FDID Validation of CAT Transaction Data

November 15, 2022

Agenda

- Error Feedback and Timing
- Transaction Events with FDIDs
- Transaction Data Validation Approach
- FDID Reference Data
- FDID Error Corrections
- FDID Validation Error Codes
- Reporter Portal Error Code Counts
- FDID Errors Summary Feedback File
- Reporter Portal Statistics & Report Cards

Error Feedback and Timing

- Schedule for FDID validation of CAT Transaction records in various environments
  - Test – currently available and uses data from Full CAIS Production environment
  - Prod-Mirror – 12/5/2022 – changed from 11/7/2022
  - Production – 12/5/2022 – changed from 11/7/2022
- CAT will perform FDID validations between 8am and noon on T+1
- Related feedback will be available by T+1 noon with other linkage feedback
- New Errors Summary feedback file will be provided with error counts grouped by FDID and Message Type
- FDID Errors will be included in the daily statistics starting 12/5/2022 and the Compliance Report Cards starting with the January 2023 Report Card

Transaction Events with FDIDs

- The following order and allocation events currently contain the *firmDesignatedID* (as well as the *newOrderFDID*, as applicable) and are in-scope to receive FDID Validation Errors

Table 1:

Order Events			
New Quote Events	Equities, Options & Multi-leg New Order Events	Equities & Options Trade Events	Equities Fulfillment Events
MENQ	MENO	MEOT	MEOF
	MENOS	MOOT	MEFA
	MONO	MEOTS	
	MONOS		
	MLNO		
	MLOS		

Table 2:

Allocation Events
Equity & Options Allocation Events
MEPA
MOPA
MEAA
MOAA

Transaction Data Validation Approach

- CAT will validate that the *firmDesignatedID* and *newOrderFDID* values provided on all transactions are present and active in Full CAIS Production
- Events not passing the validation will be considered errors - not rejections
  - Every event having an invalid FDID will generate an error and will be included in compliance metrics on the processing date
  - Events with FDID errors will be accepted by CAT and will fully participate in the linkage process

FDID Reference Data

- The CAIS system will provide all available FDIDs in Full CAIS Production environment as of T+1 at 8am
- FINRA CAT will be analyzing the final FDID list available after T+1 at 5pm to determine if there are FDIDs that were not present in the T+1 at 8am file
- If FDIDs are found in the T+1 at 5pm file that were not present in the file used for the transaction validation, FINRA CAT will communicate this to the impacted firms
- FINRA CAT has multiple files with snapshots of CAIS Production data taken at different time intervals that can be used if there are processing delays with T+1 at 8am file
- Use of an earlier file may result in false errors, and this will be communicated to IMs
- If a false alert occurs, it will automatically reconcile the next day

FDID Error Corrections

- FDID errors where the FDID is missing in CAIS
  - A submission accepted into CAIS will reconcile the error
  - Corrections for CAIS data having errors are due by T+3 at 5pm
  - Related errors in transaction data will be reconciled
  - Reconciliation process runs for 90 days

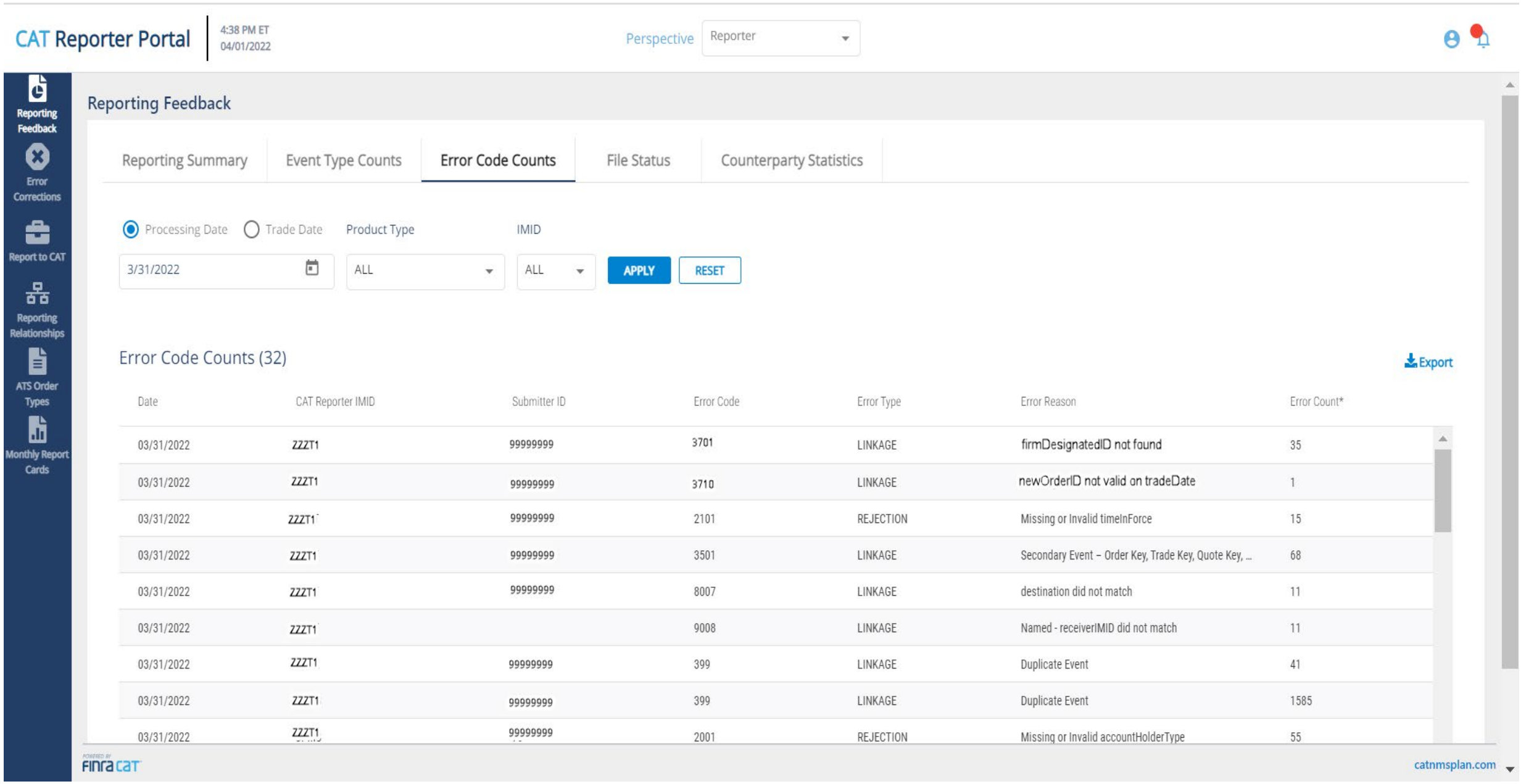
- FDID errors where the FDID has been correctly reported to CAIS, but incorrectly reported on the transaction side
  - The FDID must be corrected on the transaction side and resubmitted
  - Corrections for CAT events having FDID errors are due by T+3 at 8AM

FDID Validation Error Codes

The following 10 new error codes will be delivered in the existing linkage error files and in the format of the original submissions

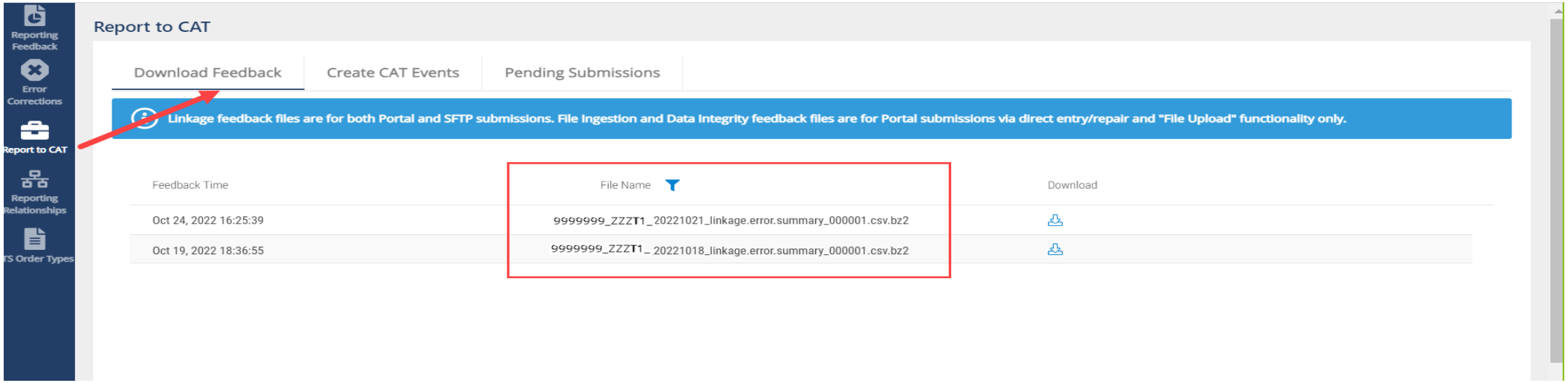
Error Code	Error Code Description	Explanation	Warning/ Error
395	Early Reported Event	*firmDesignatedID* or *newOrderFDID* is not found in CAIS because the event is reported to CAT prior to the due date. This warning is not repairable.	Warning
3701	*firmDesignatedID* not found	*firmDesignatedID* does not exist in CAIS for the CAT Reporter.	Error
3702	*firmDesignatedID* not valid on Event Date	*firmDesignatedID* is not valid in CAIS for the CAT Reporter for the event date. For allocation events *tradeDate* is used. For all other events, the date portion of *eventTimestamp* is used.	Error
3703	*firmDesignatedID* in *buyDetails* not found	*firmDesignatedID* does not exist in CAIS for the CAT Reporter.	Error
3704	*firmDesignatedID* in *buyDetails* not valid on Event Date	*firmDesignatedID* is not valid in CAIS for the CAT Reporter for the event date (i.e. the date portion of *eventTimestamp).*	Error
3705	*firmDesignatedID* in *sellDetails* not found	*firmDesignatedID* does not exist in CAIS for the CAT Reporter.	Error
3706	*firmDesignatedID* in *sellDetails* not valid on Event Date	*firmDesignatedID* is not valid in CAIS for the CAT Reporter on the event date (i.e. the date portion of *eventTimestamp).*	Error
3707	*firmDesignatedID* in *firmDetails* not found	*firmDesignatedID* does not exist in CAIS for the CAT Reporter.	Error
3708	*firmDesignatedID* in *firmDetails* not valid on Event Date	*firmDesignatedID* is not valid in CAIS on the event date (i.e. the date portion of *eventTimestamp).*	Error
3709	*newOrderFDID* not found	*correspondentCRD* is not populated or is equal to the CAT Reporter ID and *newOrderFDID* does not exist in CAIS for the CAT Reporter.	Error
3710	*newOrderFDID* not valid on *tradeDate*	*correspondentCRD* is not populated or is equal to the CAT Reporter ID and *newOrderFDID* is not valid in CAIS for the CAT Reporter on the *tradeDate.*	Error

Reporter Portal – Error Code Counts Screen Example



FDID Errors Summary Feedback File

- A new feedback file will be delivered following the completion of Linkage Feedback



CSV Example

```
FDID3,MONO,2,3701,firmDesignatedID not found
FDID3,MOOT,1,3703,firmDesignatedID in buyDetails not found
FDID3,MOOT,1,3705,firmDesignatedID in sellDetails not found
FDID3,MOPA,2,3701,firmDesignatedID not found
FDID4,MENO,2,3701,firmDesignatedID not found
FDID4,MEOT,2,3705,firmDesignatedID in sellDetails not found
FDID4,MEPA,2,3701,firmDesignatedID not found
```

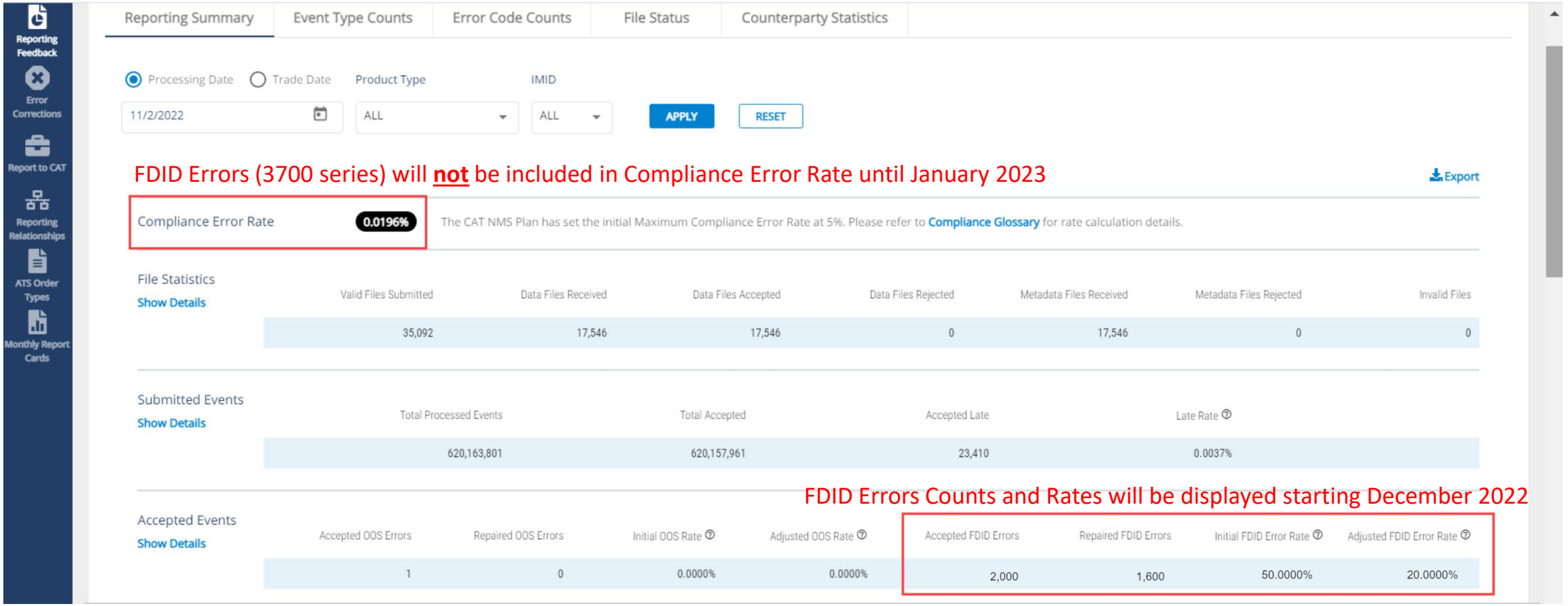
JSON Example

```
{"value":"FDID1","type":"MENO","errorCount":2,"code":"3702","desc":"firmDesignatedID not valid on Event Date"}
{"value":"FDID1","type":"MEOT","errorCount":2,"code":"3706","desc":"firmDesignatedID in sellDetails not valid on Event Date"}
{"value":"FDID1","type":"MEPA","errorCount":2,"code":"3702","desc":"firmDesignatedID not valid on Event Date"}
{"value":"FDID2","type":"MOPA","errorCount":1,"code":"3709","desc":"newOrderFDID not found"}
```

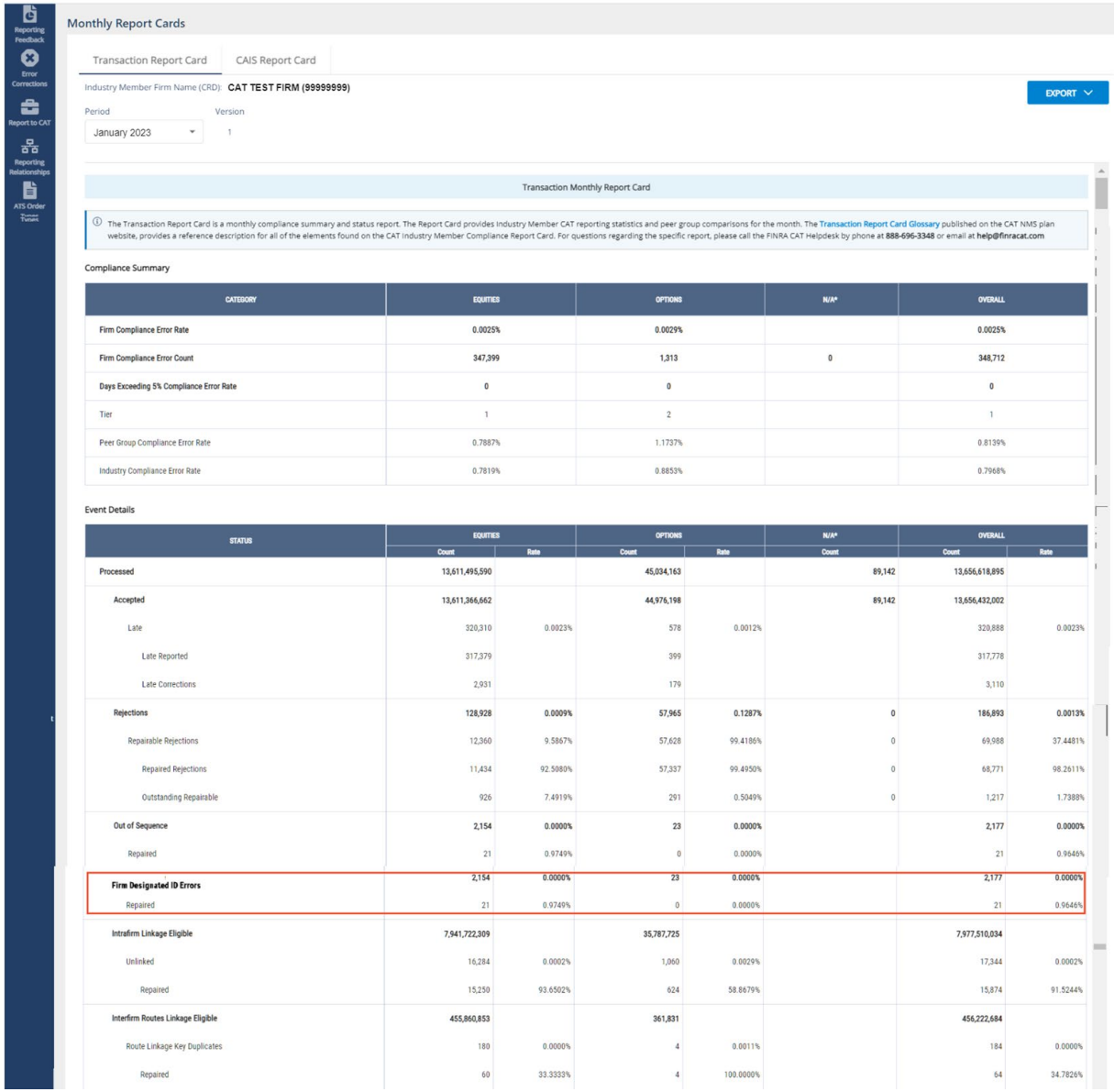
Reporter Portal Statistics

- **Error Code Counts** screen will include the records that are in error with the corresponding error codes
- **Reporting Summary** screen will include a separate section that includes:
  - Accepted FDID Errors Count
  - Repaired FDID Errors Count
  - Initial FDID Error Rate (Accepted FDID Error Count/Total Accepted Record Count)
  - Adjusted FDID Error Rate (Accepted FDID Error Count - Repaired FDID Error Count /Total Accepted Record Count)
- **Report Cards screen** will include FDID Errors and Repairs (counts & percentages) by Product and Overall
- **Overall compliance error rate** on **reporting summary** and **report cards** screen will include the outstanding FDID errors. If the record has other errors, it is only counted once

Reporter Portal – Reporting Summary Statistics



Reporter Portal – Transaction Report Card Screen Example



Monthly Report Cards

Transaction Report Card | CAIS Report Card

Industry Member Firm Name (CRD): CAT TEST FIRM (99999999)

EXPORT

Period: January 2023 | Version: 1

Transaction Monthly Report Card

The Transaction Report Card is a monthly compliance summary and status report. The Report Card provides Industry Member CAT reporting statistics and peer group comparisons for the month. The Transaction Report Card Glossary published on the CAT NMS plan website, provides a reference description for all of the elements found on the CAT Industry Member Compliance Report Card. For questions regarding the specific report, please call the FINRA CAT Helpdesk by phone at 888-696-3348 or email at help@finracat.com

Compliance Summary

CATEGORY	EQUITIES	OPTIONS	N/A*	OVERALL
Firm Compliance Error Rate	0.0025%	0.0029%		0.0025%
Firm Compliance Error Count	347,399	1,313	0	348,712
Days Exceeding 5% Compliance Error Rate	0	0		0
Tier	1	2		1
Peer Group Compliance Error Rate	0.7887%	1.1737%		0.8139%
Industry Compliance Error Rate	0.7819%	0.8853%		0.7968%

Event Details

STATUS	EQUITIES		OPTIONS		N/A*	OVERALL	
	Count	Rate	Count	Rate	Count	Count	Rate
Processed	13,611,495,590		45,034,163		89,142	13,656,618,895	
Accepted	13,611,366,662		44,976,198		89,142	13,656,432,002	
Late	320,310	0.0023%	578	0.0012%		320,888	0.0023%
Late Reported	317,379		399			317,778	
Late Corrections	2,931		179			3,110	
Rejections	128,928	0.0009%	57,965	0.1287%	0	186,893	0.0013%
Repairable Rejections	12,360	9.5867%	57,628	99.4186%	0	69,988	37.4481%
Repaired Rejections	11,434	92.5080%	57,337	99.4950%	0	68,771	98.2611%
Outstanding Repairable	926	7.4919%	291	0.5049%	0	1,217	1.7388%
Out of Sequence	2,154	0.0000%	23	0.0000%		2,177	0.0000%
Repaired	21	0.9749%	0	0.0000%		21	0.9646%
Firm Designated ID Errors	2,154	0.0000%	23	0.0000%		2,177	0.0000%
Repaired	21	0.9749%	0	0.0000%		21	0.9646%
Intrafirm Linkage Eligible	7,941,722,309		35,787,725			7,977,510,034	
Unlinked	16,284	0.0002%	1,060	0.0029%		17,344	0.0002%
Repaired	15,250	93.6502%	624	58.8679%		15,874	91.5244%
Interfirm Routes Linkage Eligible	455,860,853		361,831			456,222,684	
Route Linkage Key Duplicates	180	0.0000%	4	0.0011%		184	0.0000%
Repaired	60	33.3333%	4	100.0000%		64	34.7826%

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.