

# Industry Update on the Consolidated Audit Trail

*Consolidated Audit Trail National Market System Plan  
presented by the CAT NMS, LLC Operating Committee*



October 17, 2018

# Agenda

---

Recent SRO Activity

---

Update on CAT Cybersecurity

---

Update on Personally Identifiable Information (PII)

---

SRO Proposed Phase 2a Detailed Timelines

---

Industry Member Technical Specifications: October 5, 2018 Updates (IM Tech Specs)

---

Upcoming Discussions with Industry Members

---

Interpretive FAQs on the CAT NMS Website

---

Accessing Interpretive FAQs on the CAT NMS Website

---

Accessing Tech Specs on the CAT NMS Website

---

CAT NMS Plan Website Subscription

---

CAT Help Desk

---

Q&A

---

# Recent SRO Activity

---

- The Participants commenced User Acceptance Testing (UAT) on July 18, 2018, which continues through today. The focus has been on testing ingestion and linkage functionality to process CAT data as well as demonstrating query functionality once the CAT data has been processed.
- On September 26, 2018 the Participants submitted to the Securities and Exchange Commission (SEC) a request for an exemption from the requirement to enforce compliance by its members with rules that require Industry Members (other than Small Industry Members) and Small Industry Members to record and report Industry Member Data to the Central Repository by November 15, 2018 and November 15, 2019, respectively.
- Participants are working with Thesys CAT, industry groups, and the Advisory Committee towards the first phase of Industry Member reporting, which will commence in November 2019.

# Update on CAT Cybersecurity

---

- System Security Plan designed and aligned with NIST SP800-53, covering facets of cybersecurity applicable to the design, development, and operation of the CAT
- Independent Verification and Validation (IV&V) of CAT R1 security controls in progress, being performed by an expert third-party vendor
- Business Continuity and Disaster Recovery Plan testing to be performed during first week of November

# Update on Personally Identifiable Information (PII)

---

- The CAT NMS Plan (the Plan) currently requires the creation of a customer and account database, separate from the transactional database. Under the Plan, the customer and account database will contain certain customer identifying information, including name, address, DOB, and SSN/ITIN. The Plan contemplates the inclusion of SSN as it is the means by which a CustomerID can be created so that individual customers can be uniquely identified across broker-dealers for use in cross market surveillance, market reconstruction, and investigative efforts.
- In an effort to minimize the amount of customer identifying information captured and stored within CAT, while still achieving the regulatory objectives of CAT, the SROs, through the PII Working Group, in consultation with the Advisory Committee, have evaluated possible alternatives to the current Plan requirements.
- On October 5, 2018, the Operating Committee approved the PII Working Group recommendation to move forward with the approach in the Plan, with the exception that SSN will not be maintained by the Plan Processor, but will be hashed or masked through some means to be determined by the Participants, working together with industry experts.

# SRO Proposed Phase 2a Detailed Timelines

Event	Date
Detailed Scope Finalized	✓ August 1, 2018
FDID Guidance	✓ August 15, 2018
Mapping of OATS Interpretive Guidance to CAT	✓ August 15, 2018
Final Decision on Event Types (e.g., route modifications, etc.)	✓ August 15, 2018
Publication of first draft of Spec for Phase 2a and 2b	✓ September 5, 2018
Publish Technical Field Mapping of OATS Spec to CAT Spec	✓ September 5, 2018
Industry Feedback Due	✓ October 1, 2018
Publish Final Spec for Phase 2a and 2b	October 30, 2018
Industry Test Opens	August 15, 2019
Conformance Period for 2a Starts	November 15, 2019
2a Go-live	November 15, 2019
Conformance Period for 2a Ends	February 24, 2020

# IM Tech Specs: October 5, 2018 Updates

---

- Section 8 Submission updated with new metadata file layout to allow for one metadata file for multiple submission files
- Section 9 Feedback and Corrections updated to allow errors from multiple files to be corrected in one file. CSV format for feedback and correction files will be offered but currently under development. This section will continue to be updated with details in future versions
- Appendix D updated with failure code examples
- Field firmROEID added to all Order Events and Feedback
- Added Appendix C with detailed date descriptions and reporting deadlines
- Updated Child Order event instructions for usage and added new example for clarification
- Updated initiator values in examples to match interpretive guidance
- Removed reportingExceptionCode from Order Fulfillment event
- Placeholder added for a glossary to be included in Appendix E in v1.0

# Upcoming Discussions with Industry Members

---

The Participants, in the upcoming weeks will be discussing the following topics with the IM Tech Specs Working Group:

- Phase 2a Manual Orders
- Phase 2a Representatives Orders
- Options 2b Scope
- OTC Equity Issues
- FDIDs
- Industry Testing
- Error Correction and IMIDs

# Interpretive FAQs on the CAT NMS Website

---

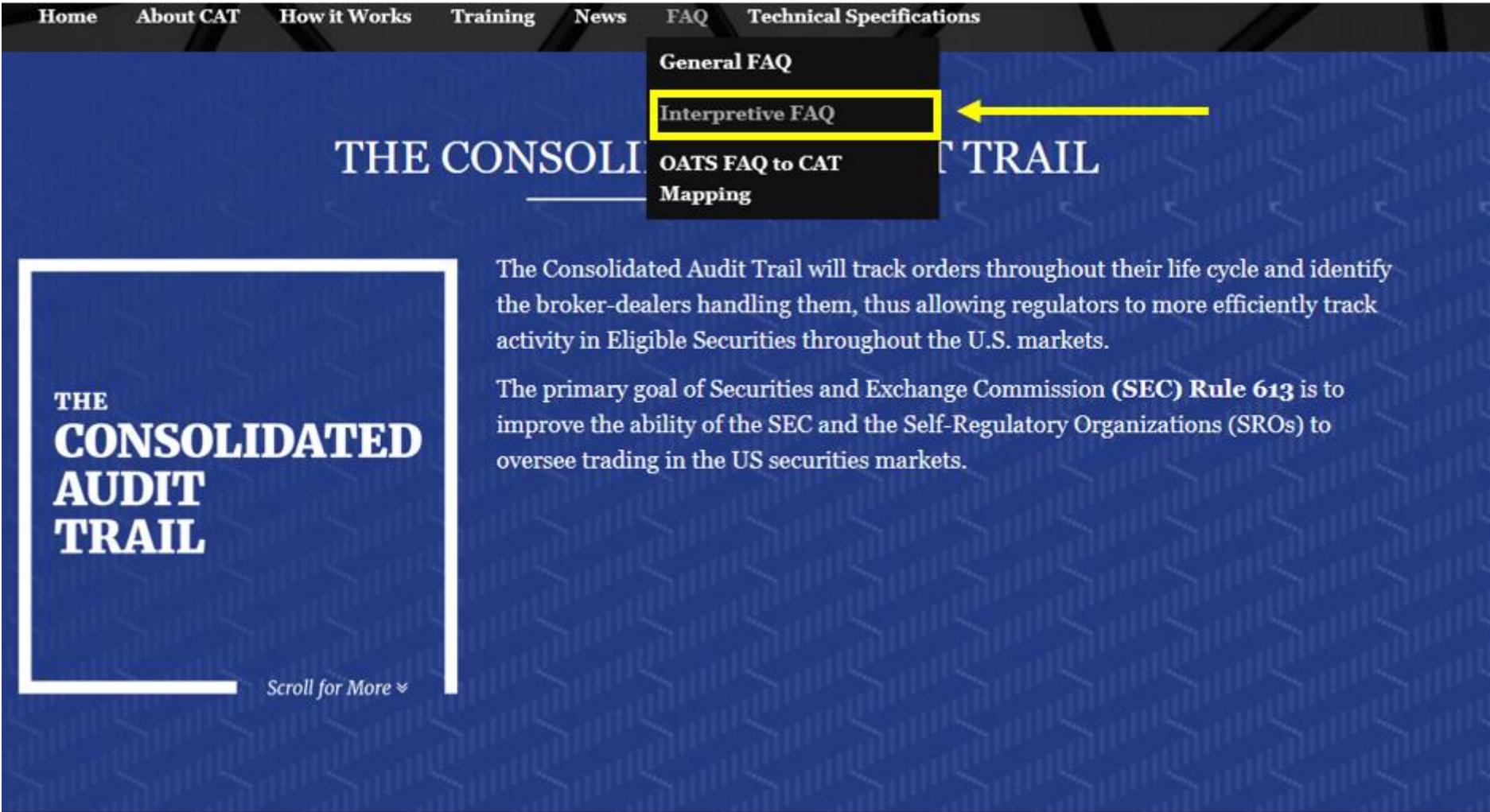
Since the previous Industry Update Webcast, FAQs addressing the following topics have been published on the CAT NMS website:

- Firm Designated Id (FDID)
- Fractional Shares
- Products in Scope for CAT
- Small Non-OATS Industry Members Reporting Early on a Voluntary Basis
- Reporting Agents Must Have a Reporting Agreement in Place Before Reporting on a CAT Reporter's Behalf
- Clarification of 2b Options Scope
- Quotes in OTC Equity Securities Sent to a Foreign Exchange
- Equity Legs of a Complex Order Reportable in Phase 2a

The Interpretive FAQs page will be updated as new interpretive items are addressed. Questions regarding the FAQs should be directed to the CAT Help Desk.

# Accessing Interpretive FAQs on the CAT NMS Website

- The below snapshot illustrates how to access the interpretive FAQs through the CAT NMS website



# Accessing Tech Specs on the CAT NMS Website

- The below snapshot illustrates how to access the Tech Specs through the CAT NMS website

Home About CAT How it Works Training News FAQ **Technical Specifications**

## Technical Specifications

### TECHNICAL SPECIFICATION REPOSITORY

A comprehensive list of all technical specifications developed as part of the CAT Program.

- Participant Technical Specifications v1.7** 📄 – new as of 08/02/18
- Industry Member Technical Specifications v0.7** 📄 – new as of 10/05/18
- CAT Alert 2018-001** 📄 – new as of 09/05/18
- OATS to CAT Events Field Level Mapping** 📄 – new as of 09/05/18  
(SHA-256 4ec988a7a439b4fe29c6d756cd4a2408242c1d8b42aedf705d79ec81e6ba724e)
- OATS FAQ to CAT Mapping** 📄 – new as of 08/15/18

# CAT NMS Plan Website Subscription

- The CAT NMS website ([www.catnmsplan.com](http://www.catnmsplan.com)) has launched a subscription feature to receive periodic updates regarding CAT implementation

The screenshot shows the 'CAT NMS Plan Website Email Notifications' form. At the top, there is a navigation bar with links: Home, About CAT, How it Works, Training, News, FAQ, and Technical Specifications. Below the navigation bar is the title 'CAT NMS Plan Website Email Notifications'. A paragraph of text reads: 'Please enter your contact information below in order to receive updates regarding the CAT NMS Plan, the www.catnmsplan.com website, and other CAT updates.' The form contains four input fields: 'First Name', 'Last Name', 'Company', and 'Email'. Below the 'Email' field is a blue 'Submit' button. At the bottom of the form area, there is a link: 'Please click **HERE** if you would like to unsubscribe from notifications'. At the very bottom of the page, there is a footer with a yellow arrow pointing to a 'Subscribe' button, followed by links for 'Contact Us', 'FAQ', 'Legal Notice', and 'Privacy Policy'. The footer also contains the text 'Copyright 2018 CAT NMS LLC'.

# CAT Help Desk

---

- The CAT help desk is now live and can be reached in the following ways:
  - **Email Address:** [helpdesk@thesyscat.com](mailto:helpdesk@thesyscat.com)
  - **Phone Number:** (833) CAT-SERV or (833) 228-7378
  - **Hours of Operation:** 9AM-5PM Eastern Time (Weekdays only)
- Currently, the help desk is available to address general questions relating to the following topics:
  - CAT NMS website
  - Media relations
  - Go-live dates
  - Technical Specifications (e.g., publication schedule)
  - CAT users
  - System security
  - Billing
- For additional information please visit the CAT NMS website ([www.catnmsplan.com](http://www.catnmsplan.com))

**Questions?**