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# Industry Checkpoint Call

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May 25, 2021

# Agenda

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- Production Statistics
- Open Issues
- General Announcements and Reminders
- Upcoming Key Dates
- Q&A

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# Production Statistics

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# Equities – Rolling Five Day Period

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

### May 06, 2021 – May 19, 2021

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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
5/6/2021	.0064%	.0035%	.0029%	.0110%	.0076%	.0825%	.0204%	.0890%	.0175%	.5609%	.0095%	2.1054%	2.0813%	.1362%	.0218%
5/7/2021	.0202%	.0039%	.0035%	.0122%	.0091%	.0750%	.0185%	.0644%	.0147%	.5692%	.0083%	2.1711%	2.1424%	.1500%	.0365%
5/10/2021	.0371%	.0025%	.0017%	.0094%	.0070%	1.2664%	.0391%	.6240%	.0372%	2.1275%	.0081%	2.8931%	2.8678%	.6474%	.0535%
5/11/2021	.0112%	.0026%	.0016%	.0079%	.0056%	.0583%	.0204%	.1347%	.0665%	3.5212%	1.1598%	2.0882%	2.0629%	.6445%	.2263%
5/12/2021	1.7011%	.0020%	.0013%	.0065%	.0049%	.0883%	.0207%	1.3089%	.2475%	.6158%	.0317%	1.9279%	1.9041%	1.9914%	1.7463%
5/13/2021	.1450%	.0020%	.0014%	.0121%	.0066%	.1116%	.0498%	.1344%	.0359%	.5815%	.0410%	2.1577%	2.1237%	.2852%	.1680%
5/14/2021	.0150%	.0021%	.0016%	.0123%	.0091%	.0421%	.0127%	.0683%	.0127%	.6184%	.0136%	2.3214%	2.2971%	.1517%	.0282%
5/17/2021	.0039%	.0023%	.0017%	.0099%	.0079%	.0225%	.0212%	.0176%	.0116%	.6171%	.2301%	3.0049%	2.9800%	.1302%	.0580%
5/18/2021	.1295%	.0018%	.0013%	.0180%	.0097%	.0194%	.0096%	.0142%	.0128%	.0102%	.0006%	2.1256%	2.0887%	.1503%	.1414%
5/19/2021	.0299%	.0020%	.0014%	.0064%	.0039%	.0278%	.0104%	.0365%	.0139%	.0109%	.0016%	1.9439%	1.9200%	.0470%	.0382%

# Options – Rolling Five Day Period

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

### May 06, 2021 – May 19, 2021

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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
5/6/2021	.0855%	.0086%	.0072%	.0120%	.0054%	.0607%	.0310%	.2870%	.1242%	.1364%	.1330%	.1497%	.1403%
5/7/2021	.0017%	.0044%	.0033%	.0175%	.0130%	.0382%	.0204%	.2498%	.0813%	.1421%	.1413%	.0701%	.0630%
5/10/2021	.0001%	.0191%	.0183%	.0082%	.0040%	.0542%	.0500%	.5904%	.0921%	.1046%	.1042%	.0673%	.0573%
5/11/2021	.0164%	.0058%	.0051%	.0178%	.0087%	.0473%	.0437%	.4654%	.0873%	.1849%	.1846%	.1008%	.0887%
5/12/2021	9.0269%	.0047%	.0041%	.0087%	.0061%	.0461%	.0438%	.0643%	.0627%	.1226%	.1220%	9.0803%	9.0777%
5/13/2021	.0024%	.0020%	.0014%	.0055%	.0053%	.0479%	.0416%	.0695%	.0493%	.0234%	.0211%	.0154%	.0135%
5/14/2021	.0007%	.0072%	.0058%	.0086%	.0051%	.0675%	.0591%	.0821%	.0649%	.0416%	.0403%	.0300%	.0254%
5/17/2021	.0084%	.0105%	.0098%	.0084%	.0083%	.0448%	.0391%	.1359%	.0587%	.0115%	.0108%	.0300%	.0277%
5/18/2021	.0003%	.0041%	.0032%	.0078%	.0077%	.0504%	.0415%	.0656%	.0620%	.0115%	.0100%	.0150%	.0134%
5/19/2021	.0016%	.0094%	.0086%	.0099%	.0071%	.0396%	.0348%	.0740%	.0530%	.0491%	.0238%	.0353%	.0239%

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## Open Issues (2a/2b)

# FINRA CAT File Submission and Data Integrity (2a/2b)

## Open Issues List – As of 5/25/2021

#	Status	Error Code	Summary	Resolution	Priority	Test Environment Targeted Release Date/Workaround	Production Environment Targeted Release Date/Workaround	Area
1	Open	N/A	Successful file delete submissions are incorrectly getting counted in the rejected files count in the statistics. Does not impact Compliance Error Rate.	Code Release	Low	2Q 2021	2Q 2021	Statistics
2	Open	N/A	FINRA CAT did not recognize the early close and improperly marked events that occurred between 1:15 and 4:15 pm ET and were reported by 8 am ET on the next CAT Trading Day as late events. Impact is limited to two days - 11/27/2020 & 12/24/2020.	Code Release	Low	2021	2021	Statistics

# FINRA CAT Linkage (2a/2b)

## Open Issues List – As of 5/25/2021

#	Status	Error Code	Summary	Resolution	Priority	Test Environment Targeted Release Date/Workaround	Production Environment Targeted Release Date/Workaround	Area
1	Open	N/A	Parent not found and Named errors that are reconciled continue to be displayed as 'U' (Unrepaired) in Error Summary & Error Search screens. Feedback & Reporting Summary statistics are not impacted by this issue.	Code Release	High	Update: Currently evaluating alternative approach	Update: Currently evaluating alternative approach	Error Summary & Error Search Reporter Portal
2	Open	3601	Out of Sequence Errors that are caused by an incorrect Time Stamp on the parent event are not being properly reconciled when the parent Time Stamp is corrected. Repaired counts and Adjusted Unlinked Rate are impacted by this issue.	Code Release	High	2021	2021	Intrafirm Statistics
3	Open	Multiple	Parent not found errors are being generated for open option orders when the option symbol changes due to corporate action.	Code Release	Low	Update: 2021 Note that this issue only impacts Options Intravenue Exchange Errors	Update: 2021 Note that this issue only impacts Options Intravenue Exchange Errors	Intrafirm Linker Feedback & Statistics
4	Open	9004 8004 7004 5004	FINRA CAT did not recognize the early close and improperly marked as unlinked, certain events that occurred between 1:15 and 4:15 pm ET and were reported by 8 am ET on the next CAT Trading Day. Any events that were marked as unlinked were automatically reconciled the following day. Impact is limited to two days - 11/27/2020 & 12/24/2020.	Code Release	Low	2021	2021	Interfirm Exchange Trade Linker Feedback



# FINRA CAT Linkage (2a/2b)

## Open Issues List – As of 5/25/2021

#	Status	Error Code	Summary	Resolution	Priority	Test Environment Targeted Release Date/Workaround	Production Environment Targeted Release Date/Workaround	Area
5	Open	396	FINRA CAT is incorrectly generating warnings on secondary events in instances where the parent DAY order was subsequently modified to a GTC order.	Code Release	Medium	To be scheduled	To be scheduled	Intrafirm Linker Feedback
6	Open	8003 8004 9003 9004	FINRA CAT is incorrectly generating an unlinked error for the first time on T+4 for previously linked events in scenarios when the two events that were initially linked occurred on two separate trade dates. For example, an order routed at 6 pm on one calendar day and is reported as accepted by the receiving firm at 8 am on the next calendar day.	Code Release	Medium	To be scheduled	To be scheduled	Interfirm Linker Feedback
7	Open	6003	Industry Members are incorrectly receiving options exchange unlinked errors for subsequent day order modifications/ adjustments to long lived orders previously routed to the exchange. Options exchanges must report modifications in these instances. Nine firms impacted.	N/A	Medium	3Q 2021	3Q 2021	Options Exchange Linker Feedback

# FINRA CAT Open Issues List (2a/2b)- Planned Enhancements

#	Status	Error Code	Summary	Resolution	Priority	Test Environment Targeted Release Date	Production Environment Targeted Release Date	Area
1	Open	2122	Incorrect error code is generated when an array field (e.g., clientDetails) is populated as a Name/Value pair.	Code Release	Low	To be scheduled	To be scheduled	Ingestion Validations
2	Open	2027	Incorrect error code is being generated when eventTimestamp is a future date (2027- eventTimestamp must be in the correct format instead of 2139 - eventTimestamp is greater than the current date and time).	Code Release	Low	To be scheduled	To be scheduled	Ingestion Validations

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## Open Issues (2c)

# FINRA CAT Linkage 2c

## Open Issues List – As of 5/25/2021

#	Status	Error Code	Summary	Resolution	Priority	Test Environment Targeted Release Date/Workaround	Production Environment Targeted Release Date/Workaround	Area
1	NEW - Open	6003 7004 8003 8004 9003 9004	FINRA CAT is generating an incorrect unlinked error when the date portion of the Route Event timestamp is on a weekend and the date portion of the Accept/Modify Event timestamp is for the next business day.	Code Release	High	To be scheduled	To be scheduled	Interfirm & Exchange Linkage Feedback

# FINRA CAT Recently Closed Issues List (2c)

#	Status	Error Code	Summary	Resolution	Priority	Test Environment Targeted Release Date	Production Environment Targeted Release Date	Area
1	Closed	3501	FINRA CAT is generating an incorrect intrafirm error when MEIM or MEIC reuses the order key from an MEOM or MEIM.	Code Release	High	5/22/2021	5/22/2021	Intrafirm Linkage Feedback
2	Closed	3505	FINRA CAT is generating an incorrect intrafirm error when when an electronic duplicate event for a long-lived manual order is reported on a subsequent date.	Code Release	High	5/22/2021	5/22/2021	Intrafirm Linkage Feedback

# Other Observations

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- ▶ If the firm changes the *orderID* on its modification events but not the internal route events, the *priorOrderID* on the internal route modifications and internal route cancellations must be blank.

# Planned Technical Specification Updates (2c)

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#	Status	Summary	Publish Date
1	Open	Updated section 3.4 to clarify requirements for options prior to Phase 2d as outlined in Scenario 3.7.3	TBD
2	Open	Clarify description of <i>solicitationFlag</i> field to be consistent with new FAQ C8	TBD

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# General Announcements and Reminders

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# Industry Member 2d Release Rollout

<p>Release 2d1 Industry Test – 6/28/2021</p>	<p>Release 2d2 Industry Test – 7/19/2021</p>	<p>Release 2d3 Industry Test – 8/2/2021</p>	<p>Release 2d4 Industry Test – 8/23/2021</p>	<p>2d Go-live Production – 12/13/2021</p>
<p><b>Ingestion</b> Industry Test Open for Machine-to-Machine File &amp; Data Integrity Validations &amp; Feedback</p> <ul style="list-style-type: none"> <li>• Syntax Validations</li> <li>• Conditional Validations</li> </ul> <p><b>CAT Reporter Portal</b></p> <ul style="list-style-type: none"> <li>• Manual File Upload</li> <li>• Reporting Summary Statistics</li> </ul>	<p><b>Intrafirm Linkage</b> Industry Test Open for Machine-to-Machine Intrafirm Linkage Validations &amp; Feedback</p> <ul style="list-style-type: none"> <li>• Reference Data Validations on senderIMID, receiverIMID, destination and legDetails OptionID/Symbol</li> </ul> <p><b>CAT Reporter Portal</b></p> <ul style="list-style-type: none"> <li>• Linkage File feedback</li> <li>• Linkage Statistics</li> <li>• Error Summary and Error Search including Error Correction</li> <li>• Direct Data Entry</li> </ul>	<p><b>Interfirm Linkage</b> Industry Test Open for Machine-to-Machine Interfirm/Exchange Linkage Validations &amp; Feedback</p> <ul style="list-style-type: none"> <li>• Interfirm Quote Linkage</li> <li>• Interfirm/Exchange linkage for Route Modification Events including Unlinked feedback for Routed Order ID Mismatch</li> </ul> <p><b>CAT Reporter Portal</b></p> <ul style="list-style-type: none"> <li>• Support Clearing Firm View of Correspondent Reporting Feedback submitted by Third-Party Vendor</li> </ul>	<p><b>Multi-leg Linkage</b> Industry Test Open for Machine-to-Machine Multi-leg Linkage Validations &amp; Feedback</p> <ul style="list-style-type: none"> <li>• Interfirm &amp; Exchange for Multi-leg Events</li> <li>• Firm to Exchange Trade Linkage</li> </ul> <p><b>CAT Reporter Portal</b></p> <ul style="list-style-type: none"> <li>• Reconciliation Statistics</li> </ul>	<p><b>Ingestion &amp; All Linkage</b> Production Open for Machine-to-Machine File, Data Integrity and <b>All</b> Linkage Validations &amp; Feedback</p> <p><b>CAT Reporter Portal</b></p> <ul style="list-style-type: none"> <li>• Manual File Upload</li> <li>• Reporting Summary Statistics including reconciliation</li> <li>• Linkage File Feedback</li> <li>• Error Summary and Error Search including Error Correction</li> <li>• Direct Data Entry</li> <li>• Support Clearing Firm View of Correspondent Reporting Feedback submitted by Third-Party Vendor</li> </ul>

Phase 2d Compliance Date – 12/13/2021

# Other Announcements

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- ▶ A new login screen for the Reporter Portal will be available in Production Mirror on June 6, 2021 and Production on June 20, 2021. On the new login screen, the User ID and Password are entered on the same screen.
- ▶ Updated versions of the Phase 2c and Phase 2d Reporting Scenarios were published on May 21, 2021.
- ▶ Schema updates:
  - An updated version of the Phase 2c Schema was posted on May 12, 2021.
  - An updated version of the Phase 2d Schema was posted on May 19, 2021.
- ▶ The recording and presentation from the May 20, 2021 Monthly CAT Implementation Update and FINRA (SRO) Status Update on OATS Retirement is available on the CAT website.

# Upcoming Webinars

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- ▶ The next Industry Testing Checkpoint Call will be on June 8, 2021 at 4:15 pm ET.
- ▶ Small Firm Roadmap Webinar June 10, 2021 at 11:00 am ET.
- ▶ The next Monthly CAT Implementation Update will be on June 17, 2021 at 4:15 pm ET. In addition to the regularly scheduled monthly implementation update, staff from FINRA (SRO) will provide an update on the status of OATS retirement.
- ▶ A Phase 2d Industry Webinar Call will be held on June 24, 2021 at 1:00 pm ET.

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# Upcoming Key Dates

# Upcoming Key Dates for Phase 2d

Topic	Event	Date
Industry Call: Industry Testing Checkpoint	Industry Testing Checkpoint Calls – Bi-weekly, on Tuesdays at 4:15 pm (ET)	January 7, 2020 until further notice
Release Availability	Test Environment Opens for Phase 2d reporting requirements	June 28, 2021
Compliance Go-Live	Production Go-Live for Phase 2d reporting requirements	December 13, 2021

# 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 participant’s 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)