

## **OATS to CAT FAQ Mapping Exercise**

In order to assist industry members with the implementation of the Consolidated Audit Trail (CAT), FINRA and the Exchange SROs (the “Participants”) have prepared the following mapping table to demonstrate how current FINRA [OATS FAQs](#) map to CAT requirements. The following mapping tables include three columns as described below:

1. Column 1: Existing OATS FAQ – Each FAQ can be found on the FINRA Website at <http://www.finra.org/industry/oats/oats-faq>.
2. Column 2: Mapping to CAT – Each FAQ has been assessed a mapping value based on the extent to which the FAQ compares to guidance that will be issued by the Participants for CAT. The following values are possible for this column:
  - a. Same – The FAQ will transfer directly to CAT. Where the FAQ refers to OATS today, the CAT FAQ will refer to CAT. No other change to the FAQ is anticipated.
  - b. Similar – The FAQ answer is conceptually the same for CAT. However, due to differences between CAT and OATS the answer will be similar but not the same (e.g., references to FINRA, different event names in the CAT Industry Member Tech Spec etc.)
  - c. Different – The FAQ answer is different for CAT. In these situations, guidance that currently applies to OATS will NOT apply to CAT due to differences in the CAT NMS Plan requirements.
  - d. N/A – The FAQ is specific to the implementation of OATS and does not apply to CAT. For example, FAQs regarding the implementation of OATS Phase III do not apply to the implementation of CAT.
  - e. TBD- The Participants are determining the applicability of the guidance to CAT and more information will be forthcoming.
3. Column 3: Comments to explain the mapping value as needed.
4. Column 4: Shows whether a new CAT specific FAQ has been or will be developed. CAT FAQs that already have been developed are referenced in this column

One table is provided for each set of OATS FAQs including: Compliance, Definitions, Technical, Clock Synchronization, OTC Equity Securities, Phase III, and OATS for all NMS Stocks.

Please note that any FAQs or comments in this document related to the proposed phased approach to Industry Member CAT reporting are subject to the SEC’s approval of the proposed phased approach. The Participants anticipate formally recommending the proposed phased approach to Industry Member CAT reporting, including timelines and scope, to the SEC within the next few months. As of the publication date of this document, the proposed phased approach has been discussed with the SEC staff, but it has not been approved by the SEC.

This document was approved by the CAT NMS, LLC Operating Committee on August 15, 2018 and updated on April 12, 2019 and October 14, 2019. Please note that the guidance contained within this document is subject to change, pending approval of the CAT NMS, LLC Operating Committee. Please consult the FAQs on [www.catnmsplan.com](http://www.catnmsplan.com) for the most up to date information.

## Compliance FAQ

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
<p>C1. How do I know if I have to comply with FINRA Rules 7410 through 7470?</p> <p>If you have an obligation to record the time of any market event pursuant to the By-Laws or rules of FINRA you must synchronize all business clocks, including both computer system clocks and mechanical time-stamping devices used to record such times. In addition, if your firm receives and/or handles any orders in Nasdaq and/or OTC listed securities you must comply with the rules regarding OATS reporting. (Last updated 04/08/09)</p>	NA	FINRA Rules 7410 through 7470 will be in effect until OATS is retired. If you have any order, execution, or allocation activity with respect to U.S. equities (listed and unlisted) and/or listed options you have to comply with CAT.	CAT Reporting Requirements FAQ #B.13.
Question C2 has been archived and does not apply to CAT.	NA		
<p>C3. A registered investment advisor (RIA) operates within member broker-dealer BD1 (i.e., BD1 and RIA are part of the same legal entity). RIA originates and routes orders for execution away from BD1. What are the RIA's OATS reporting obligations?</p> <p>Because the RIA is part of the same legal entity as the member broker-dealer, orders received or originated by the RIA are subject to all applicable OATS reporting rules and the member broker-dealer must report to OATS all orders that the RIA receives or originates. If the RIA is a separate legal entity that is not a FINRA member, the RIA would not be subject to the OATS Rules. (Last updated 10/7/11)</p>	Same	Orders received by a RIA that is part of the same legal entity as the B/D must be reported to CAT.	CAT Reporting Requirements FAQ #B.14.
<p>C4. My firm receives and handles orders in Nasdaq and OTC listed securities, however, all clearing activities are handled by another firm. Does my firm have to report to OATS?</p> <p>You are required to report to OATS all of your transactions in Nasdaq and OTC listed securities. However, if you have an arrangement with a clearing firm, it is</p>	Same		CAT Third Party Reporting FAQs #N.2, N.3 and N.4.

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<p>possible that the clearing firm will report order information on your behalf. (Note: You must be in the position to provide your clearing firm with information required to be reported under the rules.) The agreement to use another firm or a third party, such as a clearing firm, must be arranged by your firm, evidenced in writing, and retained by both parties to the agreement. The agreement must specify the respective functions and responsibilities of each party. Do not assume that any third party will perform reporting on behalf of your firm. (Last updated 04/08/09)</p>			
<p>C5. Can my firm contractually arrange for another firm to transmit orders to OATS?</p> <p>At a minimum, a transmitting firm should: (1) represent that it is familiar with the OATS Rules and the OATS Reporting Technical Specifications; (2) represent that it has completed or will complete testing, as described in the Technical Specifications; (3) agree to make reports to OATS in compliance with OATS Rules and Technical Specifications, and any subsequent modifications thereto; (4) agree that any records of OATS data prepared on behalf of your firm and maintained by the transmitting firm are the property of your firm and shall be surrendered promptly upon your firm's request; (5) agree to permit examination of any records of OATS data prepared on behalf of your firm and maintained by the transmitting firm at any time or from time to time during business hours by representatives of FINRA and to promptly furnish to FINRA or its designee true, correct, complete, and current hard copy of any or all of any part of these records; (6) have processes and procedures reasonably designed to ensure compliance with OATS requirements; and (7) agree to promptly notify your firm upon the occurrence of any event, including physical damage to the transmitting firm's facilities or legal proceedings involving the transmitting firm that would materially affect the transmitting firm's ability to make OATS reports on behalf of your firm. The agreement should also provide for disposition of any records maintained on behalf of your firm in the event that the transmitting firm is unable or unwilling to provide for the storage of your firm's records.</p>	Similar		CAT Third Party Reporting FAQs #N.2, N.3 and N.4.

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
<p>No contractual arrangement, no matter how comprehensive, will relieve a member of its responsibilities under the OATS Rules. The above provisions are merely suggestions of the types of issues that a member must consider in contracting to fulfill its OATS reporting requirements. (Last updated 02/16/99)</p>			
<p>C6. If one or more third parties (e.g., clearing firms) report order information on behalf of my firm, how much of the compliance responsibility lies with my firm and how much lies with the third parties?</p> <p>If your firm has a reporting responsibility, it is primarily the responsibility of your firm to ensure that timely, accurate, and complete order information is reported to FINRA. If member third parties submit order information on behalf of your firm, there is some shared responsibility for the complete and accurate submission of order information by the third parties and your firm. If non-member third parties submit order information on behalf of your firm, your firm is responsible for the submissions. Your firm should have written procedures in place to ensure that the information reported for your firm is timely, accurate, and complete. Refer to C5 for suggestions of the types of issues that a member must consider in contracting to fulfill its OATS reporting requirements. Also refer to NASD Notice to Members 02-29 for additional guidance on members' supervisory systems. (Last updated 06/13/02)</p>	Similar	Firms are responsible for the accuracy of the data submitted on their behalf regardless of who transmits the data.	CAT Third Party Reporting FAQs #N.2, N.3 and N.4.
<p>Question C7 has been archived and does not apply to CAT.</p>	NA		
<p>C8. How long are we required to retain OATS data?</p> <p>According to FINRA Rule 7440, records must be maintained in accordance with FINRA Rule 3010 and SEC Rule 17a-4(b). These rules state that OATS records must be preserved at least three years, the first two years in an accessible place. Records are not required to be retained in an electronic format; they may be retained in paper or microfiche formats. (Last updated 04/08/09)</p>	Similar	As set forth in the various SRO CAT Compliance Rules, Industry Member Reporters are required to maintain and preserve records of CAT information for the period of time specified in Securities Exchange Act Rule	CAT General FAQ #A.23.

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
		17a-4(b). See, e.g. FINRA Rule 6890.	
<p>C9. How will I have the time to perform business functions and send order information to OATS?</p> <p>In general, business can proceed as usual; for example, the OATS Rules do not change the amount of time allowed to write a customer order ticket or perform order processing. The rules do require that the business clocks firms use to record the times of market events be synchronized and that the times of OATS reportable events be recorded using hours, minutes, and seconds. (Last updated 07/06/98)</p>	Same	This is a dated question but can be applied to CAT in that the CAT NMS Plan does not impose any new requirements on the creation of order tickets or other order processing functions within a firm.	CAT General FAQ #A.24.
<p>C10. Does the 10-second Rule apply to OATS reporting?</p> <p>No. The “10-second Rule” is a trade reporting rule. OATS is not a real-time system. Although order information may be transmitted to OATS at any time, including during or after market hours, it is not required to be submitted until 08:00 (8 a.m.) Eastern Time the following calendar day (Last updated 11/07/13)</p>	Same	CAT is not a real-time system.	CAT General FAQ #A.24.
<p>C11. Do I have only 3 seconds to record order information?</p> <p>No. The OATS Rules do not change the amount of time allowed to write a customer order ticket or perform order processing. (Last updated 07/06/98)</p>	Same	This is a dated question but can be applied to CAT in that the CAT NMS Plan does not impose any new requirements on the creation of order tickets or other order processing functions within a firm.	CAT General FAQ #A.24.

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
<p>C12. My firm is not required by FINRA rules or By-Laws to record the date and time of market events. Are we required to synchronize our business clocks?</p> <p>No. Only FINRA member firms with an obligation under FINRA rules or By-Laws to record the time of a market event must synchronize their business clocks. For example, firms that only sell mutual funds and have such an obligation only under SEC rules or related guidance to record the time of market events are not required to synchronize their business clocks. (Last updated 11/03/98)</p>	Similar	All CAT Reporters are required to synchronize their business clocks used in handling of Reportable Events for Eligible Securities (see CAT Other SRO clock synchronization requirements also may apply.	CAT Clock Sync. FAQs #R.1 and R.2.
<p>C13. My firm is required by FINRA rules to record the date and time of market events, but we do not accept orders for Nasdaq or OTC listed securities and have no OATS reporting responsibilities. Are we required to synchronize our business clocks?</p> <p>Yes. All FINRA member firms with an obligation under FINRA rules or By-Laws to record the time of a market event must synchronize their business clocks. (Last updated 04/08/09)</p>	Similar	This guidance applies to CAT.	CAT Clock Sync. FAQs #R.1 and R.5.
<p>C14. Do the OATS Rules allow us to continue to write the time on order tickets or are we required to purchase mechanical time clocks?</p> <p>Under the OATS Rules you may continue to use handwritten timestamps. However, a firm that uses handwritten timestamps must be confident that it is complying with the OATS Rules and all other FINRA rules or By-Laws. This includes referencing a synchronized clock and recording hours, minutes, and seconds when writing timestamps for OATS reportable events. (Last updated 07/17/98)</p>	Same	The CAT Rules do not disallow the use of manually written timestamps provided the clock referenced is synchronized properly.	CAT Clock Sync FAQ #R.3.
<p>C15. What time am I supposed to report as order receipt time when I receive a customer order on the golf course?</p> <p>The time that the member records as the time of receipt for purposes of satisfying SEC Rule 17a-3(a)(6) is the time the firm should record as the OATS</p>	Similar		CAT Order Receipt FAQ #D.3.

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
order receipt time. The order receipt time required to be recorded pursuant to SEC Rule 17a-3(a)(6) will always be the time of receipt for OATS reporting purposes. (Last updated 03/28/06)			
<p>C16. My firm is not a market maker in any Nasdaq or OTC listed security; however, we sometimes trade in these securities for our proprietary accounts. Are we required to report these proprietary trades to OATS?</p> <p>Yes, the only types of orders for Nasdaq and OTC securities that are not subject to OATS reporting requirements are orders originated by a trading desk in the ordinary course of a member's market making activities. (Last updated 09/08/98)</p>	Different	All Reportable Events (including, without limitation, the receipt, origination or execution of an order) involving NMS stocks or OTC Equity securities, as well as listed options, must be reported to CAT.	CAT Reporting Requirements FAQ #B.13.
<p>C17. My firm receives orders for listed, National Market (NMS), and Small Cap securities on any given day. Will FINRA provide a list of the issues that must be reported to OATS?</p> <p>Orders for any Nasdaq security must be reported to OATS. A file containing Nasdaq symbols can be downloaded from <a href="http://www.nasdaqtrader.com">www.nasdaqtrader.com</a>. The Symbol Directory is updated daily at 2 a.m. and reflects issues as of the beginning of the prior business day. (For example, the Symbol Directory that is updated at 2 a.m. on Wednesday reflects the issues as of the beginning of Tuesday's market day.) Any changes to the Symbol Directory between the time it is posted and about 2 p.m. the following day are reflected in the Daily List, which is updated daily at approximately 2 p.m. The Daily List is available via FTP or the Web. (Last updated 04/08/09)</p>	Similar	It is anticipated that the Plan Processor will provide a list of CAT reportable securities which include OTC equities, listed equities and listed options.	See IM Tech Spec Section 2.4.3.1 for details on the CAT Symbol Master.
<p>C18. My firm operates a convertible bond department. Does my firm have to report information to OATS about orders in convertible bonds?</p> <p>The OATS Rules apply to orders in Nasdaq Stock Market equity securities. Section 3(a)(11) of the Securities and Exchange Act of 1934 and SEC Rule 240.3a11-1 define "equity security" as any security convertible into stock or a</p>	Similar	Exchange-listed convertible bonds are NMS stocks and therefore are CAT eligible securities. Transactions in	CAT Reporting Requirements FAQ #B.11.

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
similar security. Convertible bonds can be converted into equity securities. Therefore, orders for convertible bonds listed on Nasdaq are subject to OATS reporting. (Last updated 11/03/98)		such securities are reportable to CAT.	
C19. My firm often receives and handles orders for Initial Public Offerings (IPOs) and secondary distributions. Are these orders reportable to OATS?  No, orders received by member firms as part of an IPO or secondary distribution are not subject to OATS reporting. (Last updated 09/08/98)	Same	This guidance applies to CAT.	CAT General FAQ #A.25.
C20. I use several electronic order routing and executing systems. Am I allowed to use more than one third party to transmit data to OATS on my behalf?  Yes. More than one third party may transmit order events to OATS on behalf of your firm. Firms are responsible to ensure that all required information is submitted to OATS and that the third parties do not send duplicate information to OATS. Be aware that some third parties may believe they are reporting on your behalf. Ensure that you have clearly defined agreements covering OATS reporting responsibilities with all parties that handle your order data and that you communicate the responsibilities with all parties that handle your order data. If the parties reporting on your behalf transmit duplicate reports (for example, if a clearing firm and a service bureau both transmit an Execution Report for the same order), only the first report will be accepted by OATS. All subsequent reports will be considered duplicates and will be rejected. (Last updated 11/03/98)	Similar	This guidance applies to CAT. Firms may use as many data reporters as necessary.  Please refer to the Industry Member CAT Reporting Technical Specifications for additional information on data validations.	CAT Third Party Reporting FAQ #N.3.
C21. My firm deals only in mutual funds. Do we need to synchronize our business clocks, as specified in the OATS Rules?  No. Firms that deal only in mutual funds and have no obligations under FINRA rules or By-Laws to record the time of a market event have no requirement to synchronize their business clocks. (Last updated 09/08/98)	Same	This guidance applies to CAT. Mutual fund shares are not CAT eligible securities.	CAT Clock Sync. FAQs #R.1 and R.5.
C.22 and C.23 have been archived and do not apply to CAT.	NA		
C24. Can I assume that my clearing firm will perform all of my OATS reporting?	Same		CAT Third Party Reporting

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
<p>No. Do not assume that any third party, including your clearing firm will perform your OATS reporting. Contact your clearing firm directly to determine the role it will play in OATS reporting. You must have a contractual agreement with any third party to report OATS data on your behalf. It is your responsibility to report the required data to OATS. If your clearing firm does not agree to perform OATS reporting for you by the appropriate implementation date, you are required to obtain an alternate method for reporting to OATS. (Last updated 11/03/98)</p>			<p>FAQs #N.2, N.3 and N.4.</p>
<p>Question C25 has been archived and does not apply to CAT.</p>	<p>NA</p>		
<p>C26. How do I determine the proper order receipt time for an order?</p> <p>The time that the member records as the time of receipt for purposes of satisfying SEC Rule 17a-3(a)(6) is the time the firm should record as the OATS order receipt time. The order receipt time required to be recorded pursuant to SEC Rule 17a-3(a)(6) will always be the time of receipt for OATS reporting purposes. (Last updated 03/28/06)</p>	<p>Same</p>		<p>CAT Order Receipt FAQ #D.3.</p>
<p>C27. Do OATS reporting requirements apply to orders for Nasdaq equity securities placed by option market makers on exchange floors?</p> <p>Yes. The OATS Rules apply to orders for Nasdaq equity securities created or routed by a firm on an exchange floor. (Last updated 11/06/98)</p>	<p>Same</p>	<p>This guidance applies to CAT.</p>	<p>CAT Reporting Requirements FAQ #B.13.</p>
<p>C28. We would like to buy software that will allow us to create and transmit our own OATS reports. Can you provide us with a list of vendors?</p> <p>FINRA is aware of several companies that have developed software that will allow you to create and transmit OATS reports that are compliant with the requirements in the OATS Rules and in the OATS Reporting Technical Specifications. Contact the FINRA Business and Technology Support Services to obtain a list of these companies.</p> <p>Note: FINRA does not recommend or endorse any manufacturer, vendor, or product, nor will it receive any consideration as a result of providing the information about any such manufacturer or vendor. When FINRA becomes aware of other companies that provide services to help members meet the</p>	<p>Different</p>	<p>The Participants will not be providing a vendor list at this time.</p>	<p>No.</p>

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
requirements of the OATS Rules, they will be added to the list maintained by FINRA Business and Technology Support Services. (Last updated 11/03/98)			
<p>C29. Are my reporting responsibilities different if I use a member firm's electronic order handling or execution system versus a non-member firm's system?</p> <p>Yes. For non-market makers:</p> <ul style="list-style-type: none"> <li>• If you use a member firm's electronic order routing or execution system to route orders for execution by that same member firm, you are not required to report the order events to OATS until Phase 3.</li> <li>• If you use an electronic order routing or execution system provided to you by your clearing firm to route orders directly to the clearing firm for handling, that order is reportable in Phase 2 by the clearing firm and in Phase 3 by the order entry firm.</li> <li>• If you use an electronic order routing or execution system provided to you by your clearing firm to route orders directly to other market centers for execution, that order is reportable in Phase 2 by the order entry firm.</li> <li>• If after an order is executed, you enter the order data into an electronic system for clearance and settlement, you are not required to report the order events to OATS until Phase 3.</li> <li>• If you enter orders for handling or execution in a non-member entity's electronic system (i.e. service bureau's electronic system) for routing or execution to another member firm for handling or execution, you are required to report order events to OATS in Phase 2.</li> <li>• If you use a non-member entity's software or electronic program to interface with, or to transmit orders to, a member firm's electronic system for handling or execution, you are required to report order events to OATS in Phase 2.</li> </ul> <p>For market makers:</p>	NA	This question was focused on OATS Phase-in to determine electronic vs non-electronic orders. Because CAT does not have the same phase in provisions, it does not apply.	No.

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
<ul style="list-style-type: none"> <li>If you receive any orders via an electronic order handling or execution system at the trading desk, you are required to report the order events to OATS in Phase 1.</li> <li>If you capture any orders via an electronic order handling or execution system at the trading desk, you are required to report the order events to OATS in Phase 1.</li> <li>If, after an order is executed, you enter order data into an electronic system for clearance and settlement, you are not required to report the order events to OATS until Phase 3. (Last updated 04/21/05)</li> </ul>			
<p>C30. If I receive an order when I am outside of my office, do I have to immediately reference a synchronized clock and record the time of receipt?</p> <p>The time that the member records as the time of receipt for purposes of satisfying SEC Rule 17a-3(a)(6) is the time the firm should record, referencing a synchronized clock, as the OATS order receipt time. The order receipt time required to be recorded pursuant to SEC Rule 17a-3(a)(6) will always be the time of receipt for OATS reporting purposes. (Last updated 03/28/06)</p>	Similar	See CAT Order Receipt FAQ #D.3.	CAT Order Receipt FAQ #D.3.
<p>C31. If a money manager who has discretion over 10 customers' accounts places a bunched order with me for 10,000 shares (i.e., he will distribute the shares among those accounts), how many New Order Reports am I required to send to OATS?</p> <p>You are only required to report the single order that you received from the money manager; therefore, you would only be required to send one New Order Report to OATS for this transaction. Note: Because it was the money manager that bunched the order, you would not indicate in any OATS report that the order was bunched. (Last updated 11/23/98)</p>	Similar	This guidance applies to CAT for new orders; however, firms will have additional reporting obligations related to allocations.	CAT Order Receipt FAQ #D.4.
<p>C32. If a registered representative who has discretion over 10 customers' accounts places a bunched order with the trading desk for 10,000 shares (i.e., he will distribute the shares among those accounts), how many New Order Reports should we send to OATS?</p> <p>You are only required to report the single order originated by the registered representative; therefore, you would only be required to send one New Order</p>	Similar	This guidance applies to CAT; however, firms will have additional reporting obligations related to allocations.	CAT Order Receipt FAQ #D.4.

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
Report to OATS for this transaction. Note: Because the registered representative had discretion and bunched the order upon origination, you would not indicate in any OATS report that the order was bunched. (Last updated 11/23/98)			
<p>C33. If a registered representative receives 10 orders for a total of 10,000 shares and bunches these orders before transmitting them to the trading desk, how many New Order Reports should we send to OATS?</p> <p>Since the registered representative did not have discretion in the accounts, but instead received orders for these accounts, each order must be reported separately; therefore, you would be required to send 10 New Order Reports to OATS. (Last updated 11/23/98)</p>	Same	This guidance applies to CAT.	CAT Order Receipt FAQ #D.5.
<p>C34. We occasionally receive orders for our employees' accounts. Sometimes we also receive orders for the accounts of our employees' family members. Should Account Type Code "E" be used for both types of orders?</p> <p>No. Account Type Code "E" should only be used for orders received for your employees' accounts, not for orders received for the accounts of your employees' family members. The family members' orders would likely be classified as Account Type "R" (retail). (Last updated 02/16/99)</p>	Same	This guidance applies to CAT, however, the Account Type Code has changed since the publication of this FAQ. For the initial launch, the Industry Member CAT Reporting Technical Specifications will use the identical Account Type Codes as the current OATS Tech Spec.	CAT Order Receipt FAQ #D.6.
C35. Many of our customer orders are routed to an ECN. Although the orders are market orders, they are required to contain a limit price. Our trader modifies the limit price on the orders, as market conditions require, to obtain the best price for the customer. In a fast-moving market, the trader may modify	Same	The SROs have recommended that this guidance apply to CAT.	CAT Order Routing and Execution FAQ #E.3.

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<p>the order many times over a short period. Are we required to submit an OATS report for each of these modifications?</p> <p>If the modifications to the order are requested by your trader and not by the customer, and if the ECN is reporting each of them to OATS, you are not required to report them to OATS. However, your firm must report all customer-requested modifications to an order by filing a Cancel/Replace Report for each of the modifications. (Click here for additional information.) (Last updated 02/16/99)</p>			
<p>C36. Do the OATS Rules supersede Rule 17a-3?</p> <p>The OATS Rules (FINRA Rules 7410—7470) are independent from SEC Rule 17a-3. Thus, firms must comply with both sets of rules. Both OATS Rules and SEC rules allow firms to store records in manual or electronic forms, such as microfiche, paper, and computer disk. (Last updated 04/08/09)</p>	Same	This guidance applies to CAT.	CAT Reporting Requirements FAQ #B.15.
<p>C37. I work for a FINRA member firm that is located in Germany. Are we required to synchronize our clocks and report orders for Nasdaq securities to OATS?</p> <p>Yes. All FINRA member firms, including all member firms located outside the United States, must comply with FINRA Rules 7410 through 7470, including submitting applicable order information to OATS, recording times in seconds for OATS reportable events, and synchronizing clocks. For additional information, refer to the OATS Reporting Technical Specifications. (Last updated 04/08/09)</p>	Same	This guidance applies to CAT.	CAT Reporting Requirements FAQ #B.16.
<p>C38. Are we required to retain our OATS data in a format that could be resubmitted to OATS?</p> <p>No. According to FINRA Rules 3010 and 7440 and SEC Rule 17a-4(b), you are only required to retain the data itself in a format that it could be retrieved upon a compliance request. You are not required to retain the data in an electronic format that could be submitted to OATS (such as in ROE format), nor are you required to retain header and footer information. In addition, you</p>	Same	This guidance applies to CAT.	CAT Reporting Requirements FAQ #B.17.

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are not required to store the data in an electronic system; it could be stored on paper or microfiche. (Last updated 04/08/09)			
<p>C39. Should Account Type Code "E" be used for orders received from former or retired brokers of my firm or another firm?</p> <p>No. Account Type Code "E" should only be used for orders received for your employees' accounts, not for orders received for the accounts of former or retired brokers of your firm or any other firm. (Last updated 03/02/99)</p>	Same	This guidance applies to CAT.	CAT Order Receipt FAQ #D.7.
<p>C40. I am a market maker. I either receive orders via an electronic system or I put orders directly into such a system immediately after I receive them. Sometimes I have an order that I do not execute using the electronic system. Instead, I call another member firm and execute the order over a phone. What order reports am I required to file for such an order?</p> <p>You would be required to file a New Order Report when the order was received at your firm, regardless of whether it was received or captured manually or in an electronic system. If you transmitted the order to a member firm or a non-member for handling or execution, you did not direct it to another desk within your firm, and the terms of the order did not change, the only other report you would be required to file would be a Routing Report. This Routing Report is required, regardless of whether the transmission was electronic or via some manual means (e.g., the telephone). (Last updated 04/08/09)</p>	Similar	This guidance applies to CAT.	See IM Tech Spec Section 4.3 for the reporting of a manual Order Route event.
Question C41 has been archived and does not apply to CAT.	NA		
<p>C42. How do the OATS Rules apply to introducing firms?</p> <p>If you have an obligation to record the time of any market event pursuant to the By-Laws or rules of FINRA, you must synchronize all business clocks, including both computer system clocks and mechanical time-stamping devices used to record such times. In addition, the reporting portion of the OATS Rules applies to all firms that receive or handle any orders in Nasdaq and OTC listed securities. These rules require you to report information about orders in Nasdaq and OTC listed securities to FINRA and record the time of all OATS reportable events in hours, minutes, and seconds. You can develop a system to transmit this order information to OATS or contract with one or more third</p>	Similar		CAT Reporting Requirement FAQ #B.11 and B.13.

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
parties to provide this service. For additional information read FINRA Rules 7410 – 7470 and the OATS Reporting Technical Specifications. (Last updated 04/08/09)			
Questions C43 through C46 have been archived and do not apply to CAT.	NA		
<p>C47. Some of our employees control the accounts for charitable trusts or foundations. Should Account Type Code "E" be used for orders for these accounts?</p> <p>No. Account Type Code "E" should only be used for orders received for your employees' accounts, not for the orders for such accounts. Orders for these accounts would likely be classified as Account Type "R" (retail). See C34. (Last updated 05/07/99)</p>	Similar	This guidance applies with respect to account type information provided to CAT. CAT Reporters may have additional reporting obligations with respect to providing customer information. Please see the IM Technical Reporting Specifications for the specific accountHolderType Code values used for CAT. Please note that "R" is no longer an allowable OATS Account Type Code.	CAT Order Receipt FAQs #D.6, D.7 and D.8.
<p>C48. We route some of our orders using ACES Pass-Thru. Are these orders considered manual or electronic?</p> <p>If you enter the orders directly into a Nasdaq Workstation, the orders would be considered manual. If the orders are routed into ACES Pass-Thru via an electronic order handling system, the orders would be considered electronic and a Routed Order ID must be passed through via the Branch/Sequence Number field in ACES. (Last updated 06/13/02)</p>	Same	This guidance applies to CAT.	CAT Order Routing and Execution FAQ #E.4.

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
Question C49 has been archived and does not apply to CAT.	NA		
<p>C50. When my firm receives orders from other broker/dealers, we do not receive all of the special handling details that may have been associated with the original customer order. How can we report these special handling details?</p> <p>You are not required to report the special handling details associated with the original customer order. You are only required to report the order information that you receive from the broker/dealer. Thus, if you receive a wholesale order, you are only required to report any special handling requested by the sending broker/dealer. (Last updated 05/07/99)</p>	Same	This guidance applies to CAT.	CAT Order Routing and Execution FAQ #E.19.
<p>C51. If I place an order on an ECN's terminal, can I assume that the ECN will report the order to OATS on my behalf?</p> <p>No. You are required to report to OATS all of your order events in Nasdaq and OTC listed securities. The ECN is required to report all orders it receives. It has no obligation to report orders on behalf of firms that use its terminal to execute orders. The agreement to use any third party for reporting to OATS must be arranged by your firm, evidenced in writing, and retained by both parties to the agreement. The agreement must specify the respective functions and responsibilities of each party. Do not assume that any third party will perform reporting on behalf of your firm. (Last updated 04/08/09)</p>	Same	Each broker-dealer has its own reporting obligations to CAT. Broker-dealers cannot assume that another firm will report on their behalf.	CAT Third Party Reporting FAQs #N.2, N.3 and N.4.
<p>C52. How can I obtain information about how well our Execution Reports match with our trade reports?</p> <p>Your firm's Order Trade Matching Statistics are available via the OATS Web Interface located at <a href="https://firms.finra.org">https://firms.finra.org</a>. (Last updated 3/26/13)</p>	Different	See the Industry Member CAT Reporting Technical Specifications for matching criteria.	CAT Feedback and Error Corrections FAQ #P.1.
Question C53 has been archived and does not apply to CAT.	NA		
<p>C54. Are we required to report options assignments in Nasdaq securities?</p> <p>No. Options assignments (the exercise of options contracts in Nasdaq securities) are not orders, as defined by the OATS Rules; therefore, you are not required to report them to OATS. (Last updated 05/07/99)</p>	Same	This guidance applies to CAT.	CAT Options FAQ #K.4.

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
<p>C55. I filed an "As-Of" trade report and a matching Execution Report in OATS. Why was my Execution Report marked late?</p> <p>The Execution Report was marked late because it was transmitted to OATS after 8 a.m. the following calendar day without the Rejected ROE Resubmit Flag set to "Y". (Repairs made via the OATS Web Interface automatically default the Rejected ROE Resubmit Flag to "Y".) (Last updated 04/08/09)</p>	Different	See the Industry Member CAT Reporting Technical Specifications for late validations.	CAT Order Routing and Execution FAQ #E.22.
<p>C56. When I repaired my rejected records and resubmitted them, they were marked late. Why?</p> <p>The repaired records were marked late because they were transmitted to OATS after 8 a.m. the following calendar day without the Rejected ROE Resubmit Flag set to "Y". (Repairs made via the OATS Web Interface automatically default the Rejected ROE Resubmit Flag to "Y".) (Last updated 9/14/07)</p>	NA	See the Industry Member CAT Reporting Technical Specifications for CAT late validations.	CAT Feedback and Error Corrections FAQ #P.15.
<p>C57. When I receive an order electronically from another firm, must I report the Routed Order ID to OATS in the exact format in which I received it?</p> <p>Yes. Routed Order IDs must be reported in the same format in which they were received or the audit trail will be broken. For instance if a firm routes an order with a Routed Order ID of AB_0001, the receiving firm must also indicate a Routed Order ID of AB_0001. In this instance, a Routed Order ID of AB001, AB_001 or anything other than the exact format of the original Routed Order ID will cause the audit trail to break. (Last updated 06/04/99)</p>	Same	This guidance applies to CAT. See the Industry Member CAT Reporting Technical Specifications.	CAT Order Receipt FAQ #D.9.
<p>C58. Recently my firm had a ROE rejection of an OATS Execution Report for the following reason: "Execution Report is for an order that does not exist in OATS." We checked our records and found that the order was more than a year old and that we did transmit the New Order Report and it was accepted by OATS. Can this reject be repaired?</p> <p>OATS maintains open GTC, GTD and GTM orders in a file for two years. After two years the ROE is removed from the active file. When this occurs, any subsequent order events including execution reports, cancel reports, cancel/replace reports and route reports will be rejected for "...(order event</p>	Different	See the Industry Member CAT Reporting Technical Specifications.	CAT Feedback and Error Corrections FAQs #P.11 and P.13.

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
type) Report is for an order that does not exist in OATS." Member firms should submit a duplicate New Order Report and any rejected subsequent order events, each with the Rejected ROE Resubmit Flag set to "Y". (Last updated 04/08/09)			
<p>C59. When we effect a riskless principal trade and use the alternative method of trade reporting are we required to match the trade report to the OATS Execution Report?</p> <p>Yes. When using the alternative approach to riskless principal trade reporting, firms should match the OATS execution report to the non-tape, non-clearing or clearing-only report submitted to the trade reporting facility by including the Branch/Sequence number on those reports. If your firm is using the original approach to riskless principal trade reporting, the reporting exception code "R" for riskless principal trades should be used when submitting the OATS execution report. (Last updated 04/08/09)</p>	Similar	This guidance applies to CAT; however, firms will have additional reporting responsibilities relating to riskless principal executions.	CAT Representative Orders FAQ #F.1.
Question C60 has been archived and does not apply to CAT.	NA		
<p>C61. If I electronically route an order to NASDAQ or another trading venue and that order is immediately rejected, am I required to report an OATS Route Report for the rejected order?</p> <p>No. If you electronically route an order and that order is immediately rejected (i.e. it is not accepted by the trading venue) then the firm is not required to report the route in an OATS Route Report. However, if the firm re-transmits that order and the re-transmitted order is accepted, a Route Report must be recorded and reported to OATS. (Last updated 9/14/07)</p>	Different	Routes not accepted by the receiving market center will be required to be reported to CAT beginning in Phase 2c. These routes will be reported with a flag indicating they were not accepted by the receiving market center.	CAT Order Routing and Execution FAQs #E.2 and E.5.
C62. How should agency orders executed on an average price basis be reported to OATS?	Different	See the Industry Member CAT Reporting Technical Specifications. The	CAT Representative Orders FAQ #F.3.

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
<p>When executing an agency order on an average price basis, members are required to show receipt and execution of the customer order by reporting a New Order Report and a single Execution Report to OATS. The execution time field of the Execution Report should be populated with the time at which the average price of the agency execution was determined. Members should populate the Reporting Exception Code on the OATS Execution Report with "A - Agency Average Price" to reflect that the report cannot be matched to a trade report.</p> <p>Specifically, a firm is required to report an Execution Report as described above when the following conditions are met:</p> <ul style="list-style-type: none"> <li>• The customer specifically requests the order to be worked on an average price basis</li> <li>• Individual street side executions go into a firm owned/controlled allocation account used for all customer orders worked by the firm</li> <li>• The customer is given a single fill/execution from the average price allocation account at the average price</li> </ul> <p>Members and reporting agents should note when handling an order on an average price basis, only the new order and single average price execution should be reported to OATS. No Route Reports should be submitted when reporting an agency average price order as described above.</p> <p>See also the OATS Report entitled "FINRA Guidance on OATS Reporting Obligations When Handling Orders on an Agency Basis" published on April 29, 2009 for additional guidance concerning the reporting requirements for agency orders. (Last updated 06/29/09)</p>		<p>receipt of the customer order, the execution of the customer order and the representative order (street side) execution must be reported in Phase 2a. Linkage of customer and representative orders for average price transactions must occur in Phase 2c.</p>	
<p>C63. If my firm accepts IOC (Immediate or Cancel) or FOK (Fill or Kill) type orders, is it required to submit an OATS Cancel Report for the order if it is either partially or not immediately filled in the instance of an IOC or a non-fill in the instance of an FOK?</p> <p>No. An IOC order by definition is subject to an immediate partial or full execution. Otherwise, it is automatically partially or fully cancelled. An FOK</p>	<p>Same</p>	<p>This guidance applies to CAT.</p>	<p>CAT Reporting Requirements FAQ #B.19.</p>

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
<p>order by definition is subject to either an immediate execution or immediate cancellation. Therefore, it is inappropriate and unnecessary to submit to OATS a Cancel Report for an order with instructions to be handled as IOC or FOK. (Last updated 03/17/04)</p>			
<p>Questions C64 through C66 have been archived and do not apply to CAT.</p>	NA		
<p>C67. My firm receives orders where the customer instructs the firm to buy as much stock as possible for a specific dollar amount (e.g., \$1,000) over the course of the day. These orders are commonly referred to as "cash" orders. How should these cash orders be reported to OATS?</p> <p>Beginning with the OATS 1Q05 quarterly release, these orders should be reported to OATS with a special handling code of "CNH" denoting Cash Not Held (until the 1Q05 release goes into production, firms should use the NH special handling code). Additionally, they must be reported to OATS with a shares quantity equal to the number of shares that could be purchased with the specified dollar amount based on the best available market at the time of order receipt. For example, if a firm receives a cash order for \$1,000 when the best available market is \$20, then the firm must report a shares quantity of 50 in the New Order, Combined Order/Route or Combined Order/Execution Report. Firms need not submit a Cancel/Replace report to reflect a change in share quantity due to market fluctuations during the life of the order. However, if a customer changes the dollar amount, then a Cancel/Replace Report must be submitted to reflect that change.</p>	Similar	<p>This guidance applies to CAT.</p> <p>The CNH special handling code will be available with the launch of CAT. However, CAT will not include a Combined Order/Route or Combined Order Execution event.</p>	CAT Reporting Requirements FAQ #D.10.
<p>C68. Sometimes my firm will route an order to a market-maker or market center that, for one reason or another, rejects the order. Do I need to reflect this attempted route by submitting a Route Report?</p> <p>No. If your firm's order is rejected by a market center, then the order is not considered to have been routed for OATS purposes. Therefore, the firm need not submit a route report to OATS to show the attempted route. Firms must however, submit a route for any subsequent route to another market center that is subsequently accepted by the receiving market center.</p>	Different	Routes not accepted by the receiving market center will be required to be reported to CAT beginning in Phase 2c. These routes will be reported with a flag indicating they were not	CAT Order Routing and Execution FAQ #E.2 and E.5.

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
		accepted by the receiving market center.	
<p>C69. My firm receives OATS reportable orders from four separate customers totaling 10,000 shares, all with instructions to handle as agent. My firm sends one larger order, properly marked as agency, to the Nasdaq Exchange or another market center in an attempt to obtain an execution for these four orders. My firm holds the individual customer orders and never gives up control of these orders to any other broker-dealer or market center. Upon receipt of an execution of the larger order, the shares are recorded in my firm's agency allocation account. Subsequently, my firm allocates the shares from the agency allocation account to the individual customer accounts based upon a predetermined allocation methodology. How should these orders and related executions be reported to OATS?</p> <p>The four customer orders were not routed outside of the member for execution, and were not executed until the firm allocated shares from its agency allocation account. In this case, the member should report a New Order Report and Execution Report with a Reporting Exception Code of "T" for each individual customer order to denote that the execution represents an agency post trade allocation and will not match to a related trade report. The Execution Time field on the Execution Report should reflect the time the shares were allocated to each individual customer account. A Route Report for each customer order should not be reported in this scenario since the member did not route the order away for execution and the individual customer orders were not executed until the shares were allocated to the specific customer accounts.</p>	Different	<p>This scenario will be addressed in the Industry Member CAT Reporting Technical Specifications.</p> <p>Routes not accepted by the receiving market center will be required to be reported to CAT beginning in Phase 2c. These routes will be reported with a flag indicating they were not accepted by the receiving market center.</p>	CAT Representative Orders FAQ #F.3.
<p>C70. A money manager with discretion over multiple accounts places an OATS reportable bunched order with my firm for 10,000 shares. The trader executes this 10,000 share order either as principal or routes it to another market center for execution. When the order is executed, my firm communicates this information back to the money manager, who then allocates the execution(s) on an average price basis to various sub accounts. How should I report the money manager's order and subsequent sub account allocations to OATS?</p>	Similar	This guidance applies to CAT for Phase 2a. Firms will have additional reporting responsibilities related to reporting	CAT Order Receipt FAQ #D.4.

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
<p>The firm received instructions from the money manager to work an order for 10,000 shares (representing multiple orders bunched by the money manager). In this case, the firm must report a New Order Report to OATS for 10,000 shares. The individual orders that were aggregated by the money manager should not be reported to OATS as separate new orders. (See FAQ C31) Further, any post trade allocations made by the money manager to its sub accounts should not be reported to OATS by the firm. The firm should, however, report the bunched new order from the money manager and any related routes or executions that result from the firm's efforts to fill the money manager's bunched order. For example, the firm would submit a New Order Report for 10,000 shares upon receipt of the order from the money manager. If that order were filled by routing 5,000 shares to an ECN, executing 3,000 shares as principal and then routing the remaining 2,000 shares to the Nasdaq Exchange, the firm would submit to OATS a Route Report to the ECN for 5,000 shares, an Execution Report for 3,000 shares representing the proprietary fill, and a Route Report to the Nasdaq Exchange for the remaining 2,000 shares. No further OATS reporting by the firm would be required when the money manager makes the sub account allocations.</p>		<p>of allocations in Phase 2c.</p>	
<p>C71. My firm is a FINRA member based in Canada. We receive orders for securities that are listed on both the Toronto Stock Exchange and the NASDAQ Stock Market. We execute all of these orders on the Toronto Exchange. Are these orders reportable to OATS?</p> <p>Yes. All orders received by FINRA members in NASDAQ listed equity securities are subject to the OATS Rules regardless of where executed. If the order is sent to the Toronto Stock Exchange for execution, the member is required to report the receipt of the order and the route to the exchange. All prices must be converted into U.S. dollars based on the conversion rate applicable at the time of the transaction.</p>	<p>Similar</p>	<p>Applies to all SRO members; and all dually listed equities on Toronto and a U.S. equities exchange.</p>	<p>CAT Foreign Securities FAQ #1.1.</p>
<p>C72. Are clearing related transactions such as Prime Broker, Step Outs, CNS "flips" etc., OATS reportable?</p> <p>No. The definition of an order pursuant to NASD Rule 6951(j) would not include any back office or clearing related transactions that serve only to</p>	<p>Same</p>		<p>CAT General FAQ #A.14.</p>

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
facilitate the clearance and settlement of a previously executed transaction. Therefore, these types of clearing-related transactions are not subject to the OATS Rules.			
<p>C73. FINRA has specified that the new Special Handling Code of "OPT," which becomes effective September 11, 2006, should be used for orders where the terms and conditions of the order are derived from a related options transaction. Can FINRA offer more specific guidance regarding the appropriate use of this code? For example, would this be appropriate for buy/writes or option exercises and assignments?</p> <p>FINRA intends the Special Handling Code of "OPT" to be used in instances involving a combination trade in which the cash leg is the second leg of the transaction and the terms and conditions of the cash order are contingent upon the related option trade. In other words, the "OPT" code is appropriate when the price or size of a cash order is contingent upon a related option trade. The code is not intended to be used in conjunction with option exercises or assignments, which do not constitute OATS reportable events (See FAQ C54). The code would only be appropriate for a buy/write if, as explained above, the terms and conditions of the cash order were contingent upon the related option transaction.</p>	Similar	This guidance applies to CAT.	CAT Options FAQ #K.5.
<p>C74. If a .R transaction represents an event subject to the Order Audit Trail System (OATS) Rules, is the transaction report submitted to a FINRA trade reporting system with a .R modifier required to be matched to the related OATS Execution Report submitted to OATS?</p> <p>Yes. Members are required to link the .R transaction report submitted to a FINRA trade reporting system to the related OATS Execution Report. Members should reference the OATS Technical Specifications for the applicable matching criteria.</p>	Same	This guidance applies to CAT. Please note that the .R modifier has been changed to .RA in the TRF.	CAT Order Routing and Execution FAQ #E.6.
Question C75 has been archived and does not apply to CAT.	NA		
C76. Are indications of interests or negotiations reportable under the OATS Rules?	Same		CAT Reporting Requirements FAQ #B.3.

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
<p>No. Indications of interest and negotiations are not considered reportable events under the OATS Rules. Indications of interest are never reported. A negotiation is not considered to be a reportable event until both parties agree to the terms of a trade. After the terms of the trade are agreed to, a new order report and execution report must be reported to OATS. The New Order should be reported from your firm's perspective and contain a Negotiated Trade Flag of "Y". NOTE: For orders negotiated through OTC Link, please refer to the OATS for OTC FAQs regarding OTC Link.</p>			
<p>C77. My firm provides both sponsored access and direct market access to non-FINRA member clients. Is my firm responsible for any OATS reportable events associated with these clients' access?</p> <p>Yes. As a general matter, FINRA considers a firm to be the executing broker in any transaction where its client (either a customer or a non-NASD member broker/dealer client) is only able to effect the trade by virtue of the firm's membership with the applicable market center. Thus, if a client would not be able to effect trades without the use of a FINRA member's assigned MPID, that FINRA member is responsible for reporting the necessary information to OATS.</p>	Same	This guidance applies to CAT.	CAT Reporting Requirements FAQ #B.20.
<p>C78. Are there any Order Audit Trail System (OATS) reporting obligations for NASDAQ securities relating to Regulation NMS?</p> <p>Yes. For orders subject to the OATS Rules, members will be required to identify on the applicable OATS report the receipt and routing of an ISO. Specifically:</p> <ol style="list-style-type: none"> <li>1. A new Special Handling Code of "ISO" has been added to the New Order Report, Combined Order/Route Report, Combined Order/Execution Report and Cancel/Replace Report to reflect the receipt of an ISO by a trading center; and</li> <li>2. A new Routing Method Code of "I" will be added to the Route Report and Combined Order/Route Report to identify orders, or portions of orders, that are routed to another trading center and identified to such trading center as an</li> </ol>	NA	This OATS FAQ has been recently archived.	No.

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
<p>ISO. The ISO Special Handling Code for trading centers receiving an ISO will be mandatory on July 9, 2007, the Pilot Stocks Phase Date under Regulation NMS. FINRA has filed a proposed rule change with the SEC to establish the new Routing Method Code.<sup>25</sup> If the rule change is approved, the Routing Method Code “I” for members routing ISOs to other trading centers will be available on June 11, 2007, but will not be mandatory until February 4, 2008. This will provide firms with additional time to program for the new code. For illustrative purposes, the following are examples of the applicability of these new OATS codes:</p> <p>Example #1: “ISO” Special Handling Code: An ADF trading center is displaying a protected quotation in the ADF. Another broker-dealer wishes to access this protected quotation by routing an ISO to execute against its full displayed size, as required by SEC Rule 611(b)(6). This broker-dealer therefore routes an ISO to the ADF trading center to access the protected quote. OATS reporting obligations of the ADF trading center in Example #1: The ADF trading center must submit to OATS: (1) a New Order Report with a Special Handling Code of ISO to reflect the receipt of an order; and (2) an Execution Report reflecting execution of the routed ISO, if applicable.</p> <p>Example #2: “I” Routing Method Code: A member firm intends to utilize the ISO exception to the trade-through rule to obtain executions for an order that it has received from its customer. To satisfy its obligations under SEC Rule 611, the member firm routes ISOs, which it chooses to send on an agency basis, to execute against the relevant protected quotations. OATS reporting obligations of the member firm in Example #2: The member firm must submit to OATS: (1) a New Order Report reflecting receipt of the order from its customer; (2) a Route Report for each ISO sent, on an agency basis, to another trading center with a Routing Method Code of “I” and a Destination Code reflecting the specific exchange or trading center to which the order was routed; and (3) to the extent that the member routed the ISOs, on an agency basis, with the intent of executing on a principal basis the balance, if any, of the customer order not satisfied by the routing (and subsequent execution, if any) of such</p>			

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
ISOs, an Execution Report to reflect the execution of the balance of the block order with its customer.			
<p>C79. My firm receives an order to buy 10,000 shares of an OATS-reportable security. 5,000 shares of this order are executed. Subsequently, the customer requests to cancel the remaining 5,000 shares. Is the subsequent cancellation of the remaining 5,000 shares considered a full or partial cancellation for OATS reporting purposes?</p> <p>For OATS purposes, this would be considered a partial cancellation. Specifically, the firm should submit a Cancel Report to OATS containing a Cancel Type Flag "P" (partial) with a Cancel Leaves Quantity of zero. The Cancel Type Flag of "F" (full) should be used only when a customer cancels an order in full (i.e., the Cancellation Quantity is the same as the original order Shares Quantity).</p>	NA	No. The Cancel Type Flag is not necessary for OATS retirement and therefore is not required in CAT.	No.
<p>C80. If my firm is undergoing an organizational change (e.g., a merger, acquisition, or succession), what are my obligations with respect to OATS?</p> <p>Firms undergoing an organizational change need to ensure that reporting relationships are properly established in OATS so that there are no interruptions in a firm's ability to report to OATS upon the completion of the transaction. For general guidance on a variety of topics, including OATS, regarding organizational changes, firms may refer to information on our Site. Firms undergoing organizational changes should pay particular attention to open limit orders that were established prior to the completion of any transaction. If the predecessor firm has open limit orders on its books that will be executed under the successor firm's MPID, the firm should route the orders to the new MPID, and report the route to OATS, or provide the predecessor's MPID in the "Mergers &amp; Acquisitions Administration" field on the OATS report. If the predecessor firm has open limit orders on its books that will be executed using the predecessor firm's existing MPID, but with the existing MPID now assigned to the successor firm's broker/dealer number, the firm must contact FINRA's Market Regulation OATS Department at (240) 386-5126 prior to the completion of the transaction so that any open limit orders can be properly assigned to the successor firm.</p>	Similar	The Participants anticipate a similar process for CAT. See the 4/29/19 Industry Member CAT Reporting Technical Specifications for information on how the Plan Processor will handle organizational changes.	Yes.

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
<p>C81. My firm receives and executes orders that may exceed 100 million shares. The OTC Trade Reporting Facility (ORF), however, will not accept trades that exceed 99,999,999 shares. Therefore, a trade exceeding 99,999,999 shares must be reported to the ORF in two or more transaction reports. Can a single OATS Execution Report be matched to more than one ORF trade report?</p> <p>Yes. The OATS order/trade matching process will allow a single OATS Execution Report to match to more than one trade report provided that the execution time, branch/sequence number, MPID and issue symbol on all related trade reports are identical to those reported on the OATS Execution Report.</p>	Same	This guidance applies to CAT.	CAT Order Routing and Execution FAQ #E.7.
<p>C82. How should Exchange for Physicals ("EFP") transactions be reported to OATS?</p> <p>Like a negotiated transaction, both the buyer and seller of the reportable security in an EFP transaction would have an obligation to report New Order and Execution Reports (or Combined Order/Execution Reports) at the time the transaction occurs. The New Order Report should contain the Special Handling Code of E.W to identify it as an EFP. Finally, if the contra party on the trade report is not able to enter a branch/sequence number due to system constraints, they may use a Reporting Exception Code of M.</p>	Same	This guidance applies to CAT.	CAT Reporting Requirements FAQ #B.21
<p>C83. My firm accesses certain market centers through sponsored access relationships with other FINRA members. What are the OATS reporting obligations for both members in these scenarios?</p> <p>With respect to the members' OATS reporting obligations, when two members have entered into a sponsored access agreement whereby one member sponsors the other member into a specific market center (such as a national securities exchange) by providing use of the sponsoring member's MPID, both members have separate and distinct OATS reporting obligations. For example, if FINRA member ABCD sponsors access into a national securities exchange for FINRA member EFGH, the OATS reporting obligation for each firm would be as follows:</p>	Similar	This guidance applies to CAT.	CAT Reporting Requirements FAQ #B.22.

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
<p>Sponsored Member EFGH (under the MPID of EFGH) New Order Report Route Report indicating order was routed to ABCD</p> <p>Sponsoring Member ABCD (under the MPID of ABCD) New Order Report indicating the order was received from member EFGH Route Report indicating order was routed to a national securities exchange</p> <p>The OATS reporting obligations outlined above are the same regardless of the type of connection used by the sponsored member to access the applicable market center. For example, the OATS reporting obligations for each member would be the same whether the sponsored member used a direct market connection provided by the sponsoring member, a third party service provider connection provided by the sponsoring member, or its own proprietary connection to the subject market center.</p>			
<p>C84. I have an order which was executed on an agency average price basis and was worked simultaneously with other orders with the executed shares being allocated to each individual order on a post trade basis. Should I use the Reporting Exception Code of "A" for Agency Average Price or the Reporting Exception Code of "T" for Post Trade Allocation?</p> <p>If the execution of an order meets the criteria for both the "A" and "T" Reporting Exception Codes, the Reporting Exception Code of "T" should be used.</p>	Different	In these instance the customer fill will be reported with a MEOF event and no Reporting Exception Code is required.	Yes
<p>C85. Pending SEC approval of the new rule changes, how would the new requirement to provide the price on Route Reports impact orders executed on an agency average price or a post trade allocation basis? Will there be any new requirements for these type of orders?</p> <p>No. The new requirement to provide the price on Route Reports would not change any of the reporting requirements for orders handled on an agency average price or post trade allocation basis. Those orders should continue to</p>	NA		No.

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
be reported in accordance with the guidance set forth in current relevant FAQ, OATS Reports and OATS Reporting Technical Specifications.			
<p>C86. How should the Routed Order Type Indicator be populated for orders routed as Stop or Stop Limit orders?</p> <p>Orders routed as Stop orders should be reported with a Routed Order Type Indicator of "M" (Market Order). OATS will derive the Stop information from the related originating or receiving firm's New Order Report, as applicable. Orders routed as Stop Limit orders should be reported with a Routed Order Type Indicator of "L" (Limit Order) and the price should be populated with the Stop Limit price.</p>	Different	See the Industry Member CAT Reporting Technical Specifications. The Industry Member CAT Reporting Technical Specifications do not include a Routed Order Type Indicator. Instead, the OrderType field would indicate if the order was a Stop or Stop Limit.	CAT Order Routing and Execution FAQ #E.8.
<p>C87. How should the Routed Order Type Indicator be populated for orders routed with special handling instructions that may include certain pricing criteria, but are not routed with a specific limit price such as PEG orders or options related orders?</p> <p>Any order routed without a specific limit price, such as a PEG or options related order, should be reported with the Routed Order Type Indicator populated with "M" (Market Order). OATS will derive that the order is a PEG or options related order from the Special Handling Code on the related originating or receiving firm's New Order Report, as applicable.</p>	Different	See the Industry Member CAT Reporting Technical Specifications. Please note that handlingInstructions on a Route Event would not be required until 2c.	CAT Order Routing and Execution FAQ #E.9.
<p>C88. Can an order be marked as Short Exempt in the Short Sale Indicator field on the OATS Route Report if the order was reported as a regular short sale on the related New Order Report?</p> <p>Yes. If a firm receives a Short Sale order prior to the triggering of a circuit breaker, the firm would populate the Buy/Sell Code with "SS" (Short Sale). If, at the time the order is routed, a circuit breaker is triggered, the order may be</p>	Similar	This guidance applies to CAT.	CAT Order Routing and Execution FAQ #E.10.

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
<p>marked "short exempt" consistent with SEC Rule 201, and the Short Sale Exempt Indicator on the related OATS Route Report must be marked with a "Y".</p>			
<p>C89. Once the MPID requirement for ATSS becomes effective on February 2, 2015, what are the OATS and trade reporting requirements for orders received directly at an ATS as well as orders routed to an ATS from another department of the firm operating ATS?</p> <p>Please see the ATS OATS and Trade Reporting guidance that became effective February 2, 2015. This guidance will supersede the guidance contained in the OATS Report entitled "FINRA Guidance on OATS Order Trade Matching Obligations for Orders Matched as Agent by a Member, including an ECN or ATS".</p>	Similar	<p>ATSS must have a unique MPID for reporting to CAT upon the initial launch of CAT as they do for FINRA OATS and trade reporting today.</p>	CAT ATS FAQ #H.2.
<p>C90. At 8:30:00 a.m., Member BD1 receives a market-on-open customer order and guarantees the opening price. At 9:30:00 a.m. the market opens, and at 9:35:00 a.m., BD1 receives the opening price information and executes the trade. What execution time should be used in the OATS Execution Report and related trade report?</p> <p>For OTC equity securities, pursuant to amendments effective November 17, 2014, the time of execution must be reflected on both the ORF trade report and the related OATS Execution Report in the Execution Time field. The reference time of 9:30:00 a.m. must be included in the ORF trade report in the Trade Modifier 4 Time Field and is not required to be reported to OATS. FINRA will obtain the reference price from the ORF trade report.</p> <p>For NMS stocks, the reference time of 9:30:00 a.m. must be reflected in the Execution Time field on both the OATS Execution Report and related TRF/ADF report. When amendments related to the reference time become effective for the ADF/TRFs on July 13, 2015, the time of execution must be reflected on both the TRF or ADF trade report and the related OATS Execution Report in the Execution Time field. The reference time of 9:30:00 a.m. must be included in the TRF or ADF trade report in the Trade Modifier 4 Time Field and</p>	Same	<p>See the Industry Member CAT Reporting Technical Specifications. This guidance applies to the CAT trade event.</p>	CAT Order Routing and Execution FAQ #E.11.

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
is not required to be reported to OATS. FINRA will obtain the reference price from the ORF trade report			
<p>C91. At 8:30:00 a.m., Member BD1 executes a customer order at the 4:00:00 p.m. closing price from the previous day. What execution time should be used in the OATS Execution Report and related trade report?</p> <p>Because the trade was executed on a different day from the reference price, the actual time of execution must be reflected in the Execution Time field on both the trade report and the related OATS Execution Report for both OTC equity securities and NMS stocks. Please refer to TR FAQs 408.3, 408.4 and 408.5 for more information on the trade reporting requirements for PRP trades.</p>	Same	This guidance applies to the CAT trade event.	CAT Order Routing and Execution FAQ #E.12.
<p>C92. Member BD1 receives an order from its customer to buy a foreign security and routes the order to a non-member foreign affiliate for execution. The foreign affiliate executes the order in the foreign market and the transaction is reported by the foreign market. The foreign affiliate sells the security to BD1 at a different price than the price reported in the foreign market. BD1 fills the customer order at the same price at which BD1 bought the security from its foreign affiliate (except for any change in price due to currency conversion). Must this order be reported to OATS and if so, what are the required OATS reports?</p> <p>Yes, because the transaction by the foreign affiliate on the foreign market and the transaction between the foreign affiliate and BD1 are effected at two different prices, they are considered separate transactions and therefore, the transaction between BD1 and the foreign affiliate must be reported to FINRA for both trade reporting and OATS (See related Trade Reporting FAQ 700.9. In this scenario, because there is a trade report in the US, BD1 would have OATS reporting obligations. Specifically, BD1 would be required to report a New Order to OATS representing the customer order and an Execution Report reflecting execution of that order which must be linked to the related trade report submitted to the ORF.</p>	Same		CAT Foreign Securities FAQ #I.1.
C93. My firm receives orders in securities which are dually listed on a national securities exchange and on a foreign exchange. Some orders come with	Same	This guidance applies to the CAT tradingSession field.	CAT Order Receipt FAQ #D.17.

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
<p>instructions that they are to be executed only on the foreign market. In these instances, what Trading Session Code should be populated?</p> <p>If a firm receives an order for a security that is dually listed with specific instructions that the order is to be executed on the foreign market, then the firm should populate the Trading Session Code field with the code "FOR" (Foreign Market). It is important to note that the FOR Trading Session Code may only be used in instances where the order can only be executed on the foreign market. If it is possible that the order could be executed in the US, then the Trading Session Code should be populated with the Trading Session Code that reflects the sessions during which the order is eligible to trade in the US</p>			
<p>C94. My firm receives an order with instructions to execute the order as agent or riskless principal during regular market hours. My firm accumulates shares during regular market hours but does not execute the customer order until after the close at an average price of the shares accumulated during regular market hours. What Trading Session Code should be used when reporting the new order?</p> <p>Since the customer instructions were to acquire shares during regular market hours and the order is executed as agent or riskless principal at the same price that the firm accumulated the shares during regular market hours, the order should be reported with a Trading Session Code of "REG".</p>	Same	This guidance applies to the CAT tradingSession field.	CAT Order Receipt FAQ #D.12.
<p>C95. My firm receives an order with instructions to execute the order on a net basis. No specific instruction is given with respect to which trading session the order is eligible to be executed. My firm accumulates shares during regular market hours but does not execute the customer order until after the close at a net price which is reported to the tape. What Trading Session Code should be used when reporting the new order?</p> <p>Since the firm executed the trade on a net basis, the Trading Session Code should be based on when the net trade can be executed. If the execution can take place either during regular market hours or in the after hours session, the Trading Session Code should be populated with "REGPOST".</p>	Same	This guidance applies to the CAT tradingSession field.	CAT Order Receipt FAQ #D.13.

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
<p>C96. My firm receives an order with instructions to execute during regular market hours. However, when the regular trading session expires, the order is not complete and the customer instructs the firm to finish the order. What Trading Session Code should be used in this instance?</p> <p>Since the original order was received with instructions to trade only during regular market hours, the Trading Session Code field must be populated with "REG". If the firm records the subsequent instruction to complete the order as an order modification on its books and records, a Cancel/Replace Report with the Trading Session Code of "POST" for the remaining share quantity must be reported. If the firm does not record a modification to the order on its books and records, then no Cancel/Replace Report is required.</p>	Same	This guidance applies to the CAT tradingSession field and the CAT Order Modified event.	CAT Order Receipt FAQ #D.14.
<p>C97. If the Special Handling Code reported with an order contains instructions that reflect the order is only eligible to be traded at the time it is received, such as "Immediate or Cancel" or "Fill or Kill", is the Trading Session Code still required to be populated?</p> <p>Yes. The Trading Session Code must be populated on all orders; however, if because of the specific nature of the handling instruction (e.g., IOC), the customer does not provide further information on the trading sessions in which the order may trade, it would be acceptable for the Trading Session Code to be populated with "ALL" since no specific Trading Session was communicated by the customer to the firm.</p>	Same	This guidance applies to the CAT tradingSession field.	CAT Order Receipt FAQ #D.15.
<p>C98. If a firm does not receive specific instructions from its customer as to which session an order may trade, and the firm does not otherwise communicate to the customer that the order will only be traded during specific market sessions, what should be populated in the Trading Session Code?</p> <p>In instances where a firm does not receive specific instructions from its customer as to which session an order may trade, and the firm does not otherwise communicate to the customer that the order will only be traded during specific market sessions, the Trading Session Code field may be populated with "ALL". This guidance to use the code of "ALL" includes scenarios where the handling instructions received with the order dictate the</p>	Same	This guidance applies to the CAT tradingSession field.	CAT Order Receipt FAQ #D.16.

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
trading session in which order is eligible to trade, such as “Market on Open”, but where no other specific instructions regarding the trading session were received from the customer .			
<p>C99. What is the purpose of the new Trading Session Code?</p> <p>The Trading Session Code identifies the specific market session(s) during which an order is eligible to trade either based on instructions received by the firm from its customer or based on communication by the firm to the customer on when the order will be eligible for execution. The Trading Session Code will be used in FINRA’s surveillance patterns to identify when orders may be eligible for execution.</p>	Same	This guidance applies to the CAT tradingSession field.	CAT Order Receipt FAQ #D.11.
<p>C100. Is the Trading Session Code required to be populated for proprietary orders originated by the firm and where no customer instruction is received?</p> <p>Yes. The Trading Session Code must be populated on all orders, including proprietary orders originated by the firm. If a firm’s trading system does not generate specific instructions with respect to when the order is eligible to trade, the code “ALL” should be used.</p>	Same	This guidance applies to the CAT tradingSession field.	CAT Order Receipt FAQ #D.18.
<p>C101. My firm plans to accept orders in Exchange Traded Managed Fund Shares (“ETMF”), or “NextShares”, as defined under Nasdaq Rule 5745. When reporting orders in ETMFs to OATS should prices be reported in the “proxy price” format or using the Net Asset Value (“NAV”) established at the end of the day?</p> <p>Members must use the “proxy price” format established by Nasdaq, and not the final trade price, when reporting orders for ETMFs to OATS.</p>	Same	This guidance applies to CAT.	CAT Reporting Requirements FAQ #B.23.
<p>C102. Is the Special Handling Code field required to be populated by ATSS when the Order Type includes a condition that is also an allowable ATS Special Handling Code value, such as Add Liquidity Only?</p> <p>If the ATSS’ Order Type encompasses the Special Handling Code, then the Special Handling code field would not be required. For example, if ATS 1 has an Order Type that is NBBO midpoint peg, add liquidity only, then the Special</p>	Same	This guidance applies to CAT.	CAT ATS FAQ #H.7.

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
Handling Code of Add Liquidity Only (“ALO”) would not be necessary since the Order Type includes the add liquidity only restriction.			
<p>C103. What should be populated in the “Matching Engine Look-up Time” fields on the New Order and Execution type reports?</p> <p>The Matching Engine Look-up Time field should be populated with the time that the ATS referenced, or “looked up” the existing reference price.</p> <p>Example:</p> <p>A sell order is received by an ATS at 10:00:00:007. The ATS must then identify the NBBO in effect to determine if the order is marketable. The relevant times are as follows:</p> <p>9:57:47.768 NBBO becomes 10 bid, 10.02 offer 1x1  9:58:23.324 NBBO is updated to 10 bid, 10.02 offer 5 x1  10:00:01.490 NBBO is updated to 10.01 bid, 10.03 offer 1 x 1</p> <p>ATS Order Receipt Time: 10:00:00:007  ATS looks up existing NBBO: 10:00:00.008</p> <p>The ATS should report a timestamp of 10:00:00.008 in the Matching Engine Look-up Time field and an NBBO in effect at time of order receipt of 10 bid, 10.02 offer. The size is not required to be reported.</p>	Similar	This guidance applies to CAT. See the Industry Member CAT Reporting Technical Specifications.	CAT ATS FAQ #H.3.
<p>C104. A firm operates a display ATS that only publishes periodic snapshots of aggregate quotes based on a pre-determined frequency (e.g., every X milliseconds). The aggregate quote published only reflects open interest at the time of the snapshot. Consequently, there may be orders that have been received, executed, canceled, or repriced as the result of a change in NBBO (or other relevant reference price), but no aggregate quote will be published until the time of the next snapshot. Is the ATS required to generate and report order display modifications under these circumstances?</p>	Same	This guidance applies to CAT.	CAT ATS FAQ #H.4.

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
<p>For purposes of FINRA Rule 4554, because display is not on an order by order basis, an ATS that only displays aggregate level pricing information at pre-determined intervals of time is not required to report order display modifications to OATS.</p>			
<p>C105. An ATS receives an IOC order and prior to obtaining any applicable reference price necessary to process the order, the ATS determines there is no contra side interest available for execution. Consequently, the ATS immediately cancels the order back to the subscriber without ever determining an applicable reference price. What should the ATS populate in the NBBO (or other applicable reference price) information fields?</p> <p>Because the order was cancelled before the ATS referenced the NBBO (or other applicable reference price), there would be no such information to report. Therefore, the ATS should report an NBBO Source Code of "N" which requires all other NBBO information fields be blank.</p>	Similar	This guidance applies to CAT field nbboSource and would be populated with an NA.	CAT ATS FAQ #H.5.
<p>C106. How should an ATS report NBBO (or other relevant reference price) information if the NBBO is invalid or one sided at the time the ATS referenced the NBBO (or other relevant reference price)?</p> <p>One sided or invalid prices should be reflected as zero. The time the ATS referenced the NBBO (or other relevant reference price) and NBBO source must still be reported.</p>	Similar	This guidance applies to CAT. Please refer to the CAT IM Technical Specifications.	CAT ATS FAQ #H.6.
<p>C107. Are the new ALO (Add Liquidity Only), OPO (Opt Out of Locked Market) and STP (Self Trade Prevention) special handling codes that will become available with the November 7, 2016 OATS release required to be reported for orders not received by an ATS?</p> <p>No. These codes were introduced primarily to facilitate reporting by ATSs and are not required to be reported by non-ATSs. However, FINRA will not prevent the reporting of such codes by a non-ATS.</p>	Similar	<p>This guidance applies to CAT. The special handling codes listed will be available with the initial launch of CAT.</p> <p>In the same manner as OATS, these codes are not required for non-</p>	CAT Reporting Requirements FAQ #B.24.

FAQ	Mapping to CAT (Same, Similar, Different, NA)	Comments	CAT FAQ has been or will be developed?
		ATSS but can be provided.	
<p>C108. Is a firm that routes an order away from the firm for execution required to report routing instructions (e.g., specific order types and terms and conditions used for the order when sending to an exchange) to OATS in the Special Handling fields?</p> <p>No. Routing instructions are not reported to OATS by the routing firm. FINRA obtains the routing instructions from the receiving member or exchange.</p>	Different	Routing instructions are required in CAT in 2c.	CAT Order Routing and Execution FAQ #E.13.
<p>C109. Firm A routes an order to Firm B with instructions to send the order to another member or exchange for execution with specific terms and conditions that the executing venue must follow. Must Firm B report the terms and conditions intended for the executing venue as special handling instructions on Firm B's OATS new order report in the Special Handling fields?</p> <p>No. Firm B must report the instructions it received from Firm A as to how Firm B was instructed to handle the order. In this example, Firm A instructed Firm B to route the order directly to the executing venue. The specific terms and conditions given to the executing venue are not reported to OATS by Firm B. FINRA obtains such instructions from the executing venue.</p>	Different	Handling instructions are required in CAT in 2c	CAT Order Routing and Execution FAQ #E.14.

# Technical FAQs

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>T1. How can I get a copy of the OATS Reporting Technical Specifications?</p> <p>An updated version of the Technical Specifications is available. Click <a href="#">here</a> to read the latest version of the document. To request copies of the document via e-mail or mail, contact <a href="#">FINRA Business and Technology Support Services</a> . (Last updated 06/13/02)</p>	NA	The CAT Reporting Technical Specifications are available at <a href="http://www.catnmsplan.com">www.catnmsplan.com</a> .	No.
<p>T2. What is required of FINRA member firms now that OATS has been implemented?</p> <p>If a FINRA member firm handles or executes orders in NASDAQ or OTC listed securities, it has OATS reporting responsibilities. Member firms with reporting responsibilities will be required to develop a means for electronically capturing and reporting data on specific events in the life cycle of orders for NASDAQ and OTC listed securities or contracting with one or more third parties to electronically capture and report the data. Click <a href="#">here</a> to read or download FINRA Rules 7410 through 7470.</p> <p>The <a href="#">OATS Reporting Technical Specifications</a> provide firms with record and file formats and transmission requirements. (NOTE: The Technical Specifications do not tell you how to develop a system to deliver order information to FINRA. They only tell you what the system must deliver.) (Last updated 03/30/09)</p>	NA	CAT obligations extend beyond OATS and are governed by the CAT NMS Plan and the CAT SRO Rules.	CAT Reporting Requirements FAQs #B.11 and B.13.
<p>T3. Which orders must be reported to OATS?</p> <p>Member firms must report oral, written, or electronic instructions to initiate a buy or sell transaction in a NASDAQ or OTC listed security, including orders received from a customer, another member firm, or another department within the same firm. In addition, member firms must report the routing of orders to another member firm, another department of the same firm, or an ECN, and the modification, cancellation, and execution of orders. ECNs are required to report every order they receive, even if the order is placed by a market maker</p>	Different	The scope of CAT reporting goes beyond OATS.	CAT General FAQ #B.11.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>in a security. For example, if a market maker in Oracle placed an order with an ECN, the ECN would report receipt of the order to OATS.</p> <p>NOTE: Member firms are not required to report modifications to orders that have been routed to an ECN and modified by a trader, as opposed to modified by a customer, if the ECN is reporting each of the modifications to OATS. However, member firms must report all customer-requested modifications to orders.</p> <p>Members are not required to report instructions to effect a proprietary transaction originated by a trading desk in the ordinary course of a member's market making activities. (Last updated 03/30/09)</p>			
<p>T4. Are only executed orders reported to OATS?</p> <p>All orders for NASDAQ and OTC listed securities must be reported to OATS, including open orders, orders that have been modified, orders that have been partially executed, and canceled orders. However, members are not required to report instructions to effect a proprietary transaction originated by a trading desk in the ordinary course of a member's market making activities. (Last updated 03/30/09)</p>	Different	<p>CAT extends beyond OATS to include not only OTC and listed equities but also listed options. Additionally, market making activity must be reported to CAT.</p>	<p>CAT Reporting Requirements FAQ #B.11.</p>
<p>T5. Am I required to file an Execution Report for a "busted" trade?</p> <p>No, it is not necessary to submit an Execution Report for a "busted" trade. Firms are only required to file an Execution Report for the correct execution. In addition, if the Execution Report has already been submitted to OATS, it is not necessary to file a deletion for the Execution Report, because OATS will link the execution to the "busted" trade in ACT. (Last updated 07/06/98)</p>	TBD	<p>This answer applies to CAT. Rule 613(c)(7)(vii) and Section 6.4(d)(ii)(B) of the CAT NMS Plan require Industry Members to report "if the trade is cancelled, a cancelled trade indicator."</p>	<p>CAT Reporting Requirements FAQ #E.20.</p>
<p>T6. Will I need to report the execution if it occurred via NASDAQ?</p> <p>No, you would not need to report the execution; you would only need to report the New Order and the Route to NASDAQ. (Last updated 9/14/07)</p>	Same	<p>See the Industry Member CAT Reporting Technical Specifications.</p>	<p>CAT Order Routing and Execution FAQ #E.15.</p>

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>T7. Are orders initiated but not executed or canceled prior to the effective date of the rules reportable?</p> <p>Only order information for orders originated on or after the appropriate Implementation Date are required to be retained under the OATS Rules. Only order information for orders originated on or after your assigned Reporting Date should be transmitted to the OATS production environment.</p> <p>Remember that any order reports that are not related to an existing New Order Report in OATS will be rejected. Thus, Desk, Routing, Execution, Cancel/Replace, or Cancel Reports submitted to OATS for orders received before your assigned Reporting Date will be rejected. Rejections that occur as a result of submissions of order reports related to an order received before your Reporting Date are not required to be repaired in OATS; however, they will be considered rejections in OATS Statistics.</p> <p>You have the option, when you begin reporting to OATS, to file a New Order Report for an order that was originated prior to your Reporting Date. This will allow all future Routing, Execution, Cancel/Replace, and Cancel Reports to match with a New Order Report in OATS. This option for OATS submissions should in no way be construed as permission to change the way an order is handled within your firm. An open order should not be canceled simply to facilitate OATS reporting. Contact your compliance department if you have any questions regarding the interaction between order handling and OATS reporting. (Last updated 05/07/99)</p>	Similar	Orders initiated prior to the CAT reporting industry member effective date are not required to be reported.	CAT General FAQ #A.26.
<p>T8. Do member firms have to report order information to FINRA on a real-time basis?</p> <p>No, real-time reporting is not a requirement of OATS. Instead, order data can be collected during the day and transmitted to OATS in one or more files at a convenient time, during the day or after market close. However, reports for events that occur during a particular <a href="#">OATS Business Day</a> must be reported by 5:00 a.m. Eastern Time the following calendar day or they are marked late by FINRA. The <a href="#">OATS Reporting Technical Specifications</a> provide additional information regarding how and when data can be transmitted to OATS. (Last updated 9/14/07)</p>	Same		CAT General FAQ #A.24.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>T9. What are the mechanisms for reporting to OATS?</p> <p>FINRA provides three mechanisms for submitting files: FTP via a private network, IFT (Internet File Transfer) and the Web via a browser interface. These mechanisms are described in the <a href="#">OATS Reporting Technical Specifications</a> . (Last updated 1/14/10)</p>	Different	Reporting mechanisms will be provided in section 6.3 of the Industry Member CAT Reporting Technical Specifications.	CAT Technical Requirements FAQ #O.1.
<p>T10. What is the deadline for OATS reporting?</p> <p>Events that occur during a particular <a href="#">OATS Business Day</a> must be reported by 5:00:00 a.m., Eastern Time (ET) the following calendar day or they are marked late by FINRA. For example, an order received at 2:00:00 p.m., ET on Thursday must be reported to OATS by Friday at 5:00:00 a.m., ET or be marked late by FINRA, and an order received at 10:00:00 p.m., ET on Friday must be reported by Tuesday at 5:00:00 a.m., ET or be marked late by FINRA. Corrections or deletions must be reported within five days of the original submission (except for the New Order Reports with a Time in Force Code of GTD or GTC; corrections and deletions for these reports must be reported within one year.) (Last updated 9/14/07)</p>	Different		CAT Feedback and Error Corrections FAQ #P.15.
<p>T11. What are the hours for reporting to OATS?</p> <p>OATS will accept files 24 hours a day, 5 days a week, from 8 a.m., Eastern Time (ET) Monday to 8 a.m., ET Saturday. Reports for events that occur during a particular OATS Business Day must be reported by 5:00 a.m., ET the following calendar day or they are marked late by FINRA. (Last updated 05/16/00)</p>	Different	CAT accepts submissions 24 hours per day, 7 days per Week. See the Industry Member CAT Reporting Technical Specifications.	CAT Reporting Requirements FAQ #B.27.
<p>Question T12 has been archived and does not apply to CAT.</p>	NA		
<p>T13. What will happen if I submit order information for a security other than a NASDAQ or OTC listed security?</p> <p>Any order information for a security other than a NASDAQ or OTC listed securities will be rejected by OATS. However, the entire FORE will not be rejected; only the ROE containing the invalid issue symbol will be rejected. Rejections that occur as a result of submissions of orders for non-reportable securities cannot be repaired in OATS; however, they are considered rejections in OATS Reporting Statistics. Firms that demonstrate a pattern of</p>	Different	See the Industry Member CAT Reporting Technical Specifications for rejection criteria.	CAT Feedback and Error Corrections FAQ #P.2.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
submitting non-OATS reportable securities to OATS may be subject to disciplinary action. For additional information, read the <a href="#">Technical Specifications</a> . (Last updated 03/30/09)			
<p>T14. If one ROE in a file is unacceptable, will the whole file be rejected?</p> <p>No. Files are only rejected for mistakes in the header or trailer record. If an individual ROE is unacceptable, only that record will be rejected and require repair. See Section 6 and Appendix B in the OATS Reporting Technical Specifications for additional information on Feedback and Corrections and Error Messages. For more information, read the Technical Specifications. (Last updated 07/06/98)</p>	Similar	See the Industry Member CAT Reporting Technical Specifications.	CAT Feedback and Error Corrections FAQ #P.3.
<p>T15. When will ROE rejections be available?</p> <p>ROE rejections are available no later than the end of the next OATS Reporting Day. For example, the rejections for ROEs that are generated on Friday's OATS Business Day, and transmitted to OATS by 5 a.m. Saturday, will be available on the OATS Web interface by Tuesday morning at 5 a.m. and ROES that were generated on Monday's OATS Business Day and transmitted to OATS by 5 a.m. Tuesday, will be available on the OATS Web interface by Wednesday at 5 a.m. (Rejected ROEs may be available before the times listed above. To determine if ROE processing has finished, check the ROE Context and Duplicate Processing End Timestamp listed in the status of the related FORE. ROE rejections are not posted to the OATS Web interface until after this processing is complete.) All repairable rejected ROEs must be repaired and resubmitted within 5 days after a related New Order Report is accepted or they will be rejected by the system upon resubmission. (Last updated 1/14/10)</p>	Different	<p>See the Industry Member CAT Reporting Technical Specifications.</p> <p>Rejected records must be repaired and resubmitted on T+3.</p>	CAT Feedback and Error Corrections FAQ #P.4.
<p>T16. How do I correct a rejected ROE?</p> <p>There are two ways to repair a rejected ROE. The first way is to correct the problem, regenerate the repaired record, package it in a new file, and submit the new file to OATS. Events from different days can be commingled in one file. The second way is to make the repair via the Web. Always set the Rejected ROE Resubmit Flag to "Y" when you are submitting a repaired ROE that was previously rejected by OATS. Leave the Action Type Code the same</p>	Different	See the Industry Member CAT Reporting Technical Specifications.	CAT Feedback and Error Corrections FAQ #P.5.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
as it was in the original submission. For additional information, refer to the <a href="#">OATS Reporting Technical Specifications</a> . (Last updated 05/07/99)			
<p>T17. Must my firm have access to the Web?</p> <p>All firms must have access to the OATS Web interface in order to receive information about file and record rejections, statistics about order reporting, and OATS announcements. OATS also provides the capability to correct rejections and enter order data via the Web. In order to use the OATS Web interface, firms must register for OATS and use a browser that is 128-bit encrypted (the non-export version). All firms should obtain access to the OATS Web interface before their assigned Reporting Date in order to become familiar with its functionality and to allow them to test their reporting software with OATS. If a firm is using one or more third parties for reporting, it must work closely with those organizations in the OATS testing environment to resolve any issues before it begins reporting to the OATS production environment. For additional information, refer to the <a href="#">OATS Reporting Technical Specifications</a> and the <a href="#">OATS Web Interface Guide</a>. (Last updated 05/07/99)</p>	Similar	<p>All firms will require access to the CAT Web Interface. The CAT Web User Interface Guide will give further details.</p> <p>Other data transmission mechanisms will be described in the Industry Member CAT Reporting Technical Specifications.</p>	See IM Tech Spec Section 6 for details on the Submission Process, and Section 7 for details on Feedback and Corrections.
<p>T18. Will FINRA provide some type of software/workstation for members to transmit the required order data?</p> <p>Yes, FINRA provides a Web interface that allows firms to manually type and transmit the required order data. (This is only appropriate for firms that will submit fewer than 100 order reports per day.) There are no other plans to provide members with software or a workstation to transmit the required data. FINRA has provided <a href="#">OATS Reporting Technical Specifications</a> to member firms describing how to transmit data to FINRA, acceptable communication protocols, data and file formatting, and file transfer procedures. (Last updated 12/17/99)</p>	Similar	<p>All firms will require access to the CAT Web Interface. The CAT Web User Interface Guide will give further details.</p> <p>Other data transmission mechanisms will be described in the Industry Member CAT Reporting Technical Specifications.</p>	See IM Tech Spec Section 6 for details on the Submission Process
Question T19 has been archived and does not apply to CAT.	NA		
T20. Do I have to report times in Eastern Time?	Different	This guidance applies to CAT. Please note CAT will accept both	CAT Reporting Requirements FAQ #B.28.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>Yes. All timestamps must be reported to OATS in Eastern Time, in order to allow FINRA to link order events. For additional information, refer to the <a href="#">OATS Reporting Technical Specifications</a> . (Last updated 07/17/98)</p>		<p>ET and UTC time format.</p>	
<p>T21. How should an order be identified when the broker (as opposed to the trader) has price and time discretion?</p> <p>An order submitted by a customer who gives the broker discretion as to the price and time of execution is denoted as a "Not Held" order. For OATS, the definition of a "trader" in the context of a "Not Held" order is extended to the broker. (Last updated 02/16/99)</p>	<p>Same</p>	<p>An order where discretion is given to the firm, trader or broker is considered "Not-Held" for the purposes of CAT reporting.</p>	<p>CAT Reporting Requirements FAQ #B.29.</p>
<p>T22. When would I submit a Correction?</p> <p>Firms should submit a Correction to OATS only if they discover a mistake, such as a data entry error, in a ROE that has already been submitted to OATS and accepted by the system. Corrections should never be used to reflect a change requested by a customer. For example, if an order quantity is mistakenly entered as 100 rather than 1,000, the firm should correct the error via a Correction. However, if the customer requests that an order quantity be changed from 100 to 1,000 shares, the firm must instead generate a Cancel/Replace Report. (NOTE: A Correction is not the same as a Repair. Firms must "repair" rejected records; they must "correct" accepted records.) Corrections must be transmitted to OATS within 5 days of the original submission or they will be rejected by the system.</p> <p>Specific procedures must be adhered to when submitting a Correction. Refer to the <a href="#">OATS Reporting Technical Specifications</a> for these procedures. (Last updated 05/07/99)</p>	<p>Similar</p>	<p>Details will be provided in the Industry Member CAT Reporting Technical Specifications.</p>	<p>See IM Tech Spec Section 7.6 for details on Corrections.</p>
<p>T23. When would I submit a Deletion?</p> <p>Firms should submit a Deletion to OATS only if they discover that an ROE was mistakenly sent to OATS and accepted. For example, if a firm mistakenly reports that an order was canceled when it was actually executed, a deletion should be submitted for the Cancel Report. A Deletion should also be used if a ROE is submitted to OATS with an incorrect Order Receiving Firm Order ID, Order Receiving Firm Order Received Date, or Order Receiving Firm MP ID.</p>	<p>Different</p>	<p>While deletions would be submitted in the same circumstances as OATS, processes for deletion will be unique to CAT and detailed in the Industry Member CAT</p>	<p>CAT Feedback and Error Corrections FAQ #P.7.</p>

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>(NOTE: A Deletion Report will not clear a rejection from the ROE rejections windows in the OATS Web interface. Changing the rejected record's Action Type Code to "D" and resubmitting it to OATS will simply cause another rejection.) Deletions must be transmitted to OATS within 5 days of the original submission or they will be rejected by the system.</p> <p>Specific procedures must be adhered to when submitting a Deletion. Refer to the <a href="#">OATS Reporting Technical Specifications</a> for these procedures. (Last updated 05/07/99)</p>		Reporting Technical Specifications.	
<p>T24. How should prices (including fractions) be recorded in OATS?</p> <p>All prices must be in decimal format. The price fields are 18 numeric characters (including 8 decimal places). A price is not required to contain all 18 characters. In any price, no more than 9 characters can appear without a decimal and no more than 8 characters can appear after the decimal. For example, the following prices are valid: "125", "000000125", "000000125.00000000". Any price that contains more than 18 characters, 9 characters before a decimal, or 8 characters after a decimal will be rejected. (Last updated 1/14/10)</p>	Same	See the Industry Member CAT Reporting Technical Specifications.	CAT Reporting Requirements FAQ #B.36.
<p>T25. We are a clearing firm. Are we required to use a separate identifier in OATS for each firm we clear for on a fully disclosed basis?</p> <p>Yes. Clearing firms that contract to send data to OATS for their correspondents are required to use a separate, unique MP ID for each fully disclosed broker/dealer and submit a separate file to OATS for each of these correspondents. (Any FINRA member firm that does not have a Market Participant ID (MP ID) should contact NASDAQ Subscriber Services at (212) 231-5180, ext. #3 to obtain one.) (Last updated 1/14/10)</p>	Similar	<p>All correspondents will have independent CAT reporting obligations and each CAT Reporter must have data submitted under its own CAT Reporter ID.</p> <p>CAT applies to all broker-dealers including non-FINRA members.</p>	CAT Technical Requirements FAQ #O.4.
<p>T26. Will the data I submit to OATS be secure?</p> <p>FINRA implements several security mechanisms to keep data secure, including requiring User IDs and passwords and using a private network for</p>	Similar	The Plan requires all data to be encrypted both in flight and at rest. See the Industry	CAT Security FAQs #S.1 and S.3.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>FTP files and SSL encryption for interaction via the Web interface and IFT. (See Section 3 of the <a href="#">OATS Reporting Technical Specifications</a>.</p> <p>OSOs that transmit files on behalf of several other firms will be allowed to view status files, rejected ROEs, and statistics for all files that they submitted. Firms that submit through third-party entities will be allowed to view only their own status files, rejected ROEs, and statistics. (Last updated 1/14/10)</p>		Member CAT Reporting Technical Specifications.	
<p>T27. If we submit OATS records for several firms, can we send them all in one file?</p> <p>Yes. A FORE file may contain one or more FOREs (Header/Trailer combination). Each header/trailer combination is treated as a separate submission and receives its own FORE status, statistics and rejections, if applicable.</p> <p>See Section 5 of the <a href="#">OATS Reporting Technical Specifications</a> for additional information. (Last updated 06/13/02)</p>	Different	<p>The CAT data submission process is still under development but does not currently allow several firm submissions in a single file.</p> <p>See the Industry Member CAT Reporting Technical Specifications.</p>	CAT Technical Requirements FAQ #O.5.
<p>T28. Can an electronic order become a manual order?</p> <p>If an order starts out at a firm as an electronic order, it remains an electronic order within that firm, even if it is routed or executed manually (e.g., via telephone). Thus, no report is required to indicate its change in status. The timestamp for the manual route or execution may be taken from a mechanical timestamping machine or clock that meets the requirements of NASD Rule 6953. (Last updated 11/03/98)</p>	Same	This guidance applies to CAT.	See IM Tech Spec Section 3.2 for details on Manual Orders.
<p>Questions T29 and T30 have been archived and do not apply to CAT.</p>	NA		
<p>T31. For what reasons will my files (FOREs) be rejected from OATS?</p> <p>Common reasons for rejections include duplicate files, and missing or invalid OSO ID, User ID, password, Market Participant Identifier (MP ID), header record type code, trailer record type code, generation date, or version description. See Section 6.1 and Appendix B of the OATS Reporting Technical</p>	Different	As CAT is a new system reject reasons are different. See the Appendix E of the Industry Member CAT Reporting Technical	CAT Feedback and Error Corrections FAQ #P.8.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
Specifications for additional information. Click <a href="#">here</a> to read the Technical Specifications. (Last updated 07/21/98)		Specifications for additional information.	
<p>T32. For what reasons will my records (ROEs) be rejected from OATS?</p> <p>Common reasons for syntax rejections include missing mandatory fields (e.g., Action Type Code), invalid fields (e.g., a timestamp with 17 characters), and invalid field combinations (e.g., a Limit Price without a Time in Force Code). Records are rejected as duplicates if more than one record is submitted with the same Order Receiving Firm MP ID, Order Received Date, and Order ID or if more than one record contains all of the same information (i.e., you submit two Cancel Reports that contain exactly the same data). Records are rejected for context if an order report (e.g., an Execution Report) is submitted for an order (i.e., New Order Report) that does not exist in OATS. For example, if you submit an Execution Report for an order that was received before you began reporting to OATS (i.e., you never submitted a New Order Report to OATS for that order), the Execution Report would be rejected for context. See Section 6.2 and Appendix B of the <a href="#">OATS Reporting Technical Specifications</a> for additional information. (Last updated 05/07/99)</p>	Different	As CAT is a new system reject reasons are different. See Appendix E of the Industry Member CAT Reporting Technical Specifications for additional information.	CAT Feedback and Error Corrections FAQ #P.9.
<p>T33. If a member firm accepts "Fill or Kill" orders with a limit price, the OATS system requires a Time in Force Code to be provided. What Time in Force code should be used in this situation?</p> <p>Members that accept "Fill or Kill" orders with limit prices or "Immediate or Cancel" orders with limit prices, should use the "DAY" Time in Force Code when reporting to OATS. (Last updated 09/08/98)</p>	Same	This guidance applies to CAT timeinForce field.	CAT Order Receipt FAQ #D.19.
<p>T34. Do I need to file Cancel Reports for expired "DAY" orders?</p> <p>Any "DAY" order that remains unexecuted at the close of a market day is assumed to be canceled and no Cancel Report is required. (Last updated 09/08/98)</p>	Same	This guidance applies to CAT.	CAT Reporting Requirements FAQ #B.30.
<p>T35. What is the deadline for correcting a rejected FORE?</p> <p>There is no deadline for submitting a corrected FORE; however, when a <a href="#">FORE</a> is rejected, none of the ROEs within it are processed. Any of the ROEs in the rejected file that are not submitted to OATS by the established deadline will be marked late by FINRA. (Last updated 09/08/98)</p>	Different	All errors must be corrected by T+3.	CAT Error Correction and Feedback FAQ #P.10.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
Question T36 has been archived and does not apply to CAT.	NA		
<p>T37. How do I report to OATS changes to orders due to dividends and distributions?</p> <p>Modifications made to order quantity due to dividends and distributions are not required to be reported to OATS; however, if an order is canceled as a result of a dividend or distribution, you must report the cancellation to OATS via a Cancel Report. (Last updated 09/08/98)</p>	Same	This guidance applies to CAT Order Modification event.	CAT Reporting Requirements FAQ #B.31.
<p>T38. Am I required to certify before I can transmit order information to OATS?</p> <p>Yes. All OSOs that are not currently transmitting data to OATS must test their systems in the OATS Test environment. OSOs that have not successfully tested in the OATS test environment will not be allowed to submit data to the production environment. For a copy of the OATS Testing Guidelines and approval criteria for the production environment contact <a href="#">FINRA Business and Technology Support Services</a> . (Last updated 06/13/02)</p>	Similar	There will be a formal registration and testing process for CAT.	See <a href="http://www.catnmsplan.com/registration">www.catnmsplan.com/registration</a> for details on Registration.
<p>T39. When will I be able to download my ROE rejections instead of just viewing them on the Web?</p> <p>The capability to download ROE rejections is available via the OATS Web Interface. For more information, contact <a href="#">FINRA Business and Technology Support Services</a>. (Last updated 05/07/99)</p>	Similar	The Plan Processor will make all errors available by noon on T+1 and include tools to allow each CAT Reporter to identify and correct errors.	See IM Tech Spec Section 7.6 for details on Corrections.
<p>T40. More than one third party is submitting records to OATS on behalf of my firm. My clearing firm submits the New Order Reports and a non-member service bureau submits the Routing and Execution Reports. If my clearing firm has transmission problems, will it affect the submissions by the non-member service bureau?</p> <p>Yes. OATS rejects all order reports that do not link to a New Order Report. Therefore, if your clearing firm submits all of your New Order Reports one day late and your non-member service bureau submits all of your Routing Reports on-time, your Routing Reports will not link to a New Order Report in the</p>	Different	<p>See the Industry Member CAT Reporting Technical Specifications for rejection criteria.</p> <p>The CAT system will not reject order events within a firm that do not link to a New Order.</p>	CAT Feedback and Error Corrections FAQ #P.11.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>system. Thus, they will be rejected. Once the New Order Reports have been submitted, the Routing Reports must be resubmitted.</p> <p>A similar circumstance will occur if a New Order Report is not submitted because the order was received or originated before a firm began reporting to OATS or if a New Order Report is rejected for any reason. If a New Order Report is rejected, all Desk, Routing, Cancel/Replace, Cancel, and Execution Reports related to this New Order Report will also be rejected. Once the New Order Report is repaired, all related reports must be resubmitted.</p> <p>The OATS Web interface calls such rejections Context Rejections. Related ROEs that were rejected for context can be viewed as a chain and resubmitted at the same time. (Last updated 05/07/99)</p>			
<p>T41. When can I start testing my OATS reporting system with FINRA?</p> <p>In order to use the OATS testing environment, you must <a href="#">register</a> and obtain a User ID and Password for the testing environment. In addition, parties that will submit via FTP must be connected to the private network. Parties that will submit via FTP or IFT must obtain an FTP User ID for the testing environment. Parties that will submit via the OATS Web interface must ensure that they have a browser that meets the appropriate specifications, as described in the <a href="#">OATS Web Interface Guide</a>.</p> <p>Firms should test as soon as possible before their Reporting Date, in order to ensure that they are prepared to report to the production environment. Firms that use one or more third parties to report on their behalf should pay close attention to the data that is submitted on their behalf during testing. In addition, they should use the testing process to become familiar with the OATS system and the procedures for checking file status and reporting statistics, viewing and repairing record rejections, and submitting corrections via the OATS Web interface. (Last updated 08/23/04)</p>	Different	Procedures for testing will be provided.CAT Phase 2a implementation schedule currently has testing scheduled to begin in December 2019.	CAT General FAQ #A.27.
<p>T42. Am I required to install a back-up circuit for reporting to OATS via FTP?</p>	Different	See the Industry Member CAT Reporting Technical Specifications for	CAT Technical Requirements FAQ #O.6.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>There is no requirement to install a back-up circuit. Several different scenarios may apply, as follows:</p> <p>If you have a short-term outage, for instance your internal network goes down during the day and you are unable to transmit before the deadline, you should note the outage in your books and records and transmit as soon as possible. In addition, you may want to contact <a href="#">FINRA Business and Technology Support Services</a> to make FINRA aware of the situation.</p> <p>If the Sawis network goes down, you should initially contact Sawis and <a href="#">FINRA Business and Technology Support Services</a> to confirm that the network is down. Note the outage in your books and records and transmit to OATS as soon as possible.</p> <p>If there is a major disaster at your facility and you are unable to report to OATS, the incident should be recorded in your books and records. There is no requirement to have a back-up circuit; however, firms may use multiple methods of transmission to OATS. For example, if a firm is unable to use the private network to transmit via FTP, it may use e-mail, IFT, the OATS Web interface, or arrange for another OSO to transmit the data to FINRA. (Last updated 08/23/04)</p>		connectivity requirements.	
<p>T43. How can I obtain entitlement to OATS?</p> <p>For information on OATS Entitlement please view <a href="#">Registration and Entitlement</a>.</p>	Different	Additional information on Entitlement and Onboarding will be published.	CAT Technical Requirements FAQ #O.7.
<p>T44. What are the Web addresses for OATS?</p> <p>The OATS Testing and Production OATS Web interfaces are available at different addresses. The testing address is <a href="https://firmstest.finra.org/">https://firmstest.finra.org/</a>. The production address is <a href="https://firms.finra.org/">https://firms.finra.org/</a>. The address for the production environment should only be used to report actual production data beginning on your Reporting Date. Ensure that you use the appropriate address when transmitting to OATS or viewing OATS data. Only send test data to the testing environment and production data to the production environment. (NOTE: Files</p>	Different	See the Industry Member CAT Reporting Technical Specifications.	CAT Technical Requirements FAQ #O.8.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>and records sent to the Production environment, even accidentally, cannot be removed.)</p> <p>Updates made to account information in one site will not affect the other environment. For example, if a user changes her password while in the production environment, this change will not affect the testing environment. A password must be changed separately within each environment. (To decrease the chance for accidentally transmitting to the wrong environment, you may want to maintain a different password in each environment.) (Last updated 03/30/09)</p>			
<p>T45. How can I obtain access to the private network for reporting to OATS?</p> <p><b>NOTE: DO NOT OBTAIN ACCESS TO THE PRIVATE NETWORK UNLESS YOU PLAN TO TRANSMIT DATA TO OATS VIA FTP AND YOU HAVE REGISTERED WITH OATS.</b></p> <p>FINRA has negotiated a contract with Sawis, a major network provider, to create a frame-relay based network to connect any OSO to FINRA facilities in Rockville, MD. This network will use the TCP/IP suite and will provide 56K-bps or T-1 access from each sending location. OSOs can use the private network for file submission via FTP, file status retrieval, and access to the OATS Web Pages. The circuit used for OATS reporting is separate from all other circuits connecting to FINRA or NASDAQ and OTC listed securities.</p> <p>Each firm will be billed separately for this service and is responsible for activating service with Sawis. (Last updated 03/30/09)</p>	Different	See the Industry Member CAT Reporting Technical Specifications for connectivity requirements.	CAT Technical Requirements FAQ #O.9.
<p>T46. Can I send files to OATS using FTP via the Internet?</p> <p>Yes. Firms may now send files using FTP via the Internet by using the Internet File Transfer (IFT) program. (Last updated 08/23/04)</p>	Different	See the Industry Member CAT Reporting Technical Specifications for connectivity requirements and access methods.	CAT Technical Requirements FAQ #O.10.
<p>Question T47 has been archived and does not apply to CAT.</p>	NA		

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>T48. Will I still be able to get immediate record rejections on the OATS Web interface after I begin reporting to the OATS production system?</p> <p>No. Immediate ROE rejections are only available in the OATS testing system. In the OATS production system, ROE rejections are always available on the second business day after the ROEs were transmitted to OATS. For example, the rejections for ROEs that are generated on Friday's OATS Business Day, and transmitted to OATS by 5 a.m. Saturday, will be available on the OATS Web interface by Tuesday morning at 5 a.m. and ROES that were generated on Monday's OATS Business Day and transmitted to OATS by 5 a.m. Tuesday, will be available on the OATS Web interface by Thursday at 5 a.m. (Rejected ROEs may be available before the times listed above. To determine if ROE processing has finished, check the ROE Context and Duplicate Processing End Timestamp listed in the status of the related FORE. ROE rejections are not posted to the OATS Web interface until after this processing is complete.) (Last updated 9/14/07)</p>	Different	All rejections must be repaired in CAT; see the Industry Member CAT Reporting Technical Specifications.	See IM Tech Spec Section 7 for details on Feedback and Corrections.
Question T49 has been archived and does not apply to CAT.	NA		
Questions T50 and T51 have been archived and do not apply to CAT.	NA		
<p>T52. If we execute an order incorrectly and "bust" the trade in ACT, what corrections should we make to our OATS reports?</p> <p>If all of the order details were reported correctly to OATS, but the trade details in ACT were incorrect and you had to "bust" the ACT report, you are not required to delete the OATS Execution Report that links to the busted ACT report. If you have not yet filed your OATS Execution Report that links to the "busted" trade, you are not required to file one. If any of the order details were reported incorrectly to OATS, you are required to correct or delete all related OATS reports. Refer to the <a href="#">OATS Reporting Technical Specifications</a> for details about correcting and deleting order reports. (You must file an OATS Execution Report that links to the correct ACT report.) (Last updated 03/02/99)</p>	TBD	This guidance applies to CAT. Rule 613(c)(7)(vii) and Section 6.4(d)(ii)(B) of the CAT NMS Plan require Industry Members to report "if the trade is cancelled, a cancelled trade indicator."	CAT Order Routing and Execution FAQ #E.20.
Question T53 has been archived and does not apply to CAT.	NA		
T54. If we file an "As Of" in ACT, what order reports do we need to file in OATS?	Same	This guidance applies to CAT. Regardless of when the trade was reported to a TRF,	CAT Order Routing and Execution #E.22.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>OATS reports should reflect order information from the time the order is originated to the time it is executed. Therefore, if a trade is filed "As Of" in ACT, the proper OATS reports must be submitted for the order that generated the trade. The Order Received Timestamp for the order should be the time the order was originally received. The Order Execution Timestamp should be the same as the execution time, not the report time, in the ACT report. If inaccurate order reports were previously submitted to OATS, these order reports must be corrected or deleted. Refer to the <a href="#">OATS Reporting Technical Specifications</a> for details about correcting order reports. (Last updated 02/19/99)</p>		<p>ADF or ORF, CAT must accurately reflect the execution date and time.</p>	
<p>T55. If I am repairing a record rejection, do I need to include a Correction/Deletion Timestamp?</p> <p>No. The Correction/Deletion Timestamp should only be used if you are submitting a correction or a deletion of a previously accepted order. If you are repairing a rejection, do not include this timestamp in your report. However, if you are repairing a rejection, you should set the Rejected ROE Resubmit Flag to "Y". Refer to the <a href="#">OATS Reporting Technical Specifications</a> for details about correcting order reports. (Last updated 03/02/99)</p>	<p>Different</p>	<p>See the Industry Member CAT Reporting Technical Specifications for the correction process that is unique to CAT.</p>	<p>See IM Tech Spec Section 7.6 for details on Corrections.</p>
<p>Question T56 has been archived and does not apply to CAT.</p>	<p>NA</p>		
<p>T57. Can I view data that was successfully submitted to OATS?</p> <p>No. The OATS Web interface only allows you to view file status, reporting statistics, and rejected records. You cannot view data that was submitted to and accepted by OATS. However, the FORE Status Notification does provide counts of records contained within each file so that firms can identify the number of events in an accepted or rejected file and/or whether an accepted file contains zero records. (Last updated 4/24/2012)</p>	<p>Same</p>	<p>The Plan Processor will, among other things, provide CAT Reporters with access to daily reporting statistics related to received, accepted and rejected files as well as similar information for order events. See CAT NMS Plan Appendix D Section 10.1 for data availability for non-Participant CAT Reporters.</p>	<p>CAT Feedback and Error Corrections FAQ #P.12.</p>

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
Question T58 has been archived and does not apply to CAT.	NA		
<p>T59. Should the Received Method Code indicate the way the order was received at my firm or should it indicate the way the order was captured after it reached my firm?</p> <p>The Received Method Code is designed to identify how orders were actually received by reporting members and ECNs.</p> <p>The two available codes and when they should be used are as follows:</p> <ul style="list-style-type: none"> <li>• <b>"E" - Electronic</b>, non-ECN - This code should be used for orders received electronically (i.e., via an electronic order routing or execution system).</li> <li>• <b>"N" - Non-electronic</b>, non-ECN - This code should be used for orders received non-electronically (e.g., Manual - over the phone, in person).</li> </ul> <p>Should you have questions about the Received Method Code, please contact the <a href="#">Business and Technology Support Services</a>. (Last updated 03/30/09)</p>	Similar	There will be an indicator in CAT to reflect whether the order was received manually and to provide an electronic timestamp capture if the order was subsequently systematized.	CAT Manual Orders FAQ #G.3.
<p>T60. We receive customer orders via the telephone and then manually input them into an ECN's terminal. Are these orders considered electronic?</p> <p>No. Customer orders that are received by a firm in a manual way, such as via the telephone, and then input into an ECN's terminal are considered manual orders that are routed to the ECN. (Last updated 03/30/09)</p>	Same	When an order is typed into another firm's system, the route is considered manual and the receipt at the firm is electronic.	CAT Manual Orders FAQ #G.2.
<p>T61. Who do I contact if I need to change the configuration of my connection to the private network?</p> <p>If you need additional assistance, contact <a href="#">Business and Technology Support Services</a> at (800) 321-6273 (select Technical). (Last updated 08/23/04)</p>	NA		CAT Technical Requirements FAQ #O.11.
<p>T62. Some of our order reports are rejected because they are not related to a New Order Report in OATS. Can we send a New Order Report to match with these order reports and prevent the rejection?</p>	Different	See the Industry Member CAT Reporting Technical Specifications for the	CAT Feedback and Error Corrections FAQ #P.11

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>If the order reports are related to a GTC, GTD or GTM limit order that you previously submitted to OATS less than one year previously, and you are receiving this error message, contact <a href="#">FINRA Business and Technology Support Services</a> (select Business) to determine the cause of the rejection. If the order events are related to a market order, a DAY or GTT limit order, that you submitted to OATS more than 5 business days previously, any attempt to resubmit the subsequent order events will result in rejections. The order information is only available for 5 business days. Should this occur, members should retransmit to OATS a duplicate New Order Report as well as any related subsequent order events that were rejected or were not submitted previously. The New Order Report, as well as any previously rejected order events should have the Rejected ROE Resubmit Flag set to "Y". Any subsequent order events not previously submitted should be submitted without the Reject ROE resubmit Flag. (Last updated 06/13/02)</p>		rejection repair process.	
<p>Question T63 has been archived and does not apply to CAT.</p>	NA		
<p>T64. If I execute a limit order several months after I received the order, will the Execution Report be rejected by OATS?</p> <p>No. Limit orders with a Time in Force code of "GTC" or "GTD" are maintained in OATS for two years. Any order report related to one of these limit orders can be reported to OATS within that time period. (Last updated 05/07/99)</p>	Different	See the Industry Member CAT Reporting Technical Specifications for rejection criteria.	CAT Feedback and Error Correction FAQ #P.13.
<p>T65. Is there a way to save a copy of the records I submit via the OATS Web interface?</p> <p>Yes. Within the OATS Web interface, if you follow the Send ROEs link, you can view all ROES that you have added or repaired during your session. Before you actually download the ROEs that were added or repaired, right-click the Download Staged ROEs link and select "Save Link As" or "Save Target As". This is your only opportunity to download (for data retention purposes) new and repaired ROEs. See the <a href="#">OATS Subscriber Manual</a> for additional information. (Last updated 05/07/99)</p>	Different	The Plan Processor will provide information relating to the manual submission process for CAT.	CAT Technical Requirements FAQ #O.12.
<p>T66. Is the ACT-reported Branch/Sequence Number required to be unique within our firm within a day?</p>	Similar	See the Industry Member CAT Reporting Technical Specifications for	CAT Order Routing and Execution FAQ #E.23.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
No. However, the ACT-Reported Branch/Sequence Number reported in your OATS Execution Report must precisely match the Branch/Sequence Number reported to ACT (including spaces and capitalization). (Last updated 05/07/99)		uniqueness criteria associated with tapetradeID in the CAT Trade event.	
<p>T67. Can the ACT-reported Branch/Sequence Number contain a space?</p> <p>Yes. This number can contain any 8 ASCII characters, except the specified file delimiters. The Branch/Sequence number contained in the OATS Execution Report must be the exact same Branch/Sequence Number contained in the ACT Report, including preceding zeros or spaces. (Last updated 05/16/00)</p>	Same	See the Industry Member CAT Reporting Technical Specifications.	CAT Order Routing and Execution FAQ #E.24.
<p>T68. Where can I find the latest status of the OATS system?</p> <p>You should check the Announcements that are listed in the OATS production environment (<a href="https://firms.finra.org">https://firms.finra.org</a>) and the OATS testing environment (<a href="https://firms.finra.org">https://firms.finra.org</a>). These pages contain important information specifically for entities using the OATS system. They are updated frequently. The date they were last updated is listed on the first page as you enter OATS. For additional information, contact <a href="#">Business and Technology Support Services</a> . (Last updated 1/14/10)</p>	Similar	The Plan Processor will provide a dashboard or other mechanism showing system status.	CAT Technical Requirements FAQ #O.13.
<p>T69. How do I report the share quantity for an order event that involves a fractional number of shares? For example, we recently received an order for 100-1/2 shares and worked the order by routing away 100 shares and executing the remaining 1/2 share as principal.</p> <p>Because OATS does not allow for the reporting of fractional shares, the fractional portion of the share quantity should be omitted and only the whole number reported unless the whole number would be "0" (zero). If the whole number would be "0", the shares quantity should be rounded up to "1". In your example, the share quantity for your New Order Report and the Route Report should be "100". The share quantity on your OATS Execution Report for the fractional principal execution should "1". If you submit an order report containing a decimal or a fraction, the report will be rejected. (Last updated 7/13/17)</p>	Different	CAT will accept fractional shares. See the Industry Member CAT Reporting Technical Specifications.	CAT Reporting Requirements FAQ #B.32.
T70. How do I report a fractional number of shares as Leaves Quantity?	Different	CAT will accept fractional shares. See	CAT Reporting Requirements FAQ #B.33.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>If you have a Leaves Quantity that totals a fractional number of shares, delete the fraction and report a whole number, except when the leaves quantity would be "0" (zero). If the leaves quantity would be "0", then round up to "1". In your example, if you had a Leaves Quantity of 500-1/2 shares, your Leaves Quantity should be reported as "500". If you submit a Leaves Quantity containing a decimal or a fraction, your order report will be rejected. (Last updated 12/04/00)</p>		<p>the Industry Member CAT Reporting Technical Specifications.</p>	
<p>T71. If a customer asks me to cancel an order after it has been executed, and I send to OATS a Cancel Report, won't it be rejected?</p> <p>No. The Cancel Report will not be rejected from OATS. (For additional information about Cancel Reports refer to the <a href="#">OATS Reporting Technical Specifications</a>.) (Last updated 05/07/99)</p>	<p>Same</p>	<p>This guidance applies to CAT Cancel event.</p>	<p>CAT Feedback and Error Corrections FAQ #P.14.</p>
<p>Question T72 has been archived and does not apply to CAT.</p>	<p>NA</p>		
<p>T73. We received an order after the market closed and created a New Order Report for it. The order was placed in a queue for execution. Prior to market open, the customer called and canceled the order. In order to follow the customer's instructions, we had to delete the order from the queue. What are we required to report to OATS?</p> <p>In the scenario you describe, you are required to submit a New Order Report and a Cancel Report for the customer's order, even if both happen on the same business day before market open. (Last updated 05/07/99)</p>	<p>Same</p>	<p>This guidance applies to CAT.</p>	<p>CAT Reporting Requirements FAQ #B.34.</p>
<p>T74. My firm sometimes receives an order and then executes it over 3 separate executions. When reporting the last of these executions, which Execution Type Code should we use?</p> <p>Anytime a firm executes a number of shares less than the total quantity of the order, the firm should use the Execution Type Code "P" (Partial). Keep in mind that a Leaves Quantity must be provided if the Execution Type 'P' is used otherwise the report will be rejected. If the execution is the last in a series of executions in which the order is completely filled, then the firm should use the Execution Type Code 'P' and a Leaves Quantity of 0. (Last updated 02/23/01)</p>	<p>NA</p>	<p>Execution Type Code does not apply to CAT.</p>	<p>No</p>
<p>T75. The Order Received Date field has been appended to provide for the input of time. Are we required to populate the time portion of this field?</p>	<p>NA</p>	<p>Not relevant to current version of Industry</p>	<p>No.</p>

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>Yes. Firms are required to populate the time portion of the Order Received Date field or the report will be rejected. However, if your firm determines that it does not need to utilize the time to uniquely identify the order, you may populate, or pad, the field with zeroes. Please remember that the manner in which you populate the time portion of the Order Received Date field on the New Order Report must remain consistent on all subsequent reports or the reports will not link and thus be rejected. Firms with more than one entity submitting reports on their behalf should coordinate to ensure that both entities are using the same methodology regarding the time portion of the Order Received Date field. (Last updated 04/12/01)</p>		<p>Member CAT Reporting Technical Specifications.</p>	

# OATS OTC FAQ

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<b>Reportable Securities</b>			
<p>1. When the amendments expanding the OATS Rules to include OTC equity securities become effective on February 4, 2008, what securities will be reportable?</p> <p>On February 4, 2008, all OTC domestic equity securities and certain transactions in foreign equity securities become reportable to OATS. OTC equity securities are defined as: 1) securities not listed on a national securities exchange; and 2) securities listed on one or more regional exchanges but do not qualify for dissemination of transaction reports to the Consolidated Tape. This definition includes: OTCBB securities, Pink Sheet securities, and preferred securities. Orders in foreign equity securities resulting in an execution that is subject to the transaction reporting requirements of FINRA Rule 6622 also must be reported to OATS.</p> <p>The definition does not include: Direct Participation Programs (DPPs), restricted securities as defined by SEC Rule 144(a)(3), PORTAL securities, or TRACE-reportable debt (a security that satisfies the definition of "TRACE-eligible security" in FINRA Rule 6710(a)). As a general matter, for trade reporting purposes, convertible bonds that are not listed on a national securities exchange are treated as debt securities; and therefore trades in such securities are reportable to TRACE. Although certain convertible bonds are excluded from the definition of "TRACE-eligible security" (e.g., bonds with a maturity of less than one year), all unlisted convertible bonds (i.e., convertible bonds that are not listed on a national securities exchange) are treated as debt securities for trade reporting purposes and are therefore not subject to OATS reporting requirements. However, over-the-counter transactions in convertible bonds that are listed on Nasdaq should be reported to a FINRA equity trade reporting facility, and orders for such bonds are subject to the recording and reporting requirements in the OATS rules. Orders in foreign equity securities where the resulting execution is not subject to the</p>	Similar	OTC equities will be included in the initial launch of CAT.	CAT Reporting Requirements FAQ #B.11.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
transaction reporting requirements of FINRA Rule 6622 need not be reported to OATS.			
<p>2. Are proprietary orders in OTC equity securities originated in the normal course of market making activity required to be reported to OATS?</p> <p>No. Proprietary orders originated in the normal course of market making are not reportable to OATS. For OATS reporting purposes, a market maker in an OTC equity security is defined as a FINRA member entering firm quotations into the OTC Bulletin Board Service or any other inter-dealer quotation system that permits quotation updates on a real-time basis. Unsolicited quotes and "name-only" indications do not qualify a firm as a market maker for purposes of determining OATS reporting obligations. All non-market making proprietary orders originated by a member, as well as orders received from another broker/dealer, including another market maker, must be reported to OATS.</p>	Different	All proprietary orders, including market making orders, are subject to CAT reporting.	CAT Reporting Requirements FAQ #B.35.
<p>3. My firm received an order for an OTC equity security on January 31, 2008. The order was not executed until February 4, 2008. Am I required to report the execution to OATS, even though the order was not reported when it was received on January 31, 2008?</p> <p>No. Pursuant to FINRA's OATS Rules, orders in OTC equity securities must be reported to OATS beginning February 4, 2008. Orders received or originated prior to February 4, 2008, are not required to be reported to OATS. In addition, order events occurring on or after February 4, 2008 relating to orders for OTC equity securities received or originated prior to February 4, 2008, are not required to be reported to OATS. Firms should note that subsequent events (Desk, Route, Execution, Cancel/Replace or Cancel Reports) related to orders not previously reported to OATS (i.e., orders for OTC equity securities received or originated prior to February 4, 2008) will be rejected by OATS. Rejections that occur as a result of submissions of order reports related to orders in OTC equity securities received before February 4, 2008 are not required to be repaired. Firms should note, however, that these rejections will appear in the daily OATS Statistics posted to the OATS web site.</p>	Similar	Orders originated prior to the CAT reporting industry member effective date are not required to be reported.	CAT General FAQ #A.26.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<b>Foreign Equity Securities Traded in the US</b>			
<p>1. My firm receives orders in OTC equity securities that are listed on foreign exchanges. My firm routes these orders to the respective foreign exchange for execution. Are these orders required to be reported to OATS?</p> <p>Orders in foreign equity securities are required to be reported only in those instances where the resulting execution is subject to the transaction reporting requirements in FINRA Rule 6622. The requirements of FINRA Rule 6622 do not apply to transactions in foreign equity securities provided that: 1) the transaction is executed on and reported to a foreign securities exchange; or 2) the transaction is executed over the counter in a foreign country and is reported to the regulator of securities markets of that country.</p>	Same	See CAT Foreign Securities FAQ #1.1.	CAT Foreign Securities FAQ #1.1.
<p>2. In the event my firm receives an order under the US symbol of a foreign equity security (the security also trades in the US) and the order is executed on the foreign market the following day, does the firm have an OATS reporting obligation?</p> <p>Yes. If an order is received in the US symbol and the market of execution is not known by the end of the OATS Business day on which the order was received, the order must be reported to OATS. For example, if your firm receives an order in a foreign listed equity security also trading in the US and the order is not executed before the time the firm is required to report to OATS, then the firm should submit the New Order Report to OATS. If the order is later executed in a foreign market, then the firm would submit a route report indicating that the order was sent to a foreign broker-dealer or market, as applicable.</p>	Same	This guidance applies to CAT.	CAT Foreign Securities FAQ #1.2.
<p>3. My firm receives orders in foreign equity securities that are also traded over the counter in the US. In some instances, an order is broken up and executed across multiple markets, both foreign and domestic. What are the firm's OATS reporting obligations?</p> <p>Orders received for foreign equity securities traded in the US must be reported if any resulting executions are subject to the requirements of FINRA Rule</p>	Same	This guidance applies to CAT.	CAT Foreign Securities FAQ #1.3.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>6622. In this example, since part of the order is executed over the counter in the US and therefore subject to the requirements of FINRA Rule 6622, the firm would have an obligation to record and report a New Order Report reflecting the receipt of the order, a Route Report for each component sent abroad and an Execution Report for each component executed in the US.</p>			
<p>4. My firm is an order-entry firm. We receive an order in a foreign equity security traded in the US. We route the order to another broker-dealer who then executes the order in the US. Do we have an obligation to report this transaction to OATS?</p> <p>Yes. Since the resulting execution of the order was subject to the transaction reporting requirements of FINRA Rule 6622 both the order-entry firm and the firm ultimately executing the order have an OATS reporting obligation.</p>	Same	This guidance applies to CAT.	CAT Foreign Securities FAQ #1.4.
<b>Foreign Equity Securities</b>			
<p>1. On Monday, my firm received and executed an order in a foreign equity security without a US symbol for which we had a trade reporting obligation. We requested the symbol but did not receive it until Wednesday. What are the firm's OATS reporting obligations?</p> <p>Firms receiving orders in foreign equity securities without a US symbol for which they have a trade reporting obligation must: 1) promptly request a symbol; and 2) comply with the OATS recording requirements under FINRA Rule 7440. Once a symbol becomes available the firm must report the trade to FINRA pursuant to FINRA Rule 6622 and report all applicable information to OATS in accordance with FINRA Rule 7450. Data submitted to OATS with an Order Received Date prior to the symbol issuance date will not be marked late. Firms may, however, be asked to demonstrate that a symbol was promptly requested upon execution of the trade.</p>	Same	This guidance applies to CAT.	CAT Foreign Securities FAQ #1.5.
<p>2. My firm receives orders in foreign equity securities that are also listed on Nasdaq. If my firm routes these orders to the foreign exchange for handling and execution, are these orders required to be reported to OATS even if they are executed on and reported to the foreign exchange?</p>	Same	See CAT Foreign Securities FAQ #1.1.	CAT Foreign Securities FAQ #1.1.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>Yes. The exception from OATS reporting for foreign equity securities is only for those foreign equity securities that meet the definition of OTC equity security in the OATS rules. If a security is listed on Nasdaq, it does not meet the definition of OTC equity security. Under the OATS rules, orders for equity securities listed on Nasdaq must be reported to OATS, regardless of where the order is executed.</p>			
<p>3. My firm receives directed orders from customers for foreign equity securities that are also traded over the counter in the United States and meet the definition of OTC equity security in the OATS rules. If a customer instructs the firm to execute the order in a particular foreign market, the order cannot be executed, in whole or in part, in the United States. Would my firm be required to report the receipt of this type of directed order if the order is not executed by the end of the OATS business day?</p> <p>If the terms of the directed order require the firm to execute the order in a foreign market and the firm knows that the order will be executed and reported in the foreign market, the firm would not be required to submit a new order report for that order. For more information, you may wish to consult an <a href="#">interpretive letter</a> that FINRA has published on this topic.</p>	Same	This guidance applies to CAT.	CAT Foreign Securities FAQ #1.6.
<p>Question 4 has been archived and does not apply to CAT.</p>	NA		
<p>5. My firm receives orders in OTC equity securities that are listed on foreign exchanges. Because of time zone differences, sometimes the foreign market to which my firm has determined to route the order for execution has already closed before the end of the current OATS Business Day. Therefore, the order cannot be executed until the following day after the foreign exchange has opened for trading. Since the order is not executed before the time the firm is required to report information to OATS on the day the order is received, must the order be reported to OATS even though, absent unusual circumstances, it will be executed on and reported to a foreign market?</p> <p>No. If an order is received in a foreign symbol or the equivalent US symbol and the firm has decided to send the order to a foreign market for execution, the order is not OATS reportable. For example, if a firm receives an order in a foreign-listed equity security that also trades in the US, and has decided to</p>	Same	This guidance applies to CAT.	CAT Foreign Securities FAQ #1.7.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>send the order to a foreign market for execution, but the order can not be executed before the end of the current OATS Business Day because the foreign market is closed, the order would not be OATS reportable. If, for any reason, the order is not ultimately executed on the foreign market, the firm would be required to submit all OATS reportable events related to that order with the original time of order receipt. OATS will mark these events late. Firms that display a pattern or practice of reporting orders late may be subject to formal review for potential violations of the OATS Rules.</p>			
<b>OTC Link</b>			
<p>1. My firm receives messages concerning potential trades via OTC Link. What are the firm's OATS reporting responsibilities with respect to OTC Link messages?</p> <p>As a general matter, based on FINRA's current understanding of OTC Link functionality FINRA considers the use of OTC Link as the equivalent of a negotiation over the telephone for purposes of OATS reporting. As such, negotiations are not reportable events; however, once the terms of a trade are agreed to, the new order and execution are reportable, with the time the parties agreed to those terms as the order receipt time and the execution time.</p> <p>The specific reporting requirements for OTC Link messages that result in an execution are as follows:</p> <p><b>Receipt of an OTC Link Message</b></p> <p>A firm is required to report all executions that are a result of the firm receiving an OTC Link message, regardless of whether the OTC Link message is sent by a market maker or a non-market maker broker/dealer. As noted above, both the new order and execution are reportable once the terms of a trade are agreed to, with the time the parties agreed to those terms as the order receipt time and the execution time. This also applies if multiple messages go back and forth between the receiving firm and the sending firm before an execution</p>	Different	See section 2.8 of the Reporting Scenarios document.	CAT OTC Equities Securities FAQ #J.2.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>results. The OATS execution report must be linked to the related trade report submitted to the FINRA OTC Reporting Facility (ORF).</p> <p><b>Sending an OTC Link Message</b></p> <p>If a firm receives or originates an order that is subsequently executed as a result of the firm sending an outgoing OTC Link message to another firm, the firm would record and report a new order to reflect the origination or receipt of the order from its customer and an execution report to reflect the execution resulting from the OTC Link message. However, if a market maker originates an order in the normal course of market making and subsequently executes the order by sending an OTC Link message to another firm, no OATS reporting obligation would exist for the market maker sending the OTC Link message since orders originated in the normal course of market making are excluded from the OATS reporting requirements.</p> <p>Example:</p> <p>Firm A receives an order from a customer for 1,000 shares. The firm then sends an OTC Link Message to Firm B for 500 shares. Firm A and B agree to execute 500 shares. Firm A then calls Firm C on the phone and they agree to execute the remaining 500 shares.</p> <p><b>OATS Reporting</b></p> <p><b>Firm A</b></p> <p>NW for 1,000 shares  EX for 500 shares (linked to the related trade report submitted to the ORF)  EX for 500 shares (linked to the related trade report submitted to the ORF)</p>			

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>Note: The outgoing OTC Link message for 500 shares and the telephone call to Firm C are not considered routes for OATS purposes.</p> <p><b>Firm B</b></p> <p>NW for 500 shares EX for 500 shares (linked to the related trade reported submitted to the ORF)</p> <p><b>Firm C</b></p> <p>NW for 500 shares EX for 500 shares (linked to the related trade report submitted to the ORF).</p>			
<p>2. Firms may receive OTC Link messages that are for a larger share quantity than what is ultimately executed. For example, an incoming message is received for 5,000 shares. The receiving firm, however, chooses to execute only 1,000 shares. How should the receiving firm report this to OATS?</p> <p>The receiving firm would be required to record and report the receipt of an order for 1,000 shares and execution for 1,000 shares. Both the order receipt time and the execution time should reflect the time the terms of the trade were agreed to.</p>	Different	See Section 2.8 of the CAT Reporting Scenarios document	CAT OTC Equities Securities FAQ #J.2.
<p>3. In the ordinary course of market making activities, Market Maker A sends an OTC Link message to Market Maker B to trade 5,000 shares and Market Maker B counters sending an OTC Link message back to trade 10,000 shares, which Market Maker A agrees to execute. What are the OATS reporting obligations for each market maker?</p> <p>Because Market Maker A originated the order in the ordinary course of market making activities and sent an OTC Link message to Market Maker B, Market Maker A has no OATS reporting obligations in this scenario. Market Maker B, however, as the firm receiving the OTC Link message, would have OATS reporting obligations for the execution that resulted from the negotiations. The</p>	Different	See Section 2.8 of the CAT Reporting Scenarios document	CAT OTC Equities Securities FAQ #J.2.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>share quantity of the new order and execution required to be reported by Market Maker B will be determined by the execution quantity that is agreed to in the final message. Therefore, in the above example the OATS reporting obligations would be as follows:</p> <p><b>Market Maker A</b> (sender of original message)</p> <p>No reporting obligation because the original order was originated in the ordinary course of Market Maker A's market making activities.</p> <p><b>Market Maker B</b> (recipient of original message)</p> <p>NW for 10,000 shares (receipt time is the time of execution) EX for 10,000 shares (linked to the related trade report submitted to the ORF)</p> <p>In another example, if, in the ordinary course of market making activities, Market Maker A sends an order to Market Maker B for 10,000 shares, Market Maker B then counters back at 7,500 and finally Market Maker A agrees to an execution for 6,000 shares, the OATS reporting obligations would be as follows:</p> <p><b>Market Maker A</b> (sender of original message)</p> <p>No reporting obligation because the original order was originated in the ordinary course of Market Maker A's market making activities.</p> <p><b>Market Maker B</b> (recipient of original message)</p> <p>NW for 6,000 shares (receipt time is the same as the execution time) EX for 6,000 shares (linked to the related trade report submitted to the ORF)</p>			
<p>4. If, during the ordinary course of market making activities, Market Maker B sends Market Maker A an OTC Link message for 5,000 shares and Market Maker A agrees to execute 2,000 shares of the order at 10:00 and an</p>	Different	See Section 2.8 of the CAT Reporting	CAT OTC Equities

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>additional 1,000 shares from the same OTC Link message at 10:01, what are the OATS reporting obligations?</p> <p>The OATS reporting obligations in the above scenario would be as follows:</p> <p><b>Market Maker A</b></p> <p>NW for 2,000 shares (receipt time of 10:00) EX for 2,000 shares (linked to the related trade report submitted to the ORF)</p> <p>NW for 1,000 shares (receipt time of 10:01) EX for 1,000 shares (linked to the related trade report submitted to the ORF)</p> <p><b>Market Maker B</b></p> <p>No reporting obligation because the original order was originated in the ordinary course of Market Maker B's market making activities.</p>		Scenarios document	Securities FAQ #J.2.
<p>5. Would the same guidance as provided above for OTC Link messages also apply to trades negotiated over the telephone?</p> <p>Yes. OATS reporting obligations are the same for both trades agreed to as a result of an OTC Link message and trades agreed to over the telephone.</p>	Different	See Section 2.8 of the CAT Reporting Scenarios document	CAT OTC Equities Securities FAQ #J.2.
<p>6. My firm receives incoming messages over OTC Link that result in an execution. When reporting the Combined Order/Execution Report to OATS, what Order Origination Code, Account Type Code and Buy/Sell code should my firm use? In other words, should the new order in OATS be reported from my firm's perspective or from the perspective of the firm that sent the OTC Link message?</p> <p>Firms receiving an incoming OTC Link message that ultimately results in an execution should populate the Order Origination Code with a "W" and populate</p>	Different	See Section 2.8 of the CAT Reporting Scenarios document	CAT OTC Equities Securities FAQ #J.2.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>the Negotiated Trade Flag with a "Y" to indicate the order was originated as the result of a negotiation initiated by another member. The Account Type Code and Buy/Sell code should however be populated from your firm's perspective. For example, if the firm is a market maker, the Account Type Code should be populated with an "O" (Market Making) and if the firm received an OTC Link message to sell that it executed by buying stock, the firm would populate the Buy/Sell Code with "Buy" (Buy).</p>			
<p>7. If my firm chooses to report market making activity and I send an OTC Link message to another firm that ultimately results in an execution, how should I report origination of the order and resulting OTC Link execution?</p> <p>If your firm voluntarily elects to report orders originated in the normal course of market making and negotiates a trade with another firm, your firm should report a New Order and Execution Report (or Combined Order/Execution Report) when all terms and conditions of the trade have been agreed upon. The New Order should contain an Order Origination Code of "F", a Negotiated Trade Flag of "Y" and the Account Type Code and Buy/Sell Code should be reported from your firm's perspective.</p>	NA	See Section 2.8 of the CAT Reporting Scenarios document	CAT OTC Equities Securities FAQ #J.2.
<b>Issue Symbol List</b>			
<p>1. Will there be a list of OTC securities that are reportable to OATS?</p> <p>Yes. The symbol directory available on <a href="http://www.otcbb.com">www.otcbb.com</a> will be updated to include an "OATS Reportable Flag" to reflect those OTC listed equity securities that are OATS reportable. The symbol directory will be available in an FTP downloadable format and will be updated daily.</p>	Similar	The Plan Processor will publish a list of CAT reportable securities.	See IM Tech Spec Section 2.4.3.1 for further details on the CAT Symbol Master.

## OATS Phase III - Frequently Asked Questions

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<b>Relief from OATS Reporting Requirements</b>			
<p>1. The Phase III amendments described in NTM 05-78 (November 2005) contain two different provisions that both provide relief from certain OATS reporting requirements. What is the difference between the two provisions?</p> <p>The amendments to Rules 7410 through 7470 (OATS Rules) relating to the Order Audit Trail System (OATS) approved by the SEC on September 28, 2005, contain, among other things, two provisions under which members may be relieved of certain OATS requirements. The first provision is an exclusion from the definition of OATS Reporting Member that applies to firms with specific business models that, if they were to report to OATS under the current OATS Rules, would result in duplicative reporting because another member firm is reporting essentially the same information to FINRA. This exclusion from the definition of Reporting Member relieves a firm from the full recording and reporting requirements of the OATS Rules. However, it does not relieve members from the clock synchronization requirements under Rule 7430.</p> <p>To determine if a member meets the requirements of the exclusion to the definition of an OATS Reporting Member, the member must carefully review its business model to determine if it meets the criteria specified in FINRA Rule 7410(n). If the member determines that it meets these criteria, the member must have a written agreement with the receiving Reporting Member to which they direct their order flow.</p> <p>The second provision grants FINRA exemptive authority in certain limited situations to provide relief to small members that do not otherwise qualify for exclusion from the definition of an OATS Reporting Member under FINRA Rule 7410(n). This exemptive authority is limited to firms meeting specific criteria in situations where complying with the full scope of the OATS Rules would be unduly burdensome. The exemptive relief applies only to manual orders and only to the transmission requirements of the OATS Rules. If a member that</p>	NA	There are no exclusions or exemptions in CAT.	No.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>meets the definition of an OATS Reporting Member wishes to apply for exemptive relief pursuant to FINRA Rule 7470, they must complete and submit a formal request to FINRA Market Regulation. Market Regulation, in conjunction with FINRA's Office of General Counsel, will review each exemption request to determine if granting of such exemption is appropriate. If such a determination is made, the member will be notified in writing by FINRA that an exemption has been granted and the period of time for which the exemption is effective.</p> <p>Members should note that these two provisions are separate and distinct. If a member does not meet the definition of an OATS Reporting Member, it generally will not be necessary for that member to also apply for exemptive relief pursuant to NASD Rule 7470.</p>			
<b>Exclusion from the Definition of Reporting Member (FINRA Rule 7410)</b>			
<p>1. My firm sends 100% of our orders to our clearing firm. I believe we no longer meet the requirements of the definition of a Reporting Member; what do we need to have in our agreement with the clearing firm? Do we need to send anything to FINRA?</p> <p>Firms excluded from OATS reporting because they do not meet the definition of a Reporting Member must have an agreement with the firm to which it sends its order flow ("receiving Reporting Member"). That agreement should specify that the sending firm intends to send all of its orders in Nasdaq and OTC-listed securities to the receiving Reporting Member on a non-discretionary basis for further handling or execution. The agreement should also specify that the receiving Reporting Member will report all orders received from the sending firm to FINRA in accordance with the requirements of the OATS Rules. While the agreement is not required to be filed with FINRA, FINRA reserves the right to request copies of any agreements between the parties as part of its routine surveillance activities.</p>	Different	There are no exclusions or exemptions in CAT.	No.
<p>2. My firm enters all of our orders for Nasdaq and OTC listed securities into our clearing firm's system for further handling or execution by our clearing firm. We maintain the capability, however, to route orders to other destinations. Does my firm still have the responsibility to report to OATS?</p>	Different	There are no exclusions or exemptions in CAT.	No.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>If your firm utilizes the capability to route any orders to a destination other than your clearing firm, then your firm meets the definition of a Reporting Member and must report all of its orders for Nasdaq and OTC-listed securities to OATS, including those routed to your clearing firm on a non-discretionary basis.</p>			
<p>4. What monitoring resources will be made available to member firms that qualify for the exclusion to the definition of reporting member?</p> <p>Firms that do not meet the definition of "Reporting Member" are not required to report data to OATS. Rather, the receiving Reporting Member is required to report to OATS the receipt of an order from the sending firm and any subsequent events relating to that order. Since no data is reported by, or on behalf of the sending member under the sending member's MPID, there is no data for the sending firm to monitor. FINRA, however, strongly encourages members that qualify for exclusion from the definition of an OATS Reporting Member to have a process in place to validate periodically that the receiving Reporting Member is reporting to OATS as required. This process may include obtaining a written statement from the receiving Reporting Member that they, to the best of their knowledge, are reporting all orders received from the sending member in compliance with the OATS Rules.</p>	NA	There are no exclusions or exemptions in CAT.	No.
<p>5. What criteria are required to qualify for exclusion from the definition of Reporting Member?</p> <p>Members should refer to the OATS Report entitled <i>OATS PHASE III Differences between Reporting Member Exclusion and Exemptive Relief from the OATS Reporting Requirements</i> for detailed information regarding the exclusion provided for by FINRA Rule 7410(n).</p> <p>The Phase III amendments to the OATS Rules exclude from the definition of Reporting Member firms that meet all four of the following criteria:</p> <ul style="list-style-type: none"> <li>• The member must engage in a non-discretionary order routing process where the firm <b>immediately</b> routes <b>all</b> of its orders to a <b>single</b> receiving Reporting Member.</li> <li>• The member cannot direct or maintain control over subsequent routing or execution by the receiving Reporting Member.</li> </ul>	NA	There are no exclusions or exemptions in CAT.	No.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<ul style="list-style-type: none"> <li>The receiving Reporting Member must record and report all information under FINRA Rules 7440 (recording of order information) and 7450 (reporting of order information).</li> <li>The member must have a written agreement with the receiving Reporting Member specifying the respective functions and responsibilities of each party.</li> </ul>			
<p>6. One of the criteria necessary for being excluded from the definition of an OATS Reporting Member is that all of the member's orders be routed to a single receiving Reporting Member. Does this apply only to Nasdaq and OTC-listed securities?</p> <p>Yes. Only those securities required to be reported to OATS (i.e., Nasdaq and OTC-listed equity securities) are covered by this requirement.</p>	NA	There are no exclusions or exemptions in CAT.	No.
<p>7. How will a receiving firm know if a firm submitting orders to it does not meet the definition of an OATS Reporting Member under NASD Rule 7410?</p> <p>One of the criteria for a firm to qualify for exclusion from the definition of an OATS Reporting Member is that the member have a written agreement in place with the receiving firm to which it sends its order flow. Therefore, a written agreement must be in place between the sending and receiving firm before the sending firm can qualify for the exclusion provided for by NASD Rule 7410(n).</p>	NA	There are no exclusions or exemptions in CAT.	No.
<p>8. One of the criteria necessary to qualify for exclusion from the definition of an OATS Reporting Member is that the firm immediately route all of its orders to a single Reporting Member (Receiving Reporting Member). FINRA has further indicated that any delay in the routing of an order due to system problems or other reasons would require the member to report OATS data. Does this mean if my firm sends all its orders to our clearing firm and the clearing firm experiences a temporary system problem, my firm loses its status as a non-reporting member and must begin reporting OATS data? If so, is my firm required to report all orders beginning at the time of the system problem?</p>	NA	There are no exclusions or exemptions in CAT.	No.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>Does my firm only have to report for the period of time my clearing firm's system is down?</p> <p>The exclusion from the definition of OATS Reporting Member was included in the OATS Rules to eliminate potentially duplicative reporting (i.e., the sending and receiving member would be reporting to OATS substantially the same time of receipt, terms and conditions, etc.). If a member routinely experiences delays in routing orders to the receiving Reporting Member, then the order information will no longer be substantially similar and OATS will not have a complete audit trail. For example, in these instances, the original time of receipt from the customer will be different from the time of receipt reported by the receiving Reporting Member and, as a result, FINRA will not have the original time of receipt from the customer in its audit trail.</p> <p>FINRA understands that periodic system glitches are sometimes unavoidable. Given the significant implications to members that do not meet the definition of OATS Reporting Member if a system problem were to delay their order routing for short period of time, FINRA has established the following steps a member must undertake if it wishes to maintain its exclusion to the definition of Reporting Member in the event of system problems that result in order routing delays.</p> <ul style="list-style-type: none"> <li>• Immediately upon becoming aware of a problem with its ability to route orders to its identified receiving Reporting Member, the firm must contact the FINRA OATS Help Desk and obtain a case number. The firm must provide FINRA with all available information regarding the system problem, including, but not limited to, the number of impacted orders, the estimated duration of the problem and whether orders were routed to another destination for execution during the system outage. The case number obtained from FINRA must be documented and retained by the firm.</li> <li>• The firm must document all steps it undertakes to rectify the situation.</li> <li>• The firm must take immediate steps to record all required OATS information for orders it is unable to transmit to its designated receiving</li> </ul>			

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>Reporting Member. In this regard, firms relying on this exclusion to reporting member should have procedures in place describing the steps it will take under this scenario.</p> <p>FINRA may send an inquiry letter to the firm upon review of the OATS Help Desk case to obtain any additional information the staff deems necessary. Based upon a review of the facts and circumstances, FINRA will determine if the non-reporting member is required to report OATS data for the orders impacted during the system outage. If FINRA determines such orders need to be reported, the staff will work with the member to facilitate transmission of these orders to OATS. In addition, these procedures are intended to address system problems that are unusual and infrequent. Depending on the facts and circumstances, repeated system problems may result in the firm being ineligible for the exclusion.</p>			
<p>9. Question 8 above addresses situations in which an order cannot be immediately routed due to system issues. What if human error, such as a registered representative failing to follow firm policy, results in the delay of an order being routed to my designated Receiving Reporting Member or the order being routed to a destination other than my designated Receiving Reporting Member? Would my firm automatically lose its non-reporting member status?</p> <p>FINRA recognizes that system problems are often unavoidable, and accordingly, isolated instances of order routing delays will not be viewed as automatically disqualifying a member from Non-Reporting Member status, provided certain steps are taken by the member as described in Question 8 above and no continuing pattern of routing delays exist. Likewise, FINRA also recognizes that isolated human error is often unavoidable. Therefore, isolated instances of order routing delays or isolated instances of an order being routed to a destination other than the designated Reporting Receiving Member due to human error will be treated in the same manner as routing delays attributable to system issues. Firms must follow the procedures outlined in question 8 above to receive the same consideration for human error as for system issues and to avoid the firm possibly becoming ineligible for the exclusion. As with</p>	NA	There are no exclusions or exemptions in CAT.	No.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>system issues, repeated order routing issues attributable to human error may result in the firm being ineligible for the exclusion.</p>			
<p>10. My firm has multiple clearing relationships. We send 100% of the orders received for one account to one clearing firm and 100% of the orders received for a second account to a second clearing firm. As such, do we meet the exclusion from the definition of Reporting Member under FINRA Rule 7410(n)?</p> <p>No. One of the criteria for exclusion from the definition of Reporting Member under FINRA Rule 7410(n) is that "the member engages in a non-discretionary order routing process, pursuant to which it immediately routes, by electronic or other means, all of its orders to a single receiving Reporting Member." Firms sending orders to more than one clearing firm are not sending orders to a single receiving Reporting Member and, therefore, do not meet the criteria for exclusion from the definition of Reporting Member.</p>	NA	There are no exclusions or exemptions in CAT.	No.
<p>11. What are my obligations for order data submitted to OATS that is not required to be reported? For example, I am a Phase III firm, but my clearing firm has elected to report data on my behalf during Phase II.</p> <p>A member firm is responsible for the accuracy of any data submitted to FINRA on its behalf, regardless of whether the data is required to be submitted by rule or not. Because such data reported to OATS is used in FINRA's market surveillance activities, it is critical that such data is timely, accurate and complete. If a member elects to submit data voluntarily, FINRA may pursue disciplinary action against that firm for any inaccuracies or other violations related to the submission of the data. Firms should note that an OSO relationship must be established within OATS before a reporting agent can submit data on behalf of another member. If your firm does not have an OATS reporting obligation and you do not wish to submit data voluntarily, you should contact the OATS Helpdesk to verify that no OSO relationships exist for your firm that would allow another entity, such as a clearing firm, to submit data on your behalf under your MPID. Firms that do not meet the definition of Reporting Member once the Phase III amendments become effective are also strongly encouraged to verify whether an OSO relationship exists to ensure that data is not being reported under their MPID by their clearing firm.</p>	Similar	<p>This guidance addresses the question of whether data submitted early must be timely, accurate and complete.</p> <p>Additional guidance will be provided on whether firms may submit data early. Specifically, whether data required in Phases 2b and 2c may be submitted in Phase 2a.</p>	Yes.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>12. What responsibility, if any, does a designated Receiving Reporting Member have if the originating member with which it has entered into an agreement to allow the originating member to qualify as a Non-Reporting Member under FINRA Rule 7410(n), routes or executes an order in a manner that would disqualify the originating member from the exclusion (e.g. the originating member directs an order to a market center other than the designated Receiving Reporting Member)?</p> <p>The originating member is responsible for compliance with all requirements of FINRA Rule 7410(n). If the originating member fails to meet the conditions for the exclusion as required by Rule 7410(n), the originating member, not the designated Receiving Reporting Member, would be responsible for any non-reporting by the originating member. However, if a designated Receiving Reporting member that has entered into an agreement to allow the originating member to qualify for the exclusion becomes aware that the originating member no longer meets all of the criteria for the exclusion (e.g., the originating member was directing order flow away from the designated Receiving Reporting Member), then the designated Receiving Reporting Member would be expected to cease coding its OATS new order reports from the originating member as a Non-Reporting Member in the Member Type Code immediately upon becoming aware that the originating member no longer meets the exclusion criteria. In these limited circumstances, a designated Receiving Reporting Member that continued to code an originating member's orders as coming from a Non-Reporting Member may be subject to disciplinary action for submitting an incorrect Member Type Code on its OATS new order reports. Any OATS reporting violations that may result from the originating member's failure to correctly identify itself as an OATS Reporting Member, and submit OATS data accordingly under its own MPID, would be the responsibility of the originating member and not that of the clearing firm. The originating member is responsible for ensuring that it is in compliance with the OATS Rules beginning the first day it ceases to meet all of the exclusion requirements as laid out in FINRA Rule 7410(n).</p>	NA	There are no exclusions or exemptions in CAT.	No.
<p>13. My firm acts as an introducing broker/dealer on a fully disclosed basis with multiple clearing firms. Can I qualify for the exclusion to OATS reporting under Rule 7410(n)?</p>	NA	There are no exclusions or exemptions in CAT.	No.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>If a firm routes orders in Nasdaq and OTC listed securities to more than one entity, the firm will not qualify for the exclusion under Rule 7410(n). For example, if a firm sends one category of orders to Clearing Firm A for further handling and execution and a second category of orders to Clearing Firm B for further handling and execution, the firm will not qualify for the exclusion under Rule 7410(n) because more than one entity makes routing or execution decisions with respect to the firm's orders.</p> <p>However, in the example above, although the firm will not qualify for the exclusion to the OATS reporting requirements, the firm may establish an OATS reporting relationship with each of these clearing firms whereby the clearing firms will report OATS data to FINRA on behalf of the firm. Specifically, Rule 7450(c) permits firms to enter into agreements with Reporting Agents, pursuant to which the Reporting Agent agrees to fulfill the OATS obligations of the firm. In the example above, the firm could establish Reporting Agent agreements with Clearing Firm A and Clearing Firm B, such that those clearing firms would report OATS information to FINRA on behalf of the firm under the firm's MPID (not the clearing firms' MPIDs). The firm remains responsible for compliance with all OATS reporting requirements, even though the data is actually submitted to FINRA by the clearing firm.</p>			
<p>14. My firm currently meets all of the requirements to qualify for the exclusion from the definition of an OATS Reporting Member. A client calls and requests that my firm execute a cross transaction between two accounts controlled by the client. If my firm executes this cross in-house would we lose our OATS exclusion?</p> <p>Yes. In order to qualify for the exclusion, a firm must meet all of the following four criteria:</p> <ul style="list-style-type: none"> <li>• The member must engage in a non-discretionary order routing process where the firm immediately routes all of its orders to a single receiving Reporting Member;</li> <li>• The member cannot direct or maintain control over subsequent routing or execution by the receiving Reporting Member;</li> </ul>	NA	There are no exclusions or exemptions in CAT.	No.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<ul style="list-style-type: none"> <li>The receiving Reporting Member must record and report all information under FINRA Rules 7440 (recording of order information) and 7450 (reporting of order information); and</li> <li>The member must have a written agreement with the receiving Reporting Member specifying the respective functions and responsibilities of each party.</li> </ul> <p>If the firm executes the cross transaction described in the question above, it will no longer meet the requirement that all orders must be immediately routed to a single receiving Reporting Member. Consequently, if the firm executes the cross itself, the firm will no longer be considered excluded from the definition of an OATS Reporting Member and would be required to immediately begin reporting to OATS.</p>			
<p>15. What if, in a cross transaction scenario as, my firm sent both sides of the cross to my clearing firm with the customer's instruction to cross the orders. Would my firm still qualify for the exclusion from the definition of an OATS Reporting Member?</p> <p>Yes. Because the customer, rather than the firm, directed the manner of execution by the clearing firm, your firm would not be deemed to have directed or maintained control over subsequent routing or execution by the clearing firm. Thus, your firm would still qualify for the exclusion from the definition of Reporting Member assuming that it meets the other three criteria described in FINRA Rule 7410. This supersedes guidance previously issued that stated a customer-directed order would disqualify a firm for the exclusion from the definition of Reporting Member. Firms should note, however, that all orders must be immediately routed to a single receiving Reporting Member. This means that all orders, including customer directed orders, must still be sent to the clearing firm for further routing. In addition, the clearing firm must report the order with a Special Handling Code of "DIR" to indicate that it was a directed order. In this example, if the firm were to send a customer directed order directly to the market center requested by the customer, it would lose its excluded status.</p>	NA	There are no exclusions or exemptions in CAT.	No.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>16. Can a member still qualify for exclusion from the definition of Reporting Member if orders immediately routed on a non-discretionary basis to a single receiving Reporting Member are handled on a riskless principal basis?</p> <p>If the receiving Reporting Member maintains control of all routing and execution decisions with respect to such orders, the member firm would still qualify for exclusion from the definition of a Reporting Member provided that the riskless offsetting buy(s) or sell(s) are executed automatically, the excluded member does not exercise any discretion with respect to such offsetting riskless transactions, <b>and the member continues to meet the other criteria in Rule 7410(o) to be considered excluded from the definition of Reporting Member.</b> Further, any such riskless principal trades must meet all requirements of, and be reported pursuant to, FINRA transaction reporting rules governing riskless principal transactions.</p>	NA	There are no exclusions or exemptions in CAT.	No.
<b>Exemption from the OATS transmission requirement for Manual Orders (FINRA Rule 7450(d))</b>			
<p>1. What is the process for applying for an exemption from the OATS transmission requirements in Phase III pursuant to FINRA Rule 7470(d)?</p> <p>Firms that meet all of the following criteria may formally request an exemption from the requirement to report manual orders during OATS Phase III:</p> <ul style="list-style-type: none"> <li>• The member and current control affiliates and associated persons of the member have not been subject within the last five years to any final disciplinary action, and within the last 10 years to any disciplinary action involving fraud;</li> <li>• The member has annual revenues of less than \$2 million;</li> <li>• The member does not conduct any market making activities in NASDAQ and OTC Listed securities;</li> <li>• The member does not execute principal transactions with its customers; and</li> <li>• The member does not conduct any clearing or carrying activities for other firms.</li> </ul> <p>To request an exemption, firms must complete an exemption request form and include relevant supporting documentation along with a statement as to why</p>	NA	There are no exclusions or exemptions in CAT.	No.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
transmitting data to OATS on a daily basis would be unduly burdensome to the firm. View <a href="#">detailed information</a> including the exemption request form.			
<p>2. What supporting documents need to be submitted with my application for exemption?</p> <p>Firms that meet all five criteria must submit:</p> <ul style="list-style-type: none"> <li>• A completed exemption request form; and</li> <li>• A copy of the member firm's Certified Annual Audit Report that was prepared by the firm's public accountant.</li> </ul> <p>For more information please review the Phase III Exemption Request section of the <a href="http://www.finra.org/oats/phaseIII">www.finra.org/oats/phaseIII</a> website.</p>	NA	There are no exclusions or exemptions in CAT.	No.
<p>3. My firm meets all of the criteria required to be eligible to request an exemption from the OATS transmission requirements pursuant to FINRA Rule 7470. We do, however, execute a principal transaction once every six months or so. Is my firm still eligible to apply for the exemption?</p> <p>No. Firms must meet each of the five criteria necessary to apply for an exemption. If a firm's business model is such that principal transactions are reasonably expected to occur, even very infrequently, FINRA does not view that firm as meeting all of the eligibility criteria necessary to apply for the exemption.</p>	NA	There are no exclusions or exemptions in CAT.	No.
<p>4. One of the criteria necessary to apply for an exemption is that the member does not execute principal transactions with its customers? Does this apply only to principal transactions involving Nasdaq-listed equity securities?</p> <p>No. This criterion applies to all equity securities (excluding equity derivatives such as options). It does not, however, apply to fixed income securities or mutual funds.</p>	NA	There are no exclusions or exemptions in CAT.	No.
<p>5. Does an exemption immediately expire if one of the criteria of the exemption were to change, for instance, if revenue exceeded \$2 million?</p>	NA	There are no exclusions or exemptions in CAT.	No.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
Yes. Firms receiving exemptions whose business models change so that they no longer meet the exemption criteria must begin reporting to OATS immediately.			
6. Regarding the revenue criteria, for what year should revenue be calculated?  Firms should use the year of their most recent Certified Annual Audit Report that was prepared by the firm's public accountant.	NA	There are no exclusions or exemptions in CAT.	No.
<b>Order Receipt Time</b>			
1. A member firm's trading system is designed so that all customer orders entered on or delivered to the system must pass a "validation process." What should be reported to OATS as the order receipt time, the time the customer entered the order or the time the system finished with its validation?  The time that the member records as the time of receipt for purposes of satisfying SEC Rule 17a-3(a)(6) is the time the firm should record as the OATS order receipt time. The order receipt time required to be recorded pursuant to SEC Rule 17a-3(a)(6) will always be the time of receipt for OATS reporting purposes.	Similar		CAT Order Receipt FAQ #D.3.
2. My firm receives an order via the Internet then reviews and releases the order. What is the order receipt time?  The time that the member records as the time of receipt for purposes of satisfying SEC Rule 17a-3(a)(6) is the time the firm should record as the OATS order receipt time. The order receipt time required to be recorded pursuant to SEC Rule 17a-3(a)(6) will always be the time of receipt for OATS reporting purposes.	Similar		CAT Order Receipt FAQ #D.3.
3. Rather than accepting orders over the phone, my firm's customers type orders directly into our system. Under this scenario, is the order-received timestamp in Phase III the time it is captured in my system?  The time that the member records as the time of receipt for purposes of satisfying SEC Rule 17a-3(a)(6) is the time the firm should record as the OATS order receipt time. The order receipt time required to be recorded pursuant to	Similar		CAT Order Receipt FAQ #D.3.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
SEC Rule 17a-3(a)(6) will always be the time of receipt for OATS reporting purposes.			
<p>4. If a basket of orders is received over the phone, what should be the order received timestamp for each order? The alternative times include the time the basket was received over the phone or the time each order was processed?</p> <p>The time that the member records as the time of receipt for purposes of satisfying SEC Rule 17a-3(a)(6) is the time the firm should record as the OATS order receipt time. The order receipt time required to be recorded pursuant to SEC Rule 17a-3(a)(6) will always be the time of receipt for OATS reporting purposes.</p>	Similar		CAT Order Receipt FAQ #D.3.
<p>5. What is the time of receipt for a manual order called in after hours?</p> <p>The OATS time of receipt for after hours orders should be the same time the firm records to satisfy its SEC Rule 17a-3(a)(6) recording obligation with respect to that order.</p>	Similar		CAT Order Receipt FAQ #D.3.
<p>6. In Notice to Members 05-78, FINRA provided guidance regarding the time of receipt on orders that went through a review and release process. Specifically, in Q5 of the Question and Answer Section of the Notice, FINRA stated that the time of receipt should be the time the order is received from the customer and that the review or other release practices of a firm would not change this requirement. Is this guidance consistent with subsequent guidance from FINRA that the time of receipt for OATS reporting purposes should be the time of receipt required to be recorded pursuant to SEC Rule 17a-3?</p> <p>The time of receipt for OATS reporting purposes should always be the same as the time of receipt already required by SEC Rule 17a-3. Therefore, members that subject orders to a review and release process should record the time of receipt as required by SEC Rule 17a-3. Because FINRA does not interpret SEC rules, any questions regarding the interpretation of time of receipt under SEC Rule 17a-3 for purposes of orders subject to a review and release process should be directed to the SEC. In connection with Phases I and II, FINRA provided guidance as to time of receipt beyond referring to SEC Rule 17a-3. With Phase III, firms should look to SEC Rule 17a-3 and</p>	Similar		CAT Order Receipt FAQ #D.3.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
interpretations by the SEC for guidance rather than prior FINRA interpretations in determining time of receipt. <i>(Last updated 5/10/06)</i>			
<b>Desk Reports</b>			
Questions 1 and 2 have been archived and do not apply to CAT.	NA		
<p>3. If my firm has multiple functions performed on the same desk or within the same department, such as program trading and non-program trading, would a Desk Report be required for orders sent between traders that perform those separate functions?</p> <p>If separate and distinct functions are performed within the same desk or department of a firm, a Desk Report may be required if an order is passed between traders that perform different functions. For example, generally an order would be considered to have been transferred to another department for OATS reporting purposes, if it were transferred between functions that the firm considers to be independent aggregation units for purposes of SEC Regulation SHO (See SEC Rule 200(f)).</p>	Same	If an order passed between two systems on the same desk performing a single function, such as an order passing between an OMS and EMS, then there is no internal route. If the order crosses functions, passes between aggregation units, or crosses an information barrier, then the Internal Route event is required.	CAT Order Routing and Execution FAQ #E.16.
<p>4. If my firm has multiple functions performed on the same desk or within the same department, how does the firm determine which Desk Code to use in the OATS Desk Report for orders received by such multi-function desks?</p> <p>If an order is transmitted to a desk that performs multiple functions, the firm should populate the Desk Code with the code that identifies the function for which the specific order was routed to the desk. For example, if a program trading order is routed to a desk that engages in arbitrage activities as well as program trading, the OATS Desk Report should include a Desk Code of "PT" to indicate the order was transmitted to the program trading function on the desk.</p>	Same	See the Industry Member CAT Reporting Technical Specifications field receivingDeskType.	CAT Order Routing and Execution FAQ #E.17.

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>5. An order is received at the Sales Desk and then sent to the trading desk for further handling. Subsequently, the customer modifies the order. The modification is then communicated to the trading desk <i>by the Sales Desk</i>. What are the OATS reporting obligations in this scenario?</p> <p>In this instance, the firm must show the original receipt of the order and subsequent transfer to the trading desk via a New Order and Desk Report. The firm must then reflect the customer modification via a Cancel/Replace Report. If the sales trader then sends the modified order back to the trading desk, the receipt of the modified order must be reflected by another Desk Report.</p>	<p>Same for Phase 2a; Different for Phase 2c</p>	<p>See the Industry Member CAT Reporting Technical Specifications relating to reporting requirements for internal routes.</p> <p>This guidance applies to CAT in Phase 2a; however, additional requirements for internal route modifications are being contemplated for Phase 2c.</p>	<p>See CAT IM Tech Spec Section 4.5 for details on reporting Internal Route events.</p>
<p>6. An order for 10,000 shares is received at the Sales Desk and then sent to the trading desk in smaller pieces. The sales trader (as opposed to the customer) subsequently modifies the quantity of one of the pieces of the order that he previously sent to the trading desk. How should this modification by the sales trader be reported to OATS?</p> <p>Anytime the trading desk (or other desk within a firm) receives instructions to modify an order previously transmitted to that desk, the firm must submit a Desk Report to reflect the modification. For example, if a Sales trader receives a 10,000 share order and then sends 4,000 shares of that order to the trading desk, the firm must report a New Order for 10,000 shares and a Desk Report for 4,000 shares. If the <b>sales</b> trader subsequently increases the quantity of the portion sent to the trading desk to 4,500 shares, the firm must submit another Desk Report reflecting the modified quantity of 4,500 shares. The firm</p>	<p>Same for Phase 2a; Different for Phase 2c</p>	<p>This guidance applies to CAT in Phase 2a; however, additional requirements for internal route modifications are being contemplated for Phase 2c.</p>	<p>CAT Order Routing and Execution FAQ #E.3.</p>

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
is <b>not</b> required to report a Cancel/Replace to show the <b>sales</b> trader's modification to the order.			
<p>7. Our firm has an Order Room Department which brokers may call to have orders entered for various reasons (for example, overrides are necessary or the broker doesn't have access to a computer). External money managers may also call the Order Room to have trades entered for the accounts which they manage. The Order Room personnel enter the order into our system which electronically routes the order to a third party market maker for further handling or execution. The market maker or market center to which an order is routed is determined based on pre-established criteria programmed into our system. The Order Room does not make routing decisions or execute trades. Is a Desk Report required to reflect receipt by the Order Room?</p> <p>No. Because the Order Room is not making routing decisions or executing trades, a Desk Report would not be required. Desk Reports are generally only required when an order is transmitted to an area within the firm that makes routing decisions or executes orders. <i>(Last updated 5/10/06)</i></p>	NA	This FAQ has been newly archived.	No.
<b>Order Routing</b>			
<p>1. How does the Order Shares Quantity differ from the Routed Shares Quantity on the Combined Order/Route Report or Execution Quantity on the Combined Order/Execution Report?</p> <p>In most cases the Order Shares Quantity will be the same as the Routed Shares quantity on the Combined Order/Route Report. In the case of bunched routes that are reported via the Combined Order/Route Report, however, the Order Shares Quantity will reflect the quantity of each individual order received, while the Routed Shares Quantity will reflect the bunched amount. Order Shares Quantity and Order Execution Quantity on the Combined Order/Execution Report will be the same in all cases.</p>	NA	Not relevant to the Industry Member CAT Reporting Technical Specifications.	No.
<p>2. Is a dash allowable on the Routed Order ID and Sent to Routed Order ID fields on the Route and Combined Order/Route Reports respectively?</p> <p>Yes. FINRA is now prescribing the format of the Routed Order ID to eliminate, to the extent possible, the risk of translation issues when passing Routed</p>	Same	See the Industry Member CAT Reporting Technical Specifications	See IM Tech Spec Data Dictionary (Appendix G)

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
<p>Order Ids between firms. The allowable format for the Routed Order ID and Sent to Routed Order ID fields is any alphanumeric character not containing a delimiter (which includes commas, semicolons, pipes and tabs) or spaces, blanks or leading zeroes. Under this definition a dash or hyphen would be allowable.</p>		<p>relating to the routedOrderID and related fields.</p>	<p>for Further details.</p>
<p>3. What are the reporting requirements for a clearing firm whose correspondent sends orders directly to other broker/dealers outside the clearing firm?</p> <p>The clearing firm would not have an OATS reporting obligation with respect to orders directed away from it since it did not receive an order for further handling or execution.</p>	<p>Same</p>	<p>This guidance applies to CAT.</p>	<p>See CAT Scenario 2.13.2 for details on Direct Order Routing via a Clearing Firm's System.</p>
<p>4. What are the times that must be reported to OATS when a correspondent receives an order and sends that order to a clearing firm?</p> <p>Assuming that the correspondent meets the definition of a Reporting Member, the correspondent must report the time that it received the order and the time that it routed the order to its clearing firm. The clearing firm in turn must report the time it received the order from the correspondent and the time that it routed or executed the order.</p>	<p>Same</p>	<p>This guidance applies to CAT.</p>	<p>See CAT Scenario 2.13.1 for details on Orders Routed and Executed via a Clearing Firm.</p>
<p><b>Manual Orders Received Prior to July 10, 2006</b></p>			
<p>1. My firm received a manual order on Wednesday, July 5, 2006. The order was not executed until Monday, July 10, 2006. Am I required to report the execution to OATS, even though the order was not reported when it was received on July 5, 2006?</p> <p>No. Pursuant to FINRA's OATS Rules, manual orders in NASDAQ-listed securities must be reported to OATS beginning July 10, 2006. Manual orders received or originated prior to July 10, 2006, are not required to be reported to OATS. In addition, order events occurring after July 10, 2006 relating to manual orders received or originated prior to July 10, 2006, are not required to be reported to OATS. Firms should note that subsequent events (Desk, Route, Execution, Cancel/Replace or Cancel Reports) related to orders not previously reported to OATS (i.e., manual orders received or originated prior to July 10,</p>	<p>NA</p>	<p>Related to OATS Phase-in approach. Orders originated prior to the CAT reporting industry member effective date are not required to be reported.</p>	<p>No.</p>

FAQ	Mapping	Comment	CAT FAQ has been or will be developed?
2006) will be rejected by OATS. Rejections that occur as a result of submissions of order reports related to manual orders received before July 10, 2006 are not required to be repaired. Firms should note, however, that these rejections will appear in the daily OATS Statistics posted to the OATS web site.			

## OATS for all NMS Stocks FAQ

FAQ	Mapping	Comment	FAQ has been or will be developed?
<p>1. The OATS expansion to all NMS stocks includes a narrower definition of the Account Type Code field. Specifically, the Account Type Code field will now be restricted to the type of beneficial owner of the account for which an order was placed, while information about whether an order was received from another broker dealer will be captured in a separate field. For orders received from another broker dealer, is there now an obligation to determine the type of beneficial owner of the account with respect to the sending broker's order?</p> <p>The changes to the OATS Account Type Code field do not impose any new obligation on members to capture the type of beneficial owner of an account for orders received from another broker dealer. If a receiving member does, however, know the type of beneficial owner of an account for an order received from another broker dealer, the receiving member is required to report that information to OATS in the Account Type Code field. Otherwise, the member may populate the field with a "U" for Unknown. An Account Type Code value of "U" is not acceptable for orders received from a customer of the firm or originated by a proprietary account of the firm. Members may refer to the OATS Report entitled <i>Validation of Order Origin Code and Account Type Code</i> for a more detailed explanation of the allowable values with respect to Account Type Code.</p>	Same	<p>This guidance applies to the CAT accountType field.</p> <p>Please note that CAT does not require the accountHolderType to be populated when the order is received from another broker-dealer.</p>	See IM Tech Spec Data Dictionary (Appendix G) for details on populating the accountHolderType field.
<p>2. What is the definition of institution for purposes of the new Account Type Code value of "A" Institution?</p> <p>For purposes of the OATS Account Type Code, "institution" has the same meaning as the term "institutional account," as defined in NASD Rule 3110(c)(4).</p>	Same	<p>This guidance applies to CAT.</p> <p>Please note the reference to NASD Rule 3110(c)(4) can be updated to FINRA Rule 4512(c).</p>	CAT Definitions FAQ #C.3.
<p>3. Does the change expanding all OATS timestamps to include milliseconds require members to start recording all order event timestamps in milliseconds?</p>	Different	Millisecond granularity is	CAT Reporting Requirements FAQ #B.2.

FAQ	Mapping	Comment	FAQ has been or will be developed?
<p>Members are not required to change their recording timestamps to milliseconds. Event times must be reported to OATS in milliseconds only if those times are captured by the member in milliseconds. Members should, however, note that all OATS timestamp fields have been expanded to Numeric (17) and must be in the format YYYYMMDDHHMMSSCCC. If milliseconds are not captured by the firm, then the millisecond portion of the timestamp must be populated with zeroes.</p>		<p>required at the launch of CAT.</p>	
<p>4. Although OATS is expanding the execution timestamp to include milliseconds, not all FINRA transaction reporting systems, such as the FINRA/Nasdaq Trade Reporting Facility (TRF), include milliseconds in the execution timestamp field. How will this impact Order Trading Matching?</p> <p>OATS will truncate the OATS execution timestamp down to the second when comparing to the related TRF transaction report for purposes of Order Trading Matching. For example, if the OATS execution timestamp is 11:15:33.756, OATS will use the timestamp of 11:15:33 when comparing to the execution timestamp on the related TRF transaction report.</p>	<p>NA</p>	<p>FINRA transaction facilities timestamps are now in milliseconds.</p>	<p>No.</p>
<p>5. The May 3, 2011 <i>OATS Reporting Technical Specifications</i> state that syntax and semantic rejections will be made available within four hours of receipt. How will OATS notify reporting members when all syntax and semantic rejection processing is complete for a particular processing day?</p> <p>As noted, OATS will make syntax and semantics rejections available to reporting members within four hours of submission. OATS will begin processing context rejections upon the completion of all syntax and semantics validations. As such, firms will know upon publication of context rejections that syntax and semantic rejection processing for a particular day is complete.</p>	<p>Different</p>	<p>See the Industry Member CAT Reporting Technical Specifications for rejection processing.</p>	<p>See IM Tech Spec Section 7 for details on Feedback and Corrections.</p>
<p>6. If an NMS stock is also listed on a foreign exchange, are orders routed to and executed on a foreign exchange required to be reported to OATS?</p> <p>Yes. Just as with NASDAQ listed securities, orders involving any security that meets the definition of an NMS stock pursuant to SEC Rule 600 must be reported to OATS, regardless of where the order is ultimately executed.</p>	<p>Same</p>	<p>This guidance applies to CAT.</p>	<p>CAT Foreign Securities FAQ #I.1.</p>

FAQ	Mapping	Comment	FAQ has been or will be developed?
<p>7. What account type code should be used if the beneficial owner of an account for which an order is received is an employee but the account also meets the definition of an institutional account?</p> <p>If an order is placed by an employee of the firm and the account also meets the definition of an institutional account according to NASD Rule 3110(c)(4), then the firm must use the Account Type Code of (“E”) on the related OATS Report to identify that the beneficial owner of the account is an employee of the firm.</p>	Similar	This guidance applies to CAT as it pertains to order data; however, firms may have additional obligations relating to the customer database.	CAT Order Receipt FAQ #D.8.
<p>8. The latest <i>OATS Reporting Technical Specifications</i> state that the Order Received Date field must now be identical to the date portion of the Order Received Timestamp. What date should be reported in the Order Received Date field if an order is captured by a firm on one day, but not released to the firm’s trading systems for handling and execution until the next day, such as an order from an international customer?</p> <p>The OATS Order Received Timestamp must be the same time the firm records to satisfy its SEC Rule 17a-3(a)(6) recording obligation with respect to that order. As such, the OATS Order Received Date field must also be identical to the date portion of the timestamp used to satisfy SEC Rule 17a-3(a)(6).</p>	NA	The Order Received Timestamp is not relevant to CAT.	No.
<p>9. NASD Notice to Members 04-46 states that combined order reports must be used for all orders routed or executed in full on the same day as receipt. Will use of combined reports still be mandatory once the rule changes expanding OATS reporting requirements to all NMS stocks become effective?</p> <p>No. As part of the OATS for NMS release, FINRA will no longer require firms to use combined order reports. For instance, information currently required to be reported on a Combined Order/Route Report may be reported with separate New Order and Route Reports. However, the combined order reports will remain an acceptable submission option. This FAQ supersedes the guidance provided in Notice to Members 04-46.</p>	NA	The CAT IM Specs do not include combined reports.	No.
<p>10. The OATS Member Type Code and Destination Code fields have a value to designate an affiliate. How should members determine who is an “affiliate” for these purposes?</p>	Similar	This guidance applies to the CAT affiliateFlag.	CAT Definitions FAQ #C.4.

FAQ	Mapping	Comment	FAQ has been or will be developed?
<p>For purposes of the OATS Member Type Code and Destination Code, an “affiliate” of the member would include a person or entity that (i) directly or indirectly controls the member, (ii) is controlled by the member, or (iii) is under common control with the member. Employees of the member would not be considered “affiliates” for purposes of these Codes.</p>			
<p>11. How should orders sent to a Floor Broker on the New York Stock Exchange be reported to OATS?</p> <p>Floor Brokers receive orders from: (1) FINRA members that are not members of NYSE; (2) FINRA members that are also NYSE members, and (3) customers that are not members of FINRA or NYSE. The OATS reporting requirements for orders directed to a Floor Broker on the New York Stock Exchange (NYSE) depend on the parties involved and how the order is communicated to the Floor Broker. Outlined below are the reporting requirements for each order routing scenario involving FINRA/non NYSE members, joint FINRA/NYSE members and customers.</p> <p><b>Scenario #1 – Orders sent to an NYSE Floor Broker by a FINRA member that is not an NYSE member firm.</b></p> <p>If an order is originated by a FINRA member that is not a NYSE member and sent to a NYSE Floor Broker, either electronically or manually, the OATS reporting requirements are as follows:</p> <ul style="list-style-type: none"> <li> <p><b>FINRA, non-NYSE Member OATS Reporting Obligations</b>            The FINRA member must submit to OATS a New Order and Route to the Floor Broker. On the Route Report to the Floor Broker, the FINRA member should populate the Destination Code as “Member” and the Sent To MPID with the NYSE Floor Broker’s FINRA MPID. <b>Note:</b> A routed order ID is required if the order is electronically transmitted to the Floor Broker. If the order is communicated to the floor broker “manually”, such as calling down to the booth, no routed order ID is required.</p> </li> <li> <p><b>Floor Broker OATS Reporting Obligations</b>            The Floor Broker must submit to OATS a New Order and Route to the</p> </li> </ul>	TBD	Specific floor broker obligations are still under discussion.	CAT Equity Floor Brokers FAQ #L.1.

FAQ	Mapping	Comment	FAQ has been or will be developed?
<p>NYSE. On the New Order Report, the Floor Broker should populate the Order Receiving Firm MPID with the NYSE Floor Broker's FINRA MPID and the Routing Firm MPID with the FINRA, non-NYSE Member's MPID. The Order Receipt Time on the Floor Broker's New Order Report should be populated with the time the order was first received from the Floor Broker by the FINRA, non-NYSE member and the Sent To Timestamp on the Route Report should be populated with the time the Floor Broker entered the order into an NYSE system.</p> <p><b>Scenario #2 – Orders directed to a Floor Broker by a joint FINRA/NYSE member via an NYSE system.</b></p> <p>If an order is originated by a FINRA member that is also an NYSE member and sent to a Floor Broker via an NYSE system, the OATS reporting requirements are as follows:</p> <ul style="list-style-type: none"> <li>• <b>Joint FINRA/NYSE Member OATS Reporting Obligations</b> The joint member must submit to OATS a New Order and Route to the NYSE. On the Route Report to the NYSE, the joint member should populate the Destination Code as "XN" and the Routed Order ID field with the BR/SEQ sent to NYSE.</li> </ul> <p><b>Note:</b> The NYSE will require Floor Brokers to capture the FINRA MPID of the sending firm for any order received from a FINRA member.</p> <ul style="list-style-type: none"> <li>• <b>Floor Broker</b> No OATS reporting</li> </ul> <p><b>Scenario #3 – Orders phoned to a Floor Broker at the booth by a joint FINRA/NYSE member.</b></p> <ul style="list-style-type: none"> <li>• <b>Joint FINRA/NYSE Member</b> The joint member must submit to OATS a New Order and Route directly to the Floor Broker. The joint member should populate the Destination Code on the Route Report as "Member" and the Sent To</li> </ul>			

FAQ	Mapping	Comment	FAQ has been or will be developed?
<p>MPID with the NYSE Floor Broker's FINRA MPID.</p> <p>A routed order ID would not be required to be passed from the joint member calling the order down to the Floor Broker since this is a manual route.</p> <ul style="list-style-type: none"> <li> <b>Floor Broker</b>            The Floor Broker must submit to OATS a New Order and Route to the NYSE. On the New Order Report, the Floor Broker should populate the Order Receiving Firm MPID with the NYSE Floor Broker's FINRA MPID and the Routing Firm MPID with the joint member's FINRA MPID.         </li> </ul> <p><b>Scenario #4 – Order sent to Floor Broker by a customer (not a FINRA or NYSE member).</b></p> <ul style="list-style-type: none"> <li> <b>Customer</b>            No OATS reporting         </li> <li> <b>Floor Broker OATS Reporting Obligations</b>            The Floor Broker must submit to OATS a New Order and Route to the NYSE. On the New Order Report, the Floor Broker should populate the Order Receiving Firm MPID with the NYSE Floor Broker's FINRA MPID and the Routing Firm MPID should be blank.         </li> </ul> <p><b>Scenario #5 – Orders phoned by a joint FINRA/NYSE member from an upstairs desk to its own Floor Broker at the booth.</b></p> <ul style="list-style-type: none"> <li> <b>Option 1 – The upstairs desk and the Floor Broker use different FINRA MPIDs</b>            The joint member must submit to OATS under the MPID used by the upstairs desk a New Order and Route directly to the Floor Broker. The joint member should populate the Destination Code on the Route Report as "Member" and the Sent To MPID with the FINRA MPID used by the Floor Broker.         </li> </ul>			

FAQ	Mapping	Comment	FAQ has been or will be developed?
<p>A routed order ID would not be required to be passed from the upstairs desk calling the order down to the Floor Broker since this is a manual route.</p> <p>The Floor Broker must submit to OATS under the FINRA MPID used by the Floor Broker a New Order and Route to the NYSE. On the New Order Report, the Floor Broker should populate the Order Receiving Firm MPID with the FINRA MPID used by the Floor Broker and the Routing Firm MPID with the FINRA MPID used by the upstairs desk.</p> <ul style="list-style-type: none"> <li>• <b>Option 2 – The upstairs desk and the Floor Broker use the same FINRA MPID</b></li> </ul> <p>The joint member must submit to OATS a New Order and Desk Report to reflect the movement of the order from the upstairs desk to the Floor Broker (since the order has been transmitted to a different desk or department within the same member). The joint member would also submit a Route Report to NYSE reflecting the entry of the order by the Floor Broker into the exchange.</p> <p>A routed order ID would not be required to be passed on the Route Report to NYSE since this is a manual rout.</p>			
<p>12. What is the purpose of the new Information Barrier ID field and how should it be used?</p> <p>FINRA has introduced a new Information Barrier ID field that will allow firms to uniquely identify each information barrier on an order-by-order basis that meets the criteria of the “no-knowledge” exception for certain proprietary trading activity under FINRA Rule 5320. By identifying specific information barriers that are in place with respect to individual orders, both customer and proprietary, firms will provide FINRA with this information that can then be used when conducting reviews of members’ compliance with FINRA Rule 5320. Specifically, on all “new” type order events for orders received or originated at a desk or department with an information barrier in place, firms may populate the Information Barrier ID with the value assigned by the firm to</p>	Same	This guidance applies to CAT infoBarrierID and Internal Route Events.	CAT Order Receipt FAQ #D.22.

FAQ	Mapping	Comment	FAQ has been or will be developed?
<p>the specific information barrier. The use of this field allows each customer and proprietary order to be identified with a particular information barrier.</p> <p>For example, if a firm has two or more separate desks or departments that share a single information barrier, orders received or originated at these separate desks or departments may be reported to OATS with the same unique Information Barrier ID. If, alternatively, a firm has separate desks or departments that are not within the same information barrier, orders received or originated at these desks or departments would be reported to OATS with different Information Barrier IDs. Finally, if an order is received or originated within a firm that has no information barriers in place, those orders must be reported to OATS with the Information Barrier ID field left blank. To the extent that firms populate the Information Barrier ID field, the use of values must remain consistent. Therefore, once used, a value may not be reassigned to identify a different information barrier.</p> <p><b>Reporting Scenarios</b></p> <p><b>Scenario #1 – Desks or Departments Sharing an Information Barrier</b></p> <ul style="list-style-type: none"> <li>Example: Firm A has a customer facing desk (Desk 1) and a proprietary desk (Desk 2) within the same information barrier that the firm has named “AB12”. Desk 1 receives an order from a customer and Desk 2 originates a proprietary order. The OATS reporting would be as follows: <p style="margin-left: 40px;">Desk 1: NW from customer    Information Barrier ID: AB12</p> <p style="margin-left: 40px;">Desk 2: NW proprietary order    Information Barrier ID: AB12</p> </li> </ul> <p><b>Scenario #2 – Desks or Departments Separated by Information Barriers</b></p> <ul style="list-style-type: none"> <li>Example: Firm A has a customer facing desk (Desk 1) that is within an information barrier the firm has named “U89T” and a proprietary desk</li> </ul>			

FAQ	Mapping	Comment	FAQ has been or will be developed?
<p>(Desk 2) that is within an information barrier the firm has named “4RYH”. Desk 1 receives an order from a customer and Desk 2 originates a proprietary order. The OATS reporting would be as follows:</p> <p>Desk 1: NW from customer Information Barrier ID: U89T            Desk 2: NW proprietary order Information Barrier ID: 4RYH</p> <p><b>Scenario #3 – Desks or Departments with No Information Barriers Example:</b></p> <ul style="list-style-type: none"> <li>• Example: Firm A has a customer facing desk (Desk 1) and a proprietary desk (Desk 2), neither of which have information barriers in place. Desk 1 receives an order from a customer and Desk 2 originates a proprietary order. The OATS reporting would be as follows:</li> </ul> <p>Desk 1: NW from customer Information Barrier ID: Blank            Desk 2: NW proprietary order Information Barrier ID: Blank</p>			
<p>13. Should baskets submitted to NYSE’s Crossing Session II be reported to OATS as a Route Report or an Execution Report?</p> <p>Members that have either facilitated a basket trade or crossed two customers’ baskets and submitted the information to NYSE’s Crossing Session II, should report these transactions to OATS as an Execution Report. The time of execution reported to OATS should be the time the member crossed or facilitated the basket and not the acknowledgment time received back from NYSE. Further, the Execution Report must contain the Market Center ID of “N” to designate the New York Stock Exchange and the Branch/Sequence Number should be populated with “NYSE CS2” to denote the transaction was reported to the Crossing Session II.</p>	Same	This guidance applies to CAT Trade events.	CAT Order Routing and Execution FAQ #E.18.

FAQ	Mapping	Comment	FAQ has been or will be developed?
<p>14. If my firm receives an order before October 17, 2011 in a security that was not subject to OATS requirements at the time of receipt, are any events taking place on or after October 17, 2011 with respect to that order reportable to OATS?</p> <p>No. Orders received or originated prior to October 17, 2011 in securities that were not subject to the OATS Rules until October 17, 2011 are not required to be reported to OATS. Further, subsequent order events occurring on or after October 17, 2011 relating to such orders also are not required to be reported to OATS. Firms should note that any such subsequent events (Desk, Route, Execution, Cancel/Replace or Cancel Reports) submitted to OATS will be rejected. These rejections are not required to be repaired, but will appear in the daily OATS Statistics posted to the OATS web site.</p>	Similar	Any order events related to orders originated prior to the effective date of Phase 2a are not reportable to CAT.	CAT General FAQ #A.26.
<p>15. How should the Account Type Code be populated for orders received from an Investment Advisor or money manager exercising discretion over client accounts? Should the Account Type Code represent the status of the IA/money manager or the status of the IA/money manager's client accounts?</p> <p>For purposes of OATS, the Account Type Code should always reflect the status of the entity exercising discretion. For example, an order received from an Investment Advisor that meets the definition of institution (as defined in NASD Rule 3110(c)(4))<sup>2</sup> exercising discretion over client accounts (which could include both individual and institutional clients), should be reported to OATS with an Account Type Code of "A" (Institution) to reflect the status of the Investment Advisor. As described in OATS FAQ C70, any post trade allocations made by the Investment Advisor to its client accounts are not reportable to OATS.</p>	Same	This guidance applies to CAT.	CAT Order Receipt FAQ #D.23.
<p>16. My firm provides market access to customers that are not broker/dealers. When reporting these orders to OATS, what value should be populated in the Receiving Department ID?</p> <p>Firms providing market access to non-broker/dealer customers must populate the Receiving Department ID field with the value of "A" (Agent). The value of Market Access "MA" is only used for market access orders involving another broker-dealer.</p>	Same	This guidance applies to the CAT receivingDeptType field.	CAT Order Receipt FAQ #D.24.

FAQ	Mapping	Comment	FAQ has been or will be developed?															
<p>17. The New York Stock Exchange LLC (“NYSE”) and NYSE MKT, LLC (together with NYSE, the “Exchange”) are eliminating certain Account Type Indicator (“ATI”) values (see NYSE Information Memo 16-2). Will this impact the values that need to be reported to OATS in the Account Type Code field?</p> <p>No. The Exchange ATI values are separate and distinct from the OATS Account Type Code values. The ATI values required to be submitted to the Exchange primarily are used to identify whether an Exchange member is entering an order into Exchange systems for its account or the account of some other entity, while the OATS Account Type Code values are used to identify the type of account originating an order. OATS captures capacity and information about program trades and index arbitrage trades in fields separate and distinct from the Account Type Code. Consequently, the Exchanges’ changes to ATI values will have no impact on member firms population of the Account Type Code in OATS.</p> <p>To assist members, FINRA is providing the below chart that reflects the most common combinations of Exchange ATIs and OATS Account Type Codes.</p> <table border="1" data-bbox="191 922 1192 1404"> <thead> <tr> <th data-bbox="191 922 611 954">Capacity of Member</th> <th data-bbox="611 922 989 954">OATS</th> <th data-bbox="989 922 1192 954">Exchange</th> </tr> </thead> <tbody> <tr> <td data-bbox="191 963 611 1052">Member Firm routing to the Exchange for the account of the member</td> <td data-bbox="611 963 989 1052">Account Type Code: “O”, “P”, or “X” <b>and</b> Order Origination Code: “F”</td> <td data-bbox="989 963 1192 1052">ATI: “P”, “Q” or “R”</td> </tr> <tr> <td data-bbox="191 1060 611 1149">Member Firm acting as agent on behalf of its own customer</td> <td data-bbox="611 1060 989 1149">Account Type Code: “I”, “A”, “C”, or “E” <b>and</b> Order Origination Code: “F”</td> <td data-bbox="989 1060 1192 1149">ATI: “A”</td> </tr> <tr> <td data-bbox="191 1157 611 1263">Member Firm acting as agent for the customer of another Broker/Dealer</td> <td data-bbox="611 1157 989 1263">Account Type Code: “I”, “A”, “C”, “E”, or “U” <b>and</b> Order Origination Code: “W”</td> <td data-bbox="989 1157 1192 1263">ATI: “A”</td> </tr> <tr> <td data-bbox="191 1271 611 1377">Member Firm acting as agent for the proprietary account of another Broker/Dealer</td> <td data-bbox="611 1271 989 1377">Account Type Code: “O”, “P” or “U” <b>and</b> Order Origination Code : “W”</td> <td data-bbox="989 1271 1192 1377">ATI: “A”</td> </tr> </tbody> </table>	Capacity of Member	OATS	Exchange	Member Firm routing to the Exchange for the account of the member	Account Type Code: “O”, “P”, or “X” <b>and</b> Order Origination Code: “F”	ATI: “P”, “Q” or “R”	Member Firm acting as agent on behalf of its own customer	Account Type Code: “I”, “A”, “C”, or “E” <b>and</b> Order Origination Code: “F”	ATI: “A”	Member Firm acting as agent for the customer of another Broker/Dealer	Account Type Code: “I”, “A”, “C”, “E”, or “U” <b>and</b> Order Origination Code: “W”	ATI: “A”	Member Firm acting as agent for the proprietary account of another Broker/Dealer	Account Type Code: “O”, “P” or “U” <b>and</b> Order Origination Code : “W”	ATI: “A”	TBD	A mapping of ATIs to Account Type Codes is provided in FAQ #D.25.	CAT Order Receipt FAQ #D.25.
Capacity of Member	OATS	Exchange																
Member Firm routing to the Exchange for the account of the member	Account Type Code: “O”, “P”, or “X” <b>and</b> Order Origination Code: “F”	ATI: “P”, “Q” or “R”																
Member Firm acting as agent on behalf of its own customer	Account Type Code: “I”, “A”, “C”, or “E” <b>and</b> Order Origination Code: “F”	ATI: “A”																
Member Firm acting as agent for the customer of another Broker/Dealer	Account Type Code: “I”, “A”, “C”, “E”, or “U” <b>and</b> Order Origination Code: “W”	ATI: “A”																
Member Firm acting as agent for the proprietary account of another Broker/Dealer	Account Type Code: “O”, “P” or “U” <b>and</b> Order Origination Code : “W”	ATI: “A”																

FAQ	Mapping	Comment	FAQ has been or will be developed?
<p>1 Members should note that the SEC has approved a rule change that, among other things, will move the definition of “institutional account” in NASD Rule 3110(c)(4) to FINRA Rule 4512(c).</p> <p>2 NASD Rule 3110(c)(4) is becoming FINRA Rule 4512(c).</p>			

## OATS Definitions FAQ

FAQ	Mapping	Comments	CAT FAQ has been or will be developed?
<p>D1. What is an electronic order?</p> <p>An electronic order is an order captured by a member firm in an internal or external electronic order routing or execution system. An order that is not captured in such a system is a non-electronic, or manual, order. NOTE: An electronic order can be routed or executed in a manual way (e.g., via telephone). (Last updated 11/03/98)</p>	Same	This guidance applies to CAT.	See IM Tech Spec Section 3.2.
<p>D2. What is a non-electronic order?</p> <p>A non-electronic order, or manual order, is an order captured by a member in some way other than in an electronic order routing or execution system, such as on a paper ticket. (Last updated 03/30/09)</p>	Same	This guidance applies to CAT.	See IM Tech Spec Section 3.2.
<p>D3. Describe the different types of OATS Reports.</p> <ul style="list-style-type: none"> <li>• New Order Report-submitted when an order is originated or received by a member firm. The information reported is from the perspective of the receiving firm and not necessarily the perspective of the firm that initially received or originated the order. Thus, if a market maker received an order from a non-market maker, the market maker's New Order Report would contain order details provided by the non-market maker, not the original customer. New Order Reports do not disclose the identity of customers that are not FINRA member broker-dealers.</li> <li>• Routing Report-submitted when an order is sent from a member firm to another member firm, Exchange, or non-member for handling or execution</li> <li>• Desk Report-submitted when an order moves between desks or departments within a member firm.</li> <li>• Execution Report-submitted when an order is fully or partially executed (filled). A separate Execution Report must be submitted for each execution of an order.</li> <li>• Cancel Report-submitted when an order is fully or partially canceled. It may also be used to report a reduction in share quantity or the cancellation of all remaining shares of an order.</li> </ul>	Different	Refer to the Industry Member CAT Reporting Technical Specifications for the list of CAT Reportable Events.	See IM Tech Spec Sections 4 and 5.

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<ul style="list-style-type: none"> <li>• Cancel/Replace Report-submitted when the terms of an order are modified by a customer.</li> <li>• Combined Order/Execution Report-submitted when an order is received and executed contemporaneously or when an order is received and fully executed in one trade, in the same day, with no routing or modifications. It may be used in place of a separate New Order and Execution Report.</li> <li>• Combined Order/Route Report -is used for contemporaneous orders and routes or for orders received and fully routed on the same day. It is an alternative to sending a separate New Order Report and Route Report.</li> </ul> <p>(Last updated 02/18/10)</p>			
<p>D4. What is a Firm Order Report (FORE)?</p> <p>A Firm Order Report (FORE) is a file containing one or more Reportable Order Event records, also known as reportable order events (ROEs) that is sent by an Order Sending Organization (OSO) or reporting firm to OATS. A FORE may contain many different types of ROEs, such as any combination of New Order Reports, Routing Reports, and Execution Reports, but all ROEs in a FORE must be for the same order receiving firm. If one OSO transmits order data for several firms, it must send a different FORE file for each firm. (Last updated 05/16/00)</p>	NA	CAT does not use this terminology.	No.
<p>D5. What is an OATS Business Day?</p> <p>For the purposes of OATS reporting, a business day begins after the close of the market on one market day and ends at the close of the market on the next market day. For example, Wednesday's OATS Business Day begins at 4:00:00.001 p.m., Eastern Time (ET) on Tuesday and ends at 4:00:00.000 p.m., ET on Wednesday. Any events occurring during this time period must be reported to OATS by 8:00:00 a.m., ET on Thursday. Monday's business day begins 4:00:00.001 p.m., ET on Friday and ends at 4:00:00.000 p.m.ET on Monday. If Monday is a holiday, orders received after 4:00:00 p.m., ET on Friday must be reported to OATS by 8:00:00 a.m., ET on Wednesday. (Last updated 3/28/13)</p>	Different	See CAT Definitions FAQ #C.1., which extends the Trading Day to 4:15.	See IM Tech Spec Appendix D for CAT Date Definitions.

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<p>D6. What is an OATS Reporting Day?</p> <p>An OATS Reporting Day is the time period during which an order event must be reported to OATS or be marked late by FINRA. Events occurring during an OATS Business Day must be submitted to OATS by 8:00:00 a.m., Eastern Time (ET) the next calendar day. For example, an order received at 2:00:00 p.m., ET on Thursday must be reported by Friday at 8:00:00 a.m., ET and an order received at 10:00:00 p.m., ET on Friday must be reported by Tuesday at 8:00:00 a.m., ET. (Last updated 3/28/13)</p>	Same	This guidance applies to CAT.	See IM Tech Spec Appendix D for CAT Date Definitions.
<p>D7. What is an Order Sending Organization?</p> <p>There are two primary types of Order Sending Organizations (OSOs). A Transmitting OSO packages files and physically transfers order data to OATS via FTP, SFTP, IFT, or the Web interface. A Reporting OSO is authorized to view the Order Receiving Firm's data including file status, statistics, and record rejections; for example, the Reporting OSO may be a clearing firm that is responsible for repairing rejected records on behalf of the Order Receiving Firm.</p> <p>In addition, all parties submitting order data to OATS on their own behalf, through another member firm or entity, or on behalf of other member firms or non-member entities receive an OSO ID, which identifies those parties as registered with OATS. NOTE: Each correspondent of a clearing firm must be registered with OATS and receive a separate OSO ID. (Last updated 3/28/13)</p>	NA	CAT does not use this terminology. However, a firm can rely on other organizations to submit its CAT reports.	No.
<p>D8. What is a Reportable Order Event?</p> <p>A Reportable Order Event (ROE) is a record representing an event in the life cycle of an order (e.g., order receipt, order cancellation, or order execution) that firms are required to report to OATS. There are several types of ROEs that must be reported to OATS: New Order Report, Routing Report, Desk Report, Execution Report, Cancel Report, Cancel/Replace Report, and Combined Order/Execution Report. (Last updated 7/06/98)</p>	Different	CAT has its own set of order events, please refer to the Industry Member CAT Reporting Technical Specifications.	See IM Tech Spec Sections 4 and 5.
<p>D9. Define the term Routing.</p>	Same	This guidance applies to CAT.	See IM Tech Spec Section 4.3

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<p>When an order is received or originated by a FINRA member and transmitted to another member or non-member (e.g., a national securities exchange, foreign exchange or non-member broker-dealer) for handling or execution, it has been routed. For instance, if a non-market maker receives an order from a customer and transmits the order to a market maker for execution, the order has been "routed" to the market maker. Orders can also be routed between two MPIDs of the same member firm. For instance if a firm receives an order at its sales desk that uses MPID ABCD and transmits the order to its ATS that uses MPID ABCA, the order has been "routed" from ABCD to ABCA. Amendments to FINRA Rule 7440 specifically address order routing to non-members. (Click <a href="#">here</a> to read or download FINRA Rules 3310 and 7410 through 7470.) NOTE: Non-member electronic order routing and trading systems are not covered under this definition. Orders are routed through or via such entities, not to them. (Last updated 3/30/09)</p>			
<p>D10. FINRA Rule 7440 specifies that I must indicate when I route orders to a non-member. Define "non-member".</p> <p>Non-members are defined as entities that are not members of FINRA. If an order is routed to a national securities exchange, the identity of the exchange must be provided on the Route Report. If the non-member to which the order is routed is a broker-dealer that has an MPID, you may report that MP ID in the "Sent to Firm MPID" field on the Route Report.</p> <p>Similarly, when members receive orders from non-members, they must indicate in the New Order Report in the Member Type Code field an "N" and if the non-member is a broker-dealer, they may report the non-member's MPID, if one exists, in the Routing Firm MPID field.</p> <p>Non-member electronic order routing and trading systems are not covered under this definition. It is not necessary to indicate when orders are routed through or via such entities. Click <a href="#">here</a> to read or download FINRA Rules 3310 and 7410 through 7470. (Last updated 3/28/13)</p>	Different	This question is specific to non-FINRA members. CAT rules apply to all broker-dealers and all firms must be identified.	No.
D11. Can you define "a proprietary order originated in the normal course of market making activities"?	NA	This definition applied to the	No.

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<p>For OATS, "a proprietary order originated in the normal course of market making activities" is a proprietary order originated by a firm for its market making account. Such orders are not required to be reported to OATS. For example, if a market maker decides to purchase shares of ABCD for its market making account and then sends an order to another market center or executes a trade with another broker/dealer to purchase those shares, which are placed into its market making account, no order events are required to be reported to OATS. If, however, a market maker receives an order from another broker/dealer (including another market maker), retail customer, or institution to sell 100 shares of ABCD and it fills that order from its market making account, the order received by the market maker and all associated order events are required to be reported to OATS. All non-market making proprietary orders originated by a firm must be reported to OATS. For example, an order originated by a non-market making desk, such as the arbitrage desk, is required to be reported to OATS. (Last updated 2/14/08)</p>		<p>OATS Rules but there are no carve outs for market making activity in CAT.</p>	
<p>D12. What is an Order Receiving Firm?</p> <p>An Order Receiving Firm is a FINRA member firm that is subject to OATS reporting, which is defined as a firm that originate or receives an oral, written, or electronic instruction to effect a transaction in a NMS stock and/or OTC equity security. The instruction may originate from a customer, another firm, or another department within the firm. (Last updated 3/30/09)</p>	<p>NA</p>	<p>Not a CAT term.</p>	<p>No.</p>

## OATS Clock Synchronization FAQ

FAQ	Mapping	Comments	FAQ has been or will be developed?
Question S1 has been archived and does not apply to CAT.	NA		
<p>S2. To what source should the business clocks be synchronized?</p> <p>All computer system clocks and mechanical time-stamping devices must be synchronized to any source within one second of the National Institute of Standards and Technology (NIST) standard. All of your clocks and time-stamping devices must remain accurate within a one-second tolerance of the NIST clock, including</p> <ul style="list-style-type: none"> <li>• the difference between the NIST standard and a time provider's clock;</li> <li>• transmission delay from the source; and</li> <li>• the amount of drift of your clock. (Last updated 5/7/12)</li> </ul>	Same	This guidance applies to CAT.	See IM Tech Spec Appendix B for details on Clock Synchronization Requirements.
<p>S3. When during the day should clocks be synchronized?</p> <p>Computer system and mechanical clocks must be synchronized every business day before market open. To maintain clock synchronization, clocks should be checked against the standard clock and re-synchronized, if necessary, at pre-determined intervals throughout the day. Member firms must document and maintain their clock synchronization procedures. (Last updated 3/12/98)</p>	Same	This guidance applies to CAT.	See CAT Clock Sync. FAQ #R.4.
Question S4 has been archived and does not apply to CAT.	NA		
<p>S5. What is our obligation to ensure that the clocks a non-member uses for reports on our behalf are actually in synchronization?</p> <p>You must obtain a current copy of the procedures used by the non-member entity. Your firm is ultimately responsible for compliance with the OATS Rules; therefore, if you have some indication that the non-member is not in compliance with the OATS Rules, you should contact the non-member entity</p>	Same	This guidance applies to CAT.	See CAT Clock Sync. FAQ #R.2.

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and FINRA and, if the problem cannot be rectified, select another third party to record and report OATS data for you. (Last updated 7/17/98)			
<p>S6. Are we required to synchronize all clocks at our firm?</p> <p>No, you are only required to synchronize the clocks that are used to record the date and time of those market events that you are obligated to record under FINRA rules or By-Laws. (Last updated 7/17/98)</p>	Same	This guidance applies to CAT.	See IM Tech Spec Appendix B for details on Clock Synchronization Requirements.
<p>S7. Shouldn't we just synchronize to the NIST atomic clock because we can't ensure that our time provider is actually in synchronization with the NIST standard?</p> <p>Not necessarily. You can synchronize your clocks with any time provider. Most time providers provide information about the difference between their clocks and the NIST clocks. Use this information to determine if your business clocks are actually in synchronization. If your chosen time provider does not consistently provide this information, or you have reason to believe that the information is inaccurate, contact the time provider and FINRA and, if the problem cannot be rectified, choose another time provider. Your firm is ultimately responsible for its compliance with the OATS Rules. (Last updated 5/7/12)</p>	Same	This guidance applies to CAT.	See IM Tech Spec Appendix B for details on Clock Synchronization Requirements.
<p>S8. Am I responsible for synchronizing my Nasdaq terminal?</p> <p>No, members are only responsible for synchronizing their own computerized system clocks, mechanical time clocks, or other business clocks that are used to record the date and time of the market events they are obligated to record under FINRA rules or By-Laws. (Last updated 5/7/12)</p>	NA	Dated question.	No.
<p>S9. We synchronize all business clocks prior to market open; however, in order to keep our trading systems functioning properly, we cannot reset our clocks during the trading day. What should we do if we find that our clocks are out of synch during the trading day?</p> <p>The requirement of Rule 7430 is that firms maintain the synchronization of their business clocks. Therefore, every effort should be made to keep your clocks in synchronization; however, if your business clocks do go out of synch during a</p>	Same	This guidance applies to CAT.	See IM Tech Spec Appendix B for details on Clock Synchronization Requirements.

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trading day, and you are unable to adjust them, maintain a record of the synchronization problem in your books and records and notify FINRA that you experienced synchronization problems. If the problem is persistent, FINRA requires that you find a new source for synchronization or create new procedures for ensuring that your business clocks are in synch. (Last updated 3/30/09)			
Questions S10 and S11 have been archived and do not apply to CAT.	NA		
<p>S12. I need to synchronize my computer clocks. Do I need to synchronize my system time or the time associated with my order handling system software?</p> <p>You must synchronize the time associated with your order handling system software. This is the time that is recorded for your electronic orders. Thus, you are not necessarily required to synchronize the time recorded by your computer hardware or your system. You would only be required to synchronize this time if your order handling system software refers to it. (Last updated 11/3/98)</p>	Same	This guidance applies to CAT.	See IM Tech Spec Appendix B for details on Clock Synchronization Requirements.
<p>S13. I am an independent contractor. Am I required to synchronize my business clocks?</p> <p>If an independent contractor has an agreement with a member firm to process orders and if that contractor immediately transmits orders to the member firm for handling, either electronically or manually, the independent contractor is not required to maintain a separate synchronized clock. However, if there is ever any delay in transmitting any orders to the member firm, or if the member firm does not agree to maintain the proper times required under OATS Rules, an independent contractor must maintain a synchronized clock for recording the times. (Last updated 5/7/12)</p>	Same	This guidance applies to CAT.	See IM Tech Spec Appendix B for details on Clock Synchronization Requirements.
<p>S14. All of the orders received at our branch offices are immediately transferred to the trading desk at our main office. Are these branch offices required to synchronize their clocks?</p> <p>If a branch office immediately transmits orders to the main office for handling, either electronically or manually, the branch office is not required to maintain a separate synchronized clock. However, if a branch office receives any orders</p>	Different	All CAT Reporters must synchronize their business clocks, there are no exemptions.	See IM Tech Spec Appendix B for details on Clock Synchronization Requirements.

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that are not transmitted immediately to the main office for order handling, then that branch office is required to maintain a synchronized clock for recording the times required under FINRA rules. (Last updated 02/19/99)			
<p>S15. Our clearing firm is performing all OATS reporting on our behalf and they are recording all times required by the OATS Rules using their own synchronized clocks. Are we required to synchronize our clocks?</p> <p>If the times required under OATS Rules are all recorded by your clearing firm or another third party, you are not required to synchronize your business clocks. However, if there are any cases when you must record the time yourself, such as when the computer system malfunctions and you must record the order on a paper ticket, you must maintain a synchronized clock for recording the times required under OATS Rules. (Last updated 11/23/98)</p>	Same		CAT Clock Sync. FAQ #R.2.
Question S16 has been archived and does not apply to CAT.	NA		
<p>S17. I work for a FINRA member firm that is located in Canada. Are we required to synchronize our clocks?</p> <p>Yes. All FINRA member firms, including all member firms located outside the United States, are required to synchronize their business clocks according FINRA Rule 7430. (Only those clocks that are used to record the date and time of those market events that are required to be recorded under FINRA rules or By-Laws must be synchronized.) In addition, if your firm handles orders for OATS reportable securities, the rules for order reporting apply to your firm. For additional information about clock synchronization and order reporting, refer to the <a href="#">OATS Reporting Technical Specifications</a>. (Last updated 5/7/12)</p>	Same	Applies directly to CAT Reporters not just FINRA members.	CAT Reporting Requirements FAQ #B.16.
<p>S18. We are based in New York and have a branch office in Los Angeles. Normally, when our branch office gets an order, the order is immediately transferred via telephone to the main office for handling. In such cases, we use the synchronized clock at the main office to record all of the required times. Sometimes our branch office receives an order after our main office is closed. Thus, the branch office cannot immediately transfer the order to the main office. In these cases, is the branch office required to use a separate synchronized clock to record order receipt time?</p>	Same	All CAT Reporters must synchronize their business clocks, there are no exemptions.	See IM Tech Spec Appendix B for details on Clock Synchronization Requirements.

FAQ	Mapping	Comments	FAQ has been or will be developed?
<p>Yes. If a branch office receives any orders that are not transmitted immediately to the main office for order handling, then that branch office is required to maintain a synchronized clock for recording the times required under FINRA rules. (Last updated 2/19/99)</p>			
<p>S19. Can we use the time on the Nasdaq terminal to synchronize our clocks?</p> <p>No. Currently, although the time transmitted from Nasdaq is synchronized, there is no guarantee that the time displayed on your workstation is synchronized. If there is any change in this situation, it will be posted to these Web pages. (Last updated 5/7/12)</p>	Same	This is a dated question.	No.
<p>S20. Can we use the time displayed on the Nasdaq terminal as a source for reporting the time of market events?</p> <p>No. Currently, although the time transmitted from Nasdaq is synchronized, there is no guarantee that the time displayed on your workstation is synchronized. If there is any change in this situation, it will be posted to these Web pages. (Last updated 5/7/12)</p>	Same	This is a dated question.	No.
<p>S21. Some of our registered representative work out of their homes, which are not registered branch offices. Are these reps required to maintain a synchronized clock for recording the time of market events?</p> <p>If a registered representative regularly works from home during business hours (i.e., the home is considered a regular place of business), he or she must meet the requirements of the OATS Rules. Therefore, if he or she immediately transmits orders to the main office for handling, either electronically or manually, there is no requirement for a separate synchronized clock. However, if there are any orders that are not transmitted immediately to the main office for order handling, then a synchronized clock is required. If the home is not considered the representative's regular place of business, and he or she receives a customer order, the order is "received" when all of the specific details of the order are understood and the order arrives at a place where it can be handled or executed. In such a case, no synchronized clock would be required until the representative called or brought that order to the office. (Last updated 3/30/09)</p>	Same	Applies directly to CAT.	See IM Tech Spec Appendix B for details on Clock Synchronization Requirements.

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<p>S22. What clock synchronization procedures are we required to have in order to comply with the OATS Rules?</p> <p>In order to comply with the requirements of NASD Rule 7430, member firms must have written procedures in effect describing their clock synchronization process. The procedures must be thorough and include the method of synchronizing computer system and mechanical clocks used for recording the times of market events. The synchronization process must take place every business day before market open, and it must include checks of synchronization at pre-determined intervals throughout the business day, to ensure that the clocks maintain synchronization.</p> <p>In addition, all member firms with clock synchronization requirements should have written supervisory procedures that describe the methods they use to ensure that the synchronization process is being followed. Firms should be able to demonstrate their supervision of the synchronization process. (Last updated 3/30/09)</p>	Same	Applies directly to CAT.	CAT Clock Sync. FAQ #R.5.
<p>S23. Does our firm need to keep a log of the times we synchronize our clocks?</p> <p>Yes. Member firms required to synchronize their clocks according to the OATS Rules should keep a log of the times when they synchronize their clocks and the results of the synchronization process. This log should be maintained on-site, and it should include notice of any time the clock drifts more than the second allowed by the OATS Rules. (Last updated 5/7/12)</p>	Similar	Applies directly to CAT. Logs are required including notification of drifts beyond 50 milliseconds for clocks used to record electronic events and 1 second for clocks used to record manual events.	CAT Clock Sync. FAQ #R.6.

FAQ	Mapping	Comments	FAQ has been or will be developed?
<p>S24. We are FINRA members that only receive orders for securities that are not reportable to OATS. What are our requirements with regards to recording time under the OATS Rules?</p> <p>You must record all times required under the FINRA rules or By-laws from a synchronized clock. You are not required to record the time to the second for events that are not reportable to OATS. For events that must be reported to OATS, the time must be recorded in hours, minutes, and seconds. (Last updated 5/7/99)</p>	Same	CAT does not impact FINRA rules for recording times.	CAT Reporting Requirements FAQ #B.15.