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# Monthly CAT Implementation Update

March 18, 2021

# Agenda

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- State of the CAT
- CAT NMS Plan, Exemptive Relief and Interpretive Updates
- Technical Specification Updates
- CAIS/LTID Reporting
- Compliance
- Upcoming Industry Webinars and Other Updates
- Q&A

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# State of the CAT

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# Upcoming Key Dates

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Topic	Event	Date
Compliance Go-Live	Production Go-Live for Equities 2c reporting requirements	April 26, 2021
Release Availability	Test Environment Opens for Phase 2d reporting requirements	June 28, 2021
Compliance Go-Live	Production Go-Live for 2d reporting requirements	December 13, 2021

Compliance dates are listed in the [Timeline](#)

# Equities – Rolling Five Day Period

## Initial T+1 vs. T+5 8 am Data Ready for Regulators

### February 25, 2021 – March 10, 2021

Trade Date	Late%	Rejection Initial	Rejection Adjusted	Intrafirm Initial	Intrafirm Adjusted	Interfirm Sent Initial	Interfirm Sent Adjusted	Interfirm Received Initial	Interfirm Received Adjusted	Exchange Initial	Exchange Adjusted	TRF Initial	TRF Adjusted	Overall Error Rate Initial	Overall Error Rate Adjusted
2/25/2021	10.4264%	.0036%	.0022%	.2201%	.1186%	6.7646%	.9014%	8.0148%	.0722%	5.7571%	.1000%	.5881%	.5535%	13.4972%	10.6490%
2/26/2021	.5341%	.0004%	.0002%	.0019%	.0016%	.5901%	.0519%	.0473%	.0405%	.7625%	.0120%	.4193%	.2769%	.7510%	.5496%
3/1/2021	.3036%	.0003%	.0001%	.0024%	.0019%	.0149%	.0129%	.5150%	.0133%	.0707%	.0573%	.2256%	.1934%	.3860%	.3186%
3/2/2021	.0026%	.0029%	.0002%	.0021%	.0018%	.0409%	.0391%	.0188%	.0114%	.0234%	.0116%	.1793%	.1553%	.0188%	.0125%
3/3/2021	.3687%	.0002%	.0002%	.0302%	.0270%	.0165%	.0150%	.1905%	.0119%	.0270%	.0163%	.1894%	.1573%	.4110%	.3832%
3/4/2021	10.1778%	.0098%	.0001%	.0722%	.0052%	4.1627%	1.9125%	9.2140%	.5957%	6.0543%	.0116%	.1696%	.1586%	13.0041%	10.5081%
3/5/2021	.0668%	.0007%	.0006%	.0019%	.0016%	.2525%	.1323%	.1244%	.0371%	.0208%	.0144%	.5512%	.1557%	.1222%	.0931%
3/8/2021	1.1266%	.0010%	.0009%	.0022%	.0021%	3.8254%	.0214%	.2553%	.0556%	6.7241%	.0095%	.2001%	.1692%	2.8315%	1.1407%
3/9/2021	.8302%	.0006%	.0002%	.0019%	.0018%	4.1054%	.0167%	.0307%	.0267%	.0232%	.0160%	.1817%	.1454%	1.3674%	.8402%
3/10/2021	.0357%	.0024%	.0011%	.0031%	.0031%	.0464%	.0243%	.0190%	.0185%	.0280%	.0276%	.1906%	.1714%	.0536%	.0494%

# Options – Rolling Five Day Period

## Initial T+1 vs. T+5 8 am Data Ready for Regulators

### February 25, 2021 – March 10, 2021

Trade Date	Late%	Rejection Initial	Rejection Adjusted	Intrafirm Initial	Intrafirm Adjusted	Interfirm Sent Initial	Interfirm Sent Adjusted	Interfirm Received Initial	Interfirm Received Adjusted	Exchange Initial	Exchange Adjusted	Overall Error Rate Initial	Overall Error Rate Adjusted
2/25/2021	.0246%	.0055%	.0032%	.1568%	.1568%	.4816%	.4773%	.0755%	.0624%	.2127%	.1943%	.1665%	.1580%
2/26/2021	1.2793%	.0077%	.0058%	.2456%	.2412%	.0072%	.0063%	.0603%	.0570%	.2828%	.2622%	1.4900%	1.4786%
3/1/2021	.4904%	.0311%	.0285%	.1816%	.1744%	.0209%	.0195%	.0751%	.0645%	.2631%	.2134%	.6995%	.6760%
3/2/2021	.0006%	.0071%	.0051%	.1786%	.1726%	.0194%	.0182%	.1498%	.1391%	.5330%	.2832%	.2526%	.1674%
3/3/2021	.0503%	.0055%	.0054%	.1939%	.1843%	.0587%	.0320%	.1120%	.0735%	.1644%	.1478%	.2049%	.1922%
3/4/2021	.0250%	.0072%	.0055%	.2209%	.2186%	1.8377%	1.8356%	.4190%	.3891%	2.6230%	.1685%	1.0122%	.2351%
3/5/2021	.8724%	.0340%	.0311%	.3629%	.3602%	1.6914%	.1303%	12.8338%	.0614%	.2009%	.1904%	1.3954%	1.1021%
3/8/2021	.0041%	.0039%	.0021%	.1835%	.1834%	.0351%	.0301%	.0944%	.0798%	.1540%	.1402%	.1514%	.1447%
3/9/2021	.0013%	.0077%	.0018%	.4117%	.4104%	.0260%	.0247%	.0656%	.0641%	1.0579%	.1508%	.5877%	.2855%
3/10/2021	.0008%	.0088%	.0087%	.4282%	.4281%	.0175%	.0165%	.8178%	.8167%	.7918%	.1199%	.5244%	.3057%

# 2c Statistics & Observations

## March 1, 2021 – March 12, 2021

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Item	Statistic
Total Unique Firms in Industry Test	562
Representative Order Linkage Rate	99.82%
Fulfillment Order Linkage Rate	92.79%
Allocation Events Rejection Rate	8.74%
Top Allocation Events Rejection Errors	Missing or Invalid <i>DVPCustodianID</i> Missing or Invalid <i>firmDesignatedID</i> Missing or Invalid <i>side</i> Missing or Invalid <i>symbol</i>

# Phase 2c Cutover Update

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- ▶ FINRA CAT will support the Phase 2c cutover by providing certain 2a/2b linkage error feedback staged for 2c schema format submission.
  - This was announced during the [March 16, 2021 Industry Testing Checkpoint Call](#)
  - A new CAT Alert will be published with additional details
- ▶ More detailed information about the Phase 2c Cutover can be found in the following Industry Webinars:
  - [Phase 2c Cutover- Part 2 and Weekly Industry Testing Checkpoint Call \(1/19/2021\)](#)
  - [Phase 2c Cutover and November 2020 Technical Specifications Overview \(11/17/2020\)](#)



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# CAT NMS Plan, Exemptive Relief and Interpretive Updates

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# Exemptive Relief Requests and Orders

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- ▶ On March 17, 2021, the Plan Participants submitted to the SEC requests for:
  - Targeted [exemptive relief](#) from the requirement in Section 6.1 of Appendix D that the Plan Processor communicate errors to CAT Reporters by T+1 at noon ET. If granted, from April 26, 2021 through April 29, 2021, the Plan Processor will be able to communicate errors to CAT Reporters by T+1 at 4 pm ET to allow the Plan Processor time to convert data provided to Industry Members from the equities Phase 2a reporting format to the equities Phase 2c reporting format.
  - [Exemptive relief](#) from the requirement in Section 6.1 of Appendix D that the Plan Processor communicate errors to CAT Reporters by T+1 at noon ET and instead, the Plan Processor would be required to communicate errors to CAT Reporters by T+1 at 4 pm ET. This request amended and replaced in its entirety a similar request previously submitted to the SEC on December 4, 2020.
  - [Exemptive relief](#) from the requirement in Section 6.1 of Appendix D that CAT Reporters resubmit corrected data by T+3 at 8 am ET and instead, CAT Reporters would be required to resubmit such corrected data to CAT by T+4 at 8 am ET. This request amended and replaced in its entirety a similar request previously submitted to the SEC on December 4, 2020.
  - [Exemptive relief](#) to move certain Industry Member reporting obligations from Phase 2c to Phase 2d; these items include: (1) rejected external route flags related to the equity leg of a multi leg order; (2) certain OTC Equity Securities quotes; (3) certain OTC Equity Securities messages; and (4) quote identifiers.

# New FAQs

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- ▶ 8 New [FAQs](#) published since the last Monthly CAT Implementation Update (February 18, 2021).
  - B72 regarding the Phase 2a/2b reporting obligations for RFQ/solicitation responses
  - J4 regarding the reporting obligations for quotes originated prior to the Phase 2d Go-Live date (December 13, 2021)
  - K15 which illustrates how to populate the *priceType* field on multi-leg events (“per unit”, “total strategy” or “total cash”)
  - Q39 regarding the address and transformed identifier requirements for an account opened in the name of a Prime Broker for the benefit of a customer
  - Q40 which defines the term “Active Account” and describes the Active Accounts that must be reported to CAIS by July 11, 2022
  - Q41 describes the CAIS reporting requirements for “Active Accounts” with activity that occurs between January 11, 2022 and July 10, 2022.

# New FAQs– continued

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- U24 regarding when an allocation becomes reportable in multi-prime scenarios when the *DVPCustodianID* is not yet available
- U25 reflects the CAT reporting requirements for allocations originated prior to Phase 2c and Phase 2d Go-Live

# Updated FAQs

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- ▶ 8 Updated [FAQs](#) published since the last Monthly CAT Implementation Update (February 18, 2021).
  - A26 was updated to reflect the CAT reporting requirements for orders originated prior to Phase 2c and Phase 2d Go-Live
  - B49 was retired and relocated as FAQ U26
  - B69 was updated to reflect that the 'OFF' *handlingInstructions* value is required starting in Phase 2d for NAVs with an offset
  - E25 was updated to include a scenario for populating cancel information on an MEOT when the Reporting Exception Code of 'C' is used
  - J2 was updated to reflect that the OTC Link messages are reportable in Phase 2d and related scenarios are available in the Reporting Scenarios document

# Updated FAQs– continued

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- FAQs Q3, Q20 and Q28 were updated to clarify that only Large Industry Members with FDIDs that have associated LTID/UTLIDs and CAT reportable activity in Phases 2a, 2b and 2c are required to report to CAIS-LTID by April 26, 2021

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# Technical Specification Updates

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# Technical Specification & Reporting Scenarios Updates

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- ▶ Updated versions of the Phase 2c and Phase 2d [Technical Specifications](#) and [Reporting Scenarios](#) were published on March 5, 2021.
  - The 2d Industry Member Schema (v4.0.0 r7) was published on March 8, 2021
- ▶ An overview of the Technical Specifications updates was presented at the [March 9, 2021 CAT Technical Specification Working Group](#).
- ▶ Between publications, the Planned Technical Specifications Updates list will be maintained on the [Technical Specifications](#) page of [www.catnmsplan.com](http://www.catnmsplan.com).
- ▶ Updates to the Technical Specifications will be published on the first Friday of each month. The next publication will be April 2, 2021.



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# CAIS/LTID Reporting

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# CAT Customer and Account Information

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CAIS registrations remains open

The deadline to request Production Readiness Certification CAIS LTID is April 9, 2021

# CAIS Resources

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- ▶ The [CAT Reporting Customer and Account Technical Specifications for Industry Members-CCID v2.0 r1](#) was published on March 9, 2021
- ▶ The [CAT Reporting Customer and Account Technical Specifications for Industry Members-LTID v1.2](#) was published on February 23, 2021
- ▶ The [Customer and Account Industry Member Submission Schema v1.2](#) was published on February 23, 2021
- ▶ New [Planned CAIS Technical Specification Updates List](#)
- ▶ The recording and presentation from the March 2, 2021 [CAT CAIS Technical Specification Working Group](#) is available
- ▶ The next [Monthly CAIS/LTID Industry Testing Checkpoint Call](#) is April 7, 2021

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# Compliance

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# Report Card Updates

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- ▶ On March 15, 2021, the February 2021 Industry Member Report Cards were published.
- ▶ The Report Card Export function button will be available on March 28, 2021.
- ▶ On March 23, 2021 at 4:15 pm ET, Consolidated Audit Trail, LLC and FINRA CAT, LLC will host an [industry webinar](#) to walk through various reporting scenario examples and how the related data appears on the Industry Member Report Cards.
- ▶ Other Resources:
  - [Industry Member Report Card- Known Issues List](#)
  - [Daily Compliance Error Rate Glossary](#)
  - [Industry Member Compliance Glossary](#)
  - August 20, 2020 [Industry Member Compliance Report Card Webinar](#)
  - December 16, 2020 [Industry Member Report Card Webinar](#)
  - February 24, 2021 [Industry Member Report Card 101 Webinar](#)

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# Upcoming Industry Webinars and Other Updates

# Other Upcoming Industry Webinars

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- ▶ On Wednesday, March 24, 2021 at 4:15 pm ET, Consolidated Audit Trail, LLC and FINRA CAT, LLC will host an [industry webinar](#) focused on OTC Link ATS reporting scenarios. This session will be a follow-up to the March 10, 2021 industry webinar focused on the Phase 2d CAT quote and order reporting requirements for OTC Link ATS subscribers.
- ▶ The next bi-weekly [Industry Testing Checkpoint Call](#) will be held on March 30, 2021 at 4:15 pm ET.

# Recent Industry Webinars

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- ▶ The presentation and recording from the following Industry Webinars are available on the Events page of the CAT website under “View Past Events”
  - [Phase 2d CAT Reporting Requirements for OTC Link ATS Subscribers](#) (March 10, 2021)
  - [CAT Connectivity](#) (March 9, 2021)
  - [Requests for Quotes \(RFQs\) and Other Forms of Solicitation](#) (March 4, 2021)



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# Q&A

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# How to Ask a Question during Today's Call

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- **For participants using computer audio:**
  - Click 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.

# FINRA CAT Helpdesk

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Questions may be directed to the FINRA CAT Helpdesk at 888-696-3348 or [help@finracat.com](mailto:help@finracat.com)