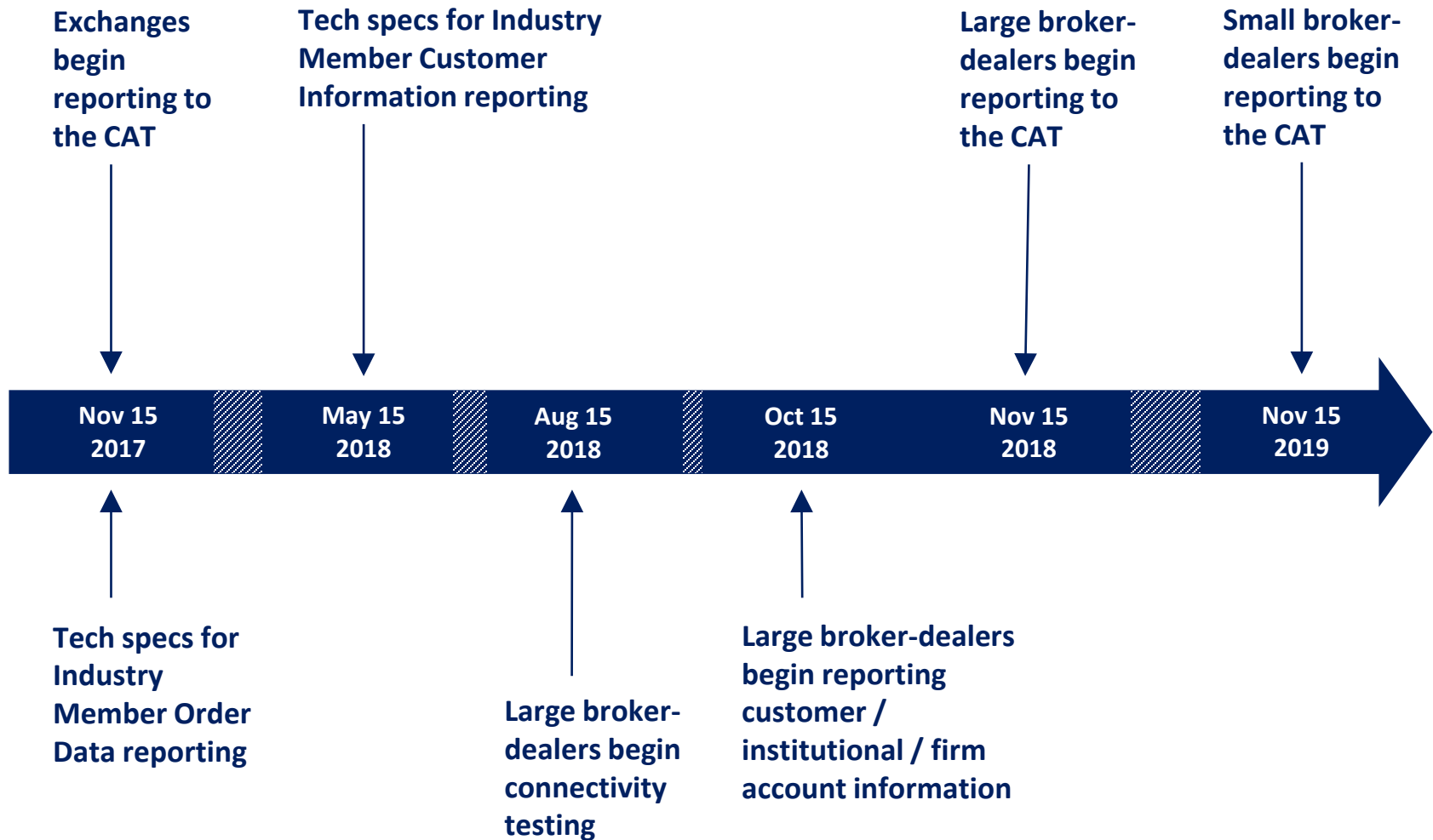
- CAT requires the reporting of "Customer Information", which includes the following:
 - Firm Designated ID
 - Account number
 - Account type
 - Customer name, address, and type
 - Customer SSN or TIN
 - Date account opened
 - Large Trader ID (if applicable)
 - Legal Entity Identifier (if available)

Industry Update

- Participant Tech Specs published 5/15 and subsequent updates available on the CAT Website
- Initial Industry Member Tech Specs draft published 9/7
- CAT industry fee filing still pending– invoicing date for CAT Reporters yet to be determined
- Retirement of Duplicative Systems filings submitted to SEC on 5/15 and are still pending; OATS retirement may impact reporting date for some small Broker-Dealers*
- SEC/Participant Communications Helpdesk anticipated Go-Live by 10/15
- Industry Member Communications Helpdesk anticipated Go-Live by 11/15
- Please visit www.catnmsplan.com for regular updates

*Definition of a “Small broker-dealer”: (1) has total capital of less than \$500,000; and (2) is not affiliated with any person (other than a natural person) that is not a small business or small organization.

Upcoming Milestones of the CAT



Industry Outreach

Industry Engagement	<ul style="list-style-type: none">• Working Groups meetings with FIF, SIFMA and STA• Industry Association Meetings• Public Webinars• Public Website
Topics Discussed With Industry Members	<ul style="list-style-type: none">• Options and Equities lifecycle• Allocations• Assignment of Execution• Trading Date definition
Topics To Be Discussed With Industry Members	<ul style="list-style-type: none">• Open Outcry Trading• Cabinet Trades• Basket Orders• Standing instructions/Instructions not on Order

Industry Technical Specifications: Review Process

Initial Draft Preparation

Industry Members Feedback

Intermediate Draft Preparation

Final Draft Preparation

- Discussions on specific topics with the Industry members and SROs
 - Capture feedback and document a proposal to address the topic
 - Review proposal with SROs and Advisory Committee
 - Seek guidance and /or approval from SROs
 - Incorporate the topics in the initial draft of the technical specification
- Distribute initial draft
 - Industry Members to send their feedback and comments to: *techspec@thesyscat.com*
 - Consolidate and review feedback with SROs and Advisory Committee
 - Seek guidance and /or approval from SROs
 - Create and share FAQs as needed
- Incorporate feedback in the specification
 - Circulate an updated draft of the technical specification
 - Industry to provide feedback
 - Review feedback with SROs and Advisory Committee and make updates as required
 - Publish draft
- Incorporate feedback in the technical specification
 - Circulate an updated draft of the technical specification
 - Industry to provide feedback
 - Review feedback with SROs and Advisory Committee and make updates as required
 - Publish the final specification on November 15

August 15 - September 6

September 7 -
September 25

September 26 -
October 31

November 1 -
November 10

Industry Technical Specifications: Key Topics

- First draft (version 0.1) of Industry Order Data Reporting specification published on 9/7/17 (Based in-part on Operating Committee approved version 1.3 of Participant CAT Reporting specification)

<p>Key Topics covered in the initial draft</p>	<ul style="list-style-type: none"> • Order • Route • Quote • Trade • File and Data Formats 	<ul style="list-style-type: none"> • Assignment of Execution • Allocation of Shares to Beneficial Owner Account • Data Dictionary • CAT Reporting Hours
<p>Topics to be included in the next version</p>	<ul style="list-style-type: none"> • Updates to Data Dictionary • Two-sided Trade and Route events, e.g., QCC, Crossing Orders, with respective broker identification • Additional Auction messages • Open Outcry Trading • Cabinet Trades • Order Event Scenarios • Options and Complex Options Scenarios • Submission Process 	<ul style="list-style-type: none"> • Data Flow • Registration Process • Connectivity • Transport Options • Accessing Feedback Information • Security • Feedback, Corrections, Failure Codes • Testing • CAT Service Desk

CAT NMS Plan Website

- The new CAT NMS public website (www.catnmsplan.com) was launched in April 2017 and includes the following features:
 - News
 - About CAT
 - Draft Industry Technical Specifications
 - Participant Technical specifications
 - Contact information
 - FAQ
- The CAT NMS Plan website content will continue to be updated by Thesys CAT, as approved by the Operating Committee, and is anticipated to include:
 - CAT System Overview
 - Connectivity Information
 - Training Materials
 - Onboarding Information
 - How-To Videos
 - User Guides

Upcoming Events



Consolidated Audit Trail: The Industry Prepares

Shane Swanson, Pete Santori, Bob Walley,
Manisha Kimmel and Judy McDonald
@Securities Traders Association Market
Structure Conference, Washington D.C.
09/14/2017

The logo for Rosenblatt Securities Inc. is set against a dark red background. The text 'ROSENBLATT' is in a large, white, serif font, with a thin white horizontal line underneath it. Below the line, the words 'SECURITIES INC.' are written in a smaller, white, serif font.

Fireside chat with Rosenblatt Securities

Ed Watson and Shane Swanson
@Rosenblatt FinTech Conference,
New York
09/21/2017



CAT Update Panel

Ed Watson and Jeff Wells
@Financial Information Forum Quarterly,
New York
09/25/2017

Questions?