

CAT Small Firm Onboarding Checklist – Getting Started

Is your firm a broker-dealer that is a member of FINRA or a national securities exchange, and receives, originates and/or handles orders in “CAT Eligible Securities”, which includes NMS stocks and Listed Options, and/or OTC Equity Securities?

If the answer to this question is *yes*, then your firm has a Consolidated Audit Trail (CAT) reporting obligation and must register for and obtain access to CAT and prepare for reporting **even if your firm plans to rely on a vendor or clearing firm to report equity and/or option transactions on its behalf. There are no exemptions to CAT reporting, unlike OATS. If your firm handles even ONE order in NMS stocks and Listed Options and/or OTC Securities all of the steps on the following checklist apply.**

Broker-Dealers – Small Firm CAT Set-up and System Testing Completion Deadlines:

- Before April 20, 2020 – Small Industry Members¹ currently reporting to OATS.
- Before December 2021 -- Small Industry Members not currently reporting to OATS.

If you are unsure if any of the steps apply to your firm, please direct your questions to the **FINRA CAT Helpdesk at 888-696-3348 or help@finracat.com**. For more detailed information, please refer to the [FINRA CAT Industry Member Onboarding Guide](#).

Steps		Date Completed & By Whom
1	Register for CAT by submitting the CAT NMS Plan Registration Form	
2	Submit the CAT Reporter Agreement ² - CAT Reporter Agreement DocuSign Link CAT Reporter Agreement PDF (for reference only)	
3	Designate Account Administrators <ul style="list-style-type: none"> • Broker-Dealer Industry Members (IMs) must have a Super Account Administrator (SAA) with the FINRA Entitlement Program to serve as a primary contact. These are the same SAA(s), who manage your firm’s access to FINRA Systems. • IMs that do not already have an SAA must complete the New Organization SAA Entitlement Form 	
4	Your SAA will need to Create/Entitle CAT User Accounts for the CAT Reporting Portal <ul style="list-style-type: none"> • Once a firm meets the prerequisites for access including: registering for CAT, submitting a CAT Reporter Agreement, and designating a Super Account Administrator, the FINRA Entitlement Team will grant the firm’s SAA access to create and entitle user accounts. • The SAA will need to grant themselves access as a user, if needed, because the system will not automatically entitle the SAA as a user of the CAT Reporting Portal. 	

¹When referring to a broker-dealer, Regulation National Market System (NMS) defines “small business” or “small organization” to mean a broker or dealer that had total capital of less than \$500,000 on the date in the prior fiscal year as of which its audited financial statements were prepared, or, if not required to file such statements, that had total capital of less than \$500,000 on the last business day of the preceding fiscal year; and is not affiliated with any person (other than a natural person) that is not a small business or small organization. [See 17 CFR § 240.0-10\(c\)](#).

² Beginning December 20, 2019, any Industry Member CAT Reporter that has not yet signed the CAT Reporter Agreement may begin limited testing using fabricated test data or obfuscated data. Consolidated Audit Trail, LLC and FINRA CAT, LLC have published [CAT Alert 2019-005](#) explaining the limited test option and [related form](#) that must be completed.

Decision Required	Date Completed & By Whom
<p>How will you manage your firm-level connectivity? There are two options: 1) Web-based CAT Reporter Portal, or 2) Private Line/Secure File Transfer Protocol (SFTP).</p> <p>Information for Small Firms Regarding Your CAT Connectivity Options:</p> <ol style="list-style-type: none"> 1.) If your broker-dealer was previously exempt from OATS or handles a lower volume of “CAT Eligible Securities” (equities and options), there is a less costly alternative to connect to CAT and it is through a Web-based CAT Reporter Portal* (see green table). Please note: this method of connectivity requires the use of a modern browser that supports HTML5 and TLS (Transport Layer Security). 2.) If your broker-dealer handles a large volume of transactions in “CAT Eligible Securities” (equities and options) and you reported directly into OATS, then it is likely your firm will elect to connect into CAT via a Private Line/Secure File Transfer Protocol (SFTP) (see yellow table). <p>*Both the broker-dealer and their clearing firm must execute the sign up steps for the CAT Reporter Portal independently of one another. Both entities will maintain individual transmission/reporting capabilities and relationships with the CAT system; your firm needs the ability to supervise the submissions made on your behalf by your clearing firm or third-party vendor and that requires your firm to have access to the CAT system. That is part of the reason for the redundancy here.</p> <p>Connectivity details are provided in the FINRA CAT Connectivity Supplement for Industry Members.</p>	

Steps		Date Completed & By Whom
<p>The CAT Reporter Portal is a web interface utilizing secure encryption protocols (HTTPS/TLS) and multifactor authentication (MFA) for submissions (by either direct entry or manually uploaded file), rejections, corrections, and compliance reports. <i>(Not compatible with Internet Explorer; Chrome recommended)</i>. Firms that have less volume might consider this choice because it is less costly than the private line discussed below. You will not have to install software to use the CAT Reporter Portal. It is not necessary to use the private line described in the next section (yellow table).</p>		
<p>1</p>	<p>Before logging on to the CAT Reporter Portal, each user must enroll in the Duo Multi-Factor Authentication (MFA) service using a Smart phone or tablet (see Section 7.1.1 below). <i>Note: User will need to use Duo to complete their login.</i></p> <ul style="list-style-type: none"> • MFA Requirements: <ul style="list-style-type: none"> ○ The device must have a screen lock enabled and use an operating system that is not identified as “end-of-life.” 	
<p>2</p>	<p>Establish CAT Reporting Relationships (if applicable)</p> <ul style="list-style-type: none"> • If your broker-dealer will be reporting your transactions directly into the CAT system (not routing your transactions through a clearing firm or third-party vendor) then your firm is not required to add any “reporting relationships”. • If, however, your firm will be using a reporting agent/third-party to report transactions into CAT on your behalf, then you must add your “reporting relationships” (e.g., the clearing firm or vendor cannot add themselves on your behalf). • Broker-Dealer firms are required to authorize a Submitter (e.g., clearing firm or vendor) to report on their behalf. • Broker-Dealer firms are required to authorize a Third-Party Reporting Agent to view data submitted on behalf of a broker-dealer by another Submitter (e.g., your clearing firm). • Important: Ask your clearing firm or third-party vendor for the information you should enter to set up these relationships. <p><i>Note: If you make an error, you cannot “Delete” a Relationship. To remove that Relationship, click the Edit button and enter an Expiration Date to inactivate that relationship.</i></p>	
<p>3</p>	<p>Conduct Testing for Production Readiness</p> <ul style="list-style-type: none"> • The CAT Test Environment is currently available for submissions. • By April 6, 2020, Broker-Dealer Industry Members and CAT Reporting Agents (CRAs) are required to perform system testing to demonstrate their ability to submit data to CAT. 	
<p>4</p>	<p>Certification of Testing Completion</p> <p>Once CAT Reporters have completed all onboarding steps, and are ready to submit production readiness testing files, IMs and CRAs must contact the FINRA CAT Helpdesk at 888-696-3348 or help@finracat.com to schedule the test.</p>	

Steps		Date Completed & By Whom
<p>SECURE FILE TRANSFER PROTOCOL (SFTP) Account/Private Line Option Firms with large volume in equities/options filing will likely choose to connect to CAT via the private line over a managed private network. CAT File Transfer may be accessed via Private Line or AWS PrivateLink. The Private line allows machine-to-machine connectivity, as well as to the CAT Report Portal for interactive reporting through web based forms or manual file upload.</p>		
1	<p>Request Secure File Transfer Protocol (SFTP) Account</p> <ul style="list-style-type: none"> SAA must submit a CAT SFTP Entitlement Form to create a machine-to-machine connection to securely transmit data to CAT and receive related feedback. To request a CAT SFTP Entitlement Form, contact the FINRA CAT Help Desk at 888-696-3348 or help@finracat.com. 	
2	<p>Establish alternative trading systems (ATS) Order Types (if applicable)</p> <ul style="list-style-type: none"> IM ATSS are required to register ATS Order Types with CAT at least 20 days prior to the Order Type becoming effective. See CAT Alert 2019-01 for more information. 	
3	<p>Conduct Testing for Production Readiness</p> <ul style="list-style-type: none"> The CAT Test Environment is currently available for submissions. By April 6, 2020, IMs and CAT Reporting Agents (CRAs) are required to perform testing to demonstrate their ability to successfully submit data to CAT. 	
4	<p>Certification of Testing Completion</p> <ul style="list-style-type: none"> Once CAT Reporters have completed all onboarding steps, and are ready to submit production readiness testing files, IMs and CRAs must contact the FINRA CAT Helpdesk at 888-696-3348 or help@finracat.com to schedule the test. 	

Resources

[The Consolidated Audit Trail homepage](#)

FINRA CAT Helpdesk at:

- 888-696-3348 or
- help@finracat.com

[CAT Registration Link](#)

[FINRA CAT Industry Member Onboarding Guide.](#)

[CAT Reporter Portal - Industry Webinar October 28, 2019](#)

[CAT FAQs](#)

[CAT 101 Webinar](#)