Consolidated Audit Trail

CAT Transaction and CAIS Technical Specification Working Group

2/11/2025

2025 Industry Member Releases (Transaction) Scope and Schedule

Second Quarter Release

Spec Publication – 10/18/2024 & 1/22/2025

Industry Test – 1/27/2025

Production/Production Mirror – 4/14/2025

Bona Fide Market Maker Flag
- Add *BFMMFlag* as a conditional Boolean field (true/false) on MENO, MEOM, MEOT and MEOTS events to identify Short Sale orders originated or modified when relying on the bona fide Market Making exception under Rule 203(b)(2)(iii) of Regulation SHO.

The compliance date for BFMMFlag reporting is July 1, 2025.

Removal of redundant *handlingInstructions* Values
- Remove 'MAO', 'MAC', 'AOB' and 'MOB' *handlingInstructions* values.

Minor Enhancements (Industry Test: 3/3/2025)
- Retire 897 Warning (Early reported event).

Minor Bug Fixes

Third Quarter Release

Spec Publication – March 2025

Industry Test – May 2025

Production/Production Mirror – August 2025

Add New Error Codes in Current Feedback
- **Ingestion:** To validate presence of FDID or Aggregated Orders on supplement events: MENOS, MONOS and MLOS.

Reporter Portal
- Improve user experience

Minor Bug Fixes

Fourth Quarter Release

Spec Publication – July 2025

Industry Test – September 2025

Production/Production Mirror – December 2025

Add New Error Codes in Current Feedback
- **Linkage:** To identify Pending FDID Warnings and Errors.

Additional RFQ enhancements as needed

Reporter Portal
- Pending FDID Warnings and Errors Reconciliation and Statistics.

Minor Bug Fixes

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*Planned Industry Member Releases and Specification Updates are subject to approval by the CAT NMS Plan Operating Committee.

2025 CAT Billing Scope and Schedule

Second Quarter Release Production – June 2025	Third Quarter Release Production– TBD
SFTP and Reporter Portal • Split the IM Billing Trade Details files into separate files for exchange and TRF	**SFTP** • Deliver PDF invoice **Reporter Portal** • Add notifications/alerts for billing updates • Add filtering and sorting for Invoice Screen

2025 Industry Member Releases (CAIS) Scope and Schedule

CAIS Report Card Enhancements

Production Date – May 2025 Report Card

Published June 2025

- Add count of FDIDs overdue for refresh to CAIS Monthly Report Card

CAIS Report Card Enhancements

Production Date – October 2025 Report Card

Published November 2025

- Calculate Compliance Error Rate based on Unique Identifier
- Incorporate Tiers and Peer Group Calculations

*Planned Industry Member Releases and Specification Updates are subject to approval by the CAT NMS Plan Operating Committee.

Transaction Technical Specification Updates

IM Tech Spec Publication and Updates

▸ Version 4.1.0 r5 (clean and redline) of the CAT IM Technical Specs were published on January 22, 2025.

▸ Updates include:

  ◦ Updated the extension for the SEC exemptive relief for required representative order linkages from January 31, 2025 to July 31, 2025.

  ◦ Retire 897 Warning Code

  ◦ Incorporated minor typographical and formatting errors throughout the document.

Tech Spec Changes – Extension for Exemptive Relief

▸ Updated the extension for SEC exemptive relief for required representative order linkages for the 'YE' or 'YP' field values from January 31, 2025 to July 31, 2025. https://www.sec.gov/files/rules/exorders/2025/34-102234.pdf

▸ All Industry Members will be required to provide representative order linkages to unlinked OMS/EMS and position fill scenarios no later than July 31, 2025 due to the expiry of the exemptive relief granted by the SEC on January 17, 2025.

Tech Spec Changes – Retire 897 Warning Code

▸ Retire 897 Warning Code
  ◦ Industry Test – March 3, 2025
  ◦ Production/Production Mirror – April 14, 2025

Table 187: Interfirm Linkage Warnings

Error Code	Error Code Description	Explanation	Error/ Warning
897	Retired Error Code	Error/warning code has been retired and may no longer be used.	Warning

Planned Transaction Technical Specification Updates

Planned IM Tech Spec Updates

▸ Based on recent discussions with the SEC and the Industry, additional updates to the Technical Specifications are planned and outlined on the CAT NMS Plan [website](#). Specifically,

- The *BFMMFlag* is required to be marked *true* if an Industry Member is relying on the Block Positioner exemption of the LOCATE requirement pursuant to Rule 203(b)(2)(iii) of Regulation SHO. Specifically, where an Industry Member acts as a block positioner for a security but conducts its block positioning activity through a block positioning account instead of a market making account.

- The *BFMMFlag* was added to support the SEC's amendment to the CAT NMS Plan to provide greater transparency of short sale-related data, specifically the requirement that Industry Members report whether an order is a short sale effected by a market maker in connection with bona fide market making activities.

- Further questions about Regulation SHO should be directed to the SEC.

Planned IM Tech Spec Updates

▸ Existing and Planned Error Codes will be modified to allow the *accountHolderType* values of 'P' (Other Proprietary) and 'X' (Error Account) to support block positioner reporting activity. See CAT FAQs [C5](#) and [B68](#).

◦ Currently, the *accountHolderType* value of 'O' (Market Making) account is allowed.

Planned IM Tech Spec Updates

▸ Additionally, new error codes are being added to enhance the error correction process via the CAT Reporter Portal in two separate Industry Test deployments. The Production and Production Mirror Environments alongside the rest of the Second Quarter Release will be deployed on April 14, 2025.

▸ Updates to existing error codes:
  ◦ 2261 - Invalid combination of *BFMMFlag* and *accountHolderType* (Industry Test – 3/17/2025)
  ◦ No changes to 2260, 2262

▸ The following error codes will be added to the Technical Specifications to reject equity Trade events (MEOT, MEOTS) in two separate Test Deployments:
  ◦ 2263 - Missing or Invalid *BFMMFlag* in *buyDetails* (Industry Test – 1/27/2025)
  ◦ 2264 - Missing or Invalid *BFMMFlag* in *sellDetails* (Industry Test – 1/27/2025)
  ◦ 2265 - Invalid combination of *buyDetails, BFMMFlag* and *accountHolderType* (Industry Test – 3/17/2025)
  ◦ 2266 - Invalid combination of *buyDetails, BFMMFlag* and *side* (Industry Test – 3/17/2025)
  ◦ 2267 - Invalid combination of *sellDetails, BFMMFlag* and *accountHolderType* (Industry Test – 3/17/2025)
  ◦ 2268 - Invalid combination of *sellDetails, BFMMFlag* and *side* (Industry Test – 3/17/2025)

The compliance date for BFMMFlag reporting is July 1, 2025.

CAIS Technical Specification Updates

CAIS Technical Specifications

▸ Version 2.2.0 r1 (clean and redline) of the CAIS Technical Specifications were published on December 17, 2024.

▸ Updates include:

  ◦ Removing the prohibition on submitting the same value for *catReporterCRD* and *correspondentCRD*

  ◦ Clarifying in Section 3.2 (Replacement of Transformed Identifier) that all Material Inconsistencies must be resolved prior to replacing a Customer's *tidValue* in order to receive credit

  ◦ Correcting typos in Section 3.8.1 (JSON Example for FDID Refresh Report)

Update on Correspondent CRD

▶ The only way to get credit for repairing rejections and resolving Material Inconsistencies is to resubmit a file where the *correspondentCRD* and *catReporterCRD* are exactly the same as in the submission causing the errors (and include the repairing/resolving data).

▶ Prior to the update, Industry Members that erroneously populated the same value for *correspondentCRD* and *catReporterCRD,* and got rejections or Material Inconsistencies were hesitant to resubmit *correspondentCRD = catReporterCRD* because it violated the Spec.

   ◦ As a result, these rejections and Material Inconsistencies remained outstanding.

▶ This update removed the prohibition on submitting the same value for *catReporterCRD* and *correspondentCRD* so that Industry Members can repair these rejections and resolve these Material Inconsistencies.

Clarification on Replacing TID Values

▸ The only way to get credit for resolving Material Inconsistencies is to resubmit the Customer, including the *tidValue* (with *updateNotification* = 'true').

▸ Some Industry Members overwrote the Customer's Input Identifier, used to generate the *tidValue,* within their internal systems.

  ◦ As a result, these Industry Members were not able to resubmit the Customer that had the Material Inconsistency.

▸ This update advises to resolve all Outstanding Material Inconsistencies prior to replacement in order to receive credit for the resolution.

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.