FDID Refresher and Introduction to Allocation Reporting

2/19/20

Agenda

- FDID Overview
- Allocation Reporting Overview
  - Reporting Obligation
  - Definition
  - Scope
  - Implementation Dates
  - Scenarios

FDID Overview

Customer and Account Data – CCID and FDID

There are two separate and distinct concepts:

1. <u>Customers</u> **–** defined in Rule 613 and represented by the CAT Customer ID (**CCID**). The CCID is created by the Plan Processor and is known only to the Plan Processor and the Participants. The CAT assigned CCID is not provided back to Industry Members. Customer and account information used to create the CCID is not reportable until July 2022.

2. <u>Trading Accounts</u> **–** addressed in the NMS Plan and represented by the Firm Designated ID (**FDID**). This can represent **firm or customer** accounts. Each account, including firm owned or controlled accounts and sub-accounts, must have a <u>unique</u> and <u>persistent</u> FDID.

*** A customer can have more than one trading account, and a trading account can have more than one customer ***

FDID Key Concepts

▸ A *single, unique* FDID must be assigned to each trading account across the entire firm and all vendors the Industry Member may use to report new orders to CAT and must be unique across time (with limited exceptions such as closed accounts).

▸ Generally, the FDID represents the account number.

▸ Actual customer account numbers may not be used as the FDID when reporting to CAT and must be masked. Industry Members may decide whether they wish to mask proprietary account numbers.

▸ The FDID is not passed between CAT Reporters. It is only reported by the firm originating or receiving an order from a customer or a firm performing an allocation. The Plan Processor associates FDID with all other order events in the lifecycle of an order, including trades, via the order lifecycle linkage process.

*** Detailed FDID guidance can be found on catnmsplan.com in FAQs M1 – M14***

FDIDs Based on Relationship ID

In certain scenarios (e.g., institutional, managed accounts), the trading account structure may not be available when a new order is first received from a client and instead, only an identifier representing the client's trading relationship is available. In these limited instances, the Industry Member may populate the FDID with an identifier used by the firm to represent the client's trading relationship with the Industry Member ("Relationship ID") instead of an account number.

An example of such an identifier could be as follows:

- Big Fund Manager is known in Industry Member A's systems as "BFM1."

- When an order is placed by Big Fund Manager, the order is tagged to BFM1.

- Industry Member A could use BFM1 (masked version) as the FDID when reporting a new order from Big Fund Manager instead of the account numbers to which executed shares/contracts will be allocated at a later time via a booking or other system.
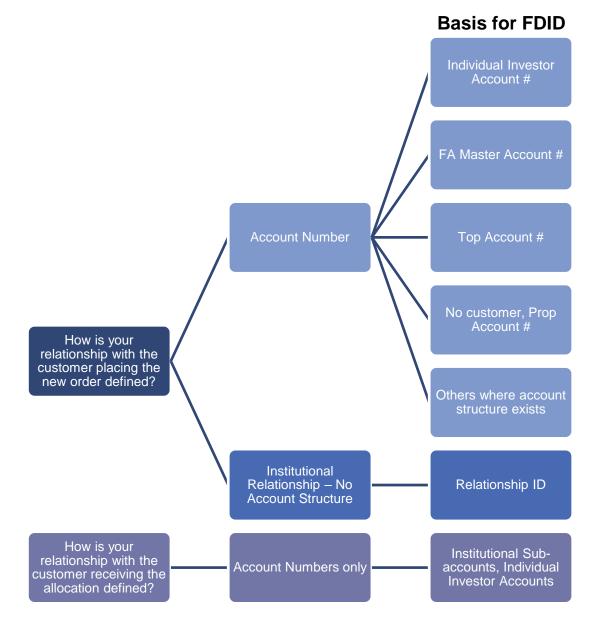
Populating FDID on CAT Order and Allocation Data

What source of FDID can be populated on which order data events?

▸ FDIDs will be required on **ALL** New Order events (MENO/MONO) in Phases 2a/2b, including orders for both customer and firm controlled accounts. FDIDs will be required on **ALL** allocation reports beginning in Phases 2c/2d.

	New Client Orders	New Firm Account Orders	Allocations
CAT Event Type	New Order Event (MENO/MONO)	New Order Event (MENO/MONO)	Post-Trade Allocation Event (MEPA/MOPA)
FDID Represents	1. Retail account number 2. Institutional account number OR Relationship ID if the trading account structure is not known at the time of order receipt	Always the firm's trading account number	Always a client trading account number
Account Number/ Relationship ID is Masked/ Unmasked	Must be masked	Can be either masked or unmasked	Must be masked

The CAT NMS Plan does not require allocation events to be linked to particular orders or executions.

Determining Source of FDID

Basis for FDID

- How is your relationship with the customer placing the new order defined?
  - Account Number
    - Individual Investor Account #
    - FA Master Account #
    - Top Account #
    - No customer, Prop Account #
    - Others where account structure exists
  - Institutional Relationship – No Account Structure
    - Relationship ID
- How is your relationship with the customer receiving the allocation defined?
  - Account Numbers only
    - Institutional Sub-accounts, Individual Investor Accounts

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Allocation Reporting Overview

Allocation Implementation Dates

Firm Type	Phase 2c (MEPA)	Phase 2d (MOPA)
Large Industry Members	April 2021	December 2021
Small Industry Member OATS Reporters	December 2021	December 2021
Small Industry Member non-OATS Reporters	December 2021	December 2021

Refer to https://catnmsplan.com/timelines/ for additional information.

Reporting Obligation

▸ The reporting obligation for Allocation events belongs to the firm performing the allocation. This will generally be the clearing firm or self-clearing firm processing the allocation.

▸ The obligation to report Allocation events is <u>separate and distinct</u> from the obligation to report New Order events, which belongs to the firm receiving or originating the order.

❖ *This means that the firm with the new order reporting obligation must establish and register with CAT the FDIDs it uses for new order reporting <u>and</u> the firm with the reporting obligation for the allocation report must separately establish and register with CAT the FDIDs it uses for allocation reporting.*

Definition

The definition of *allocation* includes:

▸ Placement of shares/contracts into the same account for which an order was originally placed

▸ Placement of shares/contracts into an account based on allocation instructions (e.g., subaccount allocations).

*** Allocation events are not required to be linked to particular orders or executions***

Scope

▸ Allocation events must be reported to CAT for all allocations to a client account (for both equities and options activity). This includes:

  ◦ Orders placed directly in a customer account

  ◦ Allocations to sub-accounts

  ◦ DVP account allocations

▸ Allocations to accounts other than a client account (e.g. proprietary accounts, step outs, correspondent flips) may be optionally reported to CAT.

NOTE: This represents a change from previous guidance that stated only final allocations to a client account were reportable and that DVP account allocations would not be reportable.

Key Allocation Report Data Elements

- ◦ IMID of the Industry Member performing the allocation
- ◦ Allocation ID
- ◦ Symbol
- ◦ Trade date
- ◦ Settlement date
- ◦ IB/Correspondent CRD#, if applicable
- ◦ FDID of the account receiving the allocation, including subaccounts
- ◦ FDID of new order(s), if available in the booking system (see FAQ B46)
- ◦ Price, Side, Quantity
- ◦ Date/time allocation was processed
- ◦ Allocation Instruction Time (optional)
- ◦ If account meets the definition of institution under FINRA Rule 4512(c)
- ◦ Type of allocation (custody, DVP, step out, correspondent flip, etc.)
- ◦ For DVP allocations, custody BD clearing number if US broker, DTCC# if US bank, or a foreign indicator, if custodian is a foreign entity
- ◦ Cancel Flag and Cancel Timestamp, if applicable

FINRA Rule 4512(c) For purposes of this Rule, the term "institutional account" shall mean the account of:
(1) a bank, savings and loan association, insurance company or registered investment company;
(2) an investment adviser registered either with the SEC under Section 203 of the Investment Advisers Act or with a state securities commission (or any agency or office performing like functions); or
(3) any other person (whether a natural person, corporation, partnership, trust or otherwise) with total assets of at least $50 million.

FAQ B46

B46: The *newOrderFDID* field in the Post-Trade Allocation Event (MEPA) and Amended Allocation Event (MEAA) is described as "The FDID of the related New Order event, if available in the booking system." What does "if available in the booking system" mean? **added 1/28/20**

For Phase 2c, "if available in the booking system" means that the FDID is either directly available in the booking system, or can be made available through a simple reference data lookup, or can be readily accessed by the booking system through an existing system integration. For example, if the FDID is directly stored or can be directly queried by the booking system, the *newOrderFDID* field should be populated. In contrast, if, in order to supply the FDID, a new system integration would be required or if new data element(s) were required in the booking record, then the *newOrderFDID* field would not be required to be populated. It should also be noted that requirements for populating this field may be expanded in future phases of CAT.

Scenario 1 – Order Placed Directly in Customer Account at Self–Clearing Firm – Description

A customer with an account at a <u>self-clearing broker-dealer </u>(SCFA) places an order in their online account which is automatically routed to an exchange for execution.

Self-Clearing Firm A's Customer and Account Information is as follows (note: this does not represent all required customer and account information or specific format and is <u>*for illustration purposes only*</u>).

Customer and Account Data								
CAT Reporter IMID	*FDID*	*CCID*	*Cust Name*	*Cust Type*	*Role*	*Cust YOB*	*Cust Address*	*Cust Zip*
SCFA	50955	C6921	Jane Doe	Natural Person	Account Holder	1968	516 Main St.	74114
		C6922	John Doe	Natural person	Account Holder	1966	516 Main St.	74114

Scenario 1 – Order Placed Directly in Customer Account at Self-Clearing Firm – Example

CAT IM Order Data											
CAT Reporter IMID	CAT Event	Order ID	Event Timestamp	Option ID	B/S	Quantity	Price	Account Holder Type	FDID	Dest.	Routed Order ID
SCFA	MONO	A12345	20190708T101830.52	ABC191220C00095000	B	200	10.00	I	50955		
SCFA	MOOR	A12345	20190708T101930.24	ABC191220C00095000	B	200	10.00			EXO	EX1234

CAT Exchange Data											
Exchange ID	CAT Event	Order ID	Event Timestamp	Option ID	B/S	Quantity	Price	Capacity	Clearing Firm	Routing Party	ROID
Exch O	OOA	E12345	20190708T101930.47	ABC191220C00095000	B	200	10.00		1234	SCFA	EX1234
Exch O	OT	(buy side) E12345	20190708T101935.31	ABC191220C00095000		200	10.00	(buy side) A	(buy side) 1234		

CAT IM Allocation Data															
CAT Reporter IMID	CAT Event	Option ID	Trade Date	Settle Date	IB/Corr CRD#	Allocation FDID	New Order FDID	Price	B/S	QTY	Alloc Time	Inst - FINRA 4512(c)	Alloc Type	PB/ Cust	Allocation Instruction Time
SCFA	MOPA	ABC191220C00095000	7/8/19	7/11/19	Not applicable	50955	50955	10.00	Buy	200	101830	N	Custody		

Scenario 2 – Aggregated Orders Worked in a Firm Account – Self–Clearing Firm – Description

A registered rep (2 legged person employed by the broker-dealer) of a self-clearing broker-dealer (SCFA) exercises discretion over multiple retail customer accounts and originates a single aggregated order that will be allocated to the specific customer accounts post trade. Shares are booked to a <u>firm</u> average price account until the sub-account allocations are made to the individual customer accounts.

Self-Clearing Firm A's Customer and Account Information is as follows (note: this does not represent all required customer and account information or specific format and is _for illustration purposes only_).

Customer and Account Data								
CAT Reporter IMID	**FDID**	**CCID**	**Cust Name**	**Cust Type**	**Role**	**Cust YOB**	**Cust Address**	**Cust Zip**
SCFA	2548	C8012	Firm A	Legal Entity	Account Holder	-	Big City, USA	22302
SCFA	50955	C6921	Jane Doe	Natural Person	Account Holder	1968	516 Main St.	74114
		C8012	Firm A	Legal Entity	Authorized Trader	-	Big City, USA	22302
		C3811	Roberta Rep	Financial Advisor	Authorized Trader	1982	123 Branch Rd	63182
SCFA	41298	C1745	Sally Smith	Natural Person	Account Holder	1975	89 Central Ave	72756
		C8012	Firm A	Legal Entity	Authorized Trader	-	Big City, USA	22302
		C3811	Roberta Rep	Financial Advisor	Authorized Trader	1982	123 Branch Rd	63182

Scenario 2 – Aggregated Orders Worked in a Firm Account – Self-Clearing Firm – Example

CAT IM Order Data											
CAT Reporter IMID	**CAT Event**	**Order ID**	**Event Timestamp**	**Symbol**	**B/S**	**Quantity**	**Price**	**Account Holder Type**	**FDID**	**Dest.**	**Routed Order ID**
SCFA	MENO	A12345	20190708T101830.52	ABC	B	10,000	10.00	V	2548		
SCFA	MEOR	A12345	20190708T101930.24	ABC	B	10,000	10.00			EXO	EX1234

CAT Exchange Data											
Exchange ID	**CAT Event**	**Order ID**	**Event Timestamp**	**Symbol**	**B/S**	**Quantity**	**Price**	**Capacity**	**Clearing Firm**	**Routing Party**	**ROID**
Exch O	EOA	E12345	20190708T101930.47	ABC	B	10,000	10.00		1234	SCFA	EX1234
Exch O	ET	(buy side) E12345	20190708T101935.31	ABC		10,000	10.00	(buy side) A	(buy side) 1234		

CAT IM Allocation Data															
CAT Reporter IMID	**CAT Event**	**Sym**	**Trade Date**	**Settle Date**	**IB/Corr CRD#**	**Allocation FDID**	**New Order FDID**	**Price**	**B/S**	**Qty**	**Alloc Time**	**Inst - FINRA 4512(c)**	**Alloc Type**	**PB/ Cust**	**Allocation Instruction Time**
SCFA	MEPA	ABC	7/8/19	7/11/19	Not applicable	50955	2548	10.00	B	6,000	101830	N	Custody		
SCFA	MEPA	ABC	7/8/19	7/11/19	Not applicable	41298	2548	10.00	B	4,000	101830	N	Custody		

NOTE: The placement of shares into the firm average price account is not required to be reported but could be voluntarily submitted.

Scenario 3 – Aggregated Order – Self–Clearing Firm – with Allocations to Customer Accounts Held at a Different Firm – Description

An institution (FDID RLT1234) places an order with a <u>self-clearing</u> executing firm (SCFA). SCFA uses a Relationship ID based FDID for the institution. The institution gives instructions to DVP the shares to two different custodial broker-dealers (CSTA and CSTB). The institution provides allocation instructions directly to CSTA and CSTB for allocation to the final customer accounts at the custodian broker-dealers.

Customer and Account Information is as follows (note: this does not represent all required customer and account information or specific format and is <u>*for illustration purposes only*</u>).

CAT Reporter IMID	FDID	Type	CCID	Cust Name	Cust Type	Role	Cust YOB	Cust Address	Cust Zip
SCFA	RLT1234	RLID	C8012	Big Fund Manager	Legal Entity	Account Holder	-	Big City, USA	22302
SCFA	7895	DVP	C8012	Big Fund Manager	Legal Entity	Authorized Trader	-	Big City, USA	22302
SCFA	8529	DVP	C8012	Big Fund Manager	Legal Entity	Authorized Trader	-	Big City, USA	22302
CSTA	25863	Cust	C1745	Sally Smith	Natural Person	Account Holder	1975	89 Central Ave	72756
			C8012	Big Fund Manager	Legal Entity	Authorized Trader	-	Big City, USA	22302
CSTB	82719	Cust	C6921	Jane Doe	Natural Person	Account Holder	1968	516 Main St.	74114
			C8012	Big Fund Manager	Legal Entity	Authorized Trader	-	Big City, USA	22302

Customer and Account Data

Scenario 3 – Aggregated Order – Self–Clearing Firm – with Allocations to Customer Accounts Held at a Different Firm – Example

CAT IM Order Data

CAT Reporter IMID	CAT Event	Order ID	Event Timestamp	Symbol	B/S	Quantity	Price	Account Holder Type	FDID	Dest.	Routed Order ID
SCFA	MENO	A12345	20190708T101830.52	ABC	B	10,000	10.00	A	RLT1234		
SCFA	MEOR	A12345	20190708T101930.24	ABC	B	10,000	10.00			EXO	EX1234

CAT Exchange Data

Exchange ID	CAT Event	Order ID	Event Timestamp	Symbol	B/S	Quantity	Price	Capacity	Clearing Firm	Routing Party	ROID
Exch O	EOA	E12345	20190708T101930.47	ABC	B	10,000	10.00		1234	SCFA	EX1234
Exch O	ET	E12345	20190708T101935.31	ABC		10,000	10.00	(buy side) A	(buy side) 1234		

CAT IM Allocation Data

CAT Reporter IMID	CAT Event	Sym	Trade Date	Settle Date	IB/Corr CRD#	Allocation FDID	New Order FDID	Price	B/S	QTY	Alloc Time	Inst - FINRA 4512(c)	Alloc Type	PB/ Cust	Allocation Instruction Time
SCFA	MEPA	ABC	7/8/19	7/11/19	Not applicable	7895	RLT1234	10.00	B	5,000	101830	Y	DVP	CSTA	
SCFA	MEPA	ABC	7/8/19	7/11/19	Not applicable	8529	RLT1234	10.00	B	5,000	101830	Y	DVP	CSTB	
CSTA	MEPA	ABC	7/8/19	7/11/19	Not applicable	25863	Not available	10.00	B	5,000	0800	N	Cust		
CSTB	MEPA	ABC	7/8/19	7/11/19	Not applicable	82719	Not available	10.00	B	5,000	0800	N	Cust		

Scenario 4 – Order Placed Directly in Customer Account at Introducing Broker– Description

A customer with an account at an <u>introducing broker</u> (IBFA) places an order with IBFA which IBFA automatically routes to its clearing firm (CLFA), who in turn routes the order to an exchange for execution. The CLFA knows the FDID used by the IB on the New Order event submitted to CAT.

Customer and Account Information is as follows (note: this does not represent all required customer and account information or specific format and is *for illustration purposes only*).

Customer and Account Data									
CAT Reporter IMID	**CAT Rptr Type**	**FDID**	**CCID**	**Cust Name**	**Cust Type**	**Role**	**Cust YOB**	**Cust Address**	**Cust Zip**
IBFA	IB	50955	C6921	Jane Doe	Natural Person	Account Holder	1968	516 Main St.	74114
			C6922	John Doe	Natural person	Account Holder	1966	516 Main St.	74114
CLFA	CF	50955	C6921	Jane Doe	Natural Person	Account Holder	1968	516 Main St.	74114
			C6922	John Doe	Natural person	Account Holder	1966	516 Main St.	74114

NOTE: CLFA could report IBFA's customer and account information to CAT on behalf of IBFA. In addition, since both firms have a separate CAT reporting obligation involving the FDID, each firm must separately register the FDID under their CAT IMID.

Scenario 4 – Order Placed Directly in Customer Account at Introducing Broker– Example

CAT IM Order Data

CAT Reporter IMID	CAT Event	Order ID	Event Timestamp	Symbol	B/S	Quantity	Price	Account Holder Type	FDID	Dest.	Sender IMID	Routed Order ID
IBFA	MENO	A12345	20190708T101830.52	ABC	B	200	10.00	I	50955			
IBFA	MEOR	A12345	20190708T101930.24	ABC	B	200	10.00			CLFA		85296
CLFA	MEOA	C85236	20190708T101930.26	ABC	B	200	10.00				IBFA	85296
CLFA	MEOR	C85236	20190708T101930.28	ABC	B	200	10.00			EXO		EX1234

CAT Exchange Data

Exchange ID	CAT Event	Order ID	Event Timestamp	Symbol	B/S	Quantity	Price	Capacity	Clearing Firm	Routing Party	ROID
Exch O	EOA	E12345	20190708T101930.47	ABC	B	200	10.00		1234	CLFA	EX1234
Exch O	ET	E12345	20190708T101935.31	ABC		200	10.00	A	1234		

CAT IM Allocation Data

CAT Reporter IMID	CAT Event	Sym	Trade Date	Settle Date	IB/Corr CRD#	Allocation FDID	New Order FDID	Price	B/S	QTY	Alloc Time	Inst - FINRA 4512(c)	Alloc Type	PB/ Cust	Allocation Instruction Time
CLFA	MEPA	ABC	7/8/19	7/11/19	555	50955	50955	10.00	Buy	200	101830	N	Custody		

Scenario 5 – Order Placed Directly in Customer Account at Introducing Broker– Description

A customer with an account at an <u>introducing broker</u> (IBFA) places an order with IBFA which IBFA automatically routes to its clearing firm (CLFA), who in turn routes the order to an exchange for execution. The CLFA does **NOT** know the FDID used by the IB on the New Order report submitted to CAT.

Customer and Account Information is as follows (note: this does not represent all required customer and account information or specific format and is _for illustration purposes only_).

Customer and Account Data									
CAT Reporter IMID	**CAT Rptr Type**	**FDID**	**CCID**	**Cust Name**	**Cust Type**	**Role**	**Cust YOB**	**Cust Address**	**Cust Zip**
IBFA	IB	50955	C6921	Jane Doe	Natural Person	Account Holder	1968	516 Main St.	74114
			C6922	John Doe	Natural person	Account Holder	1966	516 Main St.	74114
CLFA	CF	21098	C6921	Jane Doe	Natural Person	Account Holder	1968	516 Main St.	74114
			C6922	John Doe	Natural person	Account Holder	1966	516 Main St.	74114

NOTE: CLFA could report IBFA's customer and account information to CAT on behalf of IBFA. In addition, since both firms have a separate CAT reporting obligation involving the FDID, each firm must separately register the FDID under their CAT IMID.

Scenario 5 – Order Placed Directly in Customer Account at Introducing Broker– Example

CAT IM Order Data

CAT Reporter IMID	CAT Event	Order ID	Event Timestamp	Symbol	B/S	Quantity	Price	Account Holder Type	FDID	Dest.	Sender IMID	Routed Order ID
IBFA	MENO	A12345	20190708T101830.52	ABC	B	200	10.00	I	50955			
IBFA	MEOR	A12345	20190708T101930.24	ABC	B	200	10.00			CLFA		85296
CLFA	MEOA	C85236	20190708T101930.26	ABC	B	200	10.00				IBFA	85296
CLFA	MEOR	C85236	20190708T101930.28	ABC	B	200	10.00			EXO		EX1234

CAT Exchange Data

Exchange ID	CAT Event	Order ID	Event Timestamp	Symbol	B/S	Quantity	Price	Capacity	Clearing Firm	Routing Party	ROID
Exch O	EOA	E12345	20190708T101930.47	ABC	B	200	10.00		1234	CLFA	EX1234
Exch O	ET	E12345	20190708T101935.31	ABC		200	10.00	A	1234		

CAT IM Allocation Data

CAT Reporter IMID	CAT Event	Sym	Trade Date	Settle Date	IB/Corr CRD#	Allocation FDID	New Order FDID	Price	B/S	QTY	Alloc Time	Inst - FINRA 4512(c)	Alloc Type	PB/ Cust	Allocation Instruction Time
CLFA	MEPA	ABC	7/8/19	7/11/19	555	21098	Not available	10.00	Buy	200	101830	N	Custody		

Scenario 6 – Managed Accounts at an Introducing Firm – Description

A money manager manages two client accounts of an introducing broker (IBFA). IBFA is a fully disclosed correspondent of Clearing Firm A (CLFA). The money manager places a single order with IBFA to be later allocated between the two accounts. Shares are booked to an <u>average price account designated for the money manager</u> at IBFA until the sub-account allocations are made to the individual customer accounts.

The Customer and Account Information is as follows (note: this does not represent all required customer and account information or specific format and is <u>*for illustration purposes only*</u>).

CAT Reporter IMID	CAT Rptr Type	FDID	CCID	Cust Name	Cust Type	Role	Cust YOB	Cust Address	Cust Zip
Customer and Account Data									
IBFA	IB	2548	C8012	Make You Money	Legal Entity	Account Holder	-	Big City, USA	22302
CLFA	CF	2548	C8012	Make You Money	Legal Entity	Account Holder	-	Big City, USA	22302
CLFA	CF	98765	C6921	Jane Doe	Natural Person	Account Holder	1968	516 Main St.	74114
			C8012	Make You Money	Legal Entity	Authorized Trader		Big City, USA	22302
CLFA	CF	87654	C1745	Sally Smith	Natural Person	Account Holder	1975	89 Central Ave	72756
			C8012	Make You Money	Legal Entity	Authorized Trader		Big City, USA	22302

Scenario 6 – Managed Accounts at an Introducing Firm – Example

CAT IM Order Data

CAT Reporter IMID	CAT Event	Order ID	Event Timestamp	Symbol	B/S	Quantity	Price	Account Holder Type	FDID	Dest.	Routed Order ID
IBFA	MENO	A12345	20190708T101830.52	ABC	B	10,000	10.00	A	2548		
IBFA	MEOR	A12345	20190708T101930.24	ABC	B	10,000	10.00			EXO	EX1234

CAT Exchange Data

Exchange ID	CAT Event	Order ID	Event Timestamp	Symbol	B/S	Quantity	Price	Capacity	Clearing Firm	Routing Party	ROID
Exch O	EOA	E12345	20190708T101930.47	ABC	B	10,000	10.00		1234	IFBA	EX1234
Exch O	ET	E12345	20190708T101935.31	ABC		10,000	10.00	A	1234		

CAT IM Allocation Data

CAT Reporter IMID	CAT Event	Sym	Trade Date	Settle Date	IB/ Corr CRD#	Allocation FDID	New Order FDID	Price	B/S	QTY	Alloc Time	Inst - FINRA 4512(c)	Alloc Type	PB/ Cust	Allocation Instruction Time
CLFA	MEPA	ABC	7/8/19	7/11/19	555	2548	2548	10.00	B	10,000	101830	Y	Custody		
CLFA	MEPA	ABC	7/8/19	7/11/19	555	98765	2548	10.00	B	6,000	101830	N	Custody		
CLFA	MEPA	ABC	7/8/19	7/11/19	555	87654	2548	10.00	B	4,000	101830	N	Custody		

NOTE: because the shares are initially placed in an account for the money manager, this represents a client allocation and must be reported. If the shares were initially placed in a firm owned account, the interim Allocation event would not be required.

Scenario 7 – Order routed to a Correspondent Executing Broker with allocations to a separate Prime Broker – Description

An institutional client sends an order to an executing firm (EXFA) that clears through Clearing Firm A (CLFA). The institution has standing instructions with EXFA to DVP all shares to its Prime Broker (PBFA). The institutional client provides allocation instructions to PBFA.

Customer and Account Information is as follows (note: this does not represent all required customer and account information or specific format and is _for illustration purposes only_).

CAT Reporter IMID	CAT Rptr Type	FDID	Type	IB/ Corr CRD#	CCID	Cust Name	Cust Type	Role	Cust YOB	Cust Address	Cust Zip
Customer and Account Data											
EXFA	Corr EB	2345		NA	C8012	Big Fund Manager	Legal Entity	Account Holder	-	Big City, USA	22302
CLFA	CF	7895	DVP	875	C8012	Big Fund Manager	Legal Entity	Authorized Trader	-	Big City, USA	22302
PBFA	PB	25863	Cust	NA	C1745	Sally Smith	Natural Person	Account Holder	1975	89 Central Ave	72756
					C8012	Big Fund Manager	Legal Entity	Authorized Trader	-	Big City, USA	22302
PBFA	PB	82719	Cust	NA	C6921	Jane Doe	Natural Person	Account Holder	1968	516 Main St.	74114
					C8012	Big Fund Manager	Legal Entity	Authorized Trader	-	Big City, USA	22302

Scenario 7 – Order routed to a Correspondent Executing Broker with allocations to a separate Prime Broker – Example

CAT IM Order Data											
CAT Reporter IMID	CAT Event	Order ID	Event Timestamp	Symbol	B/S	Quantity	Price	Account Holder Type	FDID	Dest.	Routed Order ID
EXFA	MENO	A12345	20190708T101830.52	ABC	B	10,000	10.00	A	2345		
EXFA	MEOR	A12345	20190708T101930.24	ABC	B	10,000	10.00			EXO	EX1234

CAT Exchange Data											
Exchange ID	CAT Event	Order ID	Event Timestamp	Symbol	B/S	Quantity	Price	Capacity	Clearing Firm	Routing Party	ROID
Exch O	EOA	E12345	20190708T101930.47	ABC	B	10,000	10.00		1234	EXFA	EX1234
Exch O	ET	(buy side) E12345	20190708T101935.31	ABC		10,000	10.00	(buy side) A	(buy side) 1234		

CAT IM Allocation Data														
CAT Reporter IMID	CAT Event	Sym	Trade Date	Settle Date	IB/Corr CRD#	Allocation FDID	New Order FDID	Price	B/S	QTY	Alloc Time	Inst - FINRA 4512(c)	Alloc Type	PB/ Cust	Allocation Instruction Time
CLFA	MEPA	ABC	7/8/19	7/11/19	875	7895	Not available	10.00	B	10,000	101830	Y	DVP	PBFA	
PBFA	MEPA	ABC	7/8/19	7/11/19	Not applicable	25863	Not available	10.00	B	5,000	0830	N	Custody		
PBFA	MEPA	ABC	7/8/19	7/11/19	Not applicable	82719	Not available	10.00	B	5,000	0830	N	Custody		

Order Fulfillment vs. Allocation Report

The CAT NMS Plan requires that customer orders be linked to representative orders created in firm accounts for the purpose of facilitating the execution of a customer order.

Order Fulfillment event (MEOF/MOOF)

The Order Fulfillment event is used to report the execution of a customer/client order that is not required to be reported for public dissemination purposes.

Order Fulfillment events are required in scenarios where:

1. A representative order was used to facilitate the execution of the customer/client order (e.g., riskless principal fill of a customer order or agency flip)

2. An order is routed to a foreign market and the resulting foreign execution is not captured by CAT.

The Order Fulfillment event is designed to capture the customer/client details and the firm side details. Firm side details provide linkage to the representative order used to facilitate the execution of the customer/client order.

An Order Fulfillment event is directly linked to a New Order event and shares the <u>same FDID</u> and <u>IM assigned order number</u> as the New Order event.

Order Fulfillment vs. Allocation Report

	Order Fulfillment	Allocation Report
Firm System Generating	Front or Middle office	Back office
Directly linked to original order and street side trade	Yes	No
Firm with reporting obligation	Executing Firm	Custodial Firm
FDID represents	Account placing the order	Account receiving the final allocation

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.