Small Firm Roadmap

The purpose of this document is to provide a roadmap to assist small firms with meeting their CAT reporting obligations. This document is comprised of three parts. Part 1 lays out the steps necessary to report order data to the CAT Transaction System. Part 2 lays out the steps necessary to report customer and account reference data to the Reference Database. Part 3 lays out information on the CAT Contact Management System "CAT CMS" and CAT billing.

Part 1: CAT Transaction System Steps

Step 1: Determine if your firm handles orders or quotes in CAT Reportable Securities.

CAT Reportable Securities are any NMS Securities, including listed options, and any OTC Equity Security. If your firm does not handle orders/quotes in these products, then you do not have a CAT reporting obligation. If your firm does handle orders/quotes in NMS Securities, including listed options, or any OTC Equity Security, proceed to Step 2. See FAQ B11 for more information about the types of products in scope for CAT.

Step 2: Register for CAT Transaction System

Each Industry Member submitting CAT Transaction data must submit a CAT Registration Form. If the firm has already submitted a CAT Registration Form for CAT Transaction reporting, there is no need to resubmit a new registration form. Industry Members can submit a new CAT Transaction Registration Form to amend a prior registration.

Step 3: Grant Entitlement to personnel within the firm

Upon registration, the firm's Super Account Administrator ("SAA") will be granted Administrator entitlement to the CAT Test Environment. Industry Members must demonstrate that they can correctly submit data to the Test Environment before being granted access to the Production Environment. The firm's SAA may grant User entitlement privileges to personnel within the firm that will need access to the CAT Reporter Portal. Further information on granting entitlement and the CAT roles may be found in the Industry Member Onboarding Guide. For further information regarding the CAT Reporter Portal, including how to access it and the functionality it provides, please see the CAT Reporter Portal User Guide.

Step 4: Determine how the firm will submit data to CAT

Industry Members may choose to report CAT data via the following methods:

- CAT Reporting Agent (most common)
  - Enable a CAT Reporting Agent (i.e., clearing firm or service bureau) to submit CAT data on your behalf
- Self-Reporting
  - Manually enter records into the CAT Reporter Portal User Interface
  - Upload files to the CAT Reporter Portal
  - Please contact the CAT Helpdesk for additional connectivity options

If you plan to use a CAT Reporting Agent to report data on your firm's behalf, please proceed to Step 5.

If you plan to self-report data, please proceed to Step 6.

Step 5: Establish a CAT Reporting Relationship with your CAT Reporting Agent in the CAT Test Environment

1. Log into to the CAT Reporter Portal Test Environment using your FINRA login credentials (see Step 3).
2. Click on the 'Reporting Relationships' application in the blue navigation bar on the left side of the screen.
3. Click on 'Add new' to enter the relevant information for CAT Transaction Reporting Relationships.
4. Save Changes.

More information about establishing CAT Reporting Relationships can be found in Section 8 of the CAT Reporter Portal User Guide.

Step 6: Certify for Production

For CAT transaction reporting certification, Industry Members are expected to submit a single day of production data to the CAT Test Environment with an error rate of less than 10%. Once the production data has successfully been submitted by the self-reporting Industry Member or CAT Reporting Agent, record the corresponding CAT Processing Date(s), and contact the FINRA CAT Helpdesk to request certification. Once your firm has been approved for CAT Production access, your firm's SAA will be granted Administrator entitlement to the CAT Production Environment. The firm's SAA may grant User entitlement privileges to personnel within the firm that will need access to the CAT Reporter Portal Production Environment. Additional information regarding production readiness testing can be found in Section 10 of the FINRA CAT Industry Member Onboarding Guide.

Step 7: Establish a CAT Reporting Relationship with your CAT Reporting Agent in the Production Environment

Only applicable if using a CAT Reporting Agent:

1. Log into the CAT Reporter Portal Production Environment using your FINRA login credentials (see Step 3).
2. Click on the 'Reporting Relationships' application in the blue navigation bar on the left side of the screen.
3. Click on 'Add new' to enter the relevant information for CAT Transaction Reporting Relationships.
4. Save Changes.

More information about establishing CAT Reporting Relationships can be found in Section 8 of the CAT Reporter Portal User Guide.

Part 2: Reference Database Steps

Step 1: Register for the Reference Database

Each Industry Member submitting to the Reference Database must submit a Reference Database Registration Form. If the firm has already submitted a Reference Database Registration Form, there is no need to resubmit a new registration form. Industry Members can submit a new Reference Database Registration Form to amend a prior registration.

Step 2: Grant Reference Database Test Environment Entitlement to personnel within the firm

Upon registration, the firm's Super Account Administrator ("SAA") will be granted Administrator entitlement to the Reference Database Reporter Portal Industry Test Environment. The firm's SAA may grant User entitlement privileges to personnel within the firm that will need access to the Reference Database Portal. More information on granting entitlement and the CAT roles may be found in Section 3.2 of the Industry Member Reference Database Onboarding Guide. For further information regarding the Reference Database Reporter Portal, including how to access it and the functionality it provides, please see the Reference Database Reporter Portal User Guide.

Step 3: Determine how the firm will submit data to the Reference Database

Industry Members may choose to report to the Reference Database via the following methods:

- CAT Reporting Agent (most common)
  - Enable another CAT Reporting Agent (i.e., clearing firm or service bureau) to submit to the Reference Database on your behalf.
- Self-Reporting
  - Manually enter records into the Reference Database Reporter Portal User Interface
  - Upload files to the Reference Database Reporter Portal
  - Contact the CAT Helpdesk for additional connectivity options

If you plan to use a CAT Reporting Agent to report data on your behalf, please proceed to Step 4.

If you plan to self-report data, please proceed to Step 5.

Step 4: Establish a Reference Database Reporting Relationship with your CAT Reporting Agent in the Test Environment

1. Log into the Reference Database Reporter Portal Test Environment using your FINRA login credentials (see Step 2).
2. Click on the 'Reporting Relationships' application in the blue navigation bar on the left side of the screen.
3. Click on 'Add new' to enter the relevant information for CAT Transaction Reporting Relationships.
4. Save Changes.

More information about establishing CAT Reporting Relationships can be found in Section 7 of the Reference Database Portal User Guide.

Step 5: Certify for Reference Database Production

Each entity is held to a specific certification level based on the approximate number of FDID Records, as identified during the Reference Database registration process. All Reporters must provide production data for at least 75% of the FDID population or 1,000 records, whichever is fewer.

Once data has successfully been submitted by the firm or CAT Reporting Agent, per the required certification level, with an error rate of 15% or less, record the corresponding CAT Processing Date(s) and contact the FINRA CAT Helpdesk to request certification. Once your firm has been approved for Reference Database Production access, your firm's SAA will be granted Administrator entitlement to the Reference Database Production Environment. The firm's SAA may grant User entitlement privileges to personnel within the firm that will need access to the Reference Database Reporter Portal Production Environment. For more information regarding testing for production readiness, please reference section 6 of the FINRA CAT Industry Member Reference Database Onboarding Guide.

Step 6: Establish a Reference Database Reporting Relationship with your CAT Reporting Agent in the <u>Production Environment</u>

Only applicable if using a CAT Reporting Agent:

1. Log into the Reference Database Reporter Portal Production Environment using your FINRA login credentials (see Step 2).
2. Click on the 'Reporting Relationships' application in the blue navigation bar on the left side of the screen.
3. Click on 'Add new' to enter the relevant information for CAT Transaction Reporting Relationships.
4. Save Changes.

More information about establishing CAT Reporting Relationships can be found in Section 7 of the Reference Database Reporter Portal User Guide.

Part 3: CAT Contact Management System and CAT Billing

The CAT Contact Management System ("CAT CMS") is a functionality within the CAT Reporter Portal that allows Industry Members and CAT Reporting agents to add, edit, view and export contacts related to Billing, Compliance, Security, Networking, Operations and Primary Contacts for Reference Database and Transaction reporting. While Industry Members are encouraged to provide contacts for each role, a Billing contact is required. For more information on the CAT CMS, please see Section 13 of the Industry Member Onboarding Guide.

Step 1: Add and/or Edit Contacts in the CAT CMS <u>Production Environment</u>

To obtain entitlement to the CAT CMS, users must contact their Super Account Administrator (SAA).

1. Log into the Transaction Reporter Portal Production Environment using your FINRA login credentials.
2. Click on the ‘Contact Management’ application in the blue navigation bar on the left side of the screen.
3. Click on ‘Add Contact’ to enter the relevant information for each Role.
4. Save Changes.

Step 2: View Invoices and Associated Documents

CAT Reporters who are CAT Executing Brokers that have CAT billable trading activity will receive CAT invoices. (See FAQ V3 for the definition of “CAT Executing Broker” and FAQs V4 and V5 for a discussion of CAT billable activity). Clearing firms or other firms that are not also CAT Executing Brokers will not receive CAT invoices.

Documents and files associated with CAT Billing are available in the CAT Reporter Portal. For more information on CAT Billing documents and files, please see Section 13 of the Industry Member Onboarding Guide.

To obtain entitlement to CAT Billing documents and files, users must contact their Super Account Administrator (SAA).

To view Invoices and Associated Documents:

1. Log into the Transaction Reporter Portal Production Environment using your FINRA login credentials.
2. Click the ‘Invoices’ application in the blue navigation bar on the left side of the screen.
3. The ‘Invoice Summary’ Tab contains Billing documents, including invoices. The ‘Trade Details’ Tab contains the CAT Billing Trade Details Files associated with monthly CAT invoices.

Step 3: Pay Invoice, if applicable

Payment instructions can be found on the CAT Invoice. For more information on how to pay the invoice, including acceptable payment methods related to CAT Invoices and Billing Trade Details, see the CAT Reporter Portal User Guide.

For additional assistance or questions, please contact the CAT Helpdesk at 888-696-3348 or help@finracat.com.