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# CAT CAIS - Full Customer & Account Certification Transition Timeline & Certification Requirements

October 6, 2021

# Agenda

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- ▶ Industry Member Release Rollout
- ▶ Full Customer and Account Reporting
- ▶ CAT CAIS Onboarding Process
- ▶ Full CAIS Certification Requirements
- ▶ Input Identifiers for FDIDs Selected for Certification
- ▶ Transition Timeline
- ▶ CAIS Reporting & Onboarding Resources

# Industry Member Release Rollout

04/26/2021

## CAIS LTID Mandatory Reporting

- CAIS LTID reporting required for Phases 2a, 2b, and 2c (Large Industry Members)
  - CAIS LTID Rejection Repair timeline enforced
- Large Industry Member Phase 2d reporting required on 12/13/2021
- Small Industry Members Phase 2a, 2b, 2c, and 2d reporting required on 12/13/2021

01/31/2022

## Industry Test Release Full CAIS

- Full CAIS Reporter Portal Industry Test Open - Manual Submission and File Upload
- Industry Test Open for Machine-to-Machine File & Data Integrity Validations & Feedback
- Industry Test Open for Inconsistency Feedback & Repair
- Prod Mirror remains open for LTID Phase testing

02/01/2022

## Full CAIS Certification Opens

- Full CAIS Self-Reporter Certification
- Full CAIS Submitter Certification
- Full CAIS Certification for an Industry Member only using Submitter(s)
- Required by 6/20/2022

04/25/2022

## Full CAIS Production Opens

- **LTID Phase Reporting remains available**
- Full CAIS Reporter Portal Production Open - Manual Submission and File Upload
- Production Open for Machine-to-Machine File & Data Integrity Validations & Feedback
- Production Open for Inconsistency Feedback & Repair
- Full CAIS Reporter Statistics available

7/11/2022

## Full CAIS Mandatory Reporting

- **LTID Phase Reporting deprecated**
- Full CAIS reporting required for all Phases
- Full CAIS Rejection Repair timeline enforced
- Full CAIS Inconsistency Repair timeline enforced

# Full Customer and Account Reporting

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- ▶ By July 11, 2022, all Industry Members (Large and Small) must report the full suite of Customer and Account information to CAT CAIS for all Active Accounts
  - All Industry Members that are required to report to CAT equity and/or option events that require an FDID (for example, MENOs/MONOs, MEPAs/MOPAs, etc.)
  - Introducing Brokers and Clearing Firms have their own distinct CAIS reporting obligations.
- ▶ Each Industry Member must submit to CAT CAIS any updates, additions or other changes to the Customer and Account information on a daily basis for all Active Accounts subject to reporting.
- ▶ On a periodic basis, each Industry Member will be required to submit to the CAT a complete set of all required Customer information (“full account refresh”).

# CAT CAIS Onboarding

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- ▶ The [Industry Member CAIS Onboarding Guide](#) contains detailed information on the Onboarding Process:
  1. Register for CAIS
  2. Designate CAIS Account Administrator(s)
  3. Create/Entitle CAT User Accounts for the CAIS Reporter Portal
  4. Request CAT Secure File Transfer Accounts, if applicable
  5. Establish CAIS Reporting Relationships, if applicable
    - Reporting Relationships established for LTID Phase reporting do not need to be re-established for Full CAIS Phase reporting
  6. Conduct Testing for CAIS Production Readiness
  7. Certify CAIS Testing Completion

# Full CAIS Certification Overview

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- ▶ The CAT CAIS Test Environment opens for Full CAIS certification on February 1, 2022
- ▶ Certification is required by June 20, 2022
- ▶ All Industry Members and Submitters are required to certify in the CAT CAIS Test Environment in order to obtain entitlement to the CAT CAIS Production Environment
- ▶ Certification requirements differ based on type of firm
- ▶ Industry Members who were certified for Production in the LTID Phase must also certify for Production in the Full CAIS Phase

# Production Readiness Requirements for Self-Reporting Firms

- ▶ All Reporters must provide production data for at least 75% of the FDID population or 1,000 records, whichever is fewer. For example:

# of FDIDs	75% of FDIDs	Minimum # of FDIDs for Production Certification
500	375	375
1000	750	750
1500	1125	1000
4800	3600	1000

- ▶ **All** CAT Customer record(s) corresponding to the submitted FDID records must be provided. For example, a joint account with two account holders and an authorized trader (e.g., power of attorney) would be submitted as one FDID record with three associated Customer records.
- ▶ The CAT Customer records for the submitted FDID records must include at least one of each TID Type that is applicable for the CAT Reporter, including:
  - SSN/ITIN for a US Natural Person
  - EIN for a US Legal Entity
  - FOREIGN for a non-US Natural Person or Legal Entity
- ▶ Successfully submit production data with an error rate of less than 15%. Record the corresponding CAT processing date(s).
- ▶ Upon completion, contact the FINRA CAT Helpdesk.

# Production Readiness Requirements for Clearing Firms and CAT Reporting Agents

- ▶ All Clearing Firms and CRAs must provide production data for at least 75% of the FDID population (aggregated across all CAT Reporters for which organization submits data) or 1,000 records, whichever is fewer. For example:

# of FDIDs	75% of FDIDs	Minimum # of FDIDs for Production Certification
500	375	375
1000	750	750
1500	1125	1000
4800	3600	1000

- ▶ Clearing Firms and CRAs that submit on behalf of multiple CAT Reporters may provide FDIDs from any combination of CAT Reporters. Consider a CRA that submits on behalf of CAT Reporters A, B, C, and D, each of which have 1200 FDIDs, for a total of 4800 FDIDs. The CRA can submit the required 1000 FDIDs in any combination across the four CAT Reporters, such as:
  - 1000 FDIDs from A and zero FDIDs from B, C, and D
  - 500 each from A and C, zero from B and D
  - 250 each from A, B, C, and D.
- ▶ All CAT Customer record(s) corresponding to the submitted FDID records must be provided. For example, a joint account with two account holders and an authorized trader (e.g., power of attorney) would be submitted as one FDID record with three associated Customer records.
- ▶ The CAT Customer records for the submitted FDID records must include at least one of each TID Type where the Clearing Firm or CRA reports on behalf of a CAT Reporter that has at least one CAT Customer with that TID Type, including:
  - SSN/ITIN for a US Natural Person
  - EIN for a US Legal Entity
  - FOREIGN for a non-US Natural Person or Legal Entity
- ▶ Successfully submit production data with an error rate of less than 15%. Record the corresponding CAT processing date(s).
- ▶ Upon completion, contact the FINRA CAT Helpdesk.



# Production Readiness Requirements for Industry Members Submitting via CAT Reporting Agents

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- ▶ Ensure that CAIS Reporting Relationships have been established in the Test Environment, as applicable.
- ▶ When the Industry Member's CRA has successfully certified on behalf of the Industry Member, contact the FINRA CAT Helpdesk.
  - The Industry Member will need to confirm that all of its CAT Reporting Agents have certified for CAIS production reporting.

# Production Readiness Requirements for Firms that Do Not Have Production FDIDs

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- ▶ Successfully submit mock data to demonstrate the ability to successfully format data for and transmit data to the CAIS system.
- ▶ Record the corresponding CAT processing date(s).
- ▶ Upon completion, contact the FINRA CAT Helpdesk.
- ▶ For additional details on the requirements for submission of FDID records, Customer records, and TID Types. See [Industry Member CAIS Onboarding Guide](#)
  - Section 7.1 (for Self-reporting firms) or
  - Section 7.2 (for Clearing Firms and CAT Reporting Agents)

# Input Identifiers for FDIDs Selected for Certification

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- ▶ For SSN and ITIN
  - No values having an Area Number (first three digits) of 000 nor 666.
  - No values having a Group Number (middle two digits) of 00.
  - No values having a Serial Number (last four digits) of 0000.
  - No values all of the same digit such as 111-11-1111, 333-33-3333, 666-66-6666, 999-99-9999, nor 123-45-6789.
- ▶ For EIN
  - Must have a valid prefix (first two digits), as noted by the Internal Revenue Service.
- ▶ For Foreign
  - No range validation will occur for TIDs generated from Foreign identifiers.

# Transition Timeline

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- ▶ CAIS LTID Test Environment upgraded to Full CAIS Test Environment on January 31, 2022
  - Both LTID and Full CAIS file submission versions will be supported for an interim period of time
  - All Test Environment relationships in place will remain in place
- ▶ CAIS LTID Production Environment upgraded to Full CAIS Production Environment on April 25, 2022
  - Both LTID and Full CAIS file submission versions will be supported until July 11, 2022
  - CAIS Production Mirror Environment will remain in place with copy of Production Environment functionality if user needs to test enhancements for LTID reporting
  - All Production Environment relationships in place will remain in place

# CAIS Reporting & Onboarding Resources

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- [CAT Reporting Customer and Account Technical Specifications for Industry Members](#)
- [CAT CAIS Industry Member Reporting Scenarios](#)
- [CAIS Registration & Onboarding](#) page of the CAT website
- [Industry Member CAIS Onboarding Guide](#)
- [CAT CAIS Reporter Portal User Guide](#)
- [Section Q of the FAQs](#)

# 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)

# 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.