Futures Compliance
Topics
Topics for CPOs, CTAs, IBS & FCMs

- New Rules
- Impact on Examinations
- Rules
- CPO Internal Controls
- Avoiding Common Exam Deficiencies
PROMOTIONAL MATERIAL
Promotional Material – Hypothetical Performance

• When hypothetical performance is directed to QEPs:
  • Must include the Hypothetical Disclaimer
  • Must disclose material assumptions if different from the disclosed features of the offered trading program
  • May continue to be used even after the program has 3 months of actual performance
  • Past performance of actual or proprietary accounts is not necessarily required
Promotional Material – Actual Performance

- Performance must be calculated in a manner consistent with CFTC Regulations

- All Performance must be shown net of commissions, fees and expenses
Promotional Material – Audio & Video Ads

• Audio or video content made available to the public must be filed with NFA 10 days prior to first use if it includes:
  • Any specific trade recommendations
  • Reference or description of any profit obtained in the past
  • Reference or description of any profit that can be achieved in the future
Promotional Material – Exam Observations

• Hypothetical performance is not clearly labeled
• Assumptions: initial investment, fees, settlements, entry and exit criteria
• “Net of fees” when fees are negotiated
Promotional Material – Exam Observations (cont.)

• Discussions regarding possibility of profit must include equally prominent statements of risk of loss

• Promotional material should not include any misstatements or omissions of fact that render the material misleading

• Actual past performance must be accompanied by disclaimer that past performance is not necessarily indicative of future results
SUPERVISION OF BRANCH OFFICES & GUARANTEED IBS
Supervision of Branch Offices & GIBs

- Due diligence requirements on business and disciplinary history of the potential branch or GIB, as well as the background of its personnel
- Policies and procedures relating to the supervision of their branches and GIBs
- Greater flexibility in the timing and method of ongoing monitoring of off-site locations
Annual inspection of each branch office and GIB still required; however, use a risk-based approach to determine review scope
- Under certain circumstances on-site inspections may be performed every other year, as long as an inspection from a remote location is performed in the off year
- Promptly perform an on-site inspection if the firm becomes aware of any indications of irregularities (e.g., disciplinary actions, customer complaints, red flags from ongoing monitoring)
Supervision of Branch Offices & GIBs – Exam Observations

- Written supervisory procedures
- Timely issue a report of findings to the branch or GIB
- Monitor for corrective action
PERFORMANCE REPORTING & DISCLOSURE
Performance Reporting & Disclosure

• Any time nominal account size differs from actual funds, written confirmation must be obtained that outlines:
  • Nominal account size
  • Program name
  • Impact of cash additions and withdrawals on nominal account size
  • Impact of net performance on nominal account size
Performance Reporting & Disclosure – “Resetting” Nominal Account Size

• If net performance does not affect nominal account size, then the nominal account size is “reset” each month
  • Compounding rates of return would be misleading
  • Alternatively, CTAs must sum monthly RORs when computing YTD, annual and lifetime RORs
  • Also applies to peak-to-valley drawdown percentage
Performance Reporting & Disclosure – Exam Observations

• Written confirmation of nominal account size required to be maintained

• Composite performance only allowable if the accounts:
  • Trade the same program
  • Achieve materially similar rates of return
CFTC PART 4 CHANGES
CFTC Part 4 Changes - Summary

• Business development companies excluded in 4.5
• RIAs should claim exclusion rather than the RIC
• Registered CPOs only operating exempt pools and CTAs that do not manage any client accounts do not need to file quarterly reports
• Marketing restrictions lifted from 4.7 and 4.13(a)(3)
• Family office relief
• Non-U.S. persons – investors qualify under 4.13(a)(3)
Break-Even Analysis

- Calculation should be based on the minimum initial investment and minimum total subscription.
- Include all fees and expenses, not just commodity-related items.
- Interest income is more clearly defined.
Break-Even Analysis – Exam Observations

• Fees included in the B/E are not calculated in accordance with the DD fee description
• Interest income recorded that does not meet the definition
CPO INTERNAL CONTROLS
Effective April 1, 2019, NFA adopted an Interpretive Notice requiring CPOs to implement an internal controls framework designed to:

- Protect customer funds
- Provide reasonable assurance that the books and records of the CPO’s commodity pools are accurate and reliable and that the CPO is in compliance with all CFTC and NFA requirements
CPO Internal Controls – Interpretive Notice Requirements

• CPO risk assessment
  • Identify the firm’s most critical risks relating to the mishandling or fraudulent activity of pool participant funds
• Design and implement controls to address identified risks
• Controls will vary depending on the size and complexity of the CPO’s operations
• Adopt and implement written policies and procedures that fully explain the CPO’s internal controls system and maintain records that support the implementation and effectiveness of the system
While each CPO may have a risk that is unique to it, CPOs all have these areas of risks:

- Transactions related to participant subscriptions and redemptions
- Disbursements and transfer of pool funds between pool accounts
- Investment of pool funds including risk management and valuation of investments
CPO Internal Controls – Separation of Duties

• No single employee is in a position to carry out and conceal errors or fraud or to have control over any two phases of a transaction or operation:
  • Initiating
  • Approving
  • Recording
  • Reconciling
CPO Internal Controls – Use of Administrator

- Initial due diligence
- Obtain evidence of test controls and security measures
- Maintain shadow books and reconcile with administrator
- If no shadow books, reconcile transactions with banks and other third party depositories and compare to administrator
CPO Internal Controls – Impact on NFA Exams

• Evaluation of controls impacts NFA’s overall testing methodology

• Lack of a control is not in and of itself a violation
  • An exam citation occurs if that lack of control causes material errors or other serious violations (e.g., fraud, loss of funds, mismanagement, material NAV restatements, etc.)
Obtain an understanding of the firm’s internal controls

Complete CPO Internal Control Questionnaire
- Provided when exam is announced
- Returned before start of exam
- If descriptions of controls exist in other internal documents/procedures or responses to other regulators or CPAs, reference in Questionnaire responses
CPO Internal Controls – Examination Steps (cont.)

• Evaluate the design effectiveness of the controls
  • Correlation of the control to the identified risk
  • Consistent performance of the control
  • Competency and authority of personnel performing the controls
  • Criteria for investigation or follow-up
• Test the implementation of the control
  • Inquiry of the person performing the control
  • Observation of the control “in action”
  • Inspection of documents
CPO Internal Controls – Common Exam Findings

- Pool funds cannot be commingled with the funds of any other entity
- Internal controls must be documented
AVOIDING COMMON EXAM DEFICIENCIES
Deficiencies – Unlisted Principals and Branch Offices

• Principals
  • Specific titles (e.g., President, CEO, CCO, Director)
  • Owners: entities or individuals who own greater than 10% of Member
  • Individuals who indirectly own Member through a trust or holding company
Deficiencies – Unlisted Principals and Branch Offices (cont.)

- Branch offices
  - Any location outside of the firm’s main office location where one or more associated persons regularly conducts AP business
Deficiencies – Recordkeeping

• Exemptions
  • Maintain support to demonstrate compliance with the de minimus restrictions for the 4.13(a)(3) exemption
Deficiencies – Recordkeeping (cont.)

• CPO/CTA financial ratios
  • Prepare financial statements, cash receipts/disbursement journal or simple calculations to support financial ratios reported in quarterly filings

• Customer performance
  • Composite worksheets
  • Fee calculations for each account
  • Monthly carrying broker statements for each account
Issues – CPO Pool Account Statements

• Monthly or quarterly statements provided to pool participants must be presented for the pool in its entirety
• NAV per unit or individual ownership interest also required
• Oath and affirmation must include:
  • Signature of someone duly authorized to bind the CPO
  • Signatory’s name and capacity
  • CPO’s name
  • Pool name
Issues – IB and FCM Financial Statements

• Haircut charges required on foreign currency balances and securities
• Aging receivables should be reclassified from current assets to non-current
• Liabilities must be accrued when incurred
Common Overdue Items

- Self-Examination Questionnaire
- Ethics training
- Branch office reviews
- PQRs, PFS or liquidation statement
- AML training and annual audit
Cybersecurity
Information Systems Security Program

- Written program
- Security and risk analysis
- Deployment of protective measures
- Response and recovery plan
- Employee training
- Regular review
- Third party due diligence
CYBERSECURITY – EXAM OBSERVATIONS
Protecting PII

• Encrypt PII when sharing
  • Encrypted email systems
  • Sharing documents through secured portals

• Password protect shared files containing PII when encryption not used
Protecting PII (cont.)

- Prevent sending or sharing unencrypted PII
  - External emails require encryption
  - Automated scanning and encrypting for PII in outbound emails
  - Blocking outbound emails with PII
  - Preventing the use of removable media
  - Blocking access to external data sharing and email websites
Complex Passwords

• Enforce the use of complex passwords
  • Character minimum
  • Combination of alphanumerics, symbol, upper and lowercase
  • Periodic password change
  • Preventing use of previous passwords
  • Preventing use of dictionary words
  • Preventing use of the same character consecutively
  • Multi-factor authentication
Safe Hardware Disposal

• Practice safe hardware disposal
  • Wiping devices
  • Hiring third parties to destroy devices
  • Safe storage of retired devices
Access Management

• Limiting access to systems based on need
• Approving access permissions
• Periodically reviewing access permissions
• Off-boarding procedures
Third Party Due Diligence

- Use large, reputable vendors
- Questionnaires
- On-site visits
- SOC certifications
- Legal contracts include measures to protect PII
Testing & Monitoring

• ISSP and controls reviewed by consultant or internal audit
• Penetration testing and vulnerability assessments
• Hiring 3rd parties to monitor for suspicious activity
Training

- All employees are included
- Phishing campaigns
- Tabletop exercises
- Industry-sponsored drills
CYBER INCIDENTS
Cyber Incidents – Notifying NFA

• Required for a cybersecurity incident related to the Member’s commodity interest business that results in:
  • Any loss of customer or counterparty funds
  • Any loss of a Member’s own capital
  • The Member providing notice to customers or counterparties under state or federal law
Cyber Notices Filed with NFA

• Incidents involved:
  • Phishing – malicious links
  • Cellphone SIM hijacking
Other Cyber Incidents

- Vendor compromise
- Customer or counterparty breach (e.g., compromised login credentials used to fraudulently request funds)
- Former employee retaining access to systems
- Ransomware
- Cloud service breach – “Cloud Hopper”
Responding to a Cyber Incident

- Execute a response and recovery plan
- Notify or engage counsel
- Consider hiring a third party to investigate
- Notify regulators, customers and counterparties, as applicable
- Reach out to law enforcement and information sharing agencies
Responding to a Cyber Incident (cont.)

- Notify bank if funds are involved
- Notify insurance company
- File Suspicious Activity Report (SAR) if appropriate
- Update ISSP to incorporate lessons learned
Training

• Inadequate education and training program
• Employees not trained upon hiring and annually thereafter
ISSP Review

• Failure to approve ISSP
• ISSP not reviewed at least annually for effectiveness
• Lessons learned not incorporated into ISSP
Risk Assessment

• Incomplete inventories of hardware and software
• Lacking assessment of threats and vulnerabilities
Procedures

• Not following ISSP

• ISSP not adequately tailored to Member’s operations (when Member is part of a larger enterprise-wide program)
Ensure your ISSP is adequate, written, implemented, followed and reviewed.
RECENT CFTC ENFORCEMENT ACTIONS
Recent CFTC Enforcement Actions

• CPO fined $150,000
• FCM fined $500,000
  • Fraudulent requests to transfer funds
  • Failure to supervise

• FCM fined $100,000
  • Compromised PII
  • Failure to supervise
Swaps Proficiency Requirements
• Section 17(p) of the Commodity Exchange Act (CEA) requires NFA to establish training standards and proficiency testing for persons involved in the solicitation of transactions subject to the CEA.

• In 2018, NFA’s Board determined that swap APs should be required to meet a minimum proficiency standard, similar to futures and forex APs.

• NFA appointed the Swaps Proficiency Requirements Advisory Committee to assist in developing NFA’s Swaps Proficiency Requirements.
Timing

• Effective Date: January 31, 2020
  • Requirements became available online

• Compliance Date: January 31, 2021
• Swap APs of FCM, IB, CPO and CTA Members must satisfy the Swaps Proficiency Requirements by January 31, 2021 (NFA Bylaw 301(l))

• Individuals acting as APs at swap dealers must satisfy the Swaps Proficiency Requirements by January 31, 2021 (NFA Compliance Rule 2-24 and Interpretive Notice 9075)
Rule Requirements (cont.)

• After January 31, 2021, FCM, IB, CPO, CTA and SD Members are prohibited from associating with any person engaging in swap activities who has not satisfied NFA’s Swaps Proficiency Requirements (NFA Compliance Rule 2-24)

• Exceptions for certain individuals at swap dealers in non-U.S. jurisdictions (NFA Interpretive Notice 9075)
Two-Track Approach

• **Long Track**
  • 8 modules and 100 test questions (approximately 8 hours)

• **Short Track**
  • 4 modules and 60 test questions (approximately 4 hours)
Logistics

• No fee if affiliated with a Member firm; if no affiliation, $100 fee
• No continuing education requirement
• Administered online with streaming content
• Training and testing components for each module
• “Closed book”
• Score of at least 70% to pass
• Certificate of completion
• Individual Status by Firm Report
• Completion Date by Individual Report
The following are available on NFA’s website:

- FAQs
- Help guides
- Swaps Proficiency Requirements system instructions
- Archived webinars
- Notices to Members
Trade Communications & Recordkeeping
Regulatory Requirements

• Keep full, complete and systematic records of all transactions, including all pertinent data and memoranda

• Keep all oral and written communications provided or received concerning quotes, solicitations, bids, offers, instructions, trading and prices leading to the execution of a transaction
  • CFTC Regulation 1.35 – FCMs and IBs
  • CFTC Regulations 23.201 and 23.202 - SDs
• Retain oral records for one year; retain other records for five years
• Certain swaps records must be retained for life of trade plus 5 years
  • CFTC Regulation 1.31
• Diligently supervise employees and agents in the conduct of their applicable activities for or on behalf of the Member
  • NFA Compliance Rule 2-9
  • CFTC Regulations 23.402(a) and 23.602 - SDs
Exam Process

- Exam selection
  - Risk-based
  - Scoping decisions based on firm operations
Exam Process (cont.)

• Life cycle of a trade
  • Walkthrough of trade flow
  • Systems used
  • Personnel involved
  • Supervisory review process
  • Written policies and procedures
Exam Process (cont.)

• Document requests – could include:
  • Trade blotters
  • Trader P&L reports
  • Commission reports
  • Confirmations
  • Order/deal tickets
Exam Process (cont.)

• Document requests – could include (cont.):
  • Fee agreements
  • Pricing schedules
  • Surveillance reports
  • Communications – voice, email, text, IM, etc.
Common Exam Findings

- Failure to maintain records
  - Phone records, chat logs, confirmations not maintained
  - Oral records deleted before one year

- Failure to properly record communications
  - Not recording all lines
  - Not recording personal cell phones
  - Not recording particular chat services
Common Exam Findings (cont.)

• Inaccurate trade records
  • Trade records not accurately reflecting brokers
  • Inaccurate time stamps
  • Missing swap terms

• Inadequate trade surveillance
  • No procedures to perform surveillance
  • No monitoring of communications
  • Not regularly reviewing trades
Common Exam Findings (cont.)

- Inadequate supervision
  - Failure to timely report certain trades
  - Improperly providing name of counterparty prior to execution
  - No record of compliance with rules and regulations

- Not maintaining proper registrations
  - Associates brokering trades for a U.S. entity on a U.S. exchange not registered as APs
Supervision Reminder

- Maintain records of all oral and written communications
- Adopt and implement written procedures to review communications
  - Frequency of review
  - Person(s) responsible for review
  - How review will be documented
  - Identification of any issues discovered and how those issues were addressed
Background Affiliation Status Information Center (BASIC)

Get important background information about firms and industry professionals in the derivatives industry. Whether you are an investor thinking about opening an account or an NFA Member contemplating a new business relationship, BASIC can be a valuable resource for you.

In BASIC, you will find:
- Current and historical CFTC registration and NFA membership information
- Financial information for futures commission merchants
- Regulatory and non-regulatory actions contributed by NFA, the CFTC and the U.S. futures exchanges and swap execution facilities
- Business address
- Listed principals of the firm
- Former and "doing business as" names
- Exemptions and No-Action Letters

NFA Ry1aw 1101 requires NFA Members to conduct business with only those firms and individuals that are registered with the CFTC and NFA Members, unless they qualify for specific CFTC exemptions. Please be advised that some claims for relief under No-Action letters will not appear in BASIC immediately. If you are doing business with an entity claiming relief under a No-Action letter, you should request a copy of the letter for your records.

Conducting a BASIC search indicates you have accepted the Terms and Conditions of Use.
**BASIC** is a free tool that NFA Members and investors can use to research the background of derivatives industry professionals. Whether you are an investor thinking about opening a futures account or an NFA Member contemplating a new business relationship, BASIC can be a valuable resource.

To learn more about the derivatives industry, visit [FuturesFundamentals.org](http://FuturesFundamentals.org), a one-stop educational resource designed to simplify and explain complex market topics.

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## BASIG Search Results

11 search results for **TEST FIRM**

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11 search results for TEST FIRM
An FCM is required to maintain adjusted net capital greater than or equal to the amount of capital it is required to maintain (required net capital).

This report is updated monthly and displays:

- Adjusted net capital
- Required net capital
- Excess net capital
FCM Capital Data Report (Updated Monthly)

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# Regulatory Actions

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**NFA Actions:** 2

**CFTC Actions:** 0

**Exchange Actions:** 0
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**Test Firm 123**

**NFA ID: 0339826**

**Activity Status**
- Access activity information provided by the firm.

**Business Address**
- Test Address
- Test Address Line 2
- Test Address Line 3
- City, State, Zip Code: United States

**Phone Number**
- Test Phone (555) 123-4567
An FCM is required to maintain adjusted net capital greater than or equal to the amount of capital it is required to maintain (required net capital).

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- Required net capital
- Excess net capital
Resolutions to derivatives-related disputes between NFA Members or between NFA Members and customers.

2 NFA Actions
0 CFTC Actions
0 Exchange Actions

FCM Capital Data Report (Updated Monthly)

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- Required net capital
- Excess net capital
FCM Capital Data Report (Updated Monthly)

An FCM is required to maintain adjusted net capital greater than or equal to the amount of capital it is required to maintain (required net capital).

This report is updated monthly and displays:

- Adjusted net capital
- Required net capital
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```
1/1/2014 12/31/2019
```

Export Data (xls)
FCM Capital Data Report (Updated Monthly)

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This report is updated monthly and displays:

- Adjusted net capital
- Required net capital
- Excess net capital

1/1/2014 to 12/31/2019

Export Data (XLS)
<table>
<thead>
<tr>
<th>Year</th>
<th>NFA Member</th>
<th>Forex Dealer Member</th>
<th>Forex Firm</th>
<th>Futures Commission Merchant</th>
<th>Commodity Pool Operator</th>
<th>Principal (123 CAPITAL)</th>
<th>Principal (TEST 123 LLC)</th>
<th>Principal (GLOBAL TEST 123 LTD)</th>
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<tbody>
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</tbody>
</table>
History Details
Expand for history details.

Pools & Pool Exemptions
View All

Listed Principals
Able to control a registrant's business activities, formal title or position with a firm, and/or ownership or financial stake in the firm.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>10% or More Financial Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHI YING</td>
<td>DIRECTOR</td>
<td>YES</td>
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<tr>
<td>Date</td>
<td>Description</td>
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</tr>
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<tr>
<td>10/07/2010</td>
<td>FOREX FRM APPROVED</td>
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<tr>
<td>10/07/2010</td>
<td>COMMODITY POOL OPERATOR REGISTERED</td>
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<tr>
<td>10/07/2010</td>
<td>FOREX DEALER MEMBER APPROVED</td>
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<tr>
<td>08/02/2010</td>
<td>COMMODITY POOL OPERATOR PENDING</td>
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<td>04/22/2004</td>
<td>FUTURES COMMISSION MERCHANT PENDING</td>
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<tr>
<td><strong>GLOBAL TEST 123 LTD</strong></td>
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<td>PRINCIPAL WITHDRAWN</td>
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<td>09/24/2013</td>
<td>PRINCIPAL APPROVED</td>
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### History Details
Expand for history details.

### Pools & Pool Exemptions
View All

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<tr>
<td>QI YING LIU</td>
<td>DIRECTOR</td>
<td>YES</td>
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</table>
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Pools & Pool Exemptions
View All

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</thead>
<tbody>
<tr>
<td>Qii Yi Ying, Yukishoer Nadoi Glak Kyi</td>
<td>Director</td>
<td>Yes</td>
</tr>
</tbody>
</table>
### Current Pools

According to NFA records, pools listed below are operated by this firm. A “Yes” in the Delegated column below indicates that investment management authority of that pool has been delegated to this firm.

<table>
<thead>
<tr>
<th>Pool ID</th>
<th>Pool Name</th>
<th>Delegated</th>
<th>Pool Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>P01234</td>
<td>Test Pool 123</td>
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</tbody>
</table>

### Ceased Pools

According to NFA records, ceased pools are either no longer operating or are no longer trading commodity interest products.
### Current Pools

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</table>

### Ceased Pools

According to NFA records, ceased pools are either no longer operating or are no longer trading commodity interest products.

[View All]
Not an NFA Member
Non-Member not subject to NFA oversight.

Regulatory Actions
- NFA Actions: 0
- CFTC Actions: 0
- Exchange Actions: 0

NFA Arbitration Decisions: 0

CFTC Reparations Cases: 0

History Details
Expand for history details.

Pools & Pool Exemptions
View All
Swaps Compliance
Topics
RECENT RULEMAKING
NFA Compliance Rule 2-9 (Supervision)

- Key changes:
  - Amended CR 2-9(a) to apply to commodity interest-related activities of FCMs, IBs, CPOs and CTAs
    - Commodity interest is defined as futures, forex and swaps
  - Added CR 2-9(d) to impose supervision requirement on swap dealers
- Amendments effective September 30, 2019
NFA Compliance Rule 2-9(d)

• Each swap dealer or major swap participant Member shall diligently supervise its employees and agents in the conduct of their swaps activities for or on behalf of the Member.
Supervision Interpretive Notice 9076

- Supervision Interpretive Notice 9076: Supervision Requirements for Swap Dealer and Major Swap Participant Members
  - NFA retains examination and enforcement authority over swap dealer Members in areas of substituted compliance
Other Interpretive Notices

• Interpretive Notice 9051 – NFA Compliance Rules 2-9 and 2-36: Ethics Training Requirements

• Interpretive Notice 9070 – NFA Compliance Rules 2-9, 2-36 and 2-49: Information Systems Security Programs
SWAP DEALER EXAMINATIONS
Rule Areas

- **Supervision** (CFTC §23.602, NFA Compliance Rule 2-9(d))
- **Business Conduct Standards** (CFTC § 23.400 - § 23.451)
- **Reports to Swap Data Repositories** (CFTC § 23.204 - § 23.205)
- **Annual or Periodic Requirements**
Evaluating Supervision:

• Extent of rule violations
• Identifying, monitoring and escalation of issues
• Timely remediation of issues
Business Conduct Standards

• General Provisions (CFTC §23.402)
• Verification of Counterparty Eligibility (CFTC §23.430)
• Disclosures of Material Information (CFTC §23.431)
General Provisions
• Reasonably designed policies and procedures
• Obtain counterparty essential facts
• Reliance on counterparty representations

Verification of Counterparty Eligibility
• Verify eligible contract participant (ECP) status
• Verify counterparty Special Entity status
Elements of the Onboarding Process:

- Counterparty due diligence - KYC
- Credit and legal reviews
- ISDA protocols
- Control procedures
Business Conduct Standards – Onboarding Exam Findings

- Policies and procedures not reasonably designed
- Failure to obtain required information
- Failure to verify ECP or Special Entity status
- Unreasonable reliance on representations
Onboarding – Better Practices

• Centralized onboarding processes
• Preventative and detective controls
• Procedures to identify red flags
• Reference data accuracy reviews
Disclosures of Material Information

• SD to disclose material information concerning a swap to a counterparty
Disclosures – Exam Findings

• Failure to disclose:
  • Pre-trade mid-market mark
  • Daily mark
  • General material risks
Disclosures – Better Practices

- Robust onboarding process
- Delivery methods are set up and configured properly
- Regular firm personnel training
- Regular monitoring and testing
- Proper record retention
Swap Data Reporting

Real-time Public Reporting (CFTC 23.205)
- Report transactions as soon as technologically practicable (ASATP)

Reports to Swap Data Repositories (CFTC 23.204)
- Report creation data ASATP but no later than the timeframe established for the asset class
- Report continuation data within established timeframes
Swap Data Reporting – Findings

• Failure to report trades or required data
• Inaccurate reporting
• Late reporting
• Failure to correct errors and omissions timely
Swap Data Reporting – Better Practices

• Centralized reporting processes
• Regular monitoring of reporting timeliness
• Daily reconciliation of reported data
• Correcting reporting exceptions timely
Swap Dealer Regulatory Reminders

- **Cybersecurity** (NFA's Interpretive Notice 9070)
- **Risk Management Program** (CFTC 23.600 (e))
- **Business Continuity Disaster Recovery** (CFTC 23.603 (f) (g))
- **Swap Trading Relationship Documentation** (CFTC 23.504 (c))
- **Initial Margin** (CFTC 23.154 (b)(4))

This list serves as a reminder of certain annual or periodic requirements and does not reflect all SD responsibilities.