

CAT Reporting Representative Agency Orders

IM Tech Spec Working Group

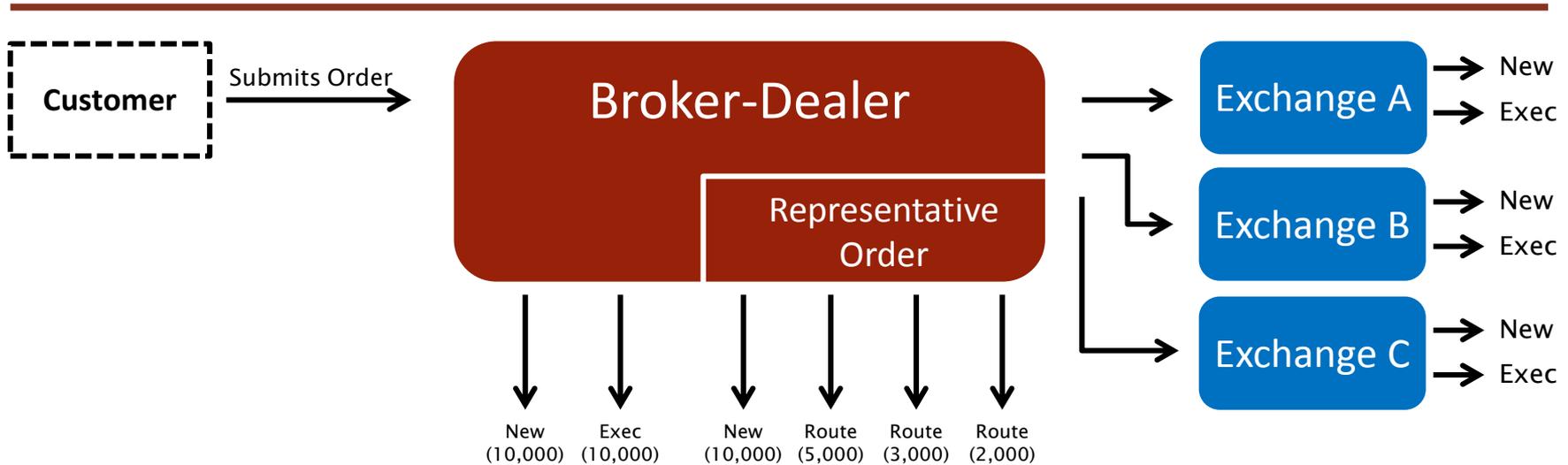
CAT NMS Plan Requirements

- ▶ The CAT NMS Plan (Appendix D) requires that the Plan Processor, using the daisy chain approach, be able to link all related order events from all CAT Reporters involved in the lifecycle of an order. This includes linking customer orders to “representative” orders created in firm accounts for the purpose of facilitating a customer order (e.g., linking a customer order handled on a riskless principal basis to the street-side proprietary order).
- ▶ Specifically, the CAT NMS Plan (Appendix D-9) states that lifecycle linkages must include *“orders worked through an average price account capturing both the individual street side execution(s) and the average price fill to the customer.”*

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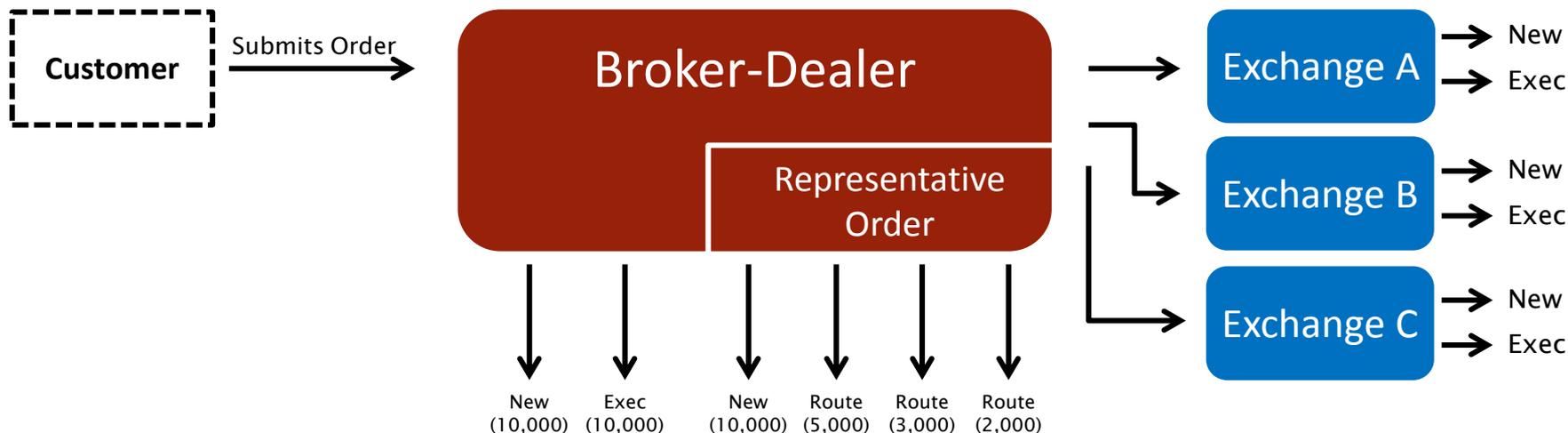
- ▶ Representative orders are defined in this context as any order originated in a firm owned or controlled account for purposes of filling a customer order. Examples of firm owned or controlled accounts would include agency allocation accounts, omnibus accounts and proprietary accounts.

Example: Agency Average Price Fill



1. Customer submits an order to buy 10,000 shares of XYZ.
2. Broker-Dealer originates a representative order(s) in its agency average price account.
3. Broker-Dealer routes the representative order(s) to multiple exchanges.
4. Upon receiving executions in its average price account, the Broker-Dealer fills the customer order at the average price of the individual executions.

What is Reportable?



Broker-Dealers will be required to report:

- The receipt of the original customer order.
- The creation of the representative order(s).
- Each route of the representative order(s).
- The average price execution of the original customer order

Exchange will be required to report:

- The receipt of the representative order from the Broker-Dealer.
- The execution of the representative order from the Broker-Dealer.