



Small Firm CAT Transaction Report Card Webinar

January 12, 2022

Agenda

- Purpose of Report Card
- Report Card Scope
- Processing Overview
- Report Card Sections
 - Compliance Summary
 - Event Details
 - Informational Data
- Compliance Error Calculation
- Outlier/Named Error Email Notification
- Report Card Resources
- Q&A

Purpose

- CAT Transaction Report Card provides a monthly compliance summary and status report by product
- Provides CAT reporting statistics and peer group/industry comparisons for the reporting month
- Provides informational data as a compliance tool to identify potential non-reporting

Scope of Report Card

➤ **Equities:**

- Ingestion (Rejections and Late Reporting)
- Intrafirm, Interfirm, Exchange and TRF Trades Linkage Statistics

➤ **Options:**

- Ingestion
- Intrafirm, Interfirm and Exchange Linkage Statistics

➤ Published by the 15th day of following month to CAT Reporter Portal and available for four years

➤ First CAT Report Card was published in August 2020 for the reporting month of July 2020. Fully implemented by January 2021

Report Card Processing Overview

- ▶ The Report Card includes event records with trade dates (during the Report Card month) up to and including those event records processed by the 5th processing day of the following month
- ▶ Errors that are NOT repaired by the 5th processing date of the following month are considered Outstanding (“unrepaired”)
- ▶ Statistics are by Firm (CRD)

IM Report Card Sections

Industry Member Report Cards Contain Three Sections:

- ▶ Compliance Summary
- ▶ Event Details
- ▶ Informational Data (Named Errors)

IM Transaction Report Card

CAT Reporter Portal | 7:25 AM ET 12/21/2021 | Perspective Reporter

Toggle between Transaction and CAIS Report Cards

Print friendly in PDF format and Daily data in CSV format

Monthly Report Cards

Transaction Report Card | CAIS Report Card

Industry Member Firm Name (CRD): |

Period: November 2021 | Version: 1

Access up to 4 years of Report Card Data

EXPORT

- PDF (Print Friendly)
- CSV (Daily Data)

Transaction Monthly Report Card

The Transaction Report Card is a monthly compliance summary and status report. The Report Card provides Industry Member CAT reporting statistics and peer group comparisons for the month. [The Transaction Report Card Glossary](#), published on the CAT NMS plan website, provides a reference description for all of the elements found on the CAT Industry Member Compliance Report Card. For questions regarding the specific report, please call the FINRA CAT Helpdesk by phone at 888-696-3348 or email at help@finracat.com

Reporting Feedback | Error Corrections | Report to CAT | Reporting Relationships | ATS Order | **Monthly Report Cards**

Report Card Access

Compliance Summary

Compliance Summary

Max Compliance Rate

Error Count/Total Processed

CATEGORY	EQUITIES	OPTIONS	N/A*	OVERALL
Firm Compliance Error Rate	3.6750%	1.7964%		3.5684%
Firm Compliance Error Count	38	3	2	43
Days Exceeding 5% Compliance Error Rate	1	0		1
Tier	6	6		6
Peer Group Compliance Rate	0.7880%	0.9595%		0.8738%
Industry Compliance Error Rate	0.4821%	0.0235%		0.7528%

Tier	Distribution	Number of IMs - Dec.
Tier 1	2.50%	31
Tier 2	2.50%	31
Tier 3	10.00%	126
Tier 4	15.00%	189
Tier 5	20.00%	252
Tier 6	50.00%	629

Event Details

Event Details – Ingestion

Deletes and rejections that can't be parsed

STATUS	EQUITIES		OPTIONS		N/A*	OVERALL	
	Count	Rate	Count	Rate	Count	Count	Rate
Processed	1,034		167		4	1,205	
Accepted	1,019		166		0	1,185	
Late	13	1.2757%	1	0.6002%		14	1.1814%
Late Reported	10		1			11	
Late Corrections	3		0			3	

Total NEW Records Reported Late

Total COR or RPR Records reported Late

Number of NEW accepted records that were reported after 8:00 a.m. on T+1 or COR/RPR accepted records that were reported after 8:00 a.m. on T+3.

Percentage of Late Records = Late/Accepted

Event Details – Ingestion

If a file rejected during Ingestion, the number of records in the file are NOT included in this count.

Percentage of rejected records (Rejections / Processed).

STATUS	EQUITIES		OPTIONS		N/A*	OVERALL	
	Count	Rate	Count	Rate	Count	Count	Rate
Rejections	15	3.4722%	1	0.2315%	4	20	3.8168%
Repairable Rejections	15	100.0000%	1	100.0000%	4	20	100.0000%
Repaired Rejections	10	66.6667%	0	0.0000%	3	13	65.0000%
Outstanding Repairable	5	33.3333%	1	100.0000%	1	7	35.0000%

Total repairable rejected records that were NOT repaired (Repairable Rejections minus Repaired Rejections).

Percentage of Outstanding Repairable Records (Outstanding Repairable / Repairable Rejections).

Continued

Event Details – Intrafirm/Out of Sequence

STATUS	EQUITIES		OPTIONS		N/A*	OVERALL	
	Count	Rate	Count	Rate	Count	Count	Rate
Out of Sequence	10	0.4249%	0	0.0000%		10	0.4177%
Repaired	6	60.0000%	0	0.0000%		6	60.0000%
Intrafirm Linkage Eligible	284		133			417	
Unlinked	4	1.4085%	2	1.5037%		6	1.4388%
Repaired	1	25.0000%	1	50.0000%		2	33.3333%

This section includes events within a firm that do not link
AND events within a firm that are linked but are out of
sequence

Event Details – Interfirm Linkage

STATUS	EQUITIES		OPTIONS		N/A*	OVERALL	
	Count	Rate	Count	Rate	Count	Count	Rate
Interfirm Linkage Eligible	185		33			218	
Routes Linkage Key Duplicate	7	3.7838%	0	0.0000%		7	3.211%
Repaired	2	28.5714%	0	0.0000%		2	28.5714%
Unlinked	6	3.2432%	0	0.0000%		6	2.7522%
Repaired	3	1.6216%	0	0.0000%		3	50.0000%

Duplication of Linkage Keys will result in linkage errors for all records that have the same Key.

IM Routed Order Events Linkage

Event Details – Interfirm Accept/Modify

The total number of received Event records eligible for Interfirm Linkage

STATUS	EQUITIES		OPTIONS		N/A*	OVERALL	
	Count	Rate	Count	Rate	Count	Count	Rate
Interfirm Accept/Modify Linkage Eligible	23		0			23	
Routes Linkage Key Duplicate	0	0.0000%	0	0.0000%		0	0.0000%
Repaired	0	0.0000%	0	0.0000%		0	0.0000%
Unlinked	3	13.0434%	0	0.0000%		3	13.0434%
Repaired	0	0.0000%	0	0.0000%		0	0.0000%

IM Order Accept / Modify (Received Order Events)

Event Details – Exchange Linkage

STATUS	EQUITIES		OPTIONS		N/A*	OVERALL	
	Count	Rate	Count	Rate	Count	Count	Rate
Exchange Routes Linkage Eligible	0		107			107	
Routes Linkage Key Duplicate	0	0.0000%	0	0.0000%			
Repaired	0	0.0000%	0	0.0000%		0	0.0000%
Unlinked	0	0.0000%	3	2.8037%		3	2.8037%
Repaired	0	0.0000%	3	100.0000%		3	100.0000%

Routed Order Events to Exchange

Event Details -TRF Linkage

STATUS	EQUITIES		OPTIONS		N/A*	OVERALL	
	Count	Rate	Count	Rate	Count	Count	Rate
TRF Trades Linkage Eligible	37		0			37	
TRF Linkage Key Duplicate	5	13.5135%	0	0.0000%		5	13.5135%
Repaired	3	60.0000%	0	0.0000%		3	60.0000%
Unlinked	2	5.4054%	0	0.0000%		2	5.4054%
Repaired	2	100.0000%	0	0.0000%		2	100.0000%

Trade Linkage – Trade Event Linkage to TRF / ORF

Event Details – Outbound Routes Accept/Modify

STATUS	EQUITIES		OPTIONS		N/A*	OVERALL	
	Count	Rate	Count	Rate	Count	Count	Rate
Outbound Routes Accept/Modify Linkage Eligible	10		0			10	
Routes Linkage Key Duplicate	0	0.0000%	0	0.0000%		0	0.0000%
Repaired	0	0.0000%	0	0.0000%		0	0.0000%
Unlinked	0	0.0000%	0	0.0000%		0	0.0000%
Repaired	0	0.0000%	0	0.0000%		0	0.0000%

Orders Received from Exchange as Outbound Router

Informational Data - Named Errors

Informational Data – Named Errors

The Industry Member Report Card provides Named Errors for informational purposes. A Named Error is assigned when the CAT Reporter was named in an unlinked record submitted by another CAT Reporter in:

- ▶ Interfirm Routes
- ▶ Interfirm Accept/Modify
- ▶ Exchange Accept/Modify
- ▶ TRF Trades
- ▶ Named by an Exchange in an Exchange Outbound Route

- Primary purpose of Named Errors is to assist in identifying non-reporting
- Named Errors are not included in the Compliance Error Rate

Named Errors – Interfirm

STATUS	EQUITIES		OPTIONS		N/A*	OVERALL	
	Count	Rate	Count	Rate	Count	Count	Rate
Named Errors							
Named on Interfirm Routes	9		0			9	
Repaired	7	77.7777%	0	0.0000%		7	77.7777%
Named on Interfirm Accept/Modify	37		0			37	
Repaired	5	13.5135%	0	0.0000%		5	13.5135%

Unlinked routed event records on which the firm was named

Unlinked received event records on which the firm was named

Percentage of unlinked received records repaired or reconciled. Repaired/Named on Interfirm Accept

Named Errors – Exchange and TRF

Industry Member named in a record submitted by an Exchange that is unlinked.

STATUS	EQUITIES		OPTIONS		N/A*	OVERALL	
	Count	Rate	Count	Rate	Count	Count	Rate
Named Error							
Named on Exchange Routes	0		286			286	
Repaired	0	0.0000%	68	23.7762%		68	23.7762%
Named on TRF Trades	44		0			44	
Repaired	18	40.9090%				18	40.9090%
Named on Outbound Routes Accept/Modify	2		0			2	
Repaired	2	100.0000%	0			2	100.0000%

Unlinked TRF records on which the firm was named

Unlinked outbound routes received event records on which the firm was named

Rate = Repaired Count / Named on Exchange Routes Count

Report Card Compliance Error Rate Calculation

Firm Compliance Error Rate:

$$\frac{\text{Compliance Error Count}}{\text{Processed Record Total}} = \text{Compliance Error Rate}$$

Error Count Includes:

- | | |
|---|--|
| <ul style="list-style-type: none">▪ Late Records▪ Unrepaired Rejections Records▪ Unrepaired Out Of Sequence Records▪ Unrepaired Intrafirm Unlinked Records | <ul style="list-style-type: none">▪ Unrepaired Interfirm Unlinked and Linkage Key Duplicate Records▪ Unrepaired Exchange Unlinked and Linkage Key Duplicate Records▪ Unrepaired TRF Unlinked and Linkage Key Duplicate Records |
|---|--|

Compliance Error Rate Calculation

➤ **Records in the Error Count are a distinct count of event records**

➤ For example:

Record 1234 - Late

Record 1234 - Out of Sequence Error

Record 1234 - Interfirm Unlinked Error

While the individual errors are included in each relevant section of the Event Details, only one error is included in the Compliance Error Rate Calculation

- Late Records: 1
- Unrepaired Out Of Sequence Records: 1
- Unrepaired Interfirm Unlinked Records: 1

Compliance Error Total Record Count = 1

Outlier Email Notification

- ▶ The current 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 reviewed and adjusted as needed by the Operating Committee
- ▶ As a compliance aid, FINRA CAT Staff sends emails to CAT Reporters that have exceeded the Maximum Compliance Error Rate on three or more days by the 15th of the month (beginning in July 2021)

Named Error/No Report Card Email

- ▶ CAT Report Cards are issued to CAT Reporters with at least one processed record during the report card month
- ▶ Reporters can have Named Errors without being issued Report Card for the reporting month
- ▶ As a compliance aid, FINRA CAT Staff sends emails to CAT Reporters with Named Errors and did not receive a Report Card for the month (beginning in August 2021 for the month of July 2021)

Report Card Resources

- [Transaction Compliance Glossary](#)
 - Industry Member Compliance Report Card Glossary
 - Daily Compliance Error Rate

- [Industry Member Report Card- Known Issues List](#)

- Self-Report Forms
 - [Erroneous Events Self Reporting Form](#)
 - [CAT Alert 2020-04](#)
 - [Self Reporting Clock Synchronizations Deviation Form](#)
 - [CAT Alert 2020-02](#)

- Named Error Information
 - [CAT Alert 2019-04](#)

Report Card Resources

Transaction Report Card Webinars

- **February 24, 2021 Industry Member Report Card 101 Webinar**
 - Basic overview (primer) of the IM Transaction Report Cards
- **August 20, 2020 Industry Member Compliance Report Card Webinar**
 - Introduction to IM Transaction Report Cards
 - Tier/Peer Group Definition and Assignment
- **December 16, 2020 Industry Member Report Card Webinar**
 - Overview with emphasis on reviewing basic reporting scenario examples
- **March 23, 2021 Industry Member Report Card – Reporting Scenario Examples**
 - Deep dive into complex reporting scenarios

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