
Small Firm Roadmap to December 13, 2021

06/10/2021

Agenda

- Part 1: Steps to report order data to the CAT Transaction System
- Part 2: Steps to report customer and account data to the CAT Customer & Account Information System (“CAIS”)
- Q&A

Resources

- The recording and presentation from today's webinar will be posted to the Events page of www.catnmsplan.com
 - Toggle to "View Past Events"
- The [Small Firm Roadmap to December 13, 2021](#) is also available on both the Transaction and CAIS Registration & Onboarding pages

Part 1: CAT Transaction System Steps

Transaction Reporting Deadline

- The Transaction Reporting deadline for all firms is December 13, 2021.
- There is no additional phase-in process for Small Industry Members.

Step 1: Determine if Firm Handles Orders in CAT Reportable Securities

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

Step 2: Determine if Firm Meets the CAT Definition of Small Firm

- For CAT reporting purposes, Small Firms (also referred to as “Small Industry Members”) are firms with total capital of less than \$500,000.
- If your firm’s total capital exceeds \$500,000 and currently handles CAT Reportable Securities, then your firm is considered a Large Firm and should currently be reporting to CAT.
- If you meet the definition of a Small Firm, then proceed to Step 3.
- Please see [FAQ A29](#) for more information about what broker-dealers are considered Small Industry Members.

Step 3: Determine if Small Firm is Currently Reporting to FINRA's Order Audit Trail System ("OATS")

- If your firm meets the definition of a Small Firm and is currently reporting order data to OATS, then your firm has a current CAT reporting obligation.
- If your firm meets the definition of a Small Firm and handles CAT Reportable Securities but does not report to OATS, then your firm's CAT reporting obligation commences on December 13, 2021. Proceed to Step 4.

Step 4: Register for CAT Transaction System

- Each Industry Member submitting CAT Transaction data must submit a [CAT Registration Form](#).
- If the firm has already submitted a CAT Registration Form for CAT Transaction reporting, there is no need to resubmit a new registration form.

Step 5: Grant Entitlement to Firm Personnel

- Upon registration, the firm's Super Account Administrator ("SAA") will be granted Administrator entitlement to the CAT Test Environment.
- Industry Members must demonstrate that they can correctly submit data to the Test Environment before being granted access to the Production Environment.

Step 5: Grant Entitlement to Firm Personnel (cont.)

- The firm's SAA may grant User entitlement privileges to personnel within the firm that will need access to the CAT Reporter Portal.
 - The CAT Reporter Portal ("Portal") is a web-based tool that allows CAT Reporters to monitor and manage data submissions to CAT.
 - The Portal includes the ability to:
 - Manually enter and upload data
 - Monitor submissions
 - Review and correct errors
 - The Portal provides access to:
 - Reporting statistics
 - System announcements, system status, and additional resources.
- Further information on granting entitlement and the CAT roles may be found in Section 4.2 of the [Industry Member Onboarding Guide](#).

Step 6: Determine How the Firm Will Submit Data to CAT

- Report CAT data via the following methods:
 - CAT Reporting Agent (most common)
 - Enable a CAT Reporting Agent (i.e., clearing firm or service bureau) to submit CAT data on your behalf
 - Self-Reporting
 - Manually enter records into the CAT Reporter Portal User Interface
 - Upload files to the CAT Reporter Portal
- If you plan to use a CAT Reporting Agent to report data on your firm's behalf, please proceed to Step 7.
- If you plan to self-report data, please proceed to Step 8.

Step 7: Establish CAT Reporting Relationship With CAT Reporting Agent in CAT Test Environment

- ▶ If using a CAT Reporting Agent:
 1. Login to the CAT Reporter Portal Test Environment using your FINRA login credentials (see Step 5).
 2. Click on the 'Reporting Relationships' application in the blue navigation bar on the left side of the screen.
 3. Click on 'Add new' to enter the relevant information for CAT Transaction Reporting Relationships.
 4. Save Changes.
- More information about establishing CAT Reporting Relationships can be found in Section 8 of the [CAT Reporter Portal User Guide](#).

Step 8: Certify For Production

- For CAT Transaction Reporting certification, firms are expected to submit a single day of production data to the CAT Test Environment with an error rate of less than 10%.
- Once the production data has successfully been submitted by the firm or CAT Reporting Agent, record the corresponding CAT Processing Date(s) and contact the FINRA CAT Helpdesk to request certification.
- Production Certification must be requested by November 29, 2021 to allow sufficient time to complete all onboarding steps.
- Once your firm has been approved for CAT Production access, your firm's SAA will be granted Administrator entitlement to the CAT Production Environment. The firm's SAA may grant User entitlement privileges to personnel within the firm that will need access to the CAT Reporter Portal Production Environment.
- Additional information regarding production readiness testing can be found in Section 10 of the FINRA CAT [Industry Member Onboarding Guide](#).

Step 9: Establish CAT Reporting Relationship with CAT Reporting Agent in Production Environment

- ▶ If using a CAT Reporting Agent:
 1. Login to the CAT Reporter Portal Production Environment using your FINRA login credentials (see Step 5).
 2. Click on the 'Reporting Relationships' application in the blue navigation bar on the left side of the screen.
 3. Click on 'Add new' to enter the relevant information for CAT Transaction Reporting Relationships.
 4. Save Changes.
- More information about establishing CAT Reporting Relationships can be found in Section 8 of the [CAT Reporter Portal User Guide](#).

Part 2: CAT Customer and Account Information System (CAIS) Steps

CAIS-LTID Reporting Deadline

- The reporting of Customer Identifying Information and Customer Account Information consists of two phases:
 - First phase: LTID/ULTIDs
 - Second phase: All Customer Identifying Information and Customer Account Information.
- The CAIS-LTID reporting deadline for Small Firms is December 13, 2021.
- The reporting deadline for all Industry Members for All Customer Identifying Information and Customer Account Information is July 11, 2022.

Step 1: Determine if Firm Has Account Associated With Large Trader ID (LTID)

- Determine if the firm has any accounts associated with a Large Trader Identification (LTID), as defined by the SEC.
- See [FAQ Q3](#) for further information regarding the reporting phases for CAT CAIS and [FAQ Q30](#) for more information related to LTIDs.

Step 2: Determine if Firm Meets the CAT Definition of Small Firm

- For CAT reporting purposes, Small Firms are firms with total capital of less than \$500,000.
- If your firm's total capital exceeds \$500,000 and currently handles CAT Reportable Securities, then your firm is considered a Large Firm and should be reporting LTIDs and related information to CAT CAIS effective April 26, 2021.
- If you meet this definition of a Small Firm and your firm has accounts with LTIDs, then proceed to Step 3.
- See [FAQ A29](#) for more information regarding what broker-dealers are considered Small Industry Members.

Step 3: Register for CAT CAIS

- Each Industry Member submitting CAT CAIS data must submit a [CAT CAIS Registration Form](#).
- If the firm has already submitted a CAT CAIS Registration Form, there is no need to resubmit a new registration form.
- Firms can submit a new CAT CAIS Registration Form to amend a prior registration.

Step 4: Grant CAT CAIS Test Environment Entitlement to Firm Personnel

- Upon registration, the firm's Super Account Administrator ("SAA") will be granted Administrator entitlement to the CAIS Reporter Portal Industry Test environment.
- The firm's SAA may grant User entitlement privileges to personnel within the firm that will need access to the CAT CAIS Portal.
- More information on granting entitlement and the CAT roles may be found in Section 3.2 of the CAT Onboarding guide: FINRA CAT [Industry Member CAIS Onboarding Guide](#).

Step 5: Determine How Firm Will Submit Data to CAT CAIS

- Report CAT CAIS data via the following methods:
 - CAT Reporting Agent (most common)
 - Enable a CAT Reporting Agent (i.e., clearing firm or service bureau) to submit CAT CAIS data on your behalf
 - Self-Reporting
 - Manually enter records into the CAT CAIS Reporter Portal User Interface
 - Upload files to the CAT CAIS Reporter Portal
- If you plan to use a CAT Reporting Agent to report data on your firm's behalf, please proceed to Step 6.
- If you plan to self-report data, please proceed to Step 7.

Step 6: Establish CAT CAIS Reporting Relationship with CAT Reporting Agent in Test Environment

- ▶ If using a CAT Reporting Agent:
 1. Login to the CAT CAIS Reporter Portal Test Environment using your FINRA login credentials (see Step 4).
 2. Click on the 'Reporting Relationships' application in the blue navigation bar on the left side of the screen.
 3. Click on 'Add new' to enter the relevant information for CAT CAIS Reporting Relationships.
 4. Save Changes.
- More information about establishing CAT Reporting Relationships can be found in Section 7 of the [CAT CAIS Reporter Portal User Guide](#).

Step 7: Certify for CAIS–LTID Production

- For firms with fewer than 100 accounts with LTID associations, all accounts should be submitted for certification using production data.
- For firms with 100 or more accounts with LTID associations, at least 100 accounts should be submitted for certification using production data.
- Once data has successfully been submitted by the firm or CAT Reporting Agent, per the required certification level, with an error rate of less than 10%, record the corresponding CAT Processing Date(s) and contact the FINRA CAT Helpdesk to request certification.
- Production Certification must be requested by November 29, 2021 to allow sufficient time to complete all onboarding steps.
- Once your firm has been approved for CAT CAIS Production access, your firm's SAA will be granted Administrator entitlement to the CAT CAIS Production Environment. The firm's SAA may grant User entitlement privileges to personnel within the firm that will need access to the CAT CAIS Reporter Portal Production Environment.
- For more information regarding testing for production readiness, please reference Section 6 of the FINRA CAT [Industry Member CAIS Onboarding Guide](#).

Step 8: Establish CAT CAIS Reporting Relationship with CAT Reporting Agent in Production Environment

- ▶ If using a CAT Reporting Agent:
 1. Login to the CAT CAIS Reporter Portal Production Environment using your FINRA login credentials (see Step 4).
 2. Click on the 'Reporting Relationships' application in the blue navigation bar on the left side of the screen.
 3. Click on 'Add new' to enter the relevant information for CAT CAIS Reporting Relationships.
 4. Save Changes.
- More information about establishing CAT Reporting Relationships can be found in Section 10 of the [CAT Reporter Portal User Guide](#).

FINRA CAT Helpdesk

Questions may be directed to the FINRA CAT Helpdesk at 888-696-3348 or help@finracat.com

How to Ask a Question during Today's Call

- **For participants using computer audio:**
 - Click the “Raise Hand” button at the bottom of the participant’s window.
 - A visual prompt will indicate that your line has been unmuted.
- **For participants using phone audio:**
 - Enter *9 on your phone keypad.
 - An audio prompt will indicate that your line has been unmuted.