Consolidated Audit Trail

April 26, 2022 - FDID Validation of CAT Transaction Data

Transaction Data Validation Approach

- ➤ CAT will validate that the *firmDesignatedID* and *newOrderFDID* values provided on all transactions are present in CAIS
- > Events not passing the validation will be considered an error
 - Every event having an invalid FDID will generate an error and will be included in compliance metrics
 - Events with FDID errors will be accepted by CAT and will fully participate in the linkage process
- >FDID errors will participate in Compliance measurements with the following schedule:
 - Among daily statistics presented on the Reporter portal starting 7/11/2022
 - Included in Compliance Report Cards starting with the August 2022 Report Card

Error Feedback and Timing

- > CAT will perform FDID validations between 8am to noon
- Related feedback will be available by T+1 Noon with other linkage feedback
- New Errors Summary will be provided with error counts grouped by FDID

FDID Errors Summary

- > A new feedback file will be delivered following the completion of Linkage Feedback
- > Provided when FDID errors exist and in the format of the original submissions
- Example

```
SUBID_MYID_20220117_linkage.error.summary_000001.json.bz2
Linkage Error Summary Feedback File Name
Linkage Error Summary Feedback File Contents
                                                             "submitter": "SUBID",
                                                             "reporter": "MYID",
                                                              "processDate": 20220117,
                                                                "errors": [
                                                                  "value": "FDID1",
                                                                  "type": "MENO",
                                                                   "errorCount": 1500,
                                                                  "code": "3701",
                                                                   "desc": "firmDesignatedID not found "
                                                                   "value": "FDID2",
                                                                   "type": "MOOT",
                                                                   "errorCount": 600,
                                                                  "code": "3706",
                                                                   "desc": "firmDesignatedID in sellDetails not valid on event
```

FDID Reference Data

- The CAIS system will provide all available FDIDs as of 8am
- FINRA CAT will be analyzing the final FDID list available after 5pm to determine if there are FDIDs that were not present in the 8am file
- ➤ If FDIDs are found in the 5pm file that were not present in the file used for the transaction validation, FINRA CAT will communicate this to impacted firms
- Please note, if a false alert occurs, it will automatically reconcile the next day

Corrections

FDID errors where the FDID is missing in CAIS

- a submission to CAIS will reconcile the error
- Corrections for CAIS data having errors are due by T+3 at 5pm.
- Related errors in transaction data will be reconciled.

FDID errors where the FDID has been correctly reported to CAIS, but incorrectly reported on the transaction side

- the FDID must be corrected on the transaction side and resubmitted
- Corrections for CAT events having FDID errors are due by T+3 at 8AM.

FDID Error Codes

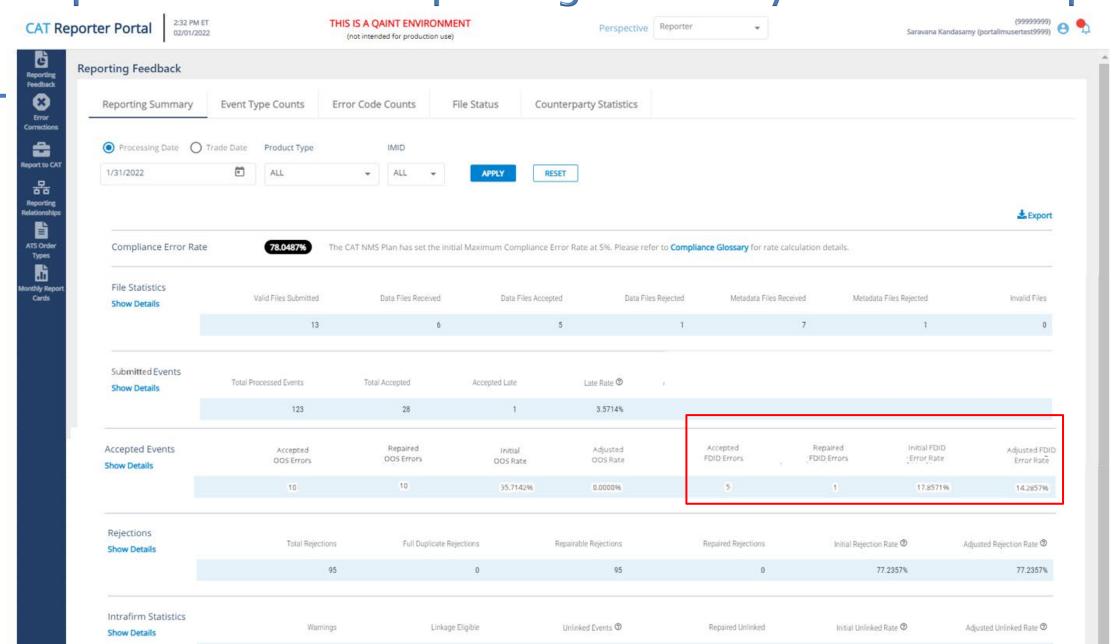
The following 10 new error codes will be delivered in the existing linkage error files

Error Code	Error Code Description	Explanation	Warning/ Error
tbd	Early Reported Event	firmDesignatedID not found for an event reported early to CAT.	Warning
3701	firmDesignatedID not found	firmDesignatedID does not exist in CAIS for the CAT Reporter.	Error
3702	firmDesignatedID not valid on Event Date	firmDesignatedID is not valid in CAIS for the CAT Reporter for the event date. For allocation events tradeDate is used. For all other events, the date portion of eventTimestamp is used.	Error
3703	firmDesignatedID in buyDetails not found	firmDesignatedID does not exist in CAIS for the CAT Reporter.	Error
3704	firmDesignatedID in buyDetails not valid on Event Date	firmDesignatedID is not valid in CAIS for the CAT Reporter for the event date (i.e. the date portion of eventTimestamp).	Error
3705	firmDesignatedID in sellDetails not found	firmDesignatedID does not exist in CAIS for the CAT Reporter.	Error
3706	firmDesignatedID in sellDetails not valid on Event Date	firmDesignatedID is not valid in CAIS for the CAT Reporter on the event date (i.e. the date portion of eventTimestamp).	Error
3707	firmDesignatedID in firmDetails not found	firmDesignatedID does not exist in CAIS for the CAT Reporter.	Error
3708	firmDesignatedID in firmDetails not valid on Event Date	firmDesignatedID is not valid in CAIS on the event date (i.e. the date portion of eventTimestamp).	Error
3709	newOrderFDID not found	correspondentCRD is not populated or is equal to the CAT Reporter ID and newOrderFDID does not exist in CAIS for the CAT Reporter.	Error
3710	newOrderFDID not valid on tradeDate	correspondentCRD is not populated or is equal to the CAT Reporter ID and newOrderFDID is not valid in CAIS for the CAT Reporter on the tradeDate.	Error

Reporter Portal Statistics

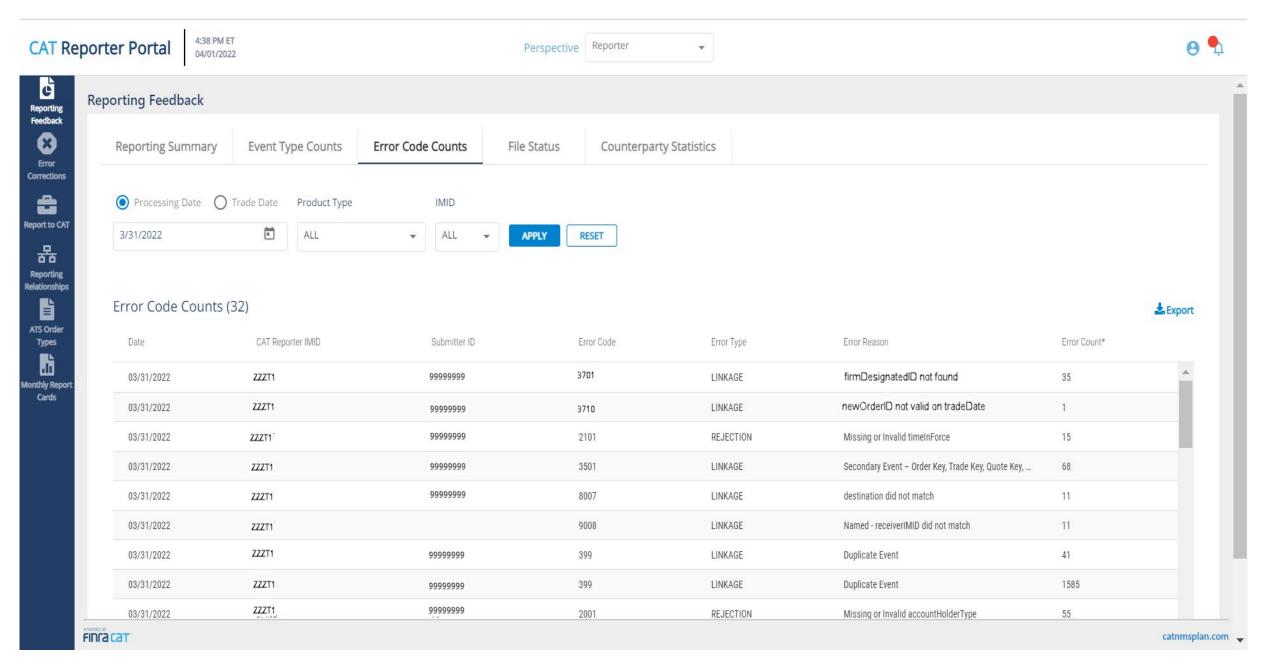
- > Error Code Counts screen will include the records that are in error with the corresponding error codes
- > **Reporting Summary** screen will include a separate section that includes:
 - Accepted FDID Errors Count
 - > Repaired FDID Errors Count
 - ➤ Initial FDID Error Rate (Accepted FDID Error Count/Total Accepted Record Count)
 - ➤ Adjusted FDID Error Rate (Accepted FDID Error Count Repaired FDID Error Count /Total Accepted Record Count)
- Report Cards screen will include FDID Errors and Repairs (counts & percentages) by Product and Overall
- > Overall compliance error rate on reporting summary and report cards screen will include the outstanding FDID errors. If the record has other errors, it is only counted once

Reporter Portal - Reporting Summary Screen Example

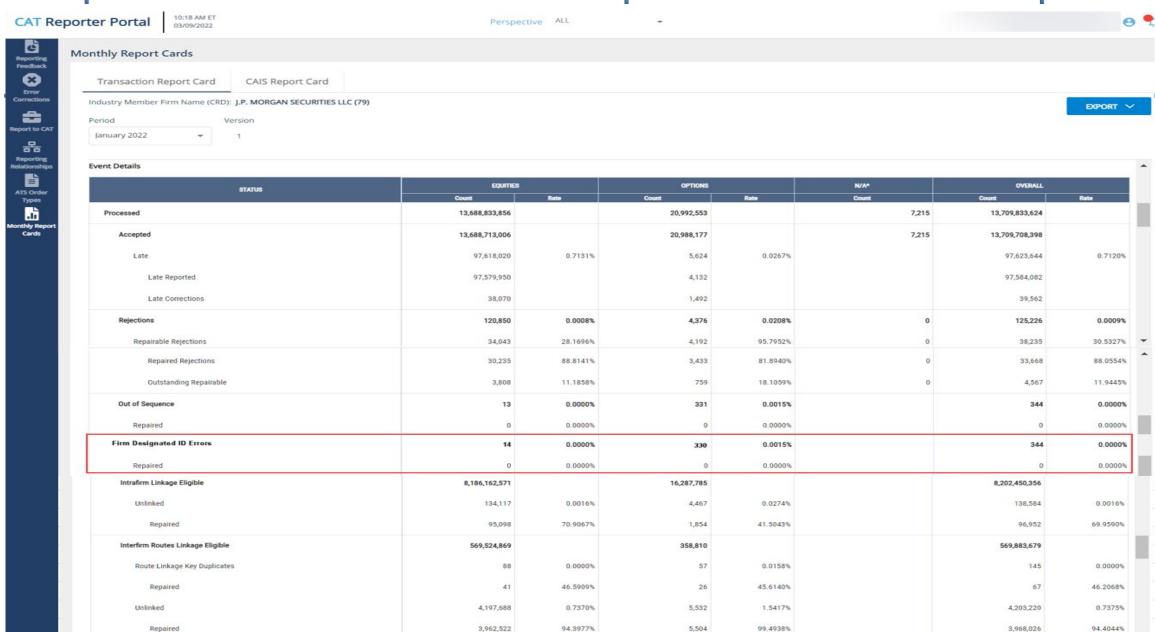


N/A

Reporter Portal - Error Code Counts Screen Example



Reporter Portal - Transaction Report Card Screen Example



FINRA CAT Helpdesk

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

How to Ask a Question during Today's Call

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.