

CAT vs. OATS: The Key Differences that Impact Every U.S. Financial Services Firm

WHAT WILL BE DIFFERENT?

Phase 2a of the Consolidated Audit Trail (CAT) implementation will cover everything that is reportable to OATS today – and more. Most market participants and SROs, including FINRA, want to retire OATS as soon as possible to avoid the need to run two different reporting systems. OATS will be retired once error rates reach an acceptable level and FINRA can transfer its surveillance programs from OATS over to the new CAT data.

But the issue is not just about OATS mapping cleanly over to CAT. These are key differences every firm must be aware of:

REPRESENTATIVE ORDERS

CAT covers all street-side orders – including all proprietary orders for non-FINRA members.

OATS	CAT
<ul style="list-style-type: none"> • Only applicable to FINRA members • Does not capture proprietary orders • Requires multiple requests to track down representative orders 	<ul style="list-style-type: none"> • Applies to every U.S. registered broker-dealer • Clearly deciphers proprietary vs. representative (customer-driven) orders • FDID/CCID links avoid the need for multiple requests to research activity

Next steps

Getting started today gives you greater control over the risk, complexity and impact of CAT reporting.

[Click here to learn how to prepare for CAT.](#)

REPORTABLE DATA & EVENTS

New reportable data and event types will expose resource principal, order activity or aggregated average price order attributes.

OATS	CAT
<ul style="list-style-type: none"> • No need to report market making with street-side vs. principal • Recording of electronic quotes are limited in scope • Requires only one timestamp on manual events 	<ul style="list-style-type: none"> • Eliminates market making exclusions • Includes OTC equities quoting activity and electronic quotes (exchanges and NMS) • Requires capture and report of two timestamps on manual events

ACCURACY OF REPORTING

Firms must have a clear understanding of what they are reporting when the move from OATS to CAT occurs – which may require different approaches.

OATS	CAT
<ul style="list-style-type: none"> • Very high compliance rate of more than 99% • High accuracy relied on heavily for FINRA surveillance • Useful for comparing and contrasting with CAT data and surveillance results 	<ul style="list-style-type: none"> • Will use FINRA's surveillance patterns from OATS data • Accuracy will rely on achieving the same high compliance rates as OATS • Conducting early and frequent testing will drive accurate reporting