

CAT Q4 2020 Quarterly Progress Report

FILED JANUARY 29, 2021

APPENDIX C MILESTONES

	Implementation Plan Completion Date	Targeted Completion Date or Actual Completion Date¹	Milestone/Interim Step²	Description of Any Variance From the IP	Other Factual Indicators³	Description of Status as of 12/31/2020⁴
1	10/26/2020	10/26/2020	Interim Step: Production Go-Live for Firm to Firm Linkage validations for Equities 2a (Large Industry Members and Small OATS Reporters)	N/A	N/A	Completed
2	10/26/2020	10/26/2020	Interim Step: Production Go-Live for Equities 2a Exchange and TRF Linkage validations (Large Industry Members and Small OATS Reporters)	N/A	N/A	Completed
3	11/30/2020	11/30/2020	Row 8 of App. C-10(a): Technical Specifications Published for Phase 2d ⁵	N/A	N/A	Completed
4	1/4/2021	1/4/2021	Row 3 of App. C-10(c): FCAT Plan Processor creates linkages of the lifecycle of order events based on the received data through Phase 2b	N/A	N/A	Completed
5	1/4/2021	1/4/2021	Interim Step: Production Environment Go-Live for Firm to Firm Linkage Validations for Options 2b (Large Industry Members)	N/A	N/A	Completed
6	1/4/2021	1/4/2021	Interim Step: Production Environment Go-Live for Options 2b Exchange Linkage validation (Large Industry Members)	N/A	N/A	Completed
7	1/29/2021	1/29/2021	Row 4 of App. C-10(a): Full CAIS Final Technical Specification Published	N/A	N/A	Completed
8	1/31/2021	1/25/2021	Row 10 of App. C-10(b) & Row 13 of App. C-10(b): FCAT Plan Processor makes Phase 2c testing environment available	Completed 6 days earlier than IP date	N/A	Completed

¹ The “Completion Date” indicates the targeted completion date for the milestone, unless the status for the milestone has been designated as “Completed.” In that case, the “Completion Date” indicates the date by which the milestone was completed.

² To further enhance the publicly available information, the Participants have included additional details in this document to reflect certain interim steps not included in the Implementation Plan to complete implementation of the CAT. These interim steps are provided for informational purposes only and are not relevant for purposes of assessing the Participants’ timely satisfaction of the Financial Accountability Milestones.

³ For milestones that are in progress or have not been initiated, this will include the basis for making the adjustment and the impact of this adjustment on any other Implementation Milestone, and, if applicable, any other factual indicators that demonstrate the current level of completion with respect to the Implementation Milestone.

⁴ This Quarterly Progress Report reflects activities by the Participants to meet the relevant milestones and interim steps. Additional information and metrics on Industry Member testing and readiness are provided in industry update meetings and related materials. See CAT Event Materials, available at <https://catnmsplan.com/events/materials>.

⁵ The Participants plan to submit a request for exemptive relief to require the reporting of OTC Link messages in Phase 2d.

	Implementation Plan Completion Date	Targeted Completion Date or Actual Completion Date ¹	Milestone/Interim Step ²	Description of Any Variance From the IP	Other Factual Indicators ³	Description of Status as of 12/31/2020 ⁴
9	1/31/2021	1/25/2021	Row 11 of App. C-10(b) & Row 14 of App. C-10(b): FCAT Plan Processor and Industry Members begin testing for 2c reporting	Completed 6 days earlier than IP date	N/A	Completed
10	4/26/2021	4/26/2021	Interim Step: Production Go-Live for Equities 2c reporting requirements (Large Industry Members)	N/A	On track for completion <ul style="list-style-type: none"> Test environment for Equities Phase 2c file submission and data integrity validations build commenced in Q4 2020 	In progress
11	4/26/2021	4/26/2021	Interim Step: LTID Account Information Reporting Go-Live for Phases 2a, 2b and 2c (Large Industry Members)	N/A	On track for completion <ul style="list-style-type: none"> CAT Reporting Customer and Account Technical Specifications for Industry Members – LTID new version published on December 2, 2020 CAIS LTID Certification opened on October 5, 2020 CAIS LTID Production opened on December 14, 2020 	In progress
12	6/30/2021	6/30/2021	Row 10 of App. C-10(b) & Row 13 of App. C-10(b): FCAT Plan Processor makes Phase 2d testing environment available	N/A	N/A	On track to commence
13	6/30/2021	6/30/2021	Row 11 of App. C-10(b) & Row 14 of App. C-10(b): FCAT Plan Processor and Industry Members begin testing for 2d reporting	N/A	N/A	On track to commence
14	12/13/2021	12/13/2021	Row 3 of App. C-10(c) & Row 5 of App. C-10(c): FCAT Plan Processor creates linkages of the lifecycle of order events based on the received	N/A	N/A	On track to commence

	Implementation Plan Completion Date	Targeted Completion Date or Actual Completion Date¹	Milestone/Interim Step²	Description of Any Variance From the IP	Other Factual Indicators³	Description of Status as of 12/31/2020⁴
			data through Phase 2d			
15	12/13/2021	12/13/2021	Interim Step: Production Go-Live for Options 2d reporting requirements (Large Industry Members)	N/A	N/A	On track to commence
16	12/13/2021	12/13/2021	Interim Step: Production Go-Live for Equities 2a reporting requirements (Small Non-OATS Reporters)	N/A	N/A	On track to commence
17	12/13/2021	12/13/2021	Interim Step: Production Go-Live for Options 2b reporting requirements (Small OATS Reporters and Small Non-OATS Reporters)	N/A	N/A	On track to commence
18	12/13/2021	12/13/2021	Interim Step: Production Go-Live for Equities 2c reporting requirements (Small OATS Reporters and Small Non-OATS Reporters)	N/A	N/A	On track to commence
19	12/13/2021	12/13/2021	Interim Step: Production Go-Live for Options 2d reporting requirements (Small OATS Reporters and Small Non-OATS Reporters)	N/A	N/A	On track to commence
20	12/13/2021	12/13/2021	Interim Step: LTID Account Information Reporting Go-Live for Phases 2d (Large Industry Members)	N/A	N/A	On track to commence
21	12/13/2021	12/13/2021	Interim Step: LTID Account Information Reporting Go-Live for Phases 2a, 2b, 2c and 2d (Small Industry Members)	N/A	N/A	On track to commence
22	1/31/2022	1/31/2022	Row 5 of App. C-10(a) & Row 7 of App. C-10(a): Customer Account Information – Test Environment Opens (All Industry Members)	N/A	N/A	On track to commence
23	7/11/2022	7/11/2022	Row 6 of App. C-10(a) & Row 8 of App. C-10(a): Customer and Account Information – Production Environment Go-Live (All Industry Members)	N/A	N/A	On track to commence

PARTICIPANT MILESTONES

	Implementation Plan Completion Date	Targeted Completion Date or Actual Completion Date	Milestones	Description of Any Variance From the IP	Other Factual Indicators	Description of Status as of 12/31/2020
1	7/31/2020	4/30/2021	Release 7: Equity Transition from RSA Specifications to CAT Participant Technical Specifications	N/A	<p>On track for completion</p> <ul style="list-style-type: none"> Operating Committee approved Plan Participant Release 7 Technical Specification (v1) on November 17, 2020 Initial Delivery Plan published to RSA Participants on December 4, 2020 	In Progress
2	4/26/2021	4/26/2021	Section 8.1.1 of Appendix D of the CAT NMS Plan discusses the requirements of the OTQT. Specifically, that section states: The online targeted query tool will provide authorized users with the ability to retrieve processed and/or validated (unlinked) data via an online query screen that includes the ability to choose from a variety of pre-defined selection criteria. Targeted queries must include date(s) and/or time range(s), as well as one or more of a variety of fields, including the following: ...CAT Reporter correction rate over time.	N/A	<p>On track for completion</p> <ul style="list-style-type: none"> On December 16, 2020, the SEC provided conditional exemptive relief with regard to this item until April 26, 2021 	In Progress

FINANCIAL ACCOUNTABILITY MILESTONES

	Implementation Plan Completion Date	Targeted Completion Date or Actual Completion Date	Milestones	Description of Any Variance From the IP	Other Factual Indicators	Description of Status as of 12/31/2020
1	7/31/2020	7/20/2020	FAM Period 1 Completion of Initial Industry Member Core Equity and Option Reporting, defined under CAT NMS Plan Section 1.1 as the reporting by Industry Members (excluding Small Industry Members that are not OATS reporters) of both: (a) equities transaction data, excluding Customer Account Information, Customer-ID, and Customer Identifying Information; and (b) options transaction data, excluding Customer Account Information, Customer-ID, and Customer Identifying Information.	N/A	N/A	Completed
2	12/31/2020	12/31/2020	FAM Period 2 Completion of Full Implementation of Core Equity Reporting, defined under CAT NMS Plan Section 1.1 as the point at which: (a) Industry Member reporting (excluding reporting by Small Industry Members that are not OATS reporters) for equities transactions, excluding Customer Account Information, Customer-ID, and Customer Identifying Information, is developed, tested, and implemented at a 5% Error Rate or less and with sufficient intra-firm linkage, inter-firm linkage, national securities exchange linkage, and trade reporting facilities linkage to permit the Participants and the Commission to analyze the full lifecycle of an order across the national	N/A	N/A	Completed

	Implementation Plan Completion Date	Targeted Completion Date or Actual Completion Date	Milestones	Description of Any Variance From the IP	Other Factual Indicators	Description of Status as of 12/31/2020
			<p>market system, excluding linkage of representative orders, from order origination through order execution or order cancellation; and</p> <p>(b) the query tool functionality required by Section 6.10(c)(i)(A) and Appendix D, Sections 8.1.1-8.1.3 and Section 8.2.1 incorporates the Industry Member equities transaction data described in condition (a) and is available to the Participants and to the Commission</p>			
3	12/31/2021	12/31/2021	<p>FAM Period 3 Completion of Full Availability and Regulatory Utilization of Transactional Database Functionality, defined under CAT NMS Plan Section 1.1 as the point at which:</p> <p>(a) reporting to the Order Audit Trail System (“OATS”) is no longer required for new orders;</p> <p>(b) Industry Member reporting for equities transactions and simple electronic options transactions, excluding Customer Account Information, Customer-ID, and Customer Identifying Information, with sufficient intra-firm linkage, inter-firm linkage, national securities exchange linkage, trade reporting facilities linkage, and representative order linkages (including any equities allocation information provided in an Allocation Report) to permit the Participants and the Commission to analyze the full lifecycle of an order across the</p>	N/A	<p>On track to be met</p> <ul style="list-style-type: none"> • The SEC approved FINRA’s OATS retirement filing which describes the conditions under which OATS will be retired • Phase 2a has been fully implemented as of October 26, 2020 • Phase 2b has been fully implemented as of January 4, 2021 • The average overall error rate is less than 5% as of December 31, 2020 	In Progress

	Implementation Plan Completion Date	Targeted Completion Date or Actual Completion Date	Milestones	Description of Any Variance From the IP	Other Factual Indicators	Description of Status as of 12/31/2020
			<p>national market system, from order origination through order execution or order cancellation, is developed, tested, and implemented at a 5% Error Rate or less;</p> <p>(c) Industry Member reporting for manual options transactions and complex options transactions, excluding Customer Account Information, Customer-ID, and Customer Identifying Information, with all required linkages to permit the Participants and the Commission to analyze the full lifecycle of an order across the national market system, from order origination through order execution or order cancellation, including any options allocation information provided in an Allocation Report, is developed, tested, and fully implemented;</p> <p>(d) the query tool functionality required by Section 6.10(c)(i)(A) and Appendix D, Sections 8.1.1-8.1.3, Section 8.2.1, and Section 8.5 incorporates the data described in conditions (b)-(c) and is available to the Participants and to the Commission; and</p> <p>(e) the requirements of Section 6.10(a) are met.</p>			
4	12/30/2022	12/30/2022	<p>FAM Period 4</p> <p>Completion of Full Implementation of CAT NMS Plan Requirements, defined under CAT NMS Plan Section 1.1 as the point at which the Participants have satisfied all of their obligations to build and</p>	N/A	<p>On track to be met</p> <ul style="list-style-type: none"> See completion of FAM 1 and FAM 2 and factual indicators for FAM 3 for progress to completion of FAM 4 	In Progress

	Implementation Plan Completion Date	Targeted Completion Date or Actual Completion Date	Milestones	Description of Any Variance From the IP	Other Factual Indicators	Description of Status as of 12/31/2020
			<p>implement the CAT, such that all CAT system functionality required by Rule 613 and the CAT NMS Plan has been developed, successfully tested, and fully implemented at the initial Error Rates specified by Section 6.5(d)(i) or less, including functionality that efficiently permits the Participants and the Commission to access all CAT Data required to be stored in the Central Repository pursuant to Section 6.5(a), including Customer Account Information, Customer-ID, Customer Identifying Information, and Allocation Reports, and to analyze the full lifecycle of an order across the national market system, from order origination through order execution or order cancellation, including any related allocation information provided in an Allocation Report.</p>			

EXEMPTION MILESTONES

	Exemptive Order Completion Date	Targeted Completion Date or Actual Completion Date	Milestones	Description of Any Variance From the Exemptive Order	Other Factual Indicators	Description of Status as of 12/31/2020
1	4/30/2021	4/30/2021	Timeframe for ‘returning results’ . . . begins with the submission of the query in OTQT and ends with the return of results to the query of the user	N/A	Under review as of 12/31/2020	In progress
2	7/31/2021	7/31/2021	Corrections received after T+5 are to be reprocessed, with the Participants’ regulatory staff and SEC notified and informed as to how reprocessing will be completed	N/A	Under review as of 12/31/2020	In Progress
3	7/31/2021	7/31/2021	Section 8.1.2 of Appendix D requires: “The online targeted query tool must support parallel processing of queries. At a minimum, the online targeted query tool must be able to process up to 300 simultaneous query requests with no performance degradation.”	N/A	Under review as of 12/31/2020	In Progress
4	12/13/2021	12/13/2021	An order that a Participants receives, but then rejects, is a CAT Reportable Event, and that the receipt of that order and the time at which that order was received also must be reported pursuant to Section 6.3(d). Rejected orders that are reported to the Central Repository must be processed and assembled to create the complete lifecycle of each Reportable Event.	N/A	Under review as of 12/31/2020	In Progress
5	7/31/2023	7/31/2023	The Plan Processor “must have completed initial data validation, made lifecycle linkages (i.e., completed processing and linkage of the initial transaction data) and communicated errors to CAT Reporters” by T+1 at noon	N/A	Under review as of 12/31/2020	In Progress

	Exemptive Order Completion Date	Targeted Completion Date or Actual Completion Date	Milestones	Description of Any Variance From the Exemptive Order	Other Factual Indicators	Description of Status as of 12/31/2020
6	7/31/2023	7/31/2023	Linkage of SIP Data and CAT Data		Under review as of 12/31/2020	In Progress
7	7/31/2023	7/31/2023	Report port level settings as special handling instructions as part of Material Terms of an Order	N/A	Under review as of 12/31/2020	In Progress
8	7/31/2023	7/31/2023	Link all related order events from all CAT Reporters in the lifecycle of a representative orders	N/A	Under review as of 12/31/2020	In Progress