

Small Firm CAIS Report Card Webinar

January 13, 2022

Agenda

- Purpose of CAIS Report Card
- ➤ CAIS Report Card Scope
- Processing Overview
- ➤ Report Card Demo
- ➤ Report Card Calculations/Error Rates
- ➤ Sample Rate Calculation/Reporting Scenario
- ➤ Full CAIS Report Card Preview
- Report Card Terminology
- ➤ Report Card Resources
- **≻Q&A**

Purpose

- CAT CAIS Report Card provides a monthly compliance summary of LTID Account Information reporting (FDID submissions)
- Provides FDID reporting statistics and peer group/industry comparisons for the reporting month
- The Full CAIS Report Cards, beginning with the month of August 2022, will provide a monthly compliance summary of Customer Account Information and Customer Identifying Information reporting

CAIS Report Card Scope

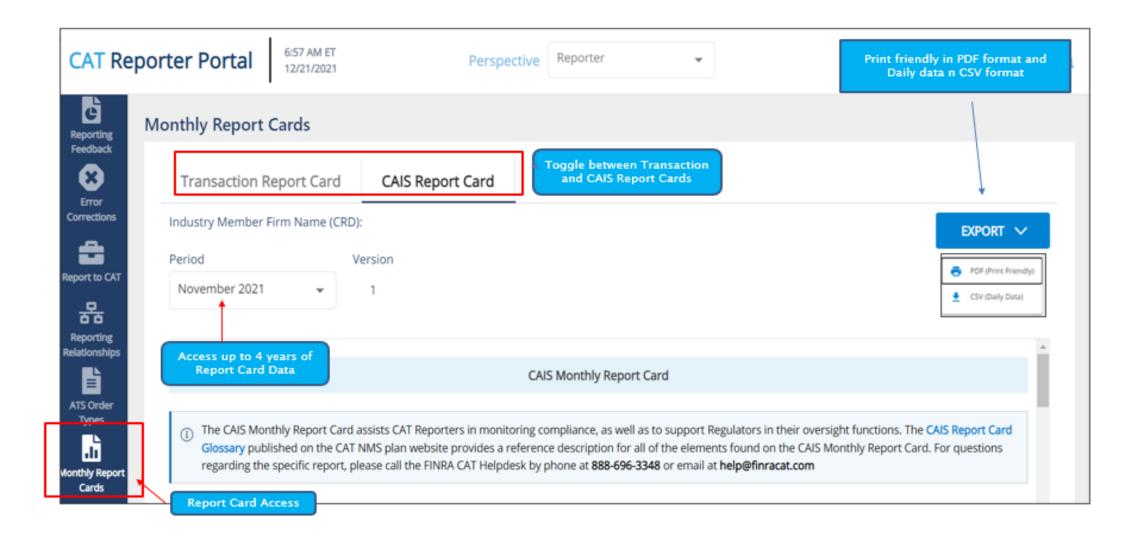
- > Report Card Statistics and Error Rates include metrics tracked in CAIS:
 - Rejections
 - Timeliness of Repairs
- ➤ Follows approach/processing schedule of Transaction Report Cards.
- Published by 15th day of following month to CAT Reporter Portal for and available for 4 years

Processing Overview

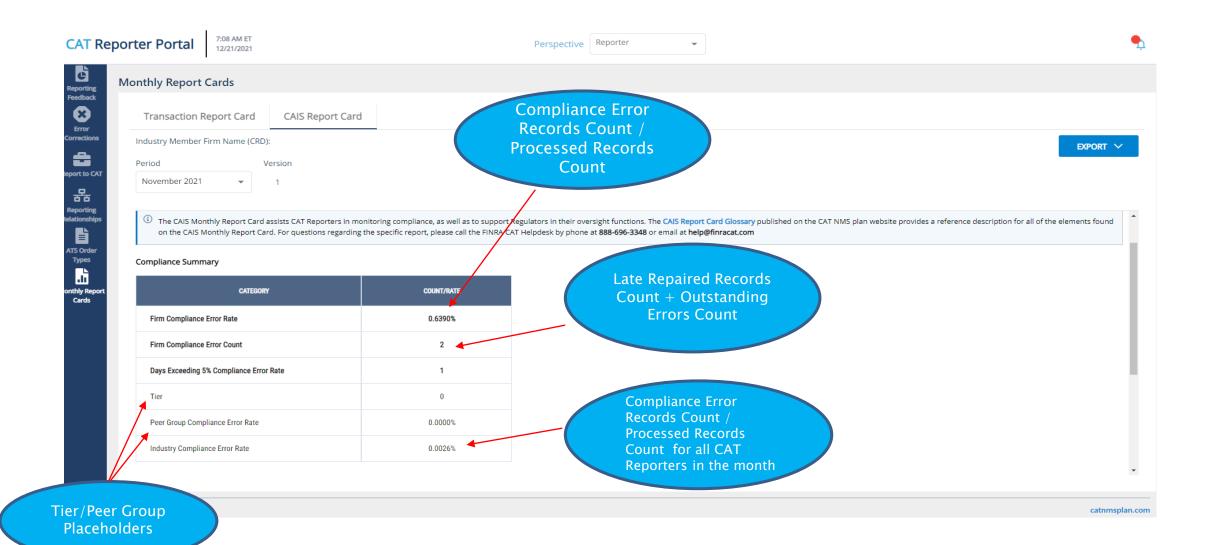
> Snapshot Metrics

- Calculation of Daily and Monthly Compliance Error Rates for dates within the month reported/repaired by the 5th processing date of the following month.
- Rejections NOT repaired by the 5th processing date of the following month are considered Outstanding (Unrepaired) for the reporting month.
- Includes Reporter Compliance Rate and Industry Compliance Error Rate
- Tiers and Peer Groups will be added after the evaluation of six months of data.

CAIS Report Card



CAIS Report Card



CAIS Report Card

Submission Details



Compliance Error Rate Calculations

► Compliance Error Record Count

Late Repaired Records Count + Outstanding Errors Count

➤ Reporter Compliance Rate:

Compliance Error Records Count / Processed Records Count

► Industry Compliance Rate:

Compliance Error Records Count / Processed Records Count for all CAT Reporters in the month

Compliance Error Rate

Sample Report Card Error Rate Calculation:

Count Type	Count	Rate	Rate Calculations Methods
Compliance Error	120	1.20%	Compliance Error Records Count = (Outstanding + Late Repaired)
			Compliance Error Rate = (Compliance Error Records Count /
			Processed)
Processed	10,000		
Accepted	9,500		
Rejected	500	5.00%	Rejected Rate = (Rejected / Processed)
Repaired	400	80.00%	Repaired Rate = (Repaired / Rejected)
Late Repaired	20	5.00%	Late Repaired Rate = (Late Repaired / Repaired)
Outstanding	100	20.00%	Outstanding = (Rejected - Repaired)
			Outstanding Rate = (Outstanding/ Rejected)

Example Scenario

November 25: Reporter submits FDID 12345, and there is one rejection on the FDID

Statistics for Month of November

1 record submitted

1 record rejected

December 2nd: Reporter repairs FDID 12345

Statistics for Month of November

1 record repaired late

Statistics for Month of December

1 record submitted

CAIS Compliance Threshold Report

A Monthly Compliance Threshold Report identifies CAT Reporters with error rates exceeding the Maximum Compliance Error Rate for at least five days during the month. The CAT NMS Plan established the Maximum Error Rate of 5%. This rate will be review and adjusted as needed by the Operating Committee.

Full CAIS Report Card Preview

- First Full CAIS Phase Report Card will be issued on September 15, 2022, for the reporting month of August 2022.
- ➤ Report Card Statistics and Error Rates will include metrics for Record Types reported to CAIS: FDIDs, CAT Customers, and Inconsistencies
 - Counts of Rejections and Inconsistencies
 - Timeliness of Repairs

Report Card Terminology Resource

- ➤ **Processed -** number of FDID records submitted to CAIS during the month. An FDID record submitted in multiple submissions over the course of the month would be counted each time it is submitted.
- ➤ **Accepted -** number of FDID submission records, which were accepted into CAIS with no data validation errors.
- ➤ **Rejected -** number of FDID submission records which were rejected by the CAIS validation engine due to the FDID submission having at least one data validation error.
- ➤ Late Repaired number of repairs made after T+3 at 5:00 pm.
- ➤ Outstanding -number of rejected FDID submission records which have not yet been repaired by the 5th processing date of the following month, for the reporting month.

Report Card Resources

- A CAIS Report Card Glossary and Daily Compliance Rate Glossary are accessible from the Report Card, and available at https://catnmsplan.com/cais-compliance-glossary
- ► Industry Member Report Card- Known Issues List
- ➤ CAIS Report Card Webinar June 9, 2021

How to Ask a Question during Today's Call

> 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

Questions may be directed to the FINRA CAT Helpdesk at 888-696-3348 or help@finracat.com