

FINRA CAT Industry Member Onboarding Guide

8/16/2019

Version 1.2

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Change Log

Version	Date Published	Description of Change(s)
1.0	7/31/2019	Guide initially published on the CAT NMS web site.
1.1	8/7/2019	<ul style="list-style-type: none"> • §4 has been updated to reflect that SAAs and AAs can grant entitlements to the Reporter Portal beginning on September 9, 2019, rather than the previously indicated August 30, 2019. • A change Log has been added to the document.
1.2	8/16/2019	<ul style="list-style-type: none"> • A link to the FINRA CAT Connectivity Supplement for Industry Members has been added to Companion Documents • §6 has been updated to reflect publication of the FINRA CAT Connectivity Supplement for Industry Members

Introduction

Rule 613 of the Securities Exchange Act of 1934 requires national securities exchanges and national securities associations (“SROs”) to submit a national market system plan to the Securities and Exchange Commission (“Commission” or “SEC”) to create, implement, and maintain a consolidated audit trail (the “CAT”) that would allow regulators to more efficiently and accurately track all activity in U.S. equity and listed options markets. Pursuant to Rule 613, the SROs filed with the Commission the National Market System Plan Governing the Consolidated Audit Trail (“CAT NMS Plan”), which was approved by the Commission on November 15, 2016.

Under Rule 613(g)(2), each member of a national securities exchange or national securities association is required to comply with all the provisions of the CAT NMS Plan. Relatedly, as mandated under Rule 613, the CAT NMS Plan requires each SRO to adopt rules requiring its members to comply with Rule 613 and the CAT NMS Plan, and to agree to enforce compliance by its members in that regard. Accordingly, each SRO has adopted rules requiring its members to comply with Rule 613 and the CAT NMS Plan. See, e.g., FINRA Rule 6800 Series.

The SROs jointly own CAT NMS, LLC, which was formed by the SROs to arrange for and oversee the creation, implementation, and maintenance of the CAT as required under Rule 613. Thus, the CAT is a facility of each SRO.

For more information, refer to SEC Rule 613: <https://www.sec.gov/rules/final/2012/34-67457.pdf> and the CAT NMS Plan: <https://www.catnmsplan.com/wp-content/uploads/2018/02/34-79318-exhibit-a.pdf>.

Onboarding Overview

The FINRA CAT Onboarding Guide provides information for CAT Reporters on how to gain access to the CAT Test and Production Environments for the first time. Industry Members and CAT Reporting Agents that report to CAT on behalf of Industry Members must complete the following steps to gain access to CAT, including:

1. Register for CAT
2. Submit the CAT Reporter Agreement
3. Designate Account Administrators
4. Create / Entitle CAT User Accounts for the CAT Reporter Portal
5. Request CAT Secure File Transfer Accounts
6. Manage Connectivity
7. Establish CAT Reporting Relationships in the Test Environment
8. Establish ATS Order Types in the Test Environment (if applicable)
9. Conduct Testing for Production Readiness
10. Certification of Testing Completion

This document provides instructions for completing each of these steps, as well as additional resources and information. Upon completion of these steps, access to the CAT Production Environment will be authorized.

Questions

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

Companion Documents

- CAT Reporting Technical Specifications for Industry Members, CAT Industry Member Reporting Scenarios, and Industry Member JSON Schema: <https://www.catnmsplan.com/technical-specifications/index.html>
- Entitlement Reference Guide for Super Account Administrators: <http://www.finra.org/sites/default/files/finra-entitlement-program-saa-reference-guide.pdf>
- Reporter Portal User Guide (coming soon)
- FINRA CAT Connectivity Supplement for Industry Members: <https://www.catnmsplan.com/wp-content/uploads/2019/08/FINRA-CAT-Connectivity-Supplement-for-Industry-Members-1.0.pdf>
- Frequently Asked Questions: <https://www.catnmsplan.com/faq/index.html>

1. Register for CAT

Any member of a national securities exchange or national securities association that handles orders or quotes in NMS equity securities, OTC equity securities, or listed options and any CAT Reporting Agent that is or will be authorized to submit data to CAT on behalf of an Industry Member must register in order to report to the CAT system.

The CAT NMS Plan Registration Form must be submitted online at www.catnmsplan.com/registration/index.html.

The information collected on the registration form includes:

- Company Name, Address, Type of Organization, CRD number¹
- Primary and Secondary Contact Name, Phone, Email
- Registered Principal Name, Phone, Email (Not Applicable to Service Bureaus)
- Primary and Secondary Source of CAT Reporting (Self-Reporting or Vendor)
- Preferred Connectivity (SFTP and/or CAT Reporter Portal)
- Type of Securities Traded (Equities and/or Options)
- Whether the firm qualifies as a Small Broker Dealer (Not Applicable to Service Bureaus)
- Whether the firm reports to OATS
- Default CAT Reporting IMID (Not Applicable to Service Bureaus)

Industry Members may use any SRO-assigned identifier (e.g., a Market Participant Identifier) that is valid on the CAT Trading Day as the CAT Reporter IMID to report events for that day. However, each CAT Reporter must provide a Default CAT Reporting IMID during registration. If an Industry Member does not have an identifier assigned to them, they should request an identifier from their Designated Examining Authority (“DEA”).

A list of default CAT Reporting IMIDs will be published for use by other reporters to resolve unlinked records. See [CAT Alert 2018-003](#) for more information.

¹ CAT Reporting Agents that do not have a CRD number must leave the CRD number blank when entering Company Information. An ID will be assigned once a CAT Agreement is submitted and an account is created for an Account Administrator. The ID will be provided by the FINRA CAT Entitlement Team in the notification email alerting that Account Administrator access has been granted.

2. Submit the CAT Reporter Agreement

Each CAT Reporter and CAT Reporting Agent is required to enter an agreement that will govern its use of the CAT system, including such things as access to the system, limitations on use of the system, and security obligations. CAT Reporters must sign a CAT Reporter Agreement prior to gaining entitlement to the CAT system.

2.1. Industry Members

Industry Members must electronically sign a *CAT Reporter Agreement* before entitlement to CAT will be processed. The CAT Reporter Agreement will be available for electronic signature on the CAT NMS Web Site no later than August 31, 2019. The Industry will be notified via an announcement upon publication.

2.2. CAT Reporting Agents

Organizations (“CAT Reporting Agents”) that are not members of any Plan Participant but report to CAT on behalf of Industry Members must sign a *CAT Reporting Agent Agreement* before entitlement to CAT will be processed. The CAT Reporting Agent Agreement will be available for electronic signature on the CAT NMS Web Site no later than August 31, 2019. The Industry will be notified via an announcement upon publication.

3. Designate Account Administrators

Access to CAT leverages the FINRA Entitlement Program that includes the Super Account Administrator (SAA) role for Industry Members and an Account Administrator role for CAT Reporting Agents (Service Providers). Refer to <http://www.finra.org/industry/entitlement-program> for additional information on the FINRA Entitlement Program.

3.1. Request a Super Account Administrator (applicable to Industry Members only)

Industry Members must have a Super Account Administrator (“SAA”) to serve as the primary entitlement contact. Industry Members that have an SAA established with the FINRA Entitlement Program will use that SAA for CAT access; no further action is required. Upon submission and verification of the CAT Reporter Agreement, the SAA will be granted with the capability to provide CAT access to users and create Account Administrators to assist in maintaining user access to CAT.

Firms that do not have a FINRA SAA must complete the [New Organization SAA Entitlement Form](#) to designate an SAA and to authorize set up of this type of account. Once the new SAA form is verified and processed, the SAA will receive an email with log on credentials and have the capability to grant access to CAT and other FINRA systems.

To replace the SAA, contact the FINRA CAT Helpdesk at 888-696-3348 or at help@finracat.com to request an *Update/Replace SAA Form*. The form will be emailed to the Authorized Signatory who signed the form authorizing the former SAA.

An [SAA Reference Guide](#) that includes setting up Account Administrators and users and fulfilling other responsibilities of the role is available on FINRA.org.

3.2. Designate CAT Account Administrators (applicable to Reporting Agents that are not a member of a Plan Participant)

CAT Reporting Agents that are not members of any Plan Participant but report to CAT on behalf of Industry Members must use a CAT Account Administrator (“CAT AA”) role to manage access to CAT. To designate a CAT AA, the organization must submit a [CAT Account Administrator Entitlement Form](#)² (“CAT

² CAT Reporting Agents that are not members of any Plan Participant must complete a CAT AAEF to designate a CAT AA.



AAEF"). An organization may designate more than one CAT AA by completing a form for each individual who will perform this role.

To replace a CAT AA, use the CAT Account Administrator Entitlement Form and complete the applicable section. CAT AAs cannot create or edit their own accounts or the accounts of other CAT AAs. For help with their accounts, CAT AAs will need to contact the FINRA CAT Helpdesk at 888-696-3348 or help@finracat.com.

4. Create / Entitle CAT User Accounts for the CAT Reporter Portal

Once an organization meets the prerequisites for access including: registering for CAT, submitting a CAT Reporter Agreement, and designating an Account Administrator, the FINRA Entitlement Team will grant access to the Super Account Administrators (“SAA”) or CAT Account Administrators (“CAT AA”) to the CAT Test Environment.

SAs and CAT AAs for organizations that have met the prerequisites defined above will have the ability to create user accounts and grant entitlement to the CAT Reporter Portal starting on September 9, 2019. Please note that the CAT Reporter Portal will be available in the Test Environment on November 18, 2019.

4.1. CAT Reporter Portal User Types

4.1.1. CAT Account Administrator

CAT AAs have the highest level of access in CAT. In the CAT Reporter Portal, CAT AAs can:

- Create, view, and transmit reportable events
- Upload data files
- View and repair errors
- Create, view, and edit Reporting Relationships
- Create, view, and edit ATS Order Types
- View and export feedback, including announcements, reporting summaries, and all error records
- View monthly report cards
- Create and edit user preferences

In the FINRA Entitlement system, CAT AAs can:

- Create, edit, disable, and delete CAT User and CAT Read-Only accounts
- Unlock and reset passwords for CAT Users and CAT Read-Only accounts

CAT AAs cannot create, edit, disable, or delete their own accounts, or the accounts of other CAT AAs, nor can they unlock or reset other AA’s passwords. Only the SAA can maintain CAT AA accounts.

4.1.2.CAT User

CAT Users can do the following in the Reporter Portal:

- Create, view, and transmit reportable events
- Upload data files
- View and repair errors
- Create, view, and edit Reporting Relationships
- Create, view, and edit ATS Order Types
- View and export feedback, including announcements, reporting summaries, and all error records
- View monthly report cards
- Create and edit user preferences

4.1.3.CAT Read-Only User

Read-Only users can do the following in the CAT Reporter Portal:

- View Reporting Relationships
- View ATS Order Types
- View and export feedback, including announcements, reporting summaries, and all error records
- View monthly report cards

4.2. Instructions to Create, Modify, and Delete CAT Accounts

SAs and CAT AAs may create, edit, and delete CAT User and CAT Read Only accounts per the following instructions:

1. Log into the [FINRA Firm Gateway](#) and select the User Administration tab.

2. Select **Create New Account** to create a new user account (skip to step 7 below for instructions on modifying and deleting accounts).
3. Complete the following sections of the new user's account. All required fields are marked with an asterisk.
 - Provide user's name and contact information. Click the link to generate a User ID automatically, or create a User ID for the new user.
 - In Account Profile, provide a temporary password for the user. The user will be prompted to change the password upon first logging into the system.

4. On the Account Management screen, in the Application Privileges section, select the entitlement(s) for the CAT Reporter Portal based on the user's intended role in the system:
 - CAT Reporter Portal - application access (note: you will also need to assign one of the privileges below in order for the user to use the application)
 - CAT Admin – CAT Account Administrator access, as defined in 4.1.1
 - CAT User – CAT User role, as defined in 4.1.2
 - CAT Read Only – CAT Read-Only access, as defined in 4.1.3
5. Click Save.
6. Highlight the account information that appears at the top of the screen, copy the credentials, and provide them to the user.

Account Management: Account Saved

The account has been saved for "Jane Doe (jdoe33)".

You can copy-and-paste password notification data from the following bar:

jdoe33 Doe, Jane Gu8+dWuc?#uk3=++

7. When modifying or deleting an account, select the User ID from the search results to open the user's account.

User Administration

- Account Management
 - Create New Account
 - Start New Search
- Help

Account Management: Search Results [Active Users] Printer Friendly

To download this information to your computer, click "Download Results".

Result 1 of 1 Select any header to sort, select again to reverse the sort.

User ID	Last Name	First Name	Middle Name	Email	Department	SAA	Account Status	Applications Administered
firm9999999	Doe	John		john@test.org		No	Active	

Start New Search : Expand / Collapse

8. Select Edit Account to modify a user's account, or Delete Account to delete the user's account.

Deleted accounts cannot be reactivated.
9. Modify the user's account and click Save, or click Delete to remove the user.

Note: SAAs and CAT AAs can also change a user's password or unlock an account in Password Lockout status in the User Administration tab.

Tips for managing user and administrator accounts are available in the following guides:

- [Quick Reference Guide for Super Account Administrators](#)
- [FINRA Entitlement Reference Guide](#)

5. Request CAT Secure File Transfer Accounts

CAT Secure File Transfer Protocol (“SFTP”) Accounts enable Industry Members and CAT Reporting Agents to create a machine-to-machine connection to securely transmit data to CAT and receive related feedback. To create an SFTP account, the organization must first have an SAA or CAT AA established and then submit a CAT SFTP Entitlement Form. To request a CAT SFTP Entitlement Form, contact the FINRA CAT Help Desk at 888-696-3348 or help@finracat.com.

Once the request is verified and processed, the FINRA Entitlement team will send the account credentials to the contact identified on the form. Prior to first use of the SFTP account to submit data, the initial password must be reset by logging into <https://accountmgmt.finra.org/myews/>. Once the password is reset, it will not expire.

Notes:

- *Existing FINRA FTP accounts cannot be leveraged to submit data to or receive data from CAT.*
- *SFTP accounts cannot be used to access the CAT Reporter Portal Web Interface.*

6. Manage Connectivity

Connectivity to CAT will be via private line or the CAT Reporter Portal. Private line connectivity will be provided via a managed private network. Private line solutions will provide access to both the SFTP (Secure File Transfer Protocol) service for machine-to-machine connectivity, as well as to the CAT Reporter Portal for interactive reporting through web-based forms or manual file upload.

The CAT Reporter Portal will also be accessible via the web using a secure, authenticated internet connection. This method of connectivity requires the use of modern browsers supporting HTML5 and TLS (Transport Layer Security). No client software installation is required.

Connectivity details are provided in the [FINRA CAT Connectivity Supplement for Industry Members](#).

7. Establish CAT Reporting Relationships in the Test Environment

CAT Reporting Relationships are required to authorize a Reporting Agent to report on behalf of a CAT Reporter and to authorize a Third-Party Reporting Agent to view data submitted on behalf of a CAT Reporter by another Submitter. Firms that will not use a Reporting Agent or Third-Party Reporting Agent are not required to add Reporting Relationships.

During onboarding, CAT Reporting Relationships must be entered using the CAT Reporter Portal in the Test Environment, which will be available beginning November 18, 2019. There are two types of Reporting Relationships:

Reporting Agent (Submitter) – Authorizes an organization to transmit data to CAT on behalf of a CAT Reporter IMID.

- For SFTP submissions, Reporting Agents will receive a copy of the error feedback in their SFTP feedback folder for data submitted on behalf of the CAT Reporter.
- Using the CAT Reporter Portal, Reporting Agents can view and take action on Reporting Feedback and Errors for the submissions made by the Reporting Agent on behalf of the CAT Reporter.
- Relationship record requires:
 - IMID of the CAT Reporter
 - CRD# / Org ID of the Reporting Agent (Submitter ID)

Third-Party Reporting Agent – Authorizes an organization to view data submitted on behalf of a CAT Reporting IMID by another Submitter.

- In addition to the Reporting Relationship, Third-Party authorization requires the inclusion of the Third-Party Reporting Agent's identifier in the Metadata File submission by the Submitter.
- For the data files transmitted by the Submitter for which the Third-Party Reporting Agent is designated, all associated Reporting Feedback and Errors can be viewed by the Third-Party Reporting Agent using the CAT Reporter Portal.
- Third-Party Agents must have a Reporting Agent relationship to submit repairs to CAT.
- Relationship record requires:
 - IMID of the CAT Reporter
 - CRD# / Org ID of the Reporting Agent (Submitter ID)
 - CRD# / Org ID of the Third-Party Reporting Agent

Note: Existing OATS Reporting Relationships cannot be leveraged.

8. Establish ATS Order Types in the Test Environment

Industry Member ATSs are required to register ATS Order Types with CAT at least 20 days prior to the Order Type becoming effective. During onboarding, ATS Order Types must be entered using the CAT Reporter Portal in the Test Environment, which will be available beginning November 18, 2019.

The following information must be provided for each Order Type used by an ATS:

- ATS MPID
- Order Type Identifier assigned by the ATS
- Description of how the Order Type operates within the ATS
- Effective date of the Order Type
- Expiration Date of the Order Type

Industry Members may not reuse Order Type Identifiers for the same ATS MPID. See [CAT Alert 2019-01](#) for more information.

Note: ATSs must re-register all Order Types. Order Types established in OATS cannot be leveraged.

9. Conduct Testing for Production Readiness

By April 6, 2020, Industry Members and CAT Reporting Agents are required to perform testing to demonstrate their ability to successfully submit data to CAT. Production readiness testing is limited to the validations in effect when an Industry Member is required to begin reporting data to CAT. More specifically, for all Industry Members that are required to begin reporting equity data to CAT on April 20, 2020, production readiness testing will be limited to entitlements, file submissions, and data integrity validations. See also Table 1 below.

Testing is performed in the CAT Test Environment, which is production-equivalent. The CAT Test Environment will be available for submissions starting on December 16, 2019. CAT Reporters have no volume limitation and may submit full production-equivalent loads to the Test Environment. Additionally, validations and feedback processes mirror those of the Production Environment. Test symbols will be accepted in the Test Environment, which is available 24x6.

9.1. Production Readiness Testing Requirements for Self-Reporting Firms

Firms that will report to CAT on their own behalf must perform the following:

- Successfully connect to SFTP and/or login to the CAT Reporter Portal Test Environment.
- Successfully submit at least one data file and one metadata file to the Test Environment for each of its CAT Reporter IMIDs without error.
- Successfully submit a single day of production data to the Test Environment with an error rate³ of less than 10%.
- Record the CAT Processing Date on which the single day of production data was submitted to the Test Environment.

9.2. Production Readiness Testing Requirements for CAT Reporting Agents (“CRA”)

CAT Reporters and CAT Reporting Agents (“CRA”) that will report to CAT on behalf of a firm must perform the following:

- Successfully connect to SFTP and/or login to the CAT Reporter Portal Test Environment.

³ The error rate will be based on validations in effect at the date of required production reporting. For the initial Phase 2a reporting on April 20, 2020, the error rate calculation is equal to the Total Number of Syntax and Semantic Errors divided by Total Submissions. See Table 1.

- Ensure the CRA is identified in a CAT Reporting Agent Relationship in the Test Environment by CAT Reporter(s) for which the CRA will transmit data to CAT.
- Successfully submit at least one data file and one metadata file to the Test Environment for each CAT Reporter IMID for which it plans to report without error.
- Successfully submit a single day of production data to the Test Environment with an error rate⁴ of less than 10%. The production data should include data for each of the CAT Reporter IMIDs for which the CRA is reporting.
- Record the CAT Processing Date on which the single day of production data was submitted to the Test Environment.

9.3. Production Readiness Testing Requirements for Industry Members Submitting via CAT Reporting Agents

CAT Reporters that will exclusively report to CAT using a Reporting Agent must perform the following:

- Firm and CRA successfully connect to SFTP and/or login to the CAT Reporter Portal Test Environment.
- CAT Reporter has defined one or more CAT Reporting Agent Relationships in the Test Environment.
- Record the CAT Processing Date(s) on which each CRA has successfully submitted a single day of production to the Test Environment on the Industry Member's behalf.

Table 1: Production Readiness Error Rates

Production Reporting Phase	Production Readiness Error Rate Based On
Phase 2a Data Integrity Go-live April 20, 2020	Equity Data Integrity Only (Syntax/Semantics)
Phase 2b Data Integrity Go-live May 18, 2020	Options Data Integrity Only (Syntax/Semantics) <i>Note: IMs passing the 2a Production Readiness that are already entitled to the Production Environment do NOT have to re-test for options.</i>
IM Begins Reporting to CAT for the First Time Post Initial Go-live	Validations in effect in the Production Environment when the IM begins reporting to CAT for the first time. <i>Note: Once a CAT Reporter has certified for 2a or 2b, they do not have to recertify for subsequent phases.</i>

⁴ Refer to Footnote 3.

10. Certification of Testing Completion

Once CAT Reporters have completed all onboarding steps, including the successful completion of production readiness testing, each IM and CRA must contact the FINRA CAT Helpdesk at 888-696-3348 or help@finracat.com. The FINRA CAT Helpdesk will require the Processing Date(s) on which the testing occurred.

Upon verification of the Onboarding Steps by FINRA CAT, CAT Reporters will be granted access to the CAT Production Environment, and a notification confirming access will be sent.

All User Accounts, Reporting Relationships, and ATS Order Types entered in the CAT Test Environment as part of the Onboarding Process will be available in Production.