Monthly CAT Update

December 15, 2022

Agenda

- CAT NMS Plan, Exemptive Relief and Transaction Interpretive Updates
- Transaction Technical Specifications Updates
- CAIS Reporting Updates
- Compliance Updates
- Upcoming Industry Webinars and Other Updates
- Q&A
- Appendix- Transaction Production Statistics

CAT NMS Plan, Exemptive Relief and Transaction Interpretive Updates

Transaction Interpretive Updates

New and Updated FAQs

- ▶ No new Transaction <u>FAQ</u>s.
- ▶ Four Transaction <u>FAQs</u> were updated.
 - FAQs <u>B47</u>, <u>B59</u>, <u>B60</u> and <u>B62</u> were updated to conform with the Industry Member Technical Specifications.

Transaction Technical Specifications Updates

2022-23 IM Releases - Scope and Schedule

Release 2.1

Production/Production Mirror Release – TBA - Anticipated for January 2023

CAIS related validations & Statistics

- Validate FDID against CAIS data
- Daily statistics reflecting FDID errors
- Provide a new linkage summary feedback file containing missing or invalid FDIDs.
- * FDID Errors on Report Cards (See 2023 Release 1)

Release 3

Spec Publication - 7/29/2022
Industry Test Release - 10/3/2022
Production/Production Mirror
Release - 12/5/2022

Schema changes and related validations

- Add new event MLOE
- Enforce requirements to populate cancelQty, multiLegInd on applicable events
- Change data type for handlingInstructions value CASH from Boolean to Price to capture actual monetary value instruction
- Enforce correct values on the side field in Leg Details.
- Reject invalid values in the underlying field on Multi-Leg events.
- Add deskOrderID field to Order Internal Route events to uniquely identify related events.
- Add *priorDeskOrderID* field to Order Internal Route Modified events to uniquely identify related events.
- Remove metadata file submission requirement and related file integrity errors.

2023 - Release 1

Spec Publication - N/A

Industry Test Release - N/A

Production/Production Mirror
Release - 5/15/2023

Transaction Report Card

- FDID Errors in Transaction Report Cards will be included in April Report Card published on May 15, 2023
- Report Cards by Process Date

2023 - Release 2

Spec Publication - 12/16/2022

Industry Test Release - 3/13/2023

Production/Production Mirror
Release - 3/27/2023

Onboarding FINRA ADF

- Add new event MENQS New Quote Supplement event
- Add new event MERQS Quote Route Supplement event
- Add representativeQuoteInd, askAggregatedOrders, and bidAggregatedOrders fields to MENQ event
- Add destinationType and session to MERQ event
- Change firmDesignatedID and accountHolderType fields on MENQ event from Required to Conditional

Technical Specification Updates

- ▶ v4.0.0 r18 of the Phase 2d Technical Specifications is scheduled to be published on December 16, 2022.
- There were no updates to the Reporting Scenarios document.

CAIS Reporting Updates

Industry Member Release Rollout - Pre-Full CAIS Production

Full CAIS Release 1
Industry Test – 1/31/2022
Production – 4/25/2022

Ingestion

- Industry Test Open for Machine-to-Machine File & Data Integrity Validations, Material Inconsistencies, and Feedback
- Feedback file contains up to 1,000 Rejections

CAIS Reporter Portal

- Manual File Upload
- Manual Submission
- Submission Feedback
- Inconsistencies Feedback
- Nightly Inconsistencies Report

Full CAIS Certification opened on 2/1/2022

Full CAIS Release 2a
Industry Test – 3/28/2022
Production – 4/25/2022

Ingestion

- New DRIVERLICENSE Foreign TID Type
- EIN Validation changed to format validation
- Feedback file enhanced to include all Rejections feedback

CAIS Reporter Portal

 FDID Reconciliation Report updated with Full CAIS information (count of CAT Customers and Version information) Full CAIS Release 2b
Industry Test – 4/11/2022
Production – 4/25/2022

Ingestion

- Remove OTHBKR and CP customerType values for Legal Entity Customer Records
- Remove BROKERAGE and ADVISED values for accountType
- Remove primeBrokerID and bankDepositoryID fields and add a new DVPCustodianID field

Industry Member Release Rollout - Full CAIS Production

Full CAIS Release 3a
Industry Test – 5/25/2022
Production – 6/13/2022

Ingestion

- New Authorized Trader
 Names List on FDID record
- Increase *lastName* field length to 200 characters

Reports

 FDID Version Report posted to SFTP weekly, containing active LTID Phase FDIDs not updated to Full CAIS Phase

CAIS Reporter Portal

 FDID Version Report available on-demand, containing active LTID Phase FDIDs not updated to Full CAIS Phase Full CAIS Release 4
Industry Test – 6/26/2022
Production – 7/1/2022

Ingestion

 New OTHGOVT Foreign TID Type

Performance Enhancements

 CAIS file processing improvements

Minor Enhancements and Bug Fixes

Full CAIS Release 5
Industry Test – 9/19/2022
Production – 10/3/2022

Performance Enhancements

 CAIS file processing improvements

Minor Enhancements and Bug Fixes

Full CAIS Release 6
Industry Test – 11/21/2022
Updated Production –
12/19/2022

Bug Fixes

Industry Member Release Rollout - Full CAIS Production

CAIS Report Card Release

Report Card

- The first Full CAIS Compliance Report Card will be published on May 15, 2023 for the month of April 2023
- Compliance Rates distinguished for Correspondent data

Industry Member Release Rollout – Planned Future Enhancements

Industry Test – TBD Production – TBD

- INACTIVE End Reason
- Automated Transfer Procedure
- Optimization of error feedback
- Validate that correspondentCRD is a different identifier than the catReporterCRD

New and Updated CAIS FAQs

- No new CAIS FAQs.
- ▶ Eight CAIS <u>FAQ</u>s were updated:
 - FAQs Q3, Q18, Q19, Q42, Q51, Q58, Q65 and Q68 were updated to conform with the November 22, 2022 Announcement.

Full CAIS Technical Specification Updates

There were no updates to the Full CAIS Technical Specifications or Reporting Scenarios document.

Update on CAIS Reporting Deadlines

- ▶ As Announced on November 22, 2022:
- ▶ The Interim Reporting Obligation Schedule set forth in <u>CAT Alert 2022-01</u> was updated as follows:
 - Interim Obligation 1 No change
 - Interim Obligation 2 No change
 - Interim Obligation 3 No change
 - Interim Obligation 4 Moved from December 5, 2022 to March 10, 2023
 - Full Compliance Go-Live Moved from December 12, 2022 to March 17, 2023
- CAT LLC recently submitted a <u>request</u> for exemptive relief that would extend the deadline for Industry Member Phase 2e full reporting to the Central Repository. Accordingly, as reflected above, the updated Industry Member compliance dates are March 10 and 17, 2023, respectively.

Industry Member Timeline Design

Requirement	Date
Production Certification Deadline	July 25, 2022
 Interim reporting obligation 1: CAT Submitters Partial Submissions. For a single date within the range specified, complete a scheduled partial submission to the Prod Environment in Full CAIS Format. FINRA CAT will begin contacting CAT Submitters on August 1 to schedule their partial submission dates. 	August 15 – September 15, 2022
 Interim reporting obligation 2: All Industry Members – Submission of all FDIDs and Customers For a single date within the range specified, complete a scheduled submission of the FDID Population with CAT-Reportable activity between June 12, 2022 and September 30, 2022 to the Prod Environment in Full CAIS format. FINRA CAT will begin contacting all Industry Members on October 3 to schedule their specific reporting date. 	October 10 – October 31, 2022
 Interim reporting obligation 3: Daily reporting of FDID and Customer Data All Industry members must begin daily reporting of FDID records and changes/additions for all CAT-Reportable Activity beginning June 12, 2022 through at least September 30, 2022. Corrections to reported data are not required until Interim Reporting Obligation 4. 	November 7, 2022
 Interim reporting obligation 4: All outstanding Rejections and Material Inconsistences addressed All outstanding rejections and Material Inconsistences for all CAT-reportable activity beginning June 12, 2022 are resolved. 	March 10, 2023
 Full CAIS Compliance date (Error correction timeline fully enforced) All error repair and material inconsistency resolution deadlines are enforced. 	March 17, 2023

An <u>Announcement</u> was published and the <u>Timeline</u> was updated. Please see <u>CAT Alert 2022-01</u> for more information.

CAIS Reporting - Other Updates

- The transaction data FDID validations that were scheduled to begin in the Production Environment on December 5, 2022 are being further delayed.
 - An announcement will be made when a new date has been determined. It is anticipated the new date will be in January 2023.
 - This FDID validation is currently available in the CAT Transaction Test Environment against FDIDs submitted to the Full CAIS Production Environment.
- Nightly Data Inconsistencies Feedback will be temporarily disabled until further notice.
 - It is anticipated this feedback will be enabled again beginning in January 2023.
 - The <u>December 21, 2022 CAIS Industry Testing Checkpoint Call</u> will include a presentation on Material Inconsistencies and Material Inconsistency feedback.

Other CAIS Updates

- ➤ The following guidance was updated per the November 22, 2022 Announcement:
 - Updated <u>Small Firm Roadmap to March 17, 2023 CAT Customer and Account Information System (CAIS)</u> was published on November 30, 2022
 - Updated <u>CAT Alert 2021-02</u> was published on November 29, 2022
 - Updated CAT Alert 2021-04 was published on November 29, 2022
 - Updated CAT Alert 2022-01 was published on November 23, 2022
 - Timeline

CAIS Checkpoint Calls

- The next <u>CAIS Industry Testing Checkpoint Call</u> will be on Wednesday, December 21, 2022 at 4:15 pm ET and will include a presentation on Material Inconsistencies and Material Inconsistency feedback
- ▶ The presentations and recordings are available for:
 - 12/14/2022 CAIS Industry Testing Checkpoint Call
 - 12/07/2022 CAIS Industry Testing Checkpoint Call
 - 11/30/2022 CAIS Industry Testing Checkpoint Call
 - 11/22/2022 CAIS Industry Testing Checkpoint Call

Compliance Updates

Industry Member Report Card Updates

- ▶ The November 2022 CAT Industry Member Compliance Report Cards were published today, December 15, 2022
- Reminder: There will be no CAIS Report Cards for November 2022 through March 2023
- Compliance Resources:
 - Industry Member Report Card- Known Issues List
 - CAIS Compliance Glossary
 - Transaction Compliance Glossary
 - Previously Recorded and Posted Report Card Webinars

Upcoming Industry Webinars and Other Updates

Monthly CAT Update Industry Webinars

- ▶ The next Monthly CAT Update will be held on January 19, 2023 at 4:15 pm ET.
- ▶ The recording and presentation from the <u>November 17, 2022</u> Monthly CAT Update is available on the CAT website.

FINRA CAT Helpdesk

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

Q&A

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.

Appendix —

Equities – Rolling Five Day Period Initial T+1 vs. T+5 8 am Data Ready for Regulators November 11, 2022 – November 23, 2022

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	Trade Initial	Trade Adjusted	Overall Error Rate Initial	Overall Error Rate Adjusted
11/11/2022	.0144%	.0027%	.0014%	.0147%	.0146%	.0043%	.0042%	.0319%	.0018%	.0196%	.0015%	.0321%	.0287%	.0312%	.0268%
11/14/2022	.0061%	.0031%	.0029%	.0152%	.0151%	.0003%	.0002%	.0018%	.0012%	.0244%	.0144%	.0419%	.0374%	.0236%	.0219%
11/15/2022	.0647%	.0015%	.0014%	.0155%	.0155%	.0039%	.0036%	.0814%	.0806%	.0027%	.0026%	.0459%	.0425%	.0860%	.0857%
11/16/2022	.1025%	.0028%	.0026%	.0143%	.0142%	.0008%	.0002%	.0741%	.0014%	.0478%	.0030%	.0464%	.0425%	.1293%	.1158%
11/17/2022	.0127%	.0071%	.0067%	.0194%	.0162%	.3023%	.3002%	.3122%	.2911%	.2141%	.2141%	.0444%	.0411%	.1228%	.1179%
11/18/2022	.2986%	.0023%	.0020%	.0143%	.0136%	.6726%	.2837%	.7606%	.2853%	.2088%	.2088%	.0418%	.0386%	.4800%	.3943%
11/21/2022	1.5198%	.0255%	.0210%	.0850%	.0841%	3.1101%	.7501%	1.9208%	.5660%	.4114%	.4114%	.0480%	.0474%	2.1045%	1.7354%
11/22/2022	1.5678%	.0055%	.0022%	.0161%	.0152%	3.0730%	.5368%	1.9739%	.5505%	.3847%	.3847%	.0417%	.0360%	2.1264%	1.7385%
11/23/2022	.0002%	.0017%	.0015%	.0164%	.0163%	.5577%	.5561%	.5609%	.5593%	.4094%	.4093%	.0433%	.0405%	.1771%	.1765%

Equities - Rolling Five Day Period Initial T+1 vs. T+5 8 am Data Ready for Regulators November 24, 2022 - December 7, 2022

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	Trade Initial	Trade Adjusted	Overall Error Rate Initial	Overall Error Rate Adjusted
11/25/2022	.0044%	.0065%	.0060%	.0207%	.0205%	.0008%	.0008%	.1064%	.0968%	.0007%	.0007%	.0452%	.0433%	.0359%	.0344%
11/28/2022	.0028%	.0039%	.0037%	.0152%	.0151%	.0003%	.0002%	.0171%	.0023%	.0040%	.0039%	.0358%	.0332%	.0199%	.0181%
11/29/2022	.3412%	.0021%	.0018%	.0153%	.0153%	.0003%	.0002%	.0024%	.0017%	.0022%	.0022%	.0459%	.0410%	.3548%	.3544%
11/30/2022	.0015%	.0023%	.0014%	.0124%	.0122%	.0085%	.0084%	.0108%	.0021%	.0013%	.0013%	.0450%	.0419%	.0147%	.0128%
12/1/2022	.0104%	.0043%	.0031%	.0131%	.0128%	.0071%	.0022%	.0711%	.0072%	.0015%	.0015%	.0353%	.0321%	.0319%	.0238%
12/2/2022	.0022%	.0024%	.0016%	.0160%	.0153%	.0025%	.0002%	.0065%	.0020%	.0007%	.0006%	.0460%	.0423%	.0170%	.0151%
12/5/2022	.0908%	.0973%	.0025%	.0211%	.0170%	1.0908%	.0026%	1.0855%	.0175%	.0035%	.0034%	.0451%	.0424%	.4152%	.1078%
12/6/2022	.5158%	.0083%	.0018%	.0159%	.0156%	.1877%	.0023%	2.7714%	.0039%	.0061%	.0061%	.0437%	.0399%	.8225%	.5301%
12/7/2022	.0073%	.0013%	.0011%	.0131%	.0130%	.0077%	.0077%	.0135%	.0037%	.0030%	.0019%	.0496%	.0469%	.0204%	.0191%

Options - Rolling Five Day Period Initial T+1 vs. T+5 8 am Data Ready for Regulators November 11, 2022 - November 23, 2022

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	Trade Initial	Trade Adjusted	Overall Error Rate Initial	Overall Error Rate Adjusted
11/11/2022	16.6247%	.0090%	.0090%	.0006%	.0006%	.1001%	.0057%	.0729%	.0049%	.0026%	.0025%	.0932%	.0932%	16.6351%	16.6343%
11/14/2022	.0001%	6.4477%	6.4477%	1.8999%	1.8999%	.1293%	.0124%	.1021%	.0133%	.0017%	.0016%	.1818%	.1515%	7.7606%	7.7598%
11/15/2022	.0005%	.0031%	.0030%	.0471%	.0470%	.1133%	.0082%	.0813%	.0060%	.0005%	.0004%	.1629%	.1560%	.0386%	.0378%
11/16/2022	.0016%	.0032%	.0028%	.0003%	.0003%	.0346%	.0072%	.0163%	.0084%	.0002%	.0002%	.0983%	.0877%	.0053%	.0048%
11/17/2022	.0001%	.0133%	.0127%	.0035%	.0035%	.0452%	.0173%	.7968%	.7874%	.0002%	.0001%	.1285%	.1028%	.0195%	.0186%
11/18/2022	.9221%	.0062%	.0062%	.0005%	.0005%	2.3815%	.0081%	.1804%	.0310%	.0490%	.0489%	.1419%	.1115%	.9529%	.9426%
11/21/2022	.9610%	.0055%	.0029%	.0004%	.0004%	7.2288%	.0052%	.4810%	.0066%	.0474%	.0473%	.0939%	.0939%	1.0085%	.9775%
11/22/2022	1.1008%	.0028%	.0028%	.0004%	.0004%	7.5647%	.0050%	.1401%	.0072%	.0501%	.0500%	.0530%	.0353%	1.1472%	1.1180%
11/23/2022	.0239%	.0027%	.0026%	.0005%	.0004%	.0243%	.0042%	.0129%	.0061%	.0190%	.0189%	.0503%	.0352%	.0324%	.0321%

Options - Rolling Five Day Period Initial T+1 vs. T+5 8 am Data Ready for Regulators November 24, 2022 - December 7, 2022

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	Trade Initial	Trade Adjusted	Overall Error Rate Initial	Overall Error Rate Adjusted
11/25/2022	.0249%	.0062%	.0027%	.0006%	.0005%	.0457%	.0277%	.2306%	.0119%	.0001%	.0001%	.2624%	.2624%	.0327%	.0281%
11/28/2022	.0000%	.0026%	.0026%	.0004%	.0004%	.0266%	.0061%	.0117%	.0044%	.0010%	.0009%	.0496%	.0099%	.0034%	.0032%
11/29/2022	.0080%	.0027%	.0024%	.0022%	.0022%	.1318%	.1171%	.0099%	.0041%	.0003%	.0001%	.0930%	.0728%	.0130%	.0126%
11/30/2022	.0006%	.0029%	.0025%	.0005%	.0004%	.0321%	.0049%	.0863%	.0314%	.0013%	.0011%	.0445%	.0308%	.0047%	.0039%
12/1/2022	.0071%	.0030%	.0024%	.0008%	.0005%	.0477%	.0051%	.5787%	.0044%	.0006%	.0003%	.0415%	.0415%	.0137%	.0100%
12/2/2022	.0008%	.0022%	.0022%	.0005%	.0004%	.0283%	.0068%	.0724%	.0159%	.0008%	.0006%	.1238%	.0792%	.0041%	.0036%
12/5/2022	.0127%	.0904%	.0281%	.0011%	.0007%	.0504%	.0240%	.2232%	.0171%	.0006%	.0006%	.1551%	.1447%	.1053%	.0416%
12/6/2022	.4051%	.0498%	.0382%	.0008%	.0007%	.0453%	.0221%	15.2169%	.0085%	.0025%	.0025%	.0366%	.0183%	.5299%	.4445%
12/7/2022	.0025%	.0391%	.0354%	.0015%	.0010%	.1394%	.0763%	.2089%	.0066%	.0004%	.0004%	.0522%	.0522%	.0442%	.0391%

Equities - Industry Aggregate Trade Date Statistics November 11, 2022 - November 23, 2022

Trade Date	Processed	Accepted	Late	Overall Errors Count
2022-11-11	40,057,706,240	40,056,305,511	5,821,764	10,621,424
2022-11-14	33,851,648,292	33,850,541,172	2,114,551	7,240,087
2022-11-15	49,997,201,600	49,996,190,705	32,368,368	42,652,386
2022-11-16	34,034,292,664	33,913,139,998	34,906,895	39,370,105
2022-11-17	32,487,214,625	32,484,869,820	23,322,501	29,778,092
2022-11-18	31,407,759,008	31,402,539,385	111,284,385	115,036,699
2022-11-21	29,885,316,164	29,877,645,823	491,961,895	496,071,352
2022-11-22	26,717,282,797	26,715,770,290	449,256,847	453,144,257
2022-11-23	29,435,488,328	29,434,918,384	33,525,438	37,694,419

Equities - Industry Aggregate Trade Date Statistics November 24, 2022 - December 7, 2022

Trade Date	Processed	Accepted	Late	Overall Errors Count	
2022-11-25	13,277,479,990	13,272,727,749	578,328	4,570,051	
2022-11-28	27,237,434,101	27,236,307,312	872,773	5,003,500	
2022-11-29	30,127,086,623	30,121,255,362	102,780,294	106,694,992	
2022-11-30	40,641,116,033	40,640,097,246	835,654	5,239,392	
2022-12-01	35,906,032,319	35,904,230,342	3,962,267	8,694,896	
2022-12-02	32,888,381,223	32,887,460,875	747,141	4,901,063	
2022-12-05	32,259,847,134	32,226,778,420	30,002,219	34,930,825	
2022-12-06	35,695,491,545	35,690,556,089	184,090,493	189,211,608	
2022-12-07	39,125,316,726	39,124,698,435	2,851,446	7,460,664	

Options - Industry Aggregate Trade Date Statistics November 11, 2022 - November 23, 2022

Trade Date	Processed	Accepted	Late	Overall Errors Count
2022-11-11	7,274,980,991	7,274,292,016	1,209,432,035	1,210,171,332
2022-11-14	7,084,050,577	6,627,291,021	20,009	549,722,778
2022-11-15	7,859,918,433	7,859,669,162	47,927	2,968,969
2022-11-16	7,066,756,113	7,066,527,951	118,037	338,353
2022-11-17	6,991,306,894	6,990,374,735	9,843	1,304,485
2022-11-18	7,028,310,684	7,027,832,632	66,914,051	68,353,071
2022-11-21	6,949,481,020	6,949,098,244	66,783,968	67,932,110
2022-11-22	6,595,663,701	6,595,473,248	73,188,323	74,324,705
2022-11-23	6,815,793,464	6,815,608,422	2,240,422	2,802,372

Options - Industry Aggregate Trade Date Statistics November 24, 2022 - December 7, 2022

Trade Date	Processed	Accepted	Late	Overall Errors Count	
2022-11-25	3,682,702,723	3,682,474,360	1,266,929	1,387,735	
2022-11-28	6,599,943,419	6,599,770,459	585,893	796,705	
2022-11-29	5,924,665,467	5,924,506,269	505,337	670,557	
2022-11-30	7,101,644,568	7,101,436,635	791,269	1,017,354	
2022-12-01	7,137,422,142	7,137,205,318	513,878	713,259	
2022-12-02	6,975,358,512	6,975,181,048	64,828	253,306	
2022-12-05	6,868,584,026	6,862,369,692	869,082	2,855,304	
2022-12-06	6,577,526,801	6,574,244,298	26,633,762	29,237,943	
2022-12-07	7,067,133,464	7,064,369,304	91,036	2,674,653	