FDID – Firm Designated ID

Presented by CAT NMS LLC

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FDID Firm Designated ID

- Key Concepts

- Customers and the CCID

- Accounts and the FDID

- Determining how to populate an FDID

- Masking Requirements

- Scenario Examples

- References

Key Concepts

There are two separate and distinct concepts:

1. **Customers** – defined in Rule 613 and represented by the CAT Customer ID (CCID).

2. **Trading Accounts** – addressed in the NMS Plan and represented by the Firm Designated ID (FDID). This can represent **firm or customer** accounts.

A customer can have more than one trading account, and a trading account can have more than one customer.

Customers

Rule 613 defines two types of customers:

1. The account holder(s) of the account at a registered broker-dealer originating the order

2. Any person from whom the broker-dealer is authorized to accept trading instructions for such account, if different from the account holder(s)

A unique CCID will be assigned to <u>*each customer*</u> and will allow customers to be consistently identified across broker-dealers within the Central Repository.

See Appendix B for plan definitions of Customer and Customer Identifying Information

Examples of Customers That Would Have a CCID

- Individual Investor

- Financial Advisor

- Institutions

- 3rd Party Money Managers

- Any individual that has trading authorization (except an individual with trading authorization that is employed by an entity that is an account holder)

- Any entity that has trading authorization

See Appendix B for published language surrounding authorized traders employed by an entity.

Trading Accounts

Trading accounts are represented in CAT by the Firm Designated ID (FDID)

Industry Members must assign _a single_ FDID to each trading account that is unique across all vendors the IM may use to report new orders to CAT and unique across time (with limited exceptions things such as closed accounts). For example, if an Industry Member uses multiple vendors for reporting, each vendor must report activity from the same account using the same FDID. (See CAT FAQ M10 for additional information).

See Appendix B for plan definitions of FDID and Customer Account Information, along with plan language surrounding Relationship Identifiers, and full text of FAQ M10.

FDID for Certain Institutional/Managed Account Scenarios

In certain institutional and managed account scenarios, the trading account structure may not be available when a new order is first received from a client. In these limited instances, the Industry Member may populate the FDID with an identifier used by the firm to represent the client's trading relationship with the Industry Member ("Relationship ID"). (Relationship IDs are further discussed on slide 9).

> An example of such an identifier could be as follows:
>
> Big Fund Manager is known in Industry Member's A's systems as "BFM1".
>
> When an order is placed by Big Fund Manager, the order is tagged to BFM1. Industry Member A could use BFM1 as the FDID.

➢ The Industry Member may use whatever specific identifier is available in its system at the time of order receipt. Because the identify of the client (in the example Big Fund Manager) will be obtained from the CCID, there is no hierarchy requirement for FDID (e.g., parent, affiliate).

See Appendix B for plan definitions of FDID and Customer Account Information, along with plan language surrounding Relationship Identifiers, and full text of FAQ M10.
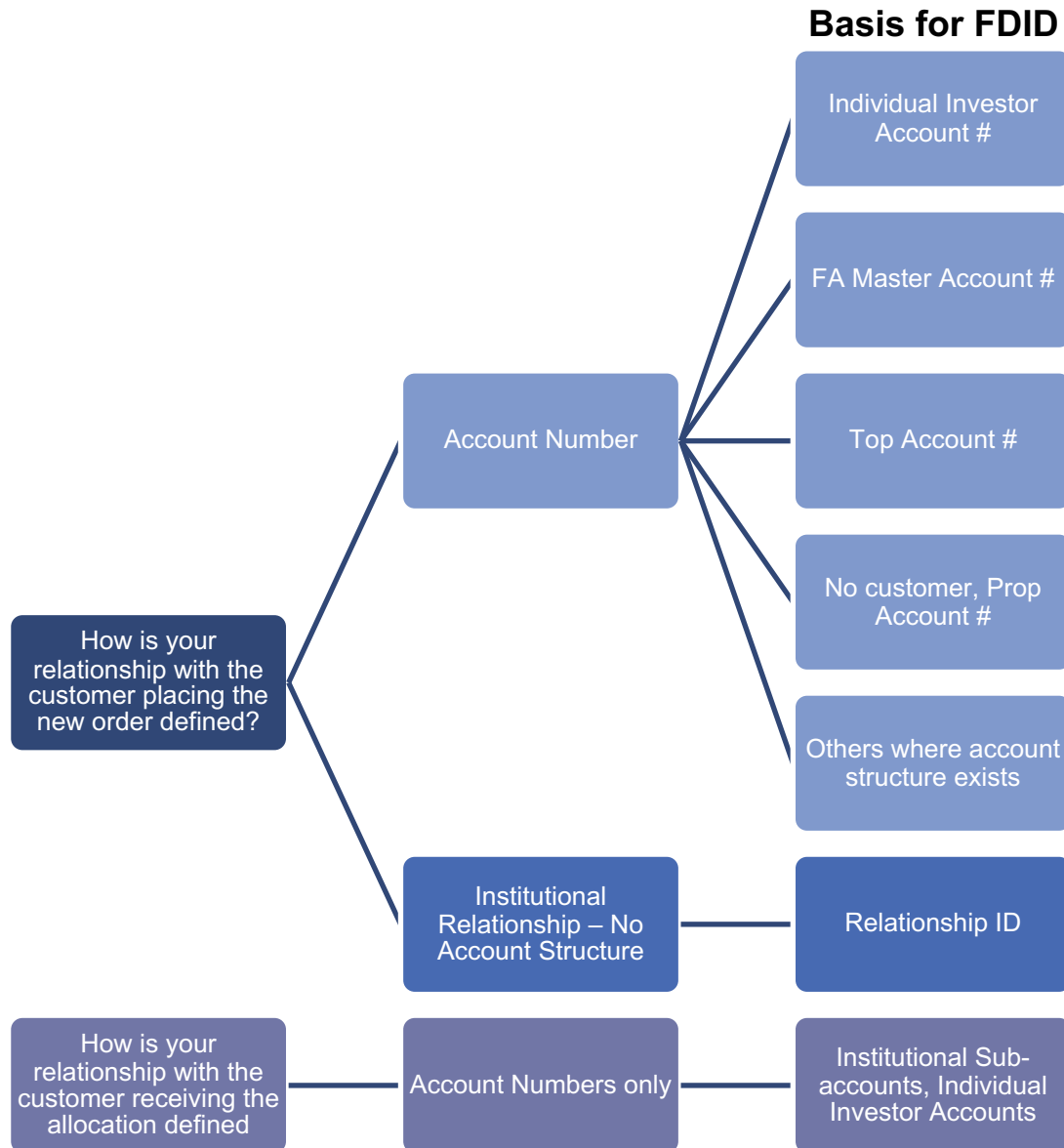
Examples of What an FDID Would Represent

- Individual Customer Account Number

- Institutional Customer Account Number

- Account Number of Average Price Account Designated for a Specific Customer, e.g. master account or agency Representative Order scenarios

- Account Number of Firm Average Price Account Shared Across Customers (e.g., Master Account, Account Used For Agency Representative Order Flows)

- Entity ID of the firm when an employee of the firm is exercising discretion over multiple customer accounts

- Proprietary Trading Account Number

- Firm assigned identifier representing a trading relationship (Relationship ID) can be used when the trading account structure is unavailable at the time the order was placed

Populating FDID on CAT Order and Allocation Data

What source of FDID can be populated on which order data events?

Event	New Client Orders	Firm Orders	Sub-Account Allocations
CAT Event Type	New Order Event	New Order Event	Allocation Report
Source of FDID	1. Retail account number 2. Institutional account number OR Relationship ID if the trading account structure is not known at the time of order receipt	Always firm trading account number	Always customer trading account number
Masked/ Unmasked	Must be Masked	Can be either masked or unmasked	Must be Masked

Determining Source of Firm Designated ID

Basis for FDID

```
                                            ┌──────────────────────┐
                                            │  Individual Investor  │
                                            │      Account #        │
                                            └──────────────────────┘

                                            ┌──────────────────────┐
                                            │   FA Master Account # │
                                            └──────────────────────┘

                      ┌──────────────┐      ┌──────────────────────┐
                      │    Account   │──────│     Top Account #     │
                      │    Number    │      └──────────────────────┘
                      └──────────────┘
                                            ┌──────────────────────┐
                                            │  No customer, Prop    │
                                            │      Account #        │
                                            └──────────────────────┘

  ┌──────────────┐                          ┌──────────────────────┐
  │ How is your  │                          │  Others where account │
  │ relationship │                          │   structure exists    │
  │ with the     │                          └──────────────────────┘
  │ customer     │
  │ placing the  │
  │ new order    │
  │ defined?     │          ┌──────────────┐      ┌──────────────────────┐
  └──────────────┘          │ Institutional│──────│    Relationship ID    │
                            │ Relationship │      └──────────────────────┘
                            │ – No Account │
                            │  Structure   │
                            └──────────────┘
```

How is your relationship with the customer receiving the allocation defined	Account Numbers only	Institutional Sub-accounts, Individual Investor Accounts

Customer and Account Data

How will account information fields eventually required in the Customer and Account technical specification apply to account numbers and relationship identifiers?

Account Information	Account Number	Institutional Relationship Identifier
Account Number	Actual Account Number	Relationship ID
Date Account Opened/Effective Date	Date account opened/account effective date as per exemptive relief	Date relationship established
Account Type(s)	Values TBD, likely to include ability to provide multiple attributes, e.g., Cash, Margin, IRA, DVP/RVP, etc.	Value to include "relationship" as per definition of account type
Customer Type	TBD	TBD
LTIDs	LTIDs associated with account	LTID as pre-existing LTID guidance

Masking Requirements

Actual trading account numbers cannot be used for customer accounts, as this is considered customer identifying information. FDIDs for customer orders must be masked. (See CAT FAQ M2 for additional information).

For proprietary accounts, firms may make their own determination whether it is necessary to mask the actual account number. (See CAT FAQ M9 for additional information).

The Plan Participants are not prescribing any specific methodology that must be used to mask or otherwise transform account numbers when generating an FDID. Firms must ensure that the methodology used to generate an FDID does not result in a unique identifier that can be used to effect a transaction, or that would constitute Customer and Account Information. (See CAT FAQ M6 for additional information).

See Appendix B for plan definition of Customer and Account Information, along with full text of FAQs M2, M6, and M9.

Appendix A - Scenarios

Examples of FDID Reporting

The following slides present examples of how FDID is applied in a number scenarios to accomplish the objective of associating transaction and allocation data to the CAT Customer ID (CCID) of the respective account holders and authorized traders.

The customer and account data portions of the examples are for _illustrative_ _purposes only_ and are _not_ intended to represent the actual data elements and values that will be in the Customer and Account Data Technical Reporting Specifications that will be developed and finalized in a later phase of CAT.

Examples of FDID Reporting – Allocation Reports

Some of the examples include Allocation Reports to help illustrate how the FDID is used in scenarios involving sub-account allocations that will become reportable in Phase 2c. **Allocation reporting in CAT will capture ONLY the final movement of shares/contracts to the custodial account.**

The allocation reporting examples reflect the Customer Information Approach. As explained in the Customer Information Approach Exemptive Relief, Allocation Reports do not provide information (e.g., the Order ID) to link allocations to specific executions or the order lifecycle events related to an execution (e.g., originating order, routing). Allocation Reports may be used by regulators to facilitate surveillance efforts regarding allocations. For example, using Allocation Reports reported to CAT, along with information obtained through investigative means other than CAT, regulators may more readily identify **the probable group of orders that led to the allocations.**

With the Firm Designated ID Model, all customer-identifying information, including account number, would be associated with the Firm Designated ID. Knowing the **Firm Designated ID on an Allocation Report** would allow the Central Repository to **link the subaccount holder to those with authority to trade on behalf of the account.**

Example: Big Fund Manager places orders with 5 different executing brokers to buy a total of 500,000 shares across all executing brokers. All of Big Fund Manager's sub-accounts are held at Custodial Broker C. Once all 5 executing brokers have moved the shares to Custodial Broker C (through a variety of clearing mechanisms such as step outs, DVP/RVP), Big Fund Manager instructs Custodial Broker C to allocate 250,000 shares to two different customer accounts.

CAT needs to identify that Big Fund Manager's activity at the 5 executing brokers is the probable group of orders that led to the allocations. This is done through FDIDs at the executing firms and the custodial firm that all include Big Fund Manager's CCID.

Note Clearing data is not required to be reported to CAT – see FAQ A14
FAQ A14. Will CAT tie the audit trail data to clearing data?
No, clearing data is not within the scope of SEC Rule 613 or the CAT NMS Plan

Example of Customer Information Approach – Reporting Masked Account Number or Other Unique Identifier as FDID

Phase 2a   Note: Sub-account allocations are reported in Phase 2c

Firm A Reports the following order information to CAT when an order is placed for Account (Firm Designated ID) # 123456

CAT Reporter ID	Issue Symbol	Event Type	Order Number	B/S	Quantity	Firm Designated ID
Firm A	ABCD	New Order	A67324	B	100	123456

Plan Processor Derivations – Phase 2e

The CAT Customer IDs are linked to the order by the Plan Processor using Firm Designated ID # 123456

CAT7890, CAT4567, CAT8765

Phase 2e

Firm A Reports the following to the CAT Customer and Account Information System

			Customer 1	Customer 2	Customer 3
Account Information	FDID	123456			
	FDID Type	Account number			
	Effective Date	Jan 1, 1998			
Customer Information for FDID # 123456			Customer 1	Customer 2	Customer 3
	Name		John Doe	Jane Doe	Investment Advisor Alpha
	NP/Legal Entity		Natural Person	Natural Person	Legal Entity
	Role		Account Holder	Account Holder	Authorized Trader*
	NP CCID/LEI/LTID		555555555	111111111	AG459IIX982WE0
Plan Processor	Plan Processor Assigned CAT Customer ID		CAT7890	CAT4567	CAT8765

*There may be more than one Authorized Trader for a single account

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Example of Customer Information Approach – Reporting Relationship ID as FDID

Phase 2a   Note: Sub-account allocations are reported in Phase 2c

Firm A Reports the following order information to CAT when an order is placed by an Entity with a relationship identifier (Relationship ID) of 45689

CAT Reporter ID	Issue Symbol	Event Type	Order Number	B/S	Quantity	Firm Designated ID
Firm A	ABCD	New Order	A67324	B	10,000	45689

Plan Processor Derivations – Phase 2e

The CAT Customer IDs are linked to the order by the Plan Processor using Firm Designated ID # 45689

CAT8765

Phase 2e

Firm A Reports the following to the CAT Customer and Account Information System

Account Information	FDID	45689
	FDID Type	Relationship ID
	Effective Date	Jan 1, 1997
Customer Information for FDID # 45689		Customer 1
	Name	Investment Advisor Alpha
	NP/Legal Entity	Legal Entity
	Role	Account Holder
	NP CCID/LEI/LTID	AG459IIX982WE0
	Plan Processor Assigned CAT Customer ID	CAT8765

Proposed FDID Guidelines

No.	Scenario	FDID Represents
1	Self-directed order placed for a single, pre-designated customer account either on-line or by calling a Rep who places order for customer	Masked customer account number
2	Rep of the firm (2 legged person employed by the firm) exercises discretion and originates an order for a single, pre-designated customer account	Masked customer account number
3	Rep of firm holding customer accounts exercises discretion and originates a single order in a firm account, the resulting executions of which will be allocated to multiple customer accounts on a post trade basis.	Relationship ID of the firm or Average Price Account Number
4	Outside asset manager/institution places an order with the firm to be allocated later among multiple customer accounts held at the firm. Securities are booked to a firm average price account until sub-account allocation instructions are received.	Relationship ID of the Asset Manager or Average Price Account designated specifically for the Asset Manager
5	Institution places an order with an executing firm to be later allocated to customer accounts held at another firm (custodial firm). The institution has an account with the executing firm. The executing firm steps out or DVPs executed shares to the custodial firm where the individual customer accounts are held and the institution provides the subaccount allocation instructions to the custodial firm.	Relationship ID of the institution OR Masked account number of the institution
6	Firm originates an order for its proprietary trading account	Proprietary account number
7	Firm originates a representative order in a Firm Owned or Controlled account	Firm account number

Scenario #1 – Self-directed Order

Scenario	FDID Represents
Self-directed order placed for a single, pre-designated customer account either on-line or by calling a Rep who places order for customer	Masked customer account number

Phase 2a

Firm A Reports the following order information to CAT when John Doe places an order online or via phone

CAT Reporter ID	Issue Symbol	Event Type	Order Number	B/S	Quantity	Firm Designated ID
Firm A	ABCD	New Order	A67324	B	100	123456

Plan Processor Derivations – Phase 2e

The CAT Customer IDs are linked to the order by the Plan Processor using Firm Designated ID # 123456

CAT7890, CAT4567

Phase 2e

Firm A Reports the following to the CAT Customer and Account Information System

Account Information	FDID	123456	
	FDID Type	Account number	
	Effective Date	Jan 1, 1998	
Customer Information for FDID # 123456		Customer 1	Customer 2
	Name	John Doe	Jane Doe
	NP/Legal Entity	Natural Person	Natural Person
	Role	Account Holder	Account Holder
	NP CCID/LEI/LTID	555555555	111111111
	Plan Processor Assigned CAT Customer ID	CAT7890	CAT4567

Scenario #2 – Rep Exercises Discretion for Single Account

Scenario	FDID Represents
Rep of the firm (2 legged person) exercises discretion and originates an order for a specific customer account	Masked customer account number

Phase 2a

Firm A Reports the following order information to CAT when Roger Rep originates an order for John Doe's account

CAT Reporter ID	Issue Symbol	Event Type	Order Number	B/S	Quantity	Firm Designated ID
Firm A	ABCD	New Order	A67324	B	1,000	65421

Plan Processor Derivations – Phase 2e

The CAT Customer IDs are linked to the order by the Plan Processor using Firm Designated ID # 65421

CAT7890, CAT4567, CAT7654

Phase 2e

Firm A Reports the following to the CAT Customer and Account Information System

Account Information	FDID	65421		
	FDID Type	Account number		
	Effective Date	Jan 1, 1998		

Customer Information for FDID # 65421		Customer 1	Customer 2	Customer 3
	Name	John Doe	Jane Doe	Roger Rep
	NP/Legal Entity	Natural Person	Natural Person	Financial Advisor
	Role	Account Holder	Account Holder	Authorized Trader
	NP CCID/LEI/LTID	555555555	111111111	777777777 or other # (e.g. CRD)
	Plan Processor Assigned CAT Customer ID	CAT7890	CAT4567	CAT7654

Scenario	FDID Represents
Rep of the firm (2 legged person employed by the firm) exercises discretion over multiple retail customer accounts and originates a single aggregate order that will be allocated to the specific customer accounts post trade. Shares are booked to a firm average price account until the sub-account allocations are made to the individual customer accounts	Relationship ID of firm OR average price account of the firm

Phase 2a   Note: Sub-account allocations are reported in Phase 2c

Firm A Reports the following order information to CAT when the rep originates the single aggregate order

CAT Reporter ID	Issue Symbol	Event Type	Order Number	B/S	Quantity	Firm Designated ID
Firm A	ABCD	New Order	A67324	B	10,000	2548

Plan Processor Derivations – Phase 2e

The CAT Customer IDs are linked to the order by the Plan Processor using Firm Designated ID # 2548

CAT8012

Phase 2e

Firm A Reports the following to the CAT Customer and Account Information System

Account Information	FDID	2548
	FDID Type	Relationship ID OR Average Price Account
	Effective Date	Jan 1, 1998
Customer Information for FDID # 2548		Customer 1
	Name	Firm A
	NP/Legal Entity	Legal Entity
	Role	Account Holder
	NP CCID/LEI/LTID	99-999999
	Plan Processor Assigned CAT Customer ID	CAT8012

Scenario #3 – Rep Exercises Discretion for Multiple Accounts - Subaccount Allocations (2 of 2)

Phase 2c

Firm A Reports the following Allocation Reports to CAT when the rep allocates the 10,000 shares

CAT Reporter ID	Issue Symbol	Event Type	Order Number	B/S	Quantity	Firm Designated ID	CAT Customer IDs linked to the allocation by the Plan Processor
Firm A	ABCD	Allocation	NA	B	5,000	50955	CAT8012, CAT6921, CAT3811
Firm A	ABCD	Allocation	NA	B	5,000	41289	CAT8012, CAT1745, CAT3811

Phase 2e

Firm A Reports the following to the CAT Customer and Account Information System				Firm A Reports the following to the CAT Customer and Account Information System			
Account Information	FDID	50955		Account Information	FDID	41289	
	FDID Type	Account Number			FDID Type	Account Number	
	Effective Date	Jan 1, 1998			Effective Date	Jan 1, 1998	
Customer Information for FDID # 50955		Customer 1	Customer 2	Customer 3	Customer Information for FDID # 41829	Customer 1	Customer 2	Customer 3
	Name	Firm A	Jane Doe	Roberta Rep		Name	Firm A	Sally Smith	Roberta Rep
	NP/Legal Entity	Legal Entity	Natural Person	Financial Advisor		NP/Legal Entity	Legal Entity	Natural Person	Financial Advisor
	Role	Authorized Trader	Account Holder	Authorized Trader		Role	Authorized Trader	Account Holder	Authorized Trader
	NP CCID/LEI/LTID	99-999999	777777777	123456789		NP CCID/LEI/LTID	99-999999	987654321	123456789
	Plan Processor Assigned CAT Customer ID	CAT8012	CAT6921	CAT3811		Plan Processor Assigned CAT Customer ID	CAT8012	CAT1745	CAT3811

Scenario #4 – Outside Asset Manager Places Order for Multiple Accounts Held at Firm (1 of 2) – Original Order

Scenario	FDID Represents
Outside asset manager places an order with the firm to be allocated later among multiple customer accounts held at the firm. Securities are booked to a firm average price account until sub-account allocation instructions are received.	Relationship ID of the Asset Manager or Average Price Account designated specifically for the Asset Manager

Phase 2a   Note: Sub-account allocations are reported in Phase 2c

Firm A Reports the following order information to CAT when the asset manager places the order

CAT Reporter ID	Issue Symbol	Event Type	Order Number	B/S	Quantity	Firm Designated ID
Firm A	ABCD	New Order	A67324	B	10,000	778899

Plan Processor Derivations – Phase 2e

The CAT Customer IDs are linked to the order by the Plan Processor using Firm Designated ID # 778899

CAT2081

Phase 2e

Firm A Reports the following to the CAT Customer and Account Information System

Account Information	FDID	778899
	FDID Type	Relationship ID or Average Price Account
	Effective Date	Jan 1, 1998
Customer Information for FDID # **778899**		Customer 1
	Customer Name	Asset Manager ABC
	NP/Legal Entity	Legal Entity
	Role	Account Holder
	NP CCID/LEI/LTID	88-8888888
	Plan Processor Assigned CAT Customer ID	CAT2081

Scenario #4 – Outside Asset Manager Places Order for Multiple Accounts Held at Firm (2 of 2) – Subaccount Allocations

Phase 2c

Firm A Reports the following Allocation Reports to CAT when the asset manager provides sub-account allocation instructions

CAT Reporter ID	Issue Symbol	Event Type	Order Number	B/S	Quantity	Firm Designated ID
Firm A	ABCD	Allocation	NA	B	5,000	50956
Firm A	ABCD	Allocation	NA	B	5,000	41288

Plan Processor Derivations – Phase 2e

The CAT Customer IDs are linked to the allocation by the Plan Processor using Firm Designated ID # 50956, 41288

CAT1745, CAT2081, CAT8888, CAT2081

Phase 2e

Firm A Reports the following to the CAT Customer and Account Information System

Account Information	FDID	50956	
	FDID Type	Account Number	
	Effective Date	Jan 1, 1998	
Customer Information for FDID # 50956		Customer 1	Customer 2
	Customer Name	Jane Smith	Asset Manager ABC
	NP/Legal Entity	Natural Person	Legal Entity
	Role	Account Holder	Authorized Trader
	NP CCID/LEI/LTID	888-77-9999	88-8888888
	Plan Processor Assigned CAT Customer ID	CAT1745	CAT2081

Firm A Reports the following to the CAT Customer and Account Information System

Account Information	FDID	41288	
	FDID Type	Account Number	
	Effective Date	Jan 1, 1998	
Customer Information for FDID # 41288		Customer 1	Customer 2
	Customer Name	Charlie Brown	Asset Manager ABC
	NP/Legal Entity	Natural Person	Legal Entity
	Role	Account Holder	Authorized Trader
	NP CCID/LEI/LTID	111-11-1111	88-888888
	Plan Processor Assigned CAT Customer ID	CAT8888	CAT2081

Scenario #5 – Institution Places Order for Multiple Accounts Held Away from Firm (1 of 2) – Original Order

Scenario	FDID Represents
Institution places an order with an executing firm (Firm A) to be later allocated to retail customer accounts held at another custodial firm (Firm C) . The institution has an account with the executing firm. The executing firm steps out or DVPs executed shares to the custodial firm where the individual customer accounts are held and the institution provides the subaccount allocation instructions to the custodial firm. NOTE: The step out or DVP clearing movements are not CAT Reportable.	Relationship ID of the institution OR Masked account number of the institution

Phase 2a   Note: Sub-account allocations are reported in Phase 2c

Firm A Reports the following order information to CAT when Big Fund Manager places the order

CAT Reporter ID	Issue Symbol	Event Type	Order Number	B/S	Quantity	Firm Designated ID
Firm A	ABCD	New Order	A67324	B	10,000	55112

Plan Processor Derivations – Phase 2e

The CAT Customer IDs are linked to the order by the Plan Processor using Firm Designated ID # 55112

CAT3377

Phase 2e

Firm A Reports the following to the CAT Customer and Account Information System

Account Information	FDID	55112
	FDID Type	Relationship ID OR Account number
	Effective Date	Jan 1, 1998
Customer Information for FDID # 55112		Customer 1
	Customer Name	Big Fund Manager
	NP/Legal Entity	Legal Entity
	Role	Account Holder
	NP CCID/LEI/LTID	PGT459IIX982WE0
	Plan Processor Assigned CAT Customer ID	CAT3377

Scenario #5 – Institution Places Order for Multiple Accounts Held Away from Firm (2 of 2) – Subaccount Allocations at Custodial Firm

Phase 2c

Firm C Reports the following Allocation Reports to CAT when it receives sub-account allocation instructions from Big Fund Manager

CAT Reporter ID	Issue Symbol	Event Type	Order Number	B/S	Quantity	Firm Designated ID	CAT Customer IDs linked to the allocation by the Plan Processor
Firm C	ABCD	Allocation	NA	B	5,000	50956	CAT1745, CAT3377
Firm C	ABCD	Allocation	NA	B	5,000	41288	CAT8888, CAT3377

Phase 2e

Firm C Reports the following to the CAT Customer and Account Information System

Account Information	FDID	50956	
	FDID Type	Account Number	
	Effective Date	Jan 1, 1998	
Customer Information for FDID # 50956		Customer 1	Customer 2
	Customer Name	Jane Smith	Big Fund Manager
	Customer Type	NP/Legal Entity	Legal Entity
	Role	Account Holder	Authorized Trader
	NP CCID/LEI/LTID	888-77-9999	PGT459IIX982WE0
	Plan Processor Assigned CAT Customer ID	CAT1745	CAT3377

Firm C Reports the following to the CAT Customer and Account Information System

Account Information	FDID	41288	
	FDID Type	Account Number	
	Effective Date	Jan 1, 1998	
Customer Information for FDID # 41288		Customer 1	Customer 2
	Customer Name	Charlie Brown	Big Fund Manager
	NP/Legal Entity	Natural Person	Legal Entity
	Role	Account Holder	Authorized Trader
	NP CCID/LEI/LTID	111-11-1111	PGT459IIX982WE0
	Plan Processor Assigned CAT Customer ID	CAT8888	CAT3377

Scenario #6 – Firm Originates Order for its Own Account

Scenario	FDID Represents
A firm originates an order for its cash arb account	Cash arb account number

Phase 2a

Firm A Reports the following order information to CAT when the prop order is originated

CAT Reporter ID	Issue Symbol	Event Type	Order Number	B/S	Quantity	Firm Designated ID
Firm A	ABCD	New Order	A67324	B	10,000	77637890

Plan Processor Derivations – Phase 2e

The CAT Customer IDs are linked to the order by the Plan Processor using Firm Designated ID # 77637890

CAT8012

Phase 2e

Firm A Reports the following to the CAT Customer and Account Information System

Account Information	FDID	77637890
	FDID Type	Account number
	Effective Date	Jan 1, 1998
Customer Information for FDID # 77637890		Customer 1
	Customer Name	Firm A
	NP/Legal Entity	Legal Entity
	Role	Account Holder
	NP CCID/LEI/LTID	99-999999
	Plan Processor Assigned CAT Customer ID	CAT8012

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Scenario #7 – Firm Originates Representative Order in a Firm Owned or Controlled Account

Scenario	FDID Represents
A firm receives multiple customer orders and elects to work them by creating a single order in a firm owned or controlled account to be routed away for execution	Firm owned or controlled account number

Phase 2a

Firm A Reports the following order information to CAT when the representative order is originated

CAT Reporter ID	Issue Symbol	Event Type	Order Number	B/S	Quantity	Rep Order Flag	Aggregated Order IDs	Firm Designated ID
Firm A	ABCD	New Order	A67324	B	10,000	Y	C6789, W56908	457124

Plan Processor Derivations – Phase 2e

The CAT Customer IDs are linked to the order by the Plan Processor using Firm Designated ID # 457124

CAT8012

Phase 2e

Firm A Reports the following to the CAT Customer and Account Information System

Account Information	FDID	457124
	FDID Type	Account number
	Effective Date	Jan 1, 1998
Customer Information for FDID # 457124		Customer 1
	Customer Name	Firm A
	NP/Legal Entity	Legal Entity
	Role	Account Holder
	NP CCID/LEI/LTID	99-999999
	Plan Processor Assigned CAT Customer ID	CAT8012

Appendix B - References

Customer

Rule 613 (j) Definitions

(3) The term <u>customer</u> shall mean:

    (i) The account holder(s) of the account at a registered broker-dealer originating the order; and

    (ii) Any person from whom the broker-dealer is authorized to accept trading instructions for such account, if different from the account holder(s).

        Rule 613 (c)(7)(i) requires, For the original receipt or origination of an order:
                (A) Customer-ID(s) for each customer*

(5) The term <u>Customer-ID</u> shall mean, with respect to a customer, a code that uniquely and consistently identifies such customer for purposes of providing data to the central repository.

Customer Identifying Information

The NMS Plan defines "Customer Identifying Information" as:

"Customer Identifying Information" means information of sufficient detail to identify a Customer, including, but not limited to, (a) with respect to individuals: name, address, date of birth, individual tax payer identification number ("ITIN")/social security number ("SSN"), individual's role in the account (e.g., primary holder, joint holder, guardian, trustee, person with the power of attorney); and (b) with respect to legal entities: name, address, Employer Identification Number ("EIN")/Legal Entity Identifier ("LEI") or other comparable common entity identifier, if applicable; provided, however, that an Industry Member that has an LEI for a Customer must submit the Customer's LEI in addition to other information of sufficient detail to identify a Customer.

* The Customer Information Approach described in the Plan is used to obtain the Customer ID for each order. Under the Plan, the Customer ID is not reported with the transaction data.

Authorized Traders Employed by an Entity

"For the purpose of Rule 613(j)(3), natural persons who are employed by an entity that is an account holder, and who are authorized to trade for that account, are not considered different from the account holders, and are therefore not covered by Rule 613(j)(3)(i)." (Consolidated Audit Trail, Exchange Act Release No. 67,457 (July 18, 2012), 77 Fed. Reg. 45722, 45759 n.386 (Aug. 1, 2012) (Rule 613 Adopting Release).)

Firm Designated ID

The Plan defines Firm Designated ID (FDID) as:

"Firm Designated ID" means a unique identifier for _each trading account_ designated by Industry Members for purposes of providing data to the Central Repository, where each such identifier is unique among all identifiers from any given Industry Member for each business date.

Account Numbers and Relationship IDs

The Plan defines Customer Account Information as:

"Customer Account Information" shall include, but not be limited to, <u>account number ,</u> <u>account type, customer type, date account opened, and large trader identifier</u> (if applicable); except, however, that (a) in those circumstances in which an Industry Member <u>has established a trading relationship with an institution but has not established</u> <u>an account with that institution</u>, the Industry Member will (i) provide the Account Effective Date in lieu of the "date account opened<u>"; (ii) provide the relationship identifier</u> <u>in lieu of the "account number"; and (iii) identify the "account type" as a "relationship";</u> (b) in those circumstances in which the relevant account was established prior to the implementation date of the CAT NMS Plan applicable to the relevant CAT Reporter (as set forth in Rule 613(a)(3)(v) and (vi)), and no "date account opened" is available for the account, the Industry Member will provide the Account Effective Date in the following circumstances: (i) where an Industry Member changes back office providers or clearing firms and the date account opened is changed to the date the account was opened on the new back office/clearing firm system; (ii) where an Industry Member acquires another Industry Member and the date account opened is changed to the date the account was opened on the post-merger back office/clearing firm system; (iii) where there are multiple dates associated with an account in an Industry Member's system, and the parameters of each date are determined by the individual Industry Member; and (iv) where the relevant account is an Industry Member proprietary account.

FAQs M2 and M6

FAQ M2. Can actual account numbers be used as the FDID when submitting data to CAT? revised 1/17/19

The use of an actual account number as the FDID is prohibited to ensure the capture of sensitive data in CAT is minimized when its inclusion is not required to achieve the objectives of CAT. Specifically, the Operating Committee has determined that Industry Members must not assign as an FDID a customer's account number or any other number associated with the customer's account that could be used to effect a transaction in the account. Acceptable FDIDs may include, without limitation, a newly created unique identifier or an internal only identifier used by a broker-dealer that cannot be used to effect a transaction. Industry Members also may employ a masking methodology that would mask the actual account number prior to submission to CAT so that it could still be used by CAT to identify a single trading account within the Industry Member, but the identifier provided to CAT could not be used to effect a transaction in the account. See also **FAQs M9 and M10** for additional information on masking.

FAQ M6. If an Industry Member CAT Reporter uses multiple reporting vendors, should the FDID be reported by each vendor submitting new order events on behalf of the Industry Member CAT Reporter? added 8/15/18

Yes. CAT allows multiple vendors to submit data on behalf of a single Industry Member CAT Reporter. Each vendor reporting new order type events on behalf of an Industry Member CAT Reporter would have to provide the FDID as required. An Industry Member CAT Reporter must ensure that the same FDID is used by all vendors submitting Reportable Events to CAT involving the same unique trading account at the Industry Member. It would not be acceptable for different vendors to use different FDIDs to represent the same unique trading account.

FAQs M9 and M10

FAQ M9. CAT FAQ M2 prohibits use of a customer account number as the FDID. Does this apply to proprietary accounts of an Industry Member? added 1/17/19

No. Each Industry Member must make its own determination whether it believes it is necessary to mask the actual account number for any proprietary account of the firm when reporting the FDID to CAT

FAQ M10. CAT FAQ M2 states acceptable FDIDs may include, without limitation, a newly created unique identifier or an internal only identifier used by a broker-dealer that cannot be used to effect a transaction. Are there prescribed methodologies for masking account numbers? added 1/17/19

No. The Plan Participants are not prescribing any specific methodology that must be used to mask or otherwise transform account numbers for the purposes of reporting FDIDs to CAT. Each Industry Member must, however, ensure the methodology used to mask or otherwise transform an account number does not result in a newly created unique identifier or an internal only identifier that can be used to effect a transaction or would not constitute "Customer Account Information" as defined in the CAT NMS Plan.