CAT Reporting Technical Specifications for Industry Members

Addendum for Industry Members Operating an Inter-dealer Quotation System

8/26/2020

Version 1.0.0 r2

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Preface

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 Consolidated Audit Trail, 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.

This specification represents requirements for the reporting of OTC Equities Inside Quote information for Industry Members operating an inter-dealer quotation system.

Change Log

Table 1: Revision / Change Process

Version	Date	Author	Description
1.0.0 r0	5/8/2020	Consolidated Audit Trail, LLC	Initial publication
1.0.0 r1	6/17/2020	Consolidated Audit Trail, LLC	Added new allowable value for *bidType*: W – Bid Wanted Added new allowable value for *askType*: W – Ask Wanted
1.0.0 r2	8/26/2020	Consolidated Audit Trail, LLC	Corrected allowable values *bidType*: W – Ask Wanted and *askType*: W – Bid Wanted Corrected Data Type for issueName to Text (255) Changed reporting requirements to leverage File Kind OrderEvents. Removed File Kind BBOEvents. Clarified MBBO Evens participate in Linkage Discovery for duplicate validations.

1. Introduction

This specification represents the requirements for reporting OTC Equity Inside Quote information for Industry Members operating an inter-dealer quotation system.

This document is an Addendum to the CAT Reporting Technical Specifications for Industry Members, which includes the requirements for reporting Industry Member data to CAT along with supporting definitions.

2. BBO Quote Event Definition

The BBO Quote Event is used by Industry Members that operate an inter-dealer quotation system to report quote events representing the best bid, best offer and the total shares for each side available on the IDQS in OTC equity securities.

For two-sided BBO quote events, the *bidPrice, bidQty, askPrice*, and *askQty* fields must be populated. For one-sided events, the price and quantity of the applicable side must be populated. The side for which an inside quote is not available must be blank.

All BBO quote events are interpreted to begin at the specified *eventTimestamp* where the represented price and sizes are available until the *eventTimestamp* of the immediately subsequent BBO quote event in the same symbol.

IDQS BBO Quotes in OTC equity securities must be reported in Phase 2a.

Table 2: New Quote Event Field Specifications

Seq #	Field Name	Data Type	Description	Include Key
1	actionType	Choice	Indicates whether the event is a new event, a firm initiated correction or a repair of a CAT error. NEW - New Record RPR - Repair of event for which a CAT error was provided in feedback COR - Correction of event initiated by the firm	R
2	errorROEID	Unsigned	Unique identifier assigned by CAT to an error record; used to support the corrections process. Required when actionType is 'RPR'	C
3	firmROEID	Text (64)	Unique identifier for the quote record assigned by the CAT Reporter; formatted as <eventDate>_<firm assigned identifier> Must be unique for the Event Date and CAT Reporter IMID.	R
4	Type	Message Type	Set to ‘MBBO’ to specify the Message Type.	R
5	CAT Reporter IMID	CAT Reporter IMID	The SRO assigned identifier that an Industry Member uses to report to CAT.	O
6	symbol	Symbol	The symbol of the stock in the FINRA symbology for OTC Equity Securities. Not required with the symbol has not been assigned.	C

Seq #	Field Name	Data Type	Description	Include Key
7	eventTimestamp	Timestamp	The date and time the quote was displayed. Required to be reported at the most granular level the Inter-dealer quotation system uses to capture data, with at least millisecond granularity.	R
8	seqNum	Alphanumeric (40)	The sequence number of the quote event, used to sequence events occurring at the same time The sequence number is required to be an increasing value for a CAT Reporter, Event Date and Symbol such that it can be used to sequence events having the same event timestamp in chronological order.	R
9	issueName	Text (255)	Company name of issue; Required when symbol is blank.	C
10	bidPrice	Price	Inside bid price displayed representing the best bid price available on the IDQS. Must be blank when there is no bid price.	C
11	bidQty	Whole Quantity	Total bid quantity available for the inside bid price in total number of shares (not round lots). Must be blank when there is no bid quantity. Must be populated when *bidPrice* is populated.	C
12	bidType	Choice	Indication if the Bid is Priced, Unpriced or Bid Wanted. Choice values include: A – Actual Price U – Unpriced W – Ask Wanted	R
13	askPrice	Price	Inside ask price displayed representing the best ask price available on the IDQS. Must be blank when there is no ask Price.	C
14	askQty	Whole Quantity	Total ask quantity available for the inside ask price in total number of shares (not round lots). Must be blank when there is no ask quantity. Must be populated when *askPrice* is populated.	C
15	askType	Choice	Indication if the Ask is Priced, Unpriced or Ask Wanted. Choice values include: A – Actual Price U – Unpriced W – Bid Wanted	R

3. Submissions & Feedback

Submissions and feedback of BBO information will follow the requirements specified in the CAT Reporting Technical Specifications for Industry Members with New Error codes defined for errors related to fields participating only in MBBO Events.

3.1. File Names

File names for data submissions and related feedback will follow the same reporting constructs specified in the CAT Reporting Technical Specifications for Industry Members.

3.2. Submissions & Feedback

Submissions and Feedback files will be managed using the existing File Kind of 'OrderEvents'. MBBO events may be in a separate file or reported in files among other event types.

3.3. Error Codes

This section defines the error and warning codes generated by CAT. Each code is defined to include the reason for the error or warning, including the associated fields. Codes are assigned in ranges to represent similar types of errors within the same range, related by validation type. Codes are organized by the CAT Processing stages including:

- File Integrity
- Data Ingestion
- Linkage Discovery

3.3.1. File Integrity Errors

Refer to File Integrity Errors specified in Appendix E.1 of the CAT Reporting Technical Specifications for Industry Members.

3.3.2. Data Ingestion Errors

Refer to Data Ingestion Errors specified in Appendix E.2 of the CAT Reporting Technical Specifications for Industry Members.

Additional errors codes for fields that only participate in the BBO Events schema include:

Error Code	Error Code Description	Explanation	Warning/ Error
2801	Missing or Invalid *issueName*	When required, *issueName* must be in the correct format.	Error
2802	Missing or Invalid *bidType*	*bidType* must be populated with one of the allowable values.	Error
2803	Missing or Invalid *askType*	*askType* must be populated with one of the allowable values.	Error

3.3.3. Duplicate Errors

MBBO events will participate in Linkage Discovery for duplicate validations. Refer to Intra-Linkage Errors specified in Appendix E.3 of the [CAT Reporting Technical Specifications for Industry Members.]