OTC Equities Deep Dive

9/18/19

Agenda

- Definition
- 2a and 2c Scope
- Recent Spec Update – Removal of Quote ID from New Orders
- Symbols
- Reporting Scenarios for Quote Driven ATSs (OTC Link)
  - Proprietary Trade Negotiated through OTC Link
  - Customer Order Negotiated through OTC Link
  - Representative Order Negotiated through OTC Link
  - Trade Negotiated Over the Phone
- Foreign Securities (non-NMS)

Definition of OTC Equity Security

▸ "OTC Equity Security" is defined by the CAT NMS Plan as:

> *"any equity security, other than an NMS Security, subject to prompt last sale reporting rules of a registered national securities association and reported to one of such association's equity trade reporting facilities."*

2a Scope for OTC Equities

Phase 2a reporting scope is the same for OTC Equity Securities as for NMS equity securities. This includes:

‣ <u>All</u> orders received or originated by a broker-dealer in OTC Equity Securities. There is no exception for proprietary orders in OTC securities originated in the normal course of market making.

‣ Unlisted quotes (OTC Equity Securities) received by a broker-dealer operating an inter-dealer quotation system ("IDQS")(e.g., Global OTC, OTC Link).

‣ Unlisted quotes that meet the definition of bid or offer under the Plan sent by a broker-dealer to a quotation venue not operated by an SRO or broker-dealer (NOTE: FINRA CAT is unaware of any such venue at this time).

2c Scope for OTC Equities

Phase 2c scope includes:

▸ Unlisted quotes sent to an inter-dealer quotation system operated by a CAT Reporter

▸ *quoteID* on Trade events

▸ *receivedQuoteID* on Quote Received events

▸ Direct Participation Programs (DPPs)

Interdealer Quotation Systems (IDQS) and ATSs

▶ IDQSs

  ◦ Broker-dealers operating an IDQS will be required to report quotes displayed on the IDQS to CAT.

  ◦ FINRA is required to report the quotes displayed on the OTC Bulletin Board to CAT.

▶ ATSs – Quote Driven v. Order Driven

  ◦ Order Driven ATSs (e.g. Global OTC) must report all orders received by the ATS and any subsequent order events required by Rule 613. Subscribers must report all orders routed to an Order Driven ATS.

  ◦ Quote Driven ATSs (e.g. OTC Markets) only display quotations and do not receive orders for execution. Quote Driven ATSs are required to report all quotes transmitted to them by subscribers.

Elimination of Quote ID on Order Events
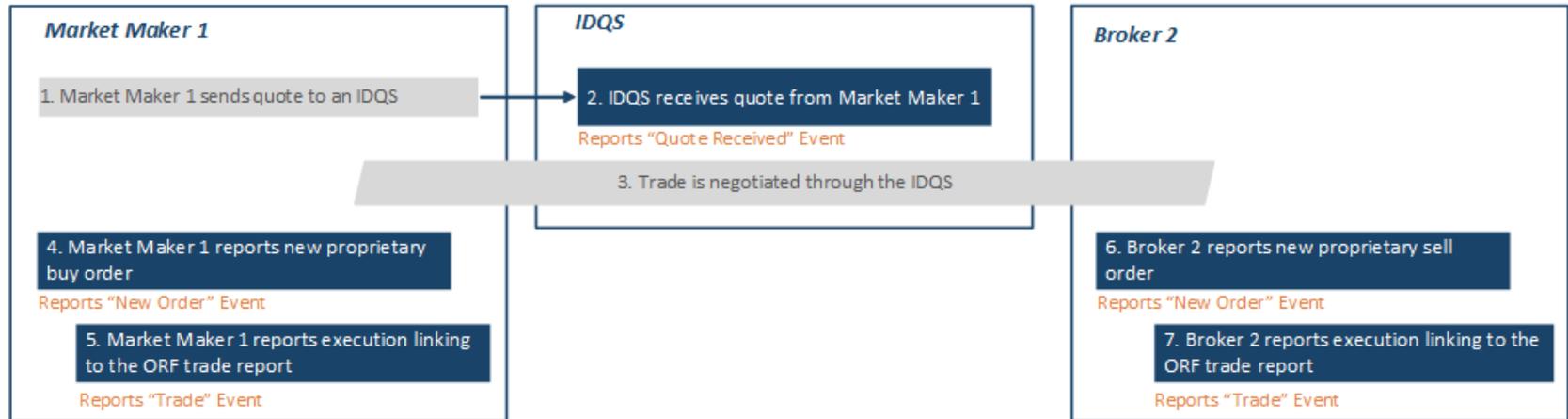
A Quote ID field will not be required on MENO and MEOM events. All Quote ID fields (e.g. *quoteID*, *quoteKeyDate*) were removed from the **MENO and MEOM** events in v2.2.1 of the IM Tech Spec.

◦ These field positions are now marked as "Reserved for Future Use" and should not impact Phase 2a reporting, as these fields were previously greyed out and not required until Phase 2c.

Symbols

▸ Symbols for OTC Equity Securities will be included on the CAT Reportable Equities Securities list each day.

Trade Negotiated through an IDQS

Market Maker 1

1. Market Maker 1 sends quote to an IDQS

IDQS

2. IDQS receives quote from Market Maker 1

Reports "Quote Received" Event

3. Trade is negotiated through the IDQS

Broker 2

4. Market Maker 1 reports new proprietary buy order

Reports "New Order" Event

5. Market Maker 1 reports execution linking to the ORF trade report

Reports "Trade" Event

6. Broker 2 reports new proprietary sell order

Reports "New Order" Event

7. Broker 2 reports execution linking to the ORF trade report

Reports "Trade" Event

1. Market Maker 1 enters a quote (bid) into IDQS, which is displayed.
2. Broker 2 sees Market Maker 1's quote and sends an electronic message to trade at Market Maker 1's quote, and begins a negotiation.
3. Broker 2 ultimately accepts a counter offer from Market Maker 1 and executes the trade, and reports the trade to the OTC Reporting Facility (ORF).

Refer to Scenario 2.8.1 of v2.3 of the Industry Member Reporting Scenarios Document

What is Reportable?
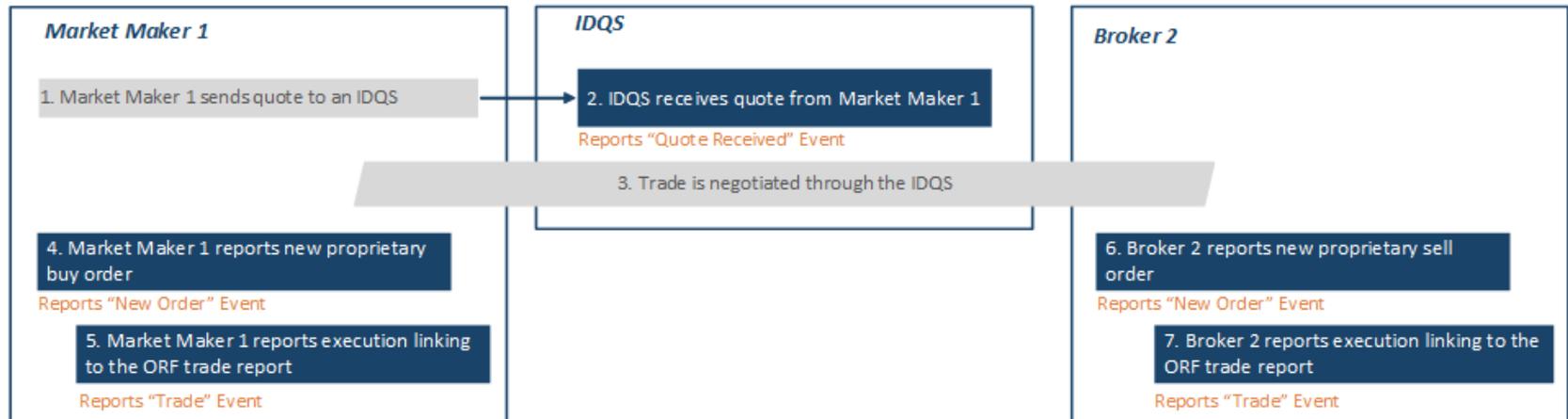
Industry Member Market Maker 1 is required to report the following in Phase 2a:

- A proprietary new buy order (New Order event)
- An execution linking to the ORF trade report (Trade event)

Industry Member Broker 2 is required to report the following in Phase 2a:

- A proprietary new sell order (New Order event)
- An execution linking to the ORF trade report (Trade event)

The Industry Member IDQS will be required to report the following in phase 2a:

- The receipt of Market Maker 1's quote (Quote Received event)

Refer to Scenario 2.8.1 of v2.3 of the Industry Member Reporting Scenarios Document
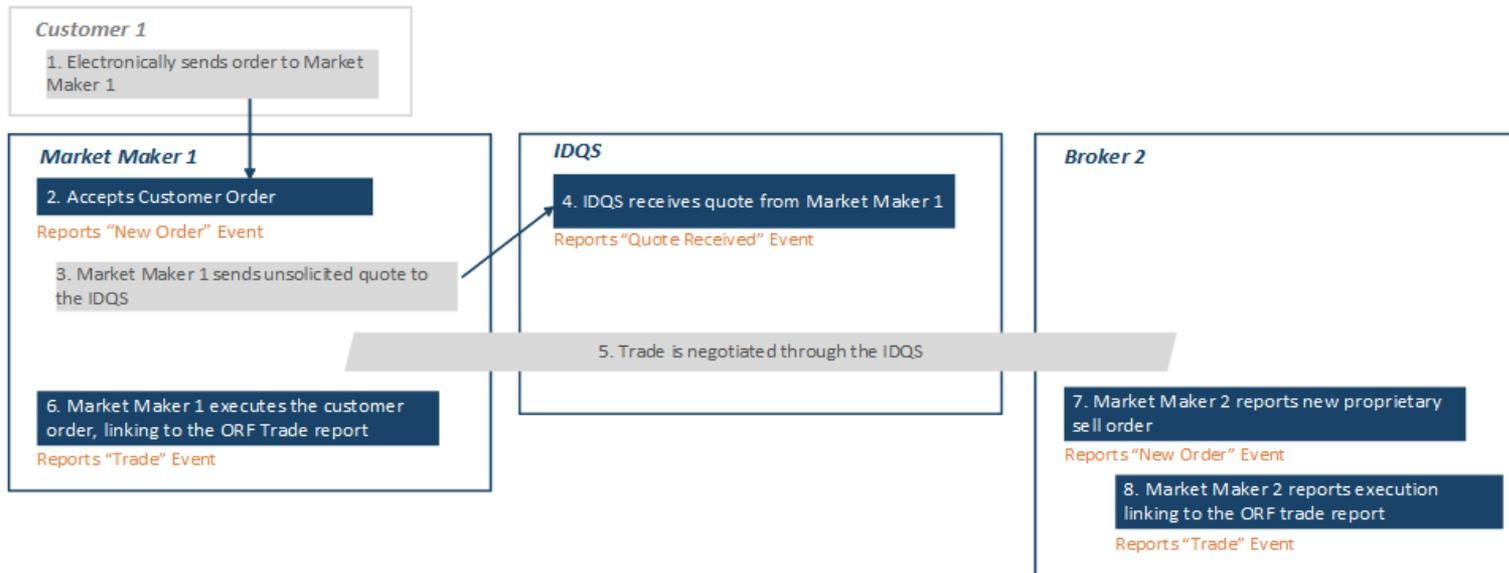
Requirements for Phase 2a

Event Description	type	CATReporterIMID	symbol	quoteID	receivedQuoteID	bidPrice	bidQty	unsolicitedInd	orderID	FDID	accountHolderType	negotiatedTradeFlag	side	price	qty	tradeID	tapeTradeID	capacity	sideDetailsInd	buyDetails orderID	side	sellDetails orderID	side
1. MM1 sends a quote to IDQS (Phase 2c)																							
2. IDQS receives quote from MM1	MEQR	IDQS	XYZ	Q6789	Q1234	1.15	1000	B															
3. MM1 generates a new prop order	MENO	FRMA	XYZ						O12345	PROP1	P		TRUE	B	1.14	3000							
4. MM1 reports execution to CAT linking to ORF trade report	MEOT	FRMA	XYZ												1.14	3000	TR123	ORF1234	P	BUY	O12345	B	
5. Broker 2 generates a prop order	MENO	BRKB	XYZ						O12346	PROP2	P		TRUE	SL	1.14	3000							
6. Broker 2 reports execution linking to ORF trade report	MEOT	BRKB	XYZ												1.14	3000	TR124	ORF1234	P	SELL			O12346	SL

In phase 2a:

- The *negotiatedTradeFlag* on each MENO must be populated as "true" indicating that the trade was originated as the result of a negotiation.
- The *sideDetailsInd* on each MEOT must be populated as "BUY" or "SELL" indicating what side details were populated in the Trade event, as side details are not required for the contra-side of a negotiated trade.
- Each Industry Member Trade Event must link to the related ORF Trade Report.

Refer to Scenario 2.8.1 of v2.3 of the Industry Member Reporting Scenarios Document
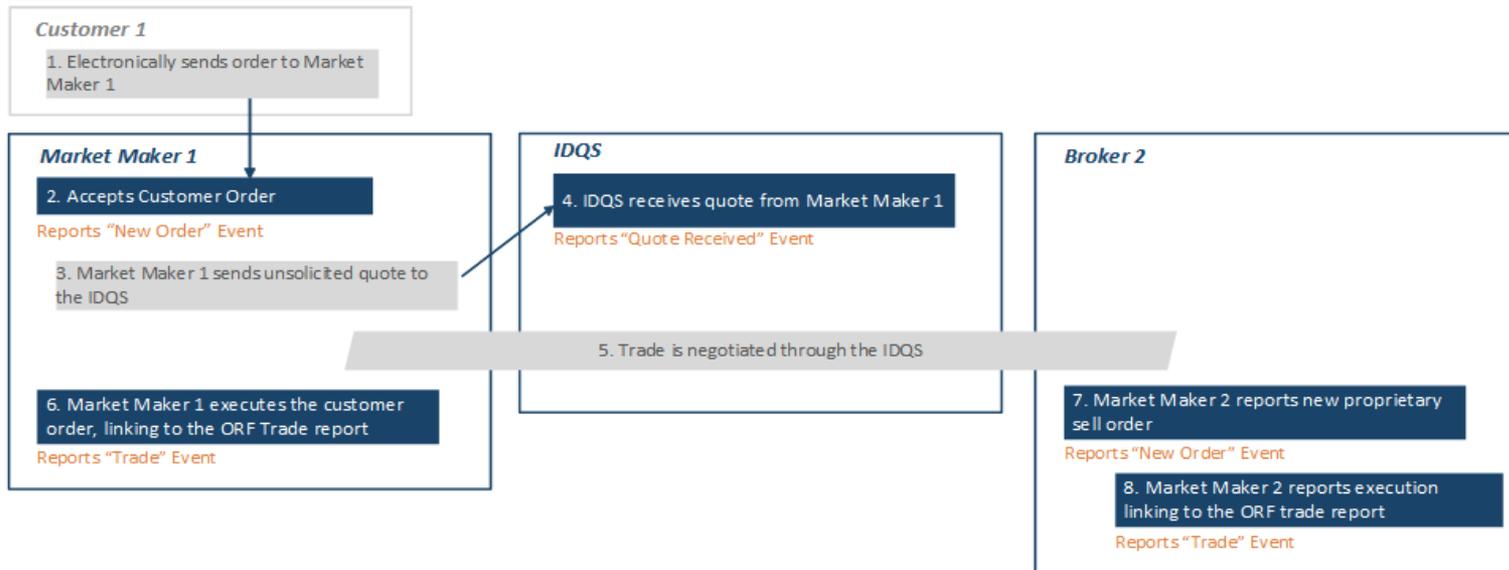
Example of a Customer Order Executed as a Result of a Negotiation

Customer 1

1. Electronically sends order to Market Maker 1

Market Maker 1

2. Accepts Customer Order

Reports "New Order" Event

3. Market Maker 1 sends unsolicited quote to the IDQS

6. Market Maker 1 executes the customer order, linking to the ORF Trade report

Reports "Trade" Event

IDQS

4. IDQS receives quote from Market Maker 1

Reports "Quote Received" Event

5. Trade is negotiated through the IDQS

Broker 2

7. Market Maker 2 reports new proprietary sell order

Reports "New Order" Event

8. Market Maker 2 reports execution linking to the ORF trade report

Reports "Trade" Event

1. Market Maker 1 accepts customer order.
2. Market Maker 1 enters an unsolicited quote (bid) into IDQS, which is displayed.
3. Broker 2 sees Market Maker 1's quote and sends an electronic message to trade at Market Maker 1's quote, and begins a negotiation.
4. Market Maker 1's customer order is executed as the result of a negotiation.

Refer to Scenario 2.8.2 of v2.3 of the Industry Member Reporting Scenarios Document

What is Reportable?

Customer 1
1. Electronically sends order to Market Maker 1

Market Maker 1
2. Accepts Customer Order
Reports "New Order" Event

3. Market Maker 1 sends unsolicited quote to the IDQS

6. Market Maker 1 executes the customer order, linking to the ORF Trade report
Reports "Trade" Event

IDQS
4. IDQS receives quote from Market Maker 1
Reports "Quote Received" Event

5. Trade is negotiated through the IDQS

Broker 2
7. Market Maker 2 reports new proprietary sell order
Reports "New Order" Event

8. Market Maker 2 reports execution linking to the ORF trade report
Reports "Trade" Event

Industry Member Market Maker 1 is required to report the following in Phase 2a:
- Receipt of the customer order (New Order event)
- An execution linking to the ORF trade report (Trade event)

Industry Member Broker 2 is required to report the following in Phase 2a:
- A new proprietary sell order (New Order event)
- An execution linking to the ORF trade report (Trade event)

The Industry Member IDQS will be required to report the following in phase 2a:
- The receipt of Market Maker 1's quote (Quote Received event)

Refer to Scenario 2.8.2 of v2.3 of the Industry Member Reporting Scenarios Document

Requirements for Phase 2a

Event Description	type	CATReporterIMID	symbol	quoteID	receivedQuoteID	bidPrice	bidQty	unsolicitedInd	orderID	FDID	accountHolderType	negotiatedTradeFlag	side	price	qty	tradeID	tapeTradeID	capacity	sideDetailsInd	buyDetails orderID	buyDetails side	sellDetails orderID	sellDetails side
1. MM1 receives customer order	MENO	FRMA	XYZ						O12345	CUST1	A	FALSE	B	1.14	3000								
2. MM1 sends a quote to IDQS (Phase 2c)																							
3. IDQS receives quote from MM1	MEQR	IDQS	XYZ	Q6789	Q1234	1.14	3000	B															
4. MM1 reports execution to CAT linking to ORF trade report	MEOT	FRMA	XYZ											1.14	3000	TR123	ORF1234	A	BUY	O12345	B		
5. Broker 2 generates a prop order	MENO	BRKB	XYZ						O12346	PROP2	P	TRUE	SL	1.14	3000								
6. Broker 2 reports execution linking to ORF trade report	MEOT	BRKB	XYZ											1.14	3000	TR124	ORF1234	P	SELL			O12346	SL

In phase 2a:

- The *negotiatedTradeFlag* on Broker 2's MENO must be populated as "true" indicating that the trade was originated as the result of a negotiation.
- The *negotiatedTradeFlag* on MM1's MENO must be populated as "false", as the order was received from a customer and was not generated as the result of a negotiation.
- The *sideDetailsInd* on each MEOT must be populated as "BUY" or "SELL" indicating what side details were populated in the Trade event, as side details are not required for the contra-side of a negotiated trade.
- Each Industry Member Trade Event must link to the related ORF Trade Report.

Refer to Scenario 2.8.2 of v2.3 of the Industry Member Reporting Scenarios Document

Representative Orders Executed as a Result of a Negotiation

In some instances, an Industry Member may choose to handle the customer order illustrated in the previous example by generating a representative order to facilitate the execution through a negotiation.

Event Description	type	CATReporterIMID	symbol	quoteID	receivedQuoteID	bidPrice	bidQty	unsolicitedInd	orderID	FDID	accountHolderType	negotiatedTradeFlag	representativeInd	aggregatedOrders	side	price	qty	tradeID/fulfillmentID	tapeTradeID	capacity	fulfillmentLinkType	sideDetailsInd	buyDetails/clientDetails orderID	buyDetails/clientDetails side	sellDetails/firmDetails orderID	sellDetails/firmDetails side
1. MM1 receives customer order	MENO	FRMA	XYZ						C12345	CUST1	A	FALSE	N		B	1.14	3000									
2. MM1 generates a prop order	MENO	FRMA	XYZ						R45678	REP3	P	FALSE	Y	C12345	B	1.14	3000									
3. MM1 sends a quote to IDQS (Phase 2c)																										
4. IDQS receives quote from MM1	MEQR	IDQS	XYZ	Q6789	Q1234	1.14	3000	B																		
5. MM1 reports execution to CAT linking to ORF trade report	MEOT	FRMA	XYZ													1.14	3000	TR123	ORF1234	P		BUY	R45678	B		
6. Broker 2 generates a prop order	MENO	BRKB	XYZ						O12346	PROP2	P	TRUE	N		SL	1.14	3000									
7. Broker 2 reports execution linking to ORF trade report	MEOT	BRKB	XYZ													1.14	3000	TR124	ORF1234	P		SELL			O12346	SL
8. MM1 fills customer order	MEOF	FRMA	XYZ													1.14	3000	REP456		R	Y		O12345	B	R45678	SL

In phase 2a:

- The *representativeInd* on the representative order must be populated as "Y", and the *aggregatedOrders* field must be populated linking to the customer order.
- The *fulfillmentLinkType* on the customer fulfillment field must be populated as "Y", and the *firmDetails* must be populated linking to the representative order.

As noted in Scenario 2.3.5, Industry Members may populate a value of YE on their proprietary order if applicable.

Manning Fill

An Industry Member displays a quote unrelated to any customer order flow, and then receives a customer order. The Industry Member executes the customer order due to a Manning obligation resulting from an execution against a previously displayed quote.

Event Description	type	CATReporterIMID	symbol	quoteID	receivedQuoteID	bidPrice	bidQty	unsolicitedInd	orderID	FDID	accountHolderType	negotiatedTradeFlag	representativeInd	side	price	qty	tradeID/ fulfillmentID	tapeTradeID	capacity	fulfillmentLinkType	sideDetailsInd	buyDetails/ clientDetails orderID	side	sellDetails/ firmDetails orderID	side
1. MM1 sends a quote to IDQS (Phase 2c)																									
2. IDQS receives quote from MM1	MEQR	IDQS	XYZ	Q6789	Q1234	1.14	3000	B																	
3. MM1 receives customer order	MENO	FRMA	XYZ						C12345	CUST1	A	FALSE	N	B	1.14	3000									
4. Broker 2 sees displayed quote and negotiates a trade with MM1																									
5. MM1 generates a prop order	MENO	FRMA	XYZ						O45678	PROP1	P		TRUE	N	B	1.14	3000								
6. MM1 reports execution to CAT linking to ORF trade report	MEOT	FRMA	XYZ												1.14	3000	TR123	ORF1234	P		BUY	O45678	B		
7. Broker 2 generates a prop order	MENO	BRKB	XYZ						O56789	PROP2	P		TRUE	N	SL	1.14	3000								
8. Broker 2 reports execution linking to ORF trade report	MEOT	BRKB	XYZ												1.14	3000	TR124	ORF1234	P		SELL			O56789	SL
9. MM1 fills customer order	MEOF	FRMA	XYZ												1.14	3000	REP456		R	YP		C12345	B	O45678	SL

In phase 2a:

- The *representativeInd* on the proprietary order generated by MM1 must be populated as a "N". The *negotiatedTradeFlag* must be populated as "true".
- The *fulfillmentLinkType* on the customer fulfillment must be populated as "YP", and the *firmDetails* must be populated linking to the representative order.

As noted in Scenario 2.3.5, Industry Members may populate a value of YE on their proprietary order if applicable.
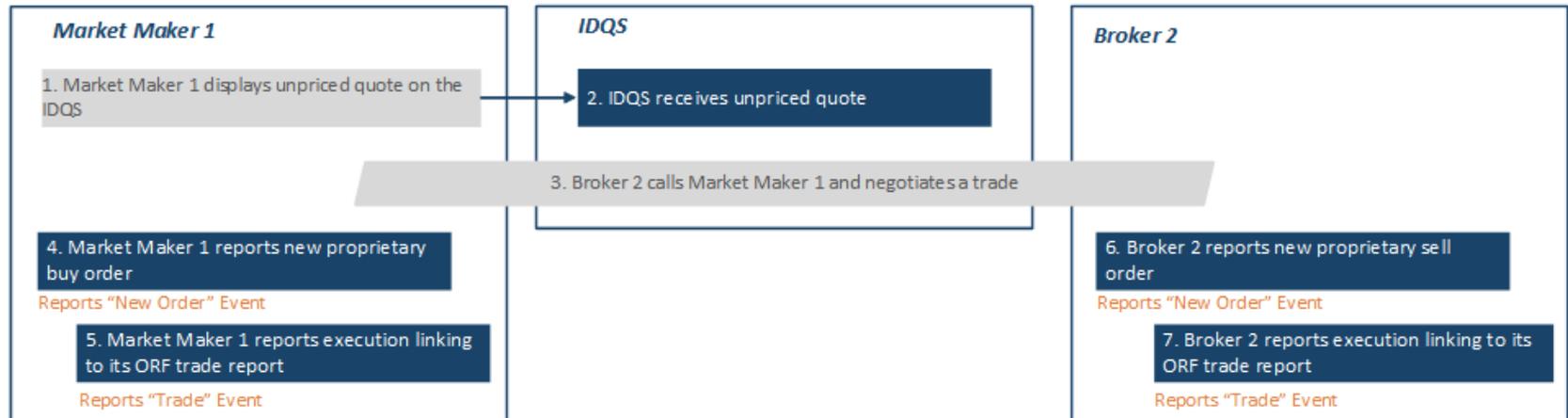
16

Example of a Trade Negotiated Over the Phone
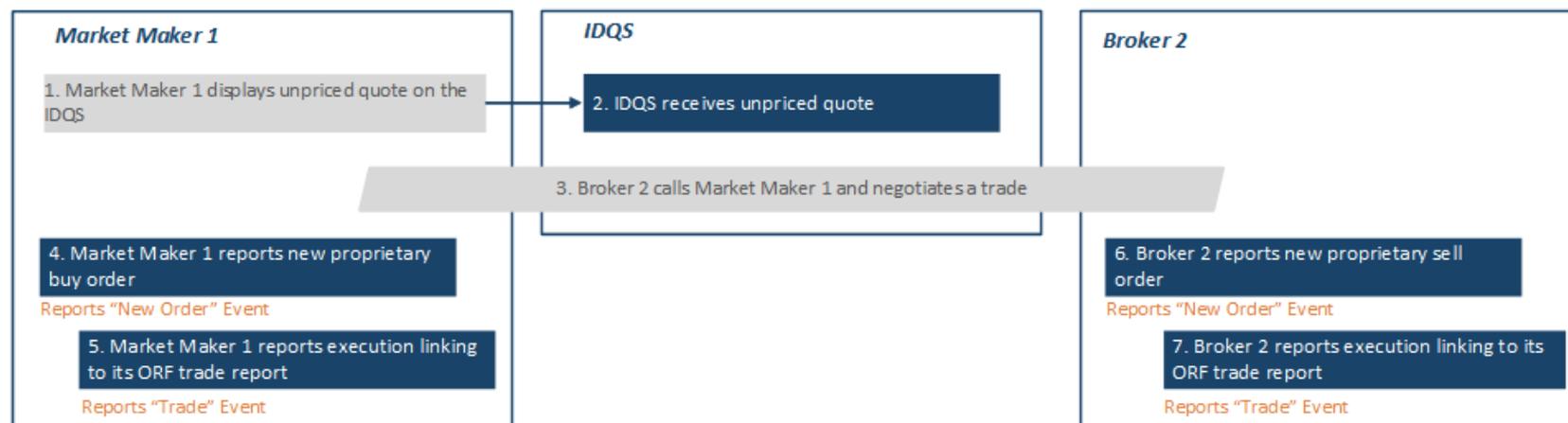
1. Broker 2 calls Market Maker 1 and negotiates a trade.
2. Market Maker 1 reports its side of the trade to the ORF as the executing party. Broker 2 reports its side of the trade to the ORF as the contra party. The two sides of the trade are matched by the ORF and sent for clearing.

Refer to Scenario 2.8.3 of v2.3 of the Industry Member Reporting Scenarios Document

What is Reportable?

Market Maker 1	IDQS	Broker 2
1. Market Maker 1 displays unpriced quote on the IDQS	2. IDQS receives unpriced quote	

3. Broker 2 calls Market Maker 1 and negotiates a trade

Market Maker 1	Broker 2
4. Market Maker 1 reports new proprietary buy order Reports "New Order" Event	6. Broker 2 reports new proprietary sell order Reports "New Order" Event
5. Market Maker 1 reports execution linking to its ORF trade report Reports "Trade" Event	7. Broker 2 reports execution linking to its ORF trade report Reports "Trade" Event

Industry Member Market Maker 1 is required to report the following in Phase 2a:
- A new proprietary buy order (New Order event)
- An execution linking to its ORF trade report (Trade event)

Industry Member Broker 2 is required to report the following in Phase 2a:
- A new proprietary sell order (New Order event)
- An execution linking to its ORF trade report (Trade event)

The Industry Member IDQS will be required to report the following in phase 2a:
- The receipt of Market Maker 1's unpriced quote (Quote Received event)

Refer to Scenario 2.8.3 of v2.3 of the Industry Member Reporting Scenarios Document

18

Requirements for Phase 2a

Event Description	type	CATReporterIMID	symbol	quoteID	receivedQuoteID	bidPrice	bidQty	unsolicitedInd	quoteWantedInd	orderID	FDID	accountHolderType	negotiatedTradeFlag	side	price	qty	tradeID	tapeTradeID	capacity	sideDetailsInd	buyDetails orderID	buyDetails side	sellDetails orderID	sellDetails side
1. MM1 sends a quote to IDQS (Phase 2c)																								
2. IDQS receives quote from MM1	MEQR	IDQS	XYZ	Q6789	Q1234	1.15	1000	B	A															
3. MM1 generates a prop order	MENO	FRMA	XYZ							O12345	PROP1	P	TRUE	B	1.14	3000								
4. MM1 reports execution to CAT linking to ORF trade report	MEOT	FRMA	XYZ												1.14	3000	TR123	ORF1234	P	BUY	O12345	B		
5. Broker 2 generates a prop order	MENO	BRKB	XYZ							O12346	PROP2	P	TRUE	SL	1.14	3000								
6. Broker 2 reports execution linking to ORF trade report	MEOT	BRKB	XYZ												1.14	3000	TR124	ORF1234	P	SELL			O12346	SL

In phase 2a:

- The *negotiatedTradeFlag* on each MENO must be populated as "true" indicating that the trade was originated as the result of a negotiation.
- The *sideDetailsInd* on each MEOT must be populated as "BUY" or "SELL" indicating what side details were populated in the Trade event, as side details are not required for the contra-side of a negotiated trade.
- Each Industry Member Trade Event must link to the related ORF Trade Report.

Refer to Scenario 2.8.3 of v2.3 of the Industry Member Reporting Scenarios Document

19

ORF Linking for Contra Parties on a Locked-In Trade

▸ ORF linkage is critical given the request by the industry that cancel and clearing firm information not be required on CAT trade events since this information is available in the ORFs.

▸ It is understood that in some cases when a contra party is named in an ORF report that is entered via a QSR/AGU agreement, the contra party may not be able to obtain the tapeTradeID from the reporting party. In recognition of this, a *reportingExceptionCode* value of "C" has been included for Phase 2a to allow these trades to be submitted to CAT without creating an unlinked error.

▸ It is anticipated that this *reportingExceptionCode* value will be removed for Phase 2c. Firms will need to work to determine how both sides of a negotiated trade reported via a QSR/AGU can be linked to the related ORF by both sides of the trade.

Orders in Foreign Securities – FAQ I1

▸ Orders in foreign equity securities that do not meet the definition of an NMS stock pursuant to SEC Rule 600 are required to be reported only in those instances where the resulting execution is subject to the transaction reporting requirements of FINRA Rule 6622.

▸ The requirements of FINRA Rule 6622 do not apply to transactions in foreign equity securities provided that:

(1) the transaction is executed on and reported to a foreign securities exchange; or

(2) the transaction is executed over the counter in a foreign country and is reported to the regulator of securities markets of that country.

US Symbols for Foreign Securities

▸ Industry Members executing trades in foreign equity securities without a US symbol for which they have a trade reporting obligation must promptly request a symbol.

▸ Once a symbol becomes available, the Industry Member must report the trade to CAT. Data submitted to CAT with an eventTimestamp prior to symbol issuance date will not be marked late. Industry Members may, however, be asked to demonstrate that a symbol was promptly requested upon execution of the trade.

Orders routed to Foreign Markets

- When routing orders to a foreign market, Industry Members are required to report:

    ◦ A New Order event for the receipt of the customer order

    ◦ A Route event for the route to the foreign market

    ◦ An Order Fulfillment event representing the outcome of the order on the foreign market.
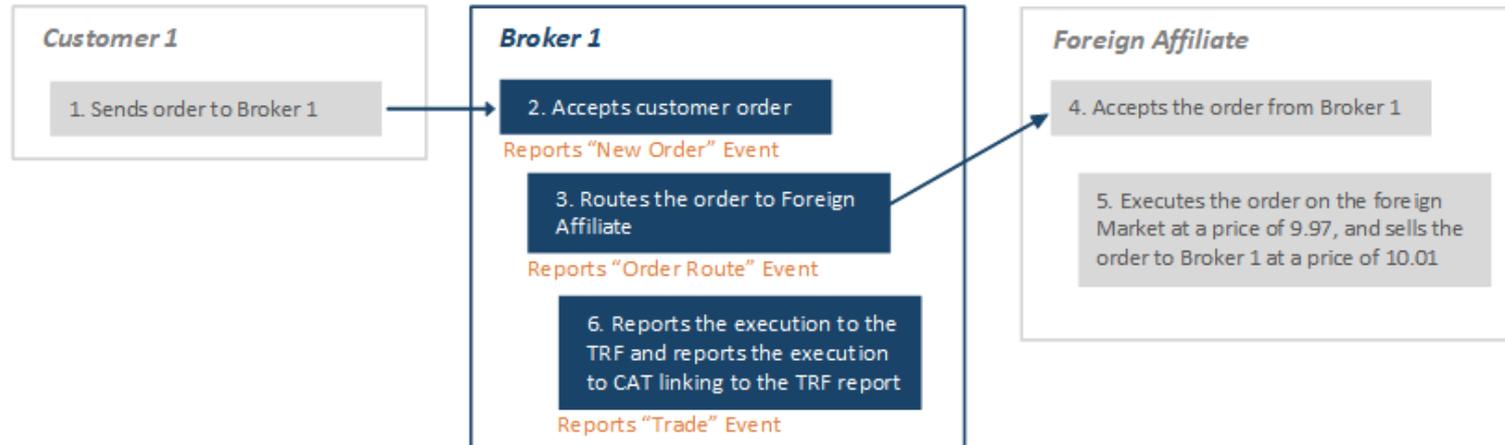
- If an Industry Member (FRMA) routes the order to another Industry Member (FRMB), who then routes the order to a foreign market:

    ◦ The Order Fulfillment event must be reported by the party who routed the order to a foreign market.

    ◦ If FRMA knows that the order will be routed to a foreign market and will not result in a US trade reporting obligation, FRMA does not need to report the order to CAT.

    ◦ If FRMA does not know if the outcome of the order will result in a US trade reporting obligation, FRMA should report the order to CAT.

Event Timestamp

▶ When reporting an Order Fulfillment event for orders executed in a foreign market, the *eventTimestamp* should reflect the time that the Industry Member filled the customer order.

▶ Example:

◦ Firm A routes a customer order to a foreign exchange and receives an execution at 11:00 EST

◦ Firm A fills its customer order at 11:01

◦ The *eventTimestamp* in the Order Fulfillment event should reflect 11:01

Example of an order Routed to a Foreign Affiliate and Executed on a Net Basis

Customer 1

1. Sends order to Broker 1

Broker 1

2. Accepts customer order
Reports "New Order" Event

3. Routes the order to Foreign Affiliate
Reports "Order Route" Event

6. Reports the execution to the TRF and reports the execution to CAT linking to the TRF report
Reports "Trade" Event

Foreign Affiliate

4. Accepts the order from Broker 1

5. Executes the order on the foreign Market at a price of 9.97, and sells the order to Broker 1 at a price of 10.01

1. Broker 1 receives a customer order.
2. Broker 1 routes the customer order to a foreign affiliate.
3. Foreign affiliate executes the order in the foreign market, and reports the transaction on the foreign market.
4. Foreign affiliate sells to Broker 1 at a different price than reported in the foreign market.
5. Broker 1 reports the execution CAT and the TRF.

Refer to Scenario 2.9.2 of v2.3 of the Industry Member Reporting Scenarios Document

What is Reportable?

Customer 1

1. Sends order to Broker 1

Broker 1

2. Accepts customer order

Reports "New Order" Event

3. Routes the order to Foreign Affiliate

Reports "Order Route" Event

6. Reports the execution to the TRF and reports the execution to CAT linking to the TRF report

Reports "Trade" Event

Foreign Affiliate

4. Accepts the order from Broker 1

5. Executes the order on the foreign Market at a price of 9.97, and sells the order to Broker 1 at a price of 10.01

Industry Member Market Maker 1 is required to report the following in Phase 2a:

- The receipt of the customer order (New Order event)
- The route of the order to its foreign affiliate (Order Route event)
- The execution of the order in the foreign market (one-sided Trade event linking to the TRF report with a sideDetailsInd of 'BUY')

Refer to Scenario 2.9.2 of v2.3 of the Industry Member Reporting Scenarios Document

Requirements for Phase 2a

																			buyDetails		sellDetails	
Event Description	type	CATReporterIMID	symbol	orderID	price	qty	side	accountHolderType	FDID	affiliateFlag	tradingSession	destinationType	destination	senderIMID	routedOrderID	tradeID	capacity	sideDetailsInd	orderID	side	orderID	side
1. Accepts customer order	MENO	FRMA	XYZ	O12345	10.00	1000	B	A	CUST 1	FALSE	FOR											
2. Routes order to foreign broker-dealer	MEOR	FRMA	XYZ	O12345	10.00	1000	B				TRUE	FOR	N									
3. Broker 1 reports execution to CAT and TRF	MEOT	FRMA	XYZ		10.05	1000										TR123	A	BUY	O12345	B		

In phase 2a:

- The *tradingSession* in the MENO and MEOR events must be populated as "FOR".
- The *destinationType* in the MEOR event must be populated as "N". The *destination, senderIMID,* and *routedOrderID* fields are not required.
- The *affiliateFlag* in the route to the foreign affiliate must be populated as "true".
- The *sideDetailsInd* must be populated as "BUY", indicating what side details were populated in the Trade event, as side details are not required for the contra-side.

Refer to Scenario 2.9.2 of v2.3 of the Industry Member Reporting Scenarios Document

Example of an order Routed to a Foreign Market on a Riskless Principal Basis
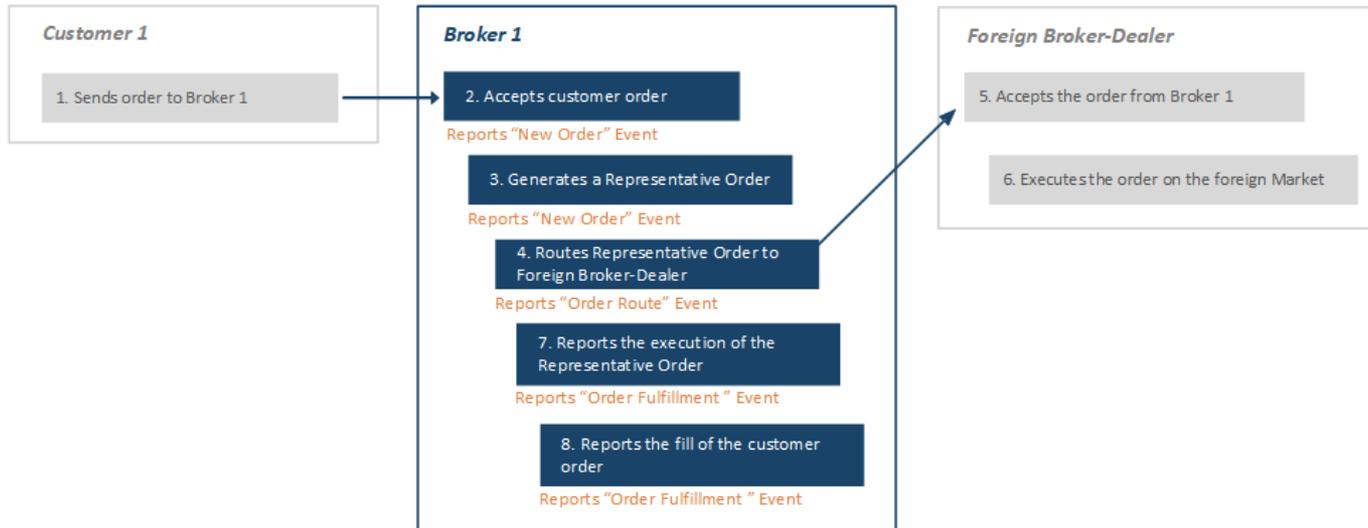
1. Broker 1 receives a customer order.
2. Broker 1 generates a representative proprietary order, and routes the representative order to a foreign broker-dealer.
3. Foreign broker-dealer executes the order in the foreign market, and reports the transaction on the foreign market.
4. Broker 1 reports the execution of the representative order.
5. Broker 1 reports the fill of the customer order.

Refer to Scenario 2.9.3 of v2.3 of the Industry Member Reporting Scenarios Document

What is Reportable?
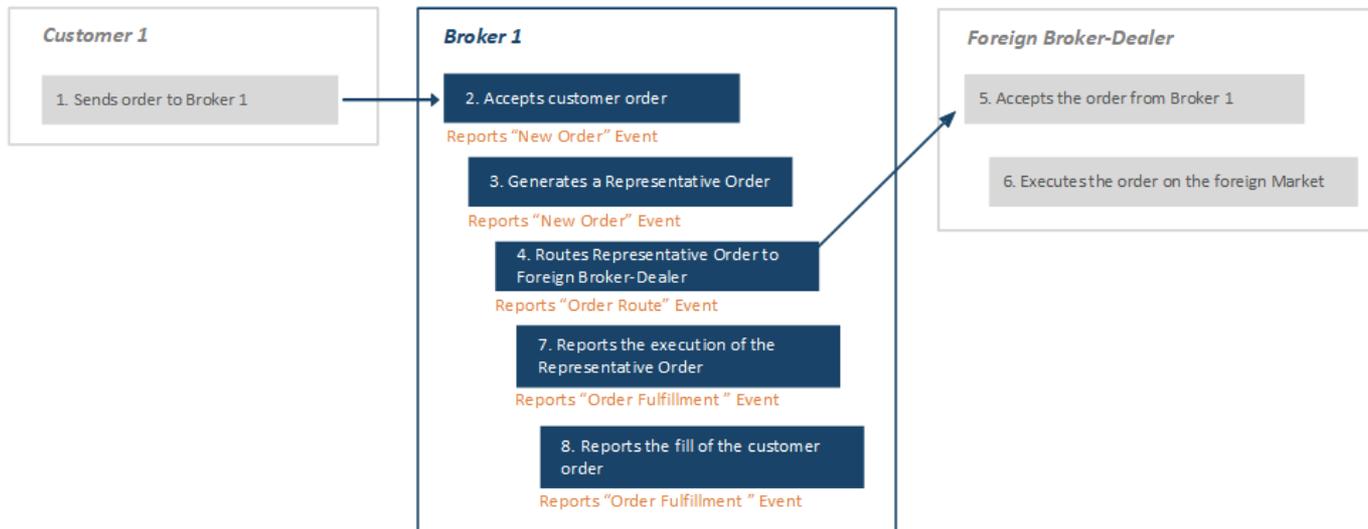
Industry Member Broker 1 is required to report the following in Phase 2a:

- The receipt of the customer order (New Order event)
- The generation of a representative order (New Order event)
- The route of the representative order (Order Route event)
- The execution representative order (Order Fulfillment event with a fulfillmentLinkType of 'FOR')
- The fill of the customer order (Order Fulfillment event with a fulfillmentLinkType of 'Y')

Refer to Scenario 2.9.3 of v2.3 of the Industry Member Reporting Scenarios Document

Requirements for Phase 2a

Event Description	type	CATReporterIMID	symbol	orderID	price	qty	side	accountHolderType	FDID	tradingSession	representativeInd	aggregatedOrders	destinationType	destination	senderIMID	routedOrderID	fulfillmentID	capacity	fulfillmentLinkType	clientDetail orderID	clientDetail side	firmDetails orderID	firmDetails side
1. Accepts customer order	MENO	FRMA	XYZ	O12345	10.00	1000	B	A	CUST 1	FOR	N												
2. Generates representative order	MENO	FRMA	XYZ	O12346	10.00	1000	B	P	REP2	FOR	Y	O12345											
3. Routes the rep order to foreign broker-dealer	MEOR	FRMA	XYZ	O12346	10.00	1000	B			FOR						N							
4. Reports the outcome of the rep order	MEOF	FRMA	XYZ		10.00	1000											FOR123	P	FOR	O12346	B		
5. Reports the outcome of the customer order	MEOF	FRMA	XYZ		10.00	1000											FOR456	R	Y	O12345	B	O12346	SL

In phase 2a:

- The *representativeInd* in the MENO for the representative order must be populated as "Y", and the *aggregatedOrders* field must link to the customer order.
- The *fulfillmentLinkType* for the representative order fulfillment must be populated as "FOR", and *firmDetails* are not required.
- The *fulfillmentLinkType* for the customer order fulfillment must be populated as "Y", and *firmDetails* are required.

Refer to Scenario 2.9.3 of v2.3 of the Industry Member Reporting Scenarios Document

30

How to Ask a Question during Today's Call

- **For participants using computer audio:**
  - Click the "Participants" button at the bottom of the app window, then 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.