Industry CAT CAIS Release Status

May 18th, 2022

Agenda

- LTID Release Update
- Full CAIS Release Update
- Planned Enhancements
- Specification Updates
- Certification Reminders
- General Announcements & Reminders
- Q&A

Industry CAT CAIS LTID Release Update

CAIS LTID Phase Statistics – May 9th – May 15th, 2022

	Monday, 5/9	Tuesday, 5/10	Wednesday, 5/11	Thursday, 5/12	Friday, 5/13	Saturday, 5/14	Sunday, 5/15
Number of Total Submitters	46	66	62	72	47	0	28
Number of Unique Firms	201	503	529	512	288	0	246
Number of Files Received	Total: 221 Reporter Portal: 10 SFTP: 211	Total: 1,175 Reporter Portal: 63 SFTP: 885	Total: 1,292 Reporter Portal: 11 SFTP: 891	Total: 1,181 Reporter Portal: 17 SFTP: 936	Total: 859 Reporter Portal: 20 SFTP: 640	Total: 0 Reporter Portal: 0 SFTP: 0	Total: 261 Reporter Portal: 0 SFTP: 261
Number of Files Rejected	3	17	5	3	2	0	3
File Reject Rate	1.36%	1.45%	0.39%	0.51%	0.23%	0.00%	1.15%

Production Environment

CAIS LTID Phase Statistics – May 9th – May 15th, 2022

Production Environment							
	Monday, 5/9	**Tuesday, 5/10**	**Wednesday, 5/11**	**Thursday, 5/12**	**Friday, 5/13**	**Saturday, 5/14**	**Sunday, 5/15**
Records Accepted	303,131	814,024	791,721	745,903	732,800	0	444,777
Records Rejected	25	89	38	81	26	0	19
Records Submitted	303,156	814,113	791,759	745,984	732,826	0	444,796
Record Rejection Rate	0.01%	0.01%	0.00%	0.01%	0.00%	0.00%	0.00%

CAT CAIS LTID Open Issues List – As of 5/16/2022 Release Planned/Workaround Provided

#	Status	Error Code	Summary	Resolution	Priority	Test Environment Targeted Release Date/Workaround	Production Environment Targeted Release Date/Workaround	Area Affected

CAT CAIS LTID Recently Closed Issues List – As of 5/16/2022

#	Status	Error Code	Issue Summary	Resolution	Priority	Test Environment Release Date	Production Environment Release Date	Area Affected
1	Closed	N/A	LTID Phase files containing more than 120,000 records are not completing processing when the *fdidRecordCount* field is placed in the file after the *fdidList* multi-dimension array.	Code Release	High	Deployed on 5/1/2022	Deployed on 5/4/2022	Data Validation

*** The Known Issues List is published on www.catnmsplan.com under "Industry Member Specifications" ***

Industry CAT Full CAIS Release Update

Industry Member Release Rollout – Pre-Production

Full CAIS Release 1
Industry Test – 1/31/2022
Production – 4/25/2022

Ingestion
- Industry Test Open for Machine-to-Machine File & Data Integrity Validations, Material Inconsistencies, and Feedback
- Feedback file contains up to 1,000 Rejections

CAIS Reporter Portal
- Manual File Upload
- Manual Submission
- Submission Feedback
- Inconsistencies Feedback
- Nightly Inconsistencies Report

Full CAIS Certification opened on 2/1/2022

Full CAIS Release 2a
Industry Test – 3/28/2022
Production – 4/25/2022

Ingestion
- New DRIVERLICENSE Foreign TID Type
- EIN Validation changed to format validation
- Feedback file enhanced to include all Rejections feedback

CAIS Reporter Portal
- FDID Reconciliation Report updated with Full CAIS information (count of CAT Customers and Version information)

Full CAIS Release 2b
Industry Test – 4/11/2022
Production – 4/25/2022

Ingestion
- Remove OTHBKR and CP customerType values for Legal Entity Customer Records
- Remove BROKERAGE and ADVISED values for accountType
- Remove primeBrokerID and bankDepositoryID fields and add a new DVPCustodianID field

Industry Member Release Rollout – Production

Full CAIS Release 3a
Industry Test – 5/25/2022

Production – 6/13/2022

Ingestion
- New Authorized Trader Names List on FDID record
- Increase *lastName* field length to 200 characters

Reports
- FDID Version Report posted to SFTP weekly, containing active LTID Phase FDIDs not updated to Full CAIS Phase

CAIS Reporter Portal
- FDID Version Report available on-demand, containing active LTID Phase FDIDs not updated to Full CAIS Phase

Full CAIS Release 3b
Industry Test – 6/13/2022

Production – 6/27/2022

Ingestion
- New OTHGOVT Foreign TID Type

Full CAIS Release 4
Industry Test – 8/29/2022

Production – 9/12/2022

Ingestion
- New INACTIVE FDID End Reason

- Automated Transfer Procedure

Full CAIS Phase Statistics –
May 9th – May 15th, 2022

Industry Test Environment							
	Monday, 5/9	**Tuesday, 5/10**	**Wednesday, 5/11**	**Thursday, 5/12**	**Friday, 5/13**	**Saturday, 5/14**	**Sunday, 5/15**
Number of Total Submitters	23	34	26	25	8	21	8
Number of Unique Firms	87	61	95	40	94	143	68
Number of Files Received	339	228	347	213	463	1,436	1,084
Number of Files Rejected	67	76	48	59	15	9	2
File Reject Rate	19.76%	33.33%	13.83%	27.23%	3.24%	0.63%	0.18%

Full CAIS Phase Statistics – May 9th – May 15th, 2022

Industry Test Environment							
	Monday, 5/9	**Tuesday, 5/10**	**Wednesday, 5/11**	**Thursday, 5/12**	**Friday, 5/13**	**Saturday, 5/14**	**Sunday, 5/15**
FDID Records Accepted	15,316	14,810	161,182	326,781	81,827	350,566	369,352
FDID Records Rejected	335,867	318,083	80,706	184,451	94,427	387,463	302,862
FDID Records Submitted	351,183	332,893	241,888	511,232	176,254	738,029	672,214
FDID Record Rejection Rate	95.64%	95.55%	33.37%	36.01%	53.57%	52.50%	45.05%

Full CAIS Phase Statistics –
May 9th – May 15th, 2022

Industry Test Environment							
	Monday, 5/9	**Tuesday, 5/10**	**Wednesday, 5/11**	**Thursday, 5/12**	**Friday, 5/13**	**Saturday, 5/14**	**Sunday, 5/15**
Customer Records Accepted	11,472	10,382	22,441	26,773	98,793	397,671	566,839
Customer Records Rejected	411,461	21,986	4,896	5,356	94,034	339,901	450,809
Customer Records Submitted	422,933	32,368	27,337	32,129	192,827	737,572	1,017,648
Customer Record Rejection Rate	97.29%	67.93%	17.91%	16.67%	48.76%	46.08%	44.30%

Full CAIS Phase Statistics – May 9th – May 15th, 2022

	Production Environment						
	Monday, 5/9	**Tuesday, 5/10**	**Wednesday, 5/11**	**Thursday, 5/12**	**Friday, 5/13**	**Saturday, 5/14**	**Sunday, 5/15**
Number of Total Submitters	2	4	1	1	1	0	1
Number of Unique Firms	2	5	1	1	1	0	1
Number of Files Received	3	17	2	26	33	0	1
Number of Files Rejected	3	13	0	0	0	0	0
File Reject Rate	100%	76.47%	0.00%	0.00%	0.00%	0.00%	0.00%

Full CAIS Phase Statistics –
May 9th – May 15th, 2022

Production Environment							
	Monday, 5/9	**Tuesday, 5/10**	**Wednesday, 5/11**	**Thursday, 5/12**	**Friday, 5/13**	**Saturday, 5/14**	**Sunday, 5/15**
FDID Records Accepted	0	4	2	26	32	0	1
FDID Records Rejected	0	0	0	0	1	0	0
FDID Records Submitted	0	4	2	26	33	0	1
FDID Record Rejection Rate	0.00%	0.00%	0.00%	0.00%	3.03%	0.00%	0.00%

Full CAIS Phase Statistics – May 9th – May 15th, 2022

Production Environment							
	Monday, 5/9	Tuesday, 5/10	Wednesday, 5/11	Thursday, 5/12	Friday, 5/13	Saturday, 5/14	Sunday, 5/15
Customer Records Accepted	0	4	2	26	32	0	1
Customer Records Rejected	0	0	0	0	1	0	0
Customer Records Submitted	0	4	2	26	33	0	1
Customer Record Rejection Rate	0.00%	0.00%	0.00%	0.00%	3.03%	0.00%	0.00%

Full CAIS Phase Rejection Observations

Rejection Source	Top Rejection Reasons
File	• Duplicated File Name • Missing or Invalid FDID Record Count, Legal Entity Record Count, or Natural Person Record Count • Paired Identifiers File Not Received
FDID	• Missing ADDRESS1 record • Missing or invalid *customerRecordID* within the *fdidCustomerList* • *roleStartDate* set earlier than *fdidDate* • No customer was reported with trading capabilities (TRDHOLDER, or AUTHREP or AUTH3RD where *hasDiscretion* is true) • Missing *hasDiscretion*
Customer	• Customer rejected because FDID was rejected • Missing or invalid *customerRecordID* • Data type violation • Malformed TID • *customerRecordID* not present in Identifiers file

Full CAIS Phase Testing Observations

➢ Firms have experienced high initial rejection rates due to repeated issues within a file

➢ Record validations can result in rejections on one record resulting in rejections to related records.

  ➢ A common customer present with multiple versions in the submission file, where one record is missing a required attribute, caused rejections for over 100,000 FDIDs and related customers

➢ Starting at a high volume of records in the submission file complicates the analysis of rejections.

➢ **Recommendation** is to start with a smaller representative sample of FDIDs – under 10,000 FDIDs – and all their associated customers, identify common errors in feedback, and increase size of sample as common errors are resolved and error rate is reduced.

Full CAIS Phase Reminders

➢ **FAQ Q7: Is an Industry Member permitted to provide Sensitive Identifiers, dates of birth and account numbers as a part of the Customer Identifying Information and Customer Account Information?**

➢ No. Sensitive Identifiers are defined in the Customer and Account Information Technical Specifications as Social Security Number and Individual Taxpayer Identification Identifiers. Industry Members must not provide Sensitive Identifiers, nor full dates of birth for individuals, nor account numbers for customer accounts to the CAT. In light of security concerns raised with regard to the maintenance of Customer information in the CAT, the SEC granted exemptive relief on March 17, 2020 that would eliminate the requirement to report these three data elements [**See Approval Order**]. Instead of these three elements, Industry Members will be required to report to the CAT a transformed value for Sensitive Identifier and year of birth for individuals, and a Firm Designated ID ("FDID") for each account. Further, actual customer account numbers may not be used for FDID. See FAQ Section M for detailed guidance for FDIDs.

➢ Further, a Sensitive Identifier, date of birth or account number must not be submitted to CAIS as a value for **any field** in the record including *firmDesignatedID* and *accountName,* unless it is masked. In the scenario where a Sensitive Identifier, date of birth or account number is part of the account name in an Industry Member's books and records, it is expected that the masked *accountName* value submitted to CAIS will not match the unmasked account name in an Industry Member's books and records.

➢ In addition, Industry Members must not submit to CAIS, in any field of the record, any other number associated with the customer's account that could be used to effect a transaction in the account.

Planned Enhancements and Specification Updates

CAT Full CAIS Open Issues List – As of 5/16/2022
Release Planned/Workaround Provided – Additional Releases

#	Status	Error Code	Summary	Resolution	Priority	Test Environment Targeted Release Date/Workaround	Production Environment Targeted Release Date/Workaround	Area Affected
1	Open	N/A	Users are not able to include a correctionList entry in a Manual Form Submission. This impacts error codes 22001 and 22900.	Code Release	Low	Fix: 5/25/2022	Fix: 6/13/2022	Manual Form Submission
2	Open	N/A	Submission Report shows more results than the selected records per page when the user changes to a new View Data As perspective.	Code Release	Low	Fix: 5/25/2022	Fix: 6/13/2022	Reporter Portal
3	Open	N/A	Count of FDIDs or CAT Customers processed do not match the count of FDIDs or CAT Customers in the submission file when multiple records are rejected for a malformed or duplicated FDID, or malformed TID. The multiple rejection instances are counted as a single processed record and rejection, resulting in a lower count of processed records than were in the submission file.	Code Release	Medium	Fix: 5/25/2022	Fix: 6/13/2022	Data Validation
4	Open	N/A	Data file submissions intermittently display on the Reporter portal as in progress and completed simultaneously.	Code Release	Low	Fix: 5/25/2022	Fix: 6/13/2022	Reporter Portal

*** The Known Issues List is published on www.catnmsplan.com under "Industry Member Specifications" ***

CAT Full CAIS Open Issues List – As of 5/16/2022
Release Planned/Workaround Provided – Additional Releases

#	Status	Error Code	Summary	Resolution	Priority	Test Environment Targeted Release Date/Workaround	Production Environment Targeted Release Date/Workaround	Area Affected
5	UPDATED – Open	22044	Intermittent instances of CAIS Data files remaining in a FILE_INTEGRITY_PASSED status for an extended time and not completing processing, when the file contains FDID records with associations to more than one customer, and at least one of the associations does not have a populated *roleStartDate*.	Code Release	High	Deployed on 5/4/2022	**Fix:** 5/18/2022	Data Ingestion
6	NEW – Open	N/A	Nightly inconsistencies feedback files are generated but do not contain the identified Impacted inconsistencies for the day.	Code Release	High	**Fix:** 5/25/2022	**Fix:** 6/13/2022	Inconsistencies
7	NEW – Open	22061	FDID records are incorrectly rejected when the *fdidCustomerList* includes records with a *role* of TRDHOLDER or NTHOLDER and the *hasDiscretion* attribute is included in the file with a Boolean null.	Code Release	High	**Fix:** 5/25/2022	**Fix:** 6/13/2022	Data Validation

*** The Known Issues List is published on www.catnmsplan.com under "Industry Member Specifications" ***

CAT Full CAIS Recently Closed Issues List
As of 5/16/2022

#	Status	Error Code	Summary	Resolution	Priority	Test Environment Targeted Release Date/Workaround	Production Environment Targeted Release Date/Workaround	Area Affected
1	Closed	N/A	Intermittent instances of CAIS Data files remaining in a FILE_INTEGRITY_PASSED status for an extended time and not completing processing, when a large number of FDID records within a single file each have a large number of data validation errors.	Code Release	High	**Workaround:** If the file remains in FILE_INTEGRITY_PASSED for more than 2 hours, then contact the FINRA CAT Helpdesk for further assistance. Deployed on 5/1/2022	Deployed on 5/4/2022	Data Validation
2	Closed	N/A	Intermittent instances of CAIS Data files remaining in a RECORD_SCAN_COMPLETED status for an extended time and not completing processing, when the file contains FDID records that have been previously accepted in to CAIS with a common Customer that has associations to a significant number of FDIDs (1000+), and the new submission file implicitly ends associations to the previously associated Customer.	Code Release	High	**Workaround:** If the file remains in RECORD_SCAN_COMPLETED for more than 4 hours, then contact the FINRA CAT Helpdesk for further assistance. Deployed on 5/1/2022	Deployed on 5/4/2022	Data Ingestion

*** The Known Issues List is published on www.catnmsplan.com under "Industry Member Specifications" ***

CAT CAIS Planned Enhancements – Open

#	Status	Error Code	Summary	Resolution	Priority	Test Environment Targeted Release Date	Production Environment Targeted Release Date	Area
1	Open	N/A	The Update button on a Manual Form Submission is enabled when viewing a previously added record. The button should be disabled until at least one field is updated by the user.	Code Release	Low	**Fix:** TBD	**Fix:** 7/11/2022	Manual Form Submission
2	Open	N/A	When selecting date values in the Manual Form Submission, the date is not selected when the user first clicks a date. The date is only selected on the second click.	Code Release	Low	**Fix:** TBD	**Fix:** 7/11/2022	Manual Form Submission
3	Open	N/A	Certain columns are not displayed in the Submission Report by default.	Code Release	Low	**Workaround:** User may add the columns to their view. **Fix:** TBD	**Fix:** 7/11/2022	Reporter Portal
4	Open	N/A	Update SFTP feedback file to include "CANCELLED_BY_SUPPORT" status.	Code Release	Medium	**Fix:** 5/25/2022	**Fix:** 6/13/2022	Reporter Portal

CAT CAIS Planned Enhancements – Recently Closed

#	Status	Error Code	Summary	Resolution	Priority	Test Environment Targeted Release Date	Production Environment Targeted Release Date	Area

CAT CAIS–
Planned LTID Phase Specification Updates

#	Status	Summary	Publish Date	Spec Version
1	Open	Clarify that malformed LTID can be corrected by sending the same FDID with corrected LTID entry - does NOT require *correctionAction* message	TBD	V1.2.3

CAT CAIS–
Planned Full CAIS Phase Specification Updates

#	Status	Summary	Publish Date	Spec Version	Effective Date - Test	Effective Date - Prod
1	Published	Add a new *fdidEndReason* value of 'INACTIVE' as option to end FDIDs that have had no CAT-reportable activity events (e.g., MENO, MEOR, MEOT, etc.) associated with the Account in the prior six months. For the purposes of periodic refresh requirements, monthly refresh report excludes any FDID with an *fdidEndReason* of 'INACTIVE' populated and an *fdidEndDate* set on or before the date of the report.	3/9/2022	2.0r7	8/28/2022	9/11/2022
2	Published	Add an additional *foreignTIDType* value of an other government assigned identifier ("OTHGOVT") that is known to have been assigned by a non-national level government entity, such as a local government entity. The OTHGOVT *foreignTIDType* will be added as the last entry in the Foreign TID Type hierarchy, after "DRIVERLICENSE," and will be usable for both Natural Person and Legal Entity CAT Customers.	4/8/2022	2.0r8	6/13/2022	6/27/2022
3	Published	Add a multi-dimensional array on the FDID, called *authTraderNamesList*, for reporting of Natural Person Authorized Traders where an Industry Member has not historically collected and systematized all data required to report the trader as a Natural Person CAT Customer, and will not be able to collect and systematize the data by July 11, 2022. The Authorized Trader Names List must only include Natural Person Authorized Traders, where the IM does not have all data required to report the Authorized Trader as a full CAT Customer record	4/8/2022	2.0r8	5/25/2022	6/13/2022
4	Open	Update the description of Error Code 22523 – Customer Record rejected because an associated FDID was rejected – to include that the Error Code is also returned in the event the Customer Record is not associated to at least one FDID within the submission file.	TBD	2.0r10	N/A	N/A

* Planned Technical Specification updates are subject to approval by the CAT NMS Plan Operating Committee.

General Announcements and Reminders

Full CAIS Phase Reporting Certification

- Full CAIS Phase certification opened in the Industry Test environment on February 1.

- Full CAIS Phase Certification **has been extended to July 1**, 2022.

- Webinar from October 6, 2021, covered Full CAIS certification requirements and is available on the CAT NMS Plan site.

- Certification is also detailed in the Industry Member CAIS Onboarding Guide.

- Effective April 25, 2022, a separate CAIS Reporter Production User role must also be assigned to enable submission of Full CAIS Phase files in the CAIS Production environment. LTID Phase files may still be submitted with the existing Prod entitlement.

FDID Submissions in Full CAIS Phase – Error Rate Impact

▶ CAIS Report Cards

  ◦ Beginning April 25, 2022, Full CAIS submissions may be reported to the Full CAIS Production Environment.

  ◦ While there is no compliance obligation for the reporting of non-LTID FDIDs until July 11, 2022, all Full CAIS FDID reporting errors are included in the FDID and Overall Error Rate beginning April 25, 2022 in the CAIS Reporter Daily Statistics and in the April 2022 CAIS Report Cards.

  ◦ All Customer Records that are repaired late or are outstanding will be included in the Customer and Overall Submission Error Rate beginning on July 11, 2022 and will be included in the August 2022 CAIS Report Cards.

▶ Transaction Report Cards

  ◦ FDID errors will be included in the Compliance Error Rates beginning with the July 11, 2022 Compliance date and will be included in the CAT Transaction Report Cards beginning with the August 2022 Report Cards, published in September 2022.

FINRA CAT Announcements and Reminders

➤ CAT CAIS Checkpoint Calls to be held every other Wednesday at 4:15 E.T. – the next call will be scheduled for Wednesday, June 1, 2022. CAT CAIS Checkpoint Calls will be held weekly beginning in June.

➤ Upcoming CAIS webinars:
  ➤ Error Repairs and Corrections on Tuesday, 5/24
  ➤ Material Inconsistences on Wednesday, 5/25

➤ Connectivity Guides, Reporting Scenarios, Use Cases, and updated FAQs available at catnmsplan.com

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 participants 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.