Final 2a/2b Updates Prior to April Go-Live
2c Spec Updates for Final Version

1/16/20

Agenda

▸ Final Updates for Phase 2a/2b Technical Specifications –

  ◦ Version 2.2.1 r3, publish on 1/31/2020

  ◦ No Schema changes

▸ Phase 2c Technical Specifications –

  ◦ Version 3.0.0 r0, publish on 1/31/2020

2a/2b – Corrections

- Data Dictionary definition of *nbboSource* updated to match content contained in Section 3.

- Data Type definition for Timestamp corrected to support Hour and Minute equal to 00.

- File Name formats in 6.1.1 #1 and #2 corrected to include File Instruction per Table 47.

- JSON Format Example 6.1.2.1 updated with correct representation of Buy Side.

- File Integrity Examples in 7.3.2 and 7.3.3 corrected to indicate 'Success' feedback for Metadata Files is not applicable.

2a/2b– Clarifying Items

- How CAT Submitter ID should be populated.
  - *For Submitters that are Industry Members - CRD*
  - *For Submitters that are not Industry Members (Service Bureaus) - the Organization ID assigned during the CAT Entitlement Process*
- *marketCenterID* and *reportingExceptionCode* are mutually exclusive. When one is populated, the other must be blank.
- bidQty, askQty, bidPrice and askPrice may be >= 0.
- File Names, Field Names and Field Values are case sensitive.
- Describe when *handlingInstructions* 'UNS' and 'UNP' can be used.

2a/2b- Error Codes

▸ Moved validation for Delete File Instruction to File Integrity Stage:

- ◦ Updated Error Code 1120 (Invalid File in Delete Instruction):
  The delete instruction is on a file that does not exist in CAT, **contains event dates more than four days prior to the current processing date, or contains *actionType* other than 'NEW'.**

- ◦ Removed Error Code 2152 (Invalid Delete Instruction).

2a/2b – Content Changes

▸ Updates related to the population of Industry Member Identifiers (IMIDs) to align with updated CAT Alert 2018-003

  ◦ Population of CAT Reporter IMID

  ◦ Population of Routing Identifiers to include the CRD prefix

  ◦ Elimination of special reporting requirements when IMID conflicts exist

▸ Added definitions of Unlinked Named Error feedback as per CAT Alert 2019-004

Timestamps on Cancellation and Modification Events

- In support of deferring Cancel and Modify Request beyond Phase 2c, the definition of *eventTimestamp* for Order Cancelled and Order Modified events will be broadened for Phase 2a/b in recognition of current industry practices.

- In Phases 2a and 2b, the *eventTimestamp* definition will be updated to state "the date/time of the modification/cancellation."

- In Phases 2c and 2d, the *eventTimestamp* in the Order Cancelled and Order Modified events will be required to reflect the time the order was cancelled (e.g., the time that the order was confirmed to be cancelled in the firm's OMS/EMS)

- The time that the cancellation instruction was received will be captured in a separate Order Cancel Request or Order Modified Request event, which have been deferred to a later phase.

- Cancel requests and modification requests that were rejected have been deferred to a later phase.

2c Reporting of Quote Events

- The SROs plan to defer reporting of the origination and routing of any quote to a quote based IDQS operated by a CAT Reporter that does not match and execute orders until December 2021, during which time the SROs will consider whether seeking an exemption/alternative reporting construct for the reporting of certain quotes is appropriate.
  - The *receivedQuoteID* on MEQR events will remain greyed out in Phase 2c.

- On Trade events, the quoteID will always represent the IDQS quoteID. The *quotingIDQS* field is also being added to MEOT events.

2c Reporting Exception Code 'C'

▸ Industry Members may continue to use the *reportingExceptionCode* value of 'C' for negotiated trades in limited circumstances. Specifically, a REC of C may be used when the Industry Member was the contra side of the trade report for a negotiated trade which was reported to a TRF via a QSR or AGU and was not executed through OTC Link ATS (where the Execution ID can be used for the Tape Trade ID by both parties). The following conditions apply to any MEOT with a REC of 'C':

  ◦ Two new fields, *clearingFirm* and *counterparty,* must be populated. Market Center ID must also be populated.

  ◦ The *cancelFlag* and *cancelTimestamp* must always be populated for any cancelled trade, even if the cancellation was reported to the TRF by the contra party.

▸ FINRA CAT will closely monitor all uses of REC 'C' to ensure compliance with the above noted guidelines.

2c Allocation Events

▶ There will be two timestamps on the MEPA/MEAA:

- Time that the allocation instruction was received (<u>optional</u>).
- Time that the allocation was booked (<u>required</u>).

▶ The *customerType* field will be greyed out for Phase 2c.

▶ Clarification in section 3.3 that "allocations to accounts other than a client account" includes proprietary accounts.

▶ New *allocationType* value:

- FRM – firm owned or controlled account

2c – New Reportable Event

▸ MEORS (Order Route Supplement):

◦ Supplement to the Order Route event, optionally used when the status of the *routeRejectedFlag* is not reported on the MEOR event itself, because the firm chooses to report it using this separate event created at a later time.

2c – Updates to Definitions and Field Values

▶ Definition of Smart Order Router will be added to the Glossary:

  ◦ For the purpose of CAT reporting, a Smart Order Router is defined as an automated system that solely routes orders to another market center based on pre-defined routing criteria.

▶ Definition of *handlingInstructions* value 'ALG' will be clarified to state:

  ◦ Order was received or originated with instructions to work using a trading algorithm as defined in FINRA Rule 1220(b)(4)(a) **and shall not include Smart Order Routers**

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