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Tech Spec Working Group

9/22/2020

Agenda

- ▶ Recent Technical Specification Publications
- ▶ Agency Average Price Guidance
- ▶ Reporter Portal Update

Tech Spec Updates

IM Tech Spec Publications

- ▶ On 9/9, the following version of the IM Tech Spec were published:
 - Phase 2a/2b v2.2.1 r7 (clean and redline)
 - Phase 2c v3.1.0 r6 (clean and redline)
 - Phase 2d v4.0.0 r2 (clean and redline)
- ▶ “Conforming Changes” noted in the change log refer to changes made to one version of the spec that were applied through other versions (and adjusted appropriately based on phase requirements). This is a result of maintaining three published versions of the document simultaneously.
- ▶ Updates to the IM Tech Spec will be published on the first Friday of each month beginning on November 6, 2020.

v2.2.1 r7 Updates – Foreign Routes

- ▶ When *destinationType* is 'N', a CRD Prefix is not required to be populated in the *destination* field if it is optionally populated.
- ▶ If an Industry Member is unable to guarantee record level uniqueness of simultaneous routes to a foreign destination without populating the *senderIMID*, *destination*, or *routedOrderID* fields, then the Industry Member must populate any combination of these fields on its Order Route event that will guarantee record level uniqueness.

v2.2.1 r7 Updates – Rejected Routes

- ▶ Added Section 2.6.3.5 - Routes Rejected by the Destination Venue
- ▶ Order Route events for orders that were rejected by the Industry Member or Participant to which the order was routed are not required to be reported in Phases 2a or 2b.
- ▶ If an Industry Member chooses to optionally report an Order Route event for a rejected route in Phases 2a or 2b, the *routeRejectedFlag* must be populated as 'true'. Any Order Route event representing a rejected route that is optionally reported in Phase 2a or 2b with a *routeRejectedFlag* of 'false' will result in an unlinked event that must be corrected
- ▶ Linkage is attempted on all Order Route events that contain a *routeRejectedFlag* as 'true', however, if no link is found, the firm will not receive an unlinked error if the *routeRejectedFlag* is populated as 'true'.
- ▶ *routeRejectedFlag* was not changed from Optional to Required, but was changed from Boolean to Choice (as Boolean fields are required). This change is only applicable to Phase 2a, as the field is Required in Phase 2c.

v2.2.1 r7 Updates – Communication Between Counterparties

- ▶ The published default IMID must only be used if two parties do not have a pre-determined agreement as to which IMID to use when routing between each other. However, the default IMID is not intended to replace communication between the sender and receiver.

v2.2.1 r7 Updates – Leading Zeros

- Leading zeros will be removed from the *routedOrderID* and *session* fields for linkage processing
- This was updated in the spec in the Exchange Linkage section, but this guidance will also be applicable to Interfirm Linkage. The spec will be updated accordingly.

v2.2.1 r7 Updates – Error Codes

- ▶ Added and updated codes to support TRF and Exchange Linkage
- ▶ Removed 3018/3019 - Duplicate Manual Order Key (2c applicable) to support one to many manual order key linkage.

v2.2.1 r7 Updates – Processing Window

- ▶ The Processing Window refers to the time period when data validation, linkage and corrections processing occurs prior to final delivery of data to regulators on T+5.
- ▶ The Processing Window for an event ends on Trade Date + 4 at 8am. While reporting and correction deadlines are based on a CAT Trading Day (beginning immediately after 4:15:00 p.m. and no fractions of a second Eastern Time on one trade date and ending at exactly 4:15:00 p.m. and no fractions of a second Eastern Time on the next trade date.), the Processing Window is based on the Trade Date (beginning after midnight on one trade date and ending at midnight the next trade date). This means that any event reported to CAT by 8:00 am on Trade Date + 4 will be subject to regular linkage processing error codes. Events reported after Trade Date + 4 at 8am will receive an error of “late outside the processing window”.

v3.1.0 r6 Updates

- ▶ Updated requirements for reporting Amended Allocation events in accordance with new FAQ U14
 - An Amended Allocation event is required to be reported to CAT when an allocation is updated such that a CAT reportable attribute is changed **after** the shares/contracts were **originally** booked in a client account.
 - Amended Allocation events are not required in scenarios where changes do not impact CAT reportable attributes of the allocation.
- ▶ *orderType* on MEOE event was changed from C to R.
 - This was an error – *orderType* is required for processing.
 - Also needs to be updated on MOOE event in 2d spec.

V4.0.0 r2 Updates

- ▶ Industry Members are not required to report a Modification or Cancel Request event to CAT if the order is terminal (e.g., it has already been fully executed or cancelled) in Phase 2d. However, this activity may be required in future phases of CAT.
- ▶ Corrected the *routeRejectedFlag* on the MLOR event to be required.
 - This is an error, as Boolean fields are required.

Agency Orders

Agency Flip vs. Agency Average Price

- ▶ Scenario 2.1.6 describes an “Agency Flip” Scenario
 - The Industry Member’s order handling and/or reporting system allows the route sent to the street to be directly associated with the customer order.
 - Since the firm’s system maintains the direct association between the customer order and the actions taken to facilitate that order, the firm is not required to report a separate representative order.
- ▶ Scenario 2.3.4 describes an “Agency Average Price” Scenario
 - The street side routes cannot be directly associated with the customer order, and a representative order is required.

FAQ F3

- ▶ **F3. How does a CAT Reporter determine the manner in which an agency order filled on an average price basis should be reported? More specifically, when should an Order Fulfillment (as reflected in Scenario 2.3.4 Fill of a Single Customer Order on an Average Price Basis in the CAT Industry Member Reporting Scenarios document) be used instead of Route Reports?**
- ▶ If an Industry Member's order handling and/or reporting system does not allow for a route to be directly associated with the customer order or child order (with the same Order ID) and instead must generate/report a route from a separate order (with a different Order ID) created by the Industry Member for the purpose of working the customer order, then an Order Fulfillment should be used as described in Scenario 2.3.4 Fill of a Single Customer Order on an Average Price Basis in the CAT Industry Member Reporting Scenarios document.

Bottom Line

- ▶ If your firm can report routes directly from the customer order or related child order(s), then report routes.
- ▶ If your firm cannot report routes directly from the customer order or related child order(s), then report a representative agency order and fulfilment event(s).

CAT Reporter Portal Update

Recent Industry Feedback

▶ In Progress

- All linkage errors available in machine formatted files via Portal Download (Record limits no longer imposed) – 9/28 in Prod and Test
- Implementation of linker outstanding errors in machine readable format available via SFTP and Reporter Portal Download – 10/26 in Prod and Test

▶ Planned

- Download feature for monthly Report Card (Q42020)
- Presentation of outstanding error details associated with monthly Report Cards (TBD)
- Bulk repair for additional Error Codes (TBD)

▶ Under Consideration

- Load outstanding errors daily on the Reporter Portal
- Explore on-demand error data request feature
- Ability to create machine formatted file submissions using Reporter Portal
- Separate linkage error feedback by linkage type/Named Vs. Not Named
- Enhance counterparty screen to add Error Codes
- Ability to navigate between Reporting Summary and Error Screens
- Increasing the limit of errors displayed on Reporter Portal

▶ Not Planned

- Support for Reporter Portal access to multiple firms using a single account