

Regulatory Requirements—SD Members
March 26, 2026

Matthew Rosamilia:

Well, good morning and welcome to NFA's Regulatory Requirements webinar for swap dealer (SD) Members. My name is Matthew Rosamilia and I'm a Senior Communications Specialist in NFA's External Affairs and Communications department. I want to thank everyone for joining us today. We have a great program for you, featuring some of my very experienced and talented NFA colleagues. We'll get into the main part of our event here shortly but let me touch on a few housekeeping items to get things rolling.

We'll start today's program with updates and reminders on some important topics relevant to NFA's swap dealer Members. These updates will go off the information that was shared in a Notice to Members NFA sent earlier in the month. And then when we wrap up our prepared remarks, we'll have some time to address the questions that you in the audience can submit throughout today's presentation. We want to make sure that today's event is as engaging as possible, so I do encourage those of you joining us today to submit a question. To submit a question, locate the box labelled Ask a Question on your webinar screen. And then I'll be collecting your questions throughout today's prepared remarks, so feel free to submit a question at any point during today's program.

We will answer as many questions as we can in the time we have today. However, unfortunately, if we do not get to your question or if you have asked a firm specific question, one of my colleagues will reach out to you following the webinar. Should you think of a question or comment following today's webinar, I want to remind everyone NFA's Information Center is also available to assist. Visit NFA's website for the info center's contact information where you'll find a lot of information. One last thing before we kick things off here. A recording and transcript of today's webinar will be available on NFA's website in the coming weeks. This recording is available to anyone and everyone, so I encourage you to share it with your colleagues who were unable to join us today.

Today's webinar is both an educational opportunity as well as a chance for you to engage with NFA staff. We want today to be as engaging as possible. Therefore, like I said, I encourage you to submit any question you may have. And you can actually start dropping your questions right now if it pertains to that notice that we sent out. Ensuring Members understand and meet their regulatory responsibilities is a pillar of NFA's mission. And today is just one of the many ways NFA works to meet that critical part of our mission. In the coming months, we will be providing more information on the upcoming 2026 Member Workshops. And these workshops for swap dealers are another great opportunity to hear the latest updates from NFA staff and engage with us also in person. So please stay tuned for those announcements and always refer to NFA's website for further information. To check out NFA's website, go to www.nfa.futures.org, where you will be able to see our latest offerings and subscribe to our communications so you can stay in the loop on future educational and engagement opportunities.

All right. Well, it's time to get into the main part of today's presentation. I'll now be turning the floor over to my colleagues for today's webinar. We're going to start off with Zilla Bratman, she's an Associate Director in our Member Oversight department, to discuss annual reminders. And again, I want to encourage you to start sending in your questions during our presentations. And we'll try to answer them throughout this transmission. Zilla, want to take it away?

Zilla Kasimov-Bratman:

Thank you, Matthew. And good morning to all. I will kick us off by going over some of our annual reminders, which were shared with our Members recently. And then I will also recap some of the recent notices which have been issued to our Members. Regarding annual reminders, the first one pertains to the Member Questionnaire. Members must complete their annual registration update in NFA's online registration system, complete the Member Questionnaire using NFA's Member Questionnaire system and pay their NFA dues on the anniversary date of the Member's registration. The Member Questionnaire is required for all membership categories, and it must be filed at least annually for active Members and semi-annually for inactive Members. Keep in mind that if there are any material changes to your business operations that would make previously submitted information inaccurate or incomplete, that would prompt a need to refile. And lastly, for swap dealer firms, the questionnaire must be reviewed, signed and submitted by a principal of the firm.

The next reminder pertains to testing the disaster recovery plan and making any necessary adjustments. For our swap dealer Members who have to comply with CFTC Regulation 23.603, each business continuity and disaster recovery plan must be tested annually by qualified independent internal personnel or a qualified third-party service. Such testing must be documented and kept on record. Such documentation must include the date the testing was performed, the nature and scope of the testing, any deficiencies found, any corrective action taken and the date that that corrective action was taken.

The next reminder is regarding ethics training. Interpretive Notice 9051 requires that firms provide ethics training to its employees. Firms must have written procedures that outline their training program, which specify the topics that will be included, who will provide the training, the format and frequency of the training, and how the firm will document that it followed such procedures. So, firms must ensure that training is being given at the frequency specified in its written procedures, and must be able to evidence completion of such training.

And on a similar note, the next reminder is about cybersecurity training. Interpretive Notice 9070 requires that firms provide cybersecurity training to staff. This training should be conducted for employees upon hiring and annually during their employment, but more frequently if circumstances warrant additional training. And once again, the firm must be able to evidence that staff completed such training.

And the last reminder that I'll discuss is regarding the completion of the annual independent review of the risk management program. For our swap dealer Members who have to comply with CFTC Regulation 23.600, the risk management program must be reviewed and tested at least annually, or upon any material change in the business that is reasonably likely to alter the risk profile of the firm. Some of the requirements of this annual testing includes that the testing is performed by qualified internal audit staff that are independent of the Business Trading Unit or by a qualified third-party audit service, reporting to staff that are independent of the Business Trading Unit.

Another requirement is that the results of the annual review be promptly reported to, and reviewed by the Chief Compliance Officer, senior management and governing body of the swap dealer. And lastly, the annual review must include an analysis of adherence to and the effectiveness of the risk management policies and procedures. And shall also include any recommendations for modifications to the risk management program. All reviews and testing of the risk management program, whether carried out internally or externally, must be documented.

Now, moving on to notices which have been recently issued by NFA and are relevant to our swap dealer Members. Most recently, on March 23, earlier this week, NFA issued Notice I-26-08 for swap dealer Members. The purpose of the notice was to inform firms that NFA amended interpretive notices pertaining to swap valuation dispute notices and marketing materials. And the reason for these amendments was to reduce cross border compliance burdens. So firstly, Interpretive Notice 9072. This notice has required all swap dealers to notify NFA of any swap valuation dispute with a counterparty exceeding \$20 million within certain time frames. And NFA believes it is appropriate to align the application of this interpretive notice with the cross-border application of the portfolio reconciliation requirements of CFTC Regulation 23.502. As such, Interpretive Notice 9072 no longer requires a swap dealer to notify NFA of a swap valuation dispute, for which an exception for certain foreign swaps or substituted compliance applies.

Similarly, Interpretive Notice 9077, on the supervision of the use of marketing materials, this notice has applied to all swap dealers without any cross-border application. However, given this recent amendment, NFA is aligning its application in a manner consistent with the cross-border application of the corresponding CFTC regulations, which are referenced in the notice, which are 23.410 and 23.433. So, the requirements of the interpretive notice will not apply to swap dealers relying on certain foreign swap exemptions.

And finally, the last part of Notice I-26-08, NFA rescinded Notice to Members I-17-10, which was the obligation of swap dealers to submit monthly risk data reports required under NFA financial requirements section 17. Notice I-17-10 was rescinded effective February 19th of 2026, and therefore swap dealers are no longer required to file these reports with NFA.

Another Notice to Members that I wanted to highlight today is from September 2, 2025, where NFA issued Notice I-25-15 for swap dealer Members regarding legal entity identification validation update. The purpose of this notice was to inform firms that NFA updated some LAI validations for certain filings, specifically 23.105(k), market and credit risk report and quarterly back testing results. The purpose of this update was to ensure that valid LAIs are being entered. So, if a user provides an invalid LAI or if the user provides a counterparty name that doesn't match the legal name for a valid LAI, then the system will issue a warning to prompt the user to update the LAI to a valid one. And this update builds upon an LAI validation enhancement, which was released earlier in 2025 related to swap valuation disputes, ensuring that valid counterparty LAI are provided when submitting a swap valuation dispute. That concludes my update. Back to you, Matthew.

Matthew Rosamilia:

Thank you, Zilla. And thank you for that insight on those annual reminders. I wanted to ask you a question based on something that you mentioned towards the end. Why has NFA rescinded the risk data filing requirements, which are also known as the RDF filing requirements?

Zilla Kasimov-Bratman:

Sure. So, once we started doing capital exams, we no longer found it useful to collect this data. And just some history on this. At the time that NFA established these filing obligations, the commission had not yet implemented its regulations regarding swap dealer minimum capital requirements, and had only implemented the first phase of the uncleared initial margin requirements. However, after the commission implemented these regulations and NFA adopted Financial Requirements section 18(g), along with Interpretive Notice on—Interpretive Notice 9081 on IM model ongoing monitoring reports, which now requires swap dealers that are in scope for capital and swap dealers that use NFA approved IM models to file certain reports with NFA.

So, the information that NFA collects pursuant to these requirements have resulted in duplicative filing requirements for some swap dealers. So, there was no added value for NFA. And continuing to collect such filings from swap dealers that are not in scope for capital requirements and that are not using NFA approved IM models no longer provided material benefit to our oversight program.

Matthew Rosamilia:

Got you. Well, thank you so much, Zilla. And now I'm going to move on to our next presenter, Brad Jaeger. He's a Senior Manager in our Member Oversight department. And he's going to be discussing supervisory program and common findings. Brad.

Brad Jaeger:

Thank you, Matthew. One of the foundational requirements that's applicable to all swap dealers is the supervision of swap dealing activities. It's also an area that is the focus of the vast majority of our examinations of swap dealers. The overall objective of the

supervisory program is to ensure that all swap dealing activity is systematically supervised to ensure compliance with applicable NFA rules and those incorporated CFTC regulations. There are several sources for supervisory related rules and regulations that shape NFA's focus when reviewing swap dealing activity. The first is NFA Compliance Rule 2-9D, which is broadly written and requires each swap dealer to diligently supervise its employees and agents in the conduct of their swaps activities.

Second is NFA Compliance Rule 2-49, which incorporates various CFTC requirements. I'm going to mention three quickly here. The first is CFTC Regulation 23.602, which is also a broadly written rule which requires swap dealers to establish and maintain a system to supervise and diligently supervise all activities relating to its swap dealing business that is reasonably designed to achieve compliance with the requirements of the Commodity Exchange Act and CFTC Regulations.

The second incorporated CFTC regulation that's important in this area is CFTC regulation 23.402, which requires swap dealers to have written policies and procedures that are reasonably designed to ensure compliance with part 23, subpart H requirements, and also to implement and monitor compliance with such policies and procedures. And again, the subpart H requirements include the anti-fraud regulations in 23.410 and the fair dealing requirements in 23.433.

The final kind of source – the regulatory source in this area that I want to mention today is CFTC Regulation 23.600D. This requires swap dealers to establish policies and procedures that require the monitoring of traders throughout the trading day to prevent traders exceeding applicable limits. Also, swap dealers are explicitly required to establish a means to detect unauthorized trading activities or any other violations of applicable policies and procedures.

So, there's a wide range of regulatory authority in this area for NFA to require swap dealer Members to have a robust supervisory program. The standards have evolved over the years, as we have conducted many examinations and learned a lot from our Members. In the next few minutes, I want to talk through some of NFA's expectations in these areas and also some of the most common examination findings.

Okay. The first area of supervisory program really starts with the identification and oversight of associated persons or APs. Since APs are those that solicit and accept swaps on behalf of the swap dealer, they are vital to the supervisory program. Broadly speaking, NFA expects swap dealers to identify, onboard and monitor the list of APs to ensure that all appropriate personnel are being supervised. In addition, NFA expects APs to be trained to ensure that they are aware of regulatory requirements as well, as the swap dealers' policies and procedures. I just want to mention one common deficiency here that we see on examinations is the improper identification or onboarding of APs. This often results in gaps in supervision and oversight of those individuals.

The next area I wanted to get into was communication monitoring. So, one of the cornerstones of any effective program is the thoughtful and thorough monitoring of communications. Specifically, the communications of associated persons. Communication monitoring is an effective way to identify potential misconduct by individuals, so that it can be properly investigated and, if necessary, remediated. Some common deficiencies that we see on examinations is the failure to reasonably tailor the communication monitoring based on approved communication methods. Similarly, the swap dealer may not have monitored for potential off channel communications. Again, the goal is to ensure that APs are communicating on approved channels so they can be properly recorded and monitored.

Another common deficiency relates to the inadequate coverage of certain personnel. This type of deficiency often ties into the failure to properly identify associated persons. Another typical deficiency relates to how effectively and timely swap dealers review and close communication alerts. This is something that is assessed based on the swap dealers business, the number of APs, the volume of communications.

Finally, NFA also considers the swap dealers response to outages or when certain systems fail to create and/or maintain communication records. Now, we acknowledge that outages may happen from time to time. There's often many different systems that create and retain records. But the key for an effective program is to have controls in place to quickly identify instances where records are not being maintained. And if an outage or gap is identified, those communication records should be run through the monitoring tools as the records are recovered. So, we look at outages as a necessary – they do happen. But we do want to look at the firm's response to outages.

Okay. The final pillar of an effective supervisory program that I wanted to mention today is trade surveillance. Trade surveillance is necessary to identify trades or trading activity that is potentially in violation of the firm's policies or is in violation of anti-fraud rules and regulations. Trade surveillance should focus directly on applicable stock trading activity and should be tailored to the asset classes and products that the firm trades. This is also an area where NFA's standards have evolved over the years, because our expectation is that trade surveillance should continue to evolve as technological solutions become more and more advanced.

One of the first things that is assessed is the coverage of various asset classes and products. And the goal should be to ensure that there are no gaps in all products that are subject to the right level of surveillance. Also, when reviewing trade surveillance alerts, potential concerns should be further escalated and reviewed in conjunction with any corresponding communications. These escalations should be to compliance or other appropriate supervisory personnel that have the ability to review them in the proper context. Finally, the trade surveillance program should be subject to ongoing reviews to ensure that it is operating as intended and continues to evolve along with the firm's swap dealing activity.

There are several areas that cause deficiencies when we review trade surveillance. The first that I want to mention is the coverage and scope of surveillance may not be tailored to the swap dealers operations. At times this has come up and swap dealers demonstrate very well-developed surveillance in exchange traded equities and futures products. And the only swap trading surveillance is kind of done ancillary in connection with alerts generated by that, equities or futures activity. In other words there's only indirect review of swap to trading activity.

The second common deficiency results in swap dealers rely on manual surveillance when the nature of the firm and trading activity make this approach unreasonable. The more asset classes, the higher the volume and type of products traded, the more complex the transactions, the more likely it is for a manual approach to be unreasonable.

A third common deficiency to note has to do with the overall review and disposition of alerts. Swap dealers need to have adequate staffing to ensure that alerts are thoroughly analyzed and reviewed in a timely manner. Now, certain alerts may require additional investigation or additional review. And the firm's policies and procedures should have controls in place to age, monitor and, as necessary, escalate alerts that remained open beyond the target timeframes.

Lastly, I thought it would be a good venue for a quick reminder about the importance of the swap dealers record keeping. One part of the supervisory program is assessing how it is designed to function. And the second and more important part is assessing whether or not the program is actually being carried out as designed. And the second part requires complete and accurate records, so that NFA can verify that the supervisory program is being carried out properly. Thank you for your time this morning. And I'll turn it back to Matthew.

Matthew Rosamilia:

Thank you, Brad, for that very insightful presentation on something that's so core to our Member firms, the supervisory program. I wanted to ask you, what are some of the things NFA looks for when reviewing swap dealer associated persons, those are APs, since they are not required to be registered?

Brad Jaeger:

Yeah. Thank you. So, despite not being required to be registered, like other NFA membership categories, APs cannot be subject to a statutory disqualification. So therefore, swap dealers still need to ensure that their APs are not subject to one of those disqualifications. Additionally, popular APs are required to take and pass NFA swaps proficiency requirements. And finally, as I mentioned earlier, the swap dealer is expected to keep an up-to-date listing of APs to ensure that the right individuals are being properly supervised to prevent misconduct.

Matthew Rosamilia:

Got you. Well, thank you so much, Brad. And we're going to move on to the final portion of our presentation today. We're going to have Lingmei Kong, who's a Quantitative Specialist II. And she's also part of our Member Oversight department who's going to be discussing models. Lingmei, I'll turn it over to you.

Lingmei Kong:

Thank you, Matthew. This is Lingmei. And good morning, everyone. My team works mostly on capital model and initial margin model approval and oversight. Today, I will briefly walk through NFA's requirements and expectations. Regarding the use of risk-based models for calculating both initial margin and regulatory capital requirements by swap dealer Members, and also highlight some common deficiencies and areas where firms frequently encounter challenges. I'll begin with initial margin model and then shift to capital model.

Swap dealers that use internal risk-based models for initial margin calculations must obtain NFA's approval and comply with the regulatory model requirements, including NFA Compliance Rule 2-49, which incorporates CFTC Regulation, requirements detailed in the IM model approval letter, such as the conditions outlined in the appendices, and the IM model oversight program. One of the key elements is that firms must adequately monitor the IM model performance on an ongoing basis. The model performance monitoring framework must include, at a minimum, all the required tasks, such as back testing risk not in IM model and benchmarking to internal and external standards. Firms must demonstrate that the testing results are actively assessed and identified issues are timely remediated and controlled.

With that, the firm must have clearly established and justified thresholds for each test, and well documented procedures specifying how identified model performance issues are addressed. Without clearly defined thresholds and the remediation processes, monitoring activities may not be considered effective.

In addition, all swap dealers must conduct periodic independent model validation. As a minimum, initial margin models must be subjected to annual revalidation. As the initial margin model is recalibrated and released semi-annually, the model risk management function must also review and opine on each new semi-annual version prior to its release into production. The depth of MRM review should be determined by each swap dealer's internal model risk management governance. At a minimum, be commensurate to the scope of the IM model changes. Also, firms must apply appropriate governance to the pricing models and fit models to the IM model, including, but not limited to, established model governance policies and procedures, model revalidations or other validation activities on a periodic basis.

Internal audit plays a critical role as well. The internal audit reviews must assess the effectiveness of the controls, supporting the IM model measurement system, including

the activities of the business training units and the risk control unit, compliance with policies and procedures, and calculation of the covered swap entity's initial margin requirements.

Finally, when certain events related to an NFA approved IM model occur, swap dealers must notify the CFTC and NFA. The required notification must include material model performance issues and the subsequent remediation updates. Common deficiencies we observed in this area include failure to adequately monitor model performance and timely report material model performance issues. Failure to have adequate documentation supporting monitoring activities. And failure to notify upon the remediation of the previously reported model performance issues.

Now let's move on to capital models. Capital models are subject to similar expectations with broader scope. Swap dealers that use internal capital models to determine regulatory capital or minimum capital requirements must obtain NFA's approval and conform to the regulatory model requirements, including NFA Compliance rule 2-49, which incorporates CFTC Regulation. NFA requirements detailed in the capital model approval letters and NFA's oversight processes on firm's internal models.

As part of the key requirements, firms must conduct periodic independent model validation, ongoing performance monitoring and audits for the internal models used for capital calculations at the legal entity level. This should also include models that may not require regulatory approval, but still affect the final capital requirements. For example, pricing and fit models, and internal models to determine the risk margin amount. Weaknesses in the upstream models could potentially affect the reliability of capital calculations.

Additionally, the ongoing monitoring of the model performance must align with all regulatory requirements. Must include, at a minimum, all the tasks required by NFA compliance Rule 2-49, CFTC regulation and NFA's approval letters. Must have clearly established and justified thresholds for acceptable model performance and remediation procedures for each type of testing. The MRM function must review, assess and opine on the ongoing monitoring, testing results and reports before submitting the regulatory – before submitting the quarterly capital model monitoring reports to NFA as applicable.

Additionally, the firm's submissions must be consistent across various regulatory filings. For example, we have observed cases where inconsistent number of back testing exceptions were reported across filings. The number of incidences and back testing conclusions reported in 20.105(k) filing must be consistent with that the firm used to calculate its VAR capital multiplication factor. Finally, documentation is a fundamental expectation. The required reviews and monitoring of the capital models must be clearly documented. Adequate supporting documentation must also be maintained to verify the testing conducted, scope of testing procedures and conclusions reached. With that, this is the end of my presentation. Thank you.

Matthew Rosamilia:

Thank you, Lingmei, for a wonderful presentation. I always love a great perspective on models. So Lingmei, a question here. What kind of information does NFA expect to receive in regard to the initial margin model performance? And is it a required notification, so in the case of any material problems, and the subsequent notification on the issue of remediation?

Lingmei Kong:

Sure. Indeed, the firms must notify the CFTC and NFA via WinJammer as soon as a material IM model performance issue is identified. The specific information required is detailed in the Notice to Member I-22-18, and it covers information such as counterparty IDs, when and how the problem was identified, along with a detailed description of the model performance issue. The proposed remediation plan, including associated compensating controls and anticipated remediation timeline, and the current status of negotiations with the counterparty.

Once the issue is remediated, the firm must file a second notification. Typically, we see that swap dealers do notify NFA and provide the required information and notification upon identified issues. However, we have heard that there is some confusion around the notification to be filed once the issue is remediated. So here I would like to highlight this part. The notification of issue remediation should, at a minimum, include the date of remediation and how the issue was remediated. For example, by applying add-ons or multipliers. Additionally, we understand that there are cases when the issue just goes away because it resolves itself. Also, in this case, NFA still expects the firm to file this second notification stating that this issue has been resolved.

Matthew Rosamilia:

Perfect. Well, thank you, Lingmei, for that practical approach. I want to make sure and ensure that we cover as many questions as we can in this time frame. So if you have any other questions for any of our three presenters, please send them in now. Brad, I wanted to know, can you go over how NFA reviews a trade surveillance program?

Brad Jaeger:

Sure. So, the first thing NFA considers is the firm's swap dealing activity, the asset classes that they trade, the products that are also being traded, and also the volume of swap dealing activity. We then typically review the trade surveillance program at a policy and procedure level. In other words, how the program is designed. We will look at any automated surveillance tools, as well as any manual trade surveillance that may supplement. We also have discussions and walkthroughs about the alert process and what specifically is being monitored. Finally, we'll dig into how the firm and its analysts review and dispose of any alerts that are generated.

Our examination team will be requesting various types of documents and records to kind of verify that the trade surveillance program is being carried out as designed. Now, there's not a one size fits all for a trade surveillance program. It is reviewed in context of the firm's operations and what's reasonable based on the firm's swap dealing activity.

Matthew Rosamilia:

Thank you, Brad. And just based on your first-hand experience, this question gets a little bit more into the weeds, but how should firms determine what languages they need to cover? What does NFA view as reasonable in terms of language coverage?

Brad Jaeger:

That's a great question. We've come across this on many exams over the years. So, the first part, really, the firm should be aware of the languages that are commonly used and that are commonly used to conduct business. The firm should adopt a policy that outlines approved languages, and that all APs are aware of those approved languages. And generally, those languages should be directly monitored by the communication monitoring program. That could involve lexicon lists or other kind of review methods.

The firm should also have the ability to flag potential unapproved languages periodically, and to assess whether or not the communication monitoring program should be extended to cover any additional languages that come up. If an unmonitored language does come up in an alert, the firm should find a way to review the alert and not simply pass on it because it contains another language. So again, it's based on the firm's activity, their geographic location and different regions in the world and where they commonly conduct business.

Matthew Rosamilia:

That makes sense, Brad. A lot of the answers sometimes are it depends. Lingmei, this question pertains to models. So, if a Member submitted the responses for conditions listed in the capital model approval letter, but they didn't hear anything from NFA, no feedback, does that mean they are in compliance?

Lingmei Kong:

Ultimately, as stated in the approval letters, these capital model approvals are contingent on the timely remediation of any findings from NFA's ongoing capital model framework review, including those already identified and summarized as conditions set forth in Appendices B, C and D in the approval letters. It's great that the firm has finally submitted the responses to the conditions listed in the capital model approval letters. NFA's review is ongoing jointly to the quarterly and annual submissions, and will be discussed as part of exams and oversight activities. We'll reach out to each firm if anything else is needed.

Matthew Rosamilia:

Thank you, Lingmei. And Zilla, this question pertains to risk management program. I wanted to ask you. Do all parts of the risk management program need to be tested annually? What are your thoughts?

Zilla Kasimov-Bratman:

So, all of the risk elements within 23.600 need to be tested annually. But we don't expect that they are tested in their entirety each year. So, on an annual basis, you have to determine which parts within market risk, credit risk and all other risk elements you will test, and then have a multi-year plan for when you will cover all of the areas within each risk element. And it's also important to be able to explain why you chose certain parts within each risk element. So definitely need to document all of the analysis that goes into coming up with the testing plan.

Matthew Rosamilia:

Got you. Makes sense. And then, Brad, I have a question for you here regarding associated persons or APs. Can you go deeper into the ID of APs? What does that mean exactly when we say ID of AP? Any examples you might have?

Brad Jaeger:

Sure. Yeah. The first thing to do is to look carefully at the definition of associated person from the CFTC Regulations. And it's defined as individuals that are either soliciting or accepting swaps on behalf of the swap dealer. So really, every firm really needs to consider what type of solicitation is being done and what individuals are carrying out any soliciting efforts. And also, which individuals are actually executing or accepting the swap trading activity. Also, a thing that might get missed is that the direct supervisors of those individuals are also required to be APs. So, if there's a non-trading, non-soliciting supervisor of those that are trading, that person is also considered an AP. And those individuals are commonly missed. That's just kind of one quick example.

Matthew Rosamilia:

Got you. Thank you for that example. And since we're talking about APs here, there's another question that came in about APs, specifically swap APs. And it says swap APs do not necessarily have to be registered with NFA as APs for swap dealer. But does that apply to an IB Member introducing broker that also does swaps, say, a swap firm?

Brad Jaeger:

This is a common question that goes back several years. APs of introducing brokers that are designated as swap firms, those individuals are required to be registered as APs and be NFA Members. The distinction is the membership category, swap dealers. That's when those APs do not need to be registered. But again, I'll say it one more time just to make sure it was clear. Introducing brokers that are designated as swap firms, those individuals are required to be registered as APs.

Matthew Rosamilia:

Got you. Well, thank you, Brad. And there's a last question here for Zilla. Is NFA considering revising the requirement for a principal to submit the Member Questionnaire since it's usually a senior person and logistics can be a bit challenging? Zilla.

Zilla Kasimov-Bratman:

Yeah. Sure. So as of now, that is the requirement. But we understand the concern and we are working on a modification. So, whenever that is done, we'll definitely share that with firms.

Matthew Rosamilia:

Thank you, Zilla. And I'll go over actually one of the questions that just came in regarding the Member Questionnaire and where you can find the Member Questionnaire. I'm actually going to go on our website right now. So, if you are in our home page and you press on Members, you go down to swap dealer, because I'm assuming you guys are all swap dealers today. You go down and you'll press on regulatory obligations, learn more. Once you've done that, you can press on annual SD requirements. And once you press there, you'll see a whole bunch of requirements. And one of those requirements is the questionnaires and the update. And under there you'll find the Member Questionnaire PDF and the link for all of those resources.

Well, thank you for that, Zilla. Thank you, Brad. And thank you, Lingmei, for your wonderful presentations today. That's actually going to wrap up our Q&A session. And again, if we did not get a chance to answer your question, an NFA staff member will be reaching out to you following today's event. We are now closing in at the end of this webinar and would like to thank you, each of you, for your participation. We hope that you found the information provided today to be helpful. The questions you asked are especially helpful to us and will assist us in better tailoring our Member educational programming going forward.

As a reminder, you will be able to find a recording and transcript of today's regulatory requirements webinar for our swap dealer Members. And that's on NFAs website, and it will be posted in the coming weeks. In addition, if we didn't get to your question, we will be responding via email.

We appreciate your participation today and encourage you to tell us how we did via the webinar survey QR code that's up on our screen right now. It's a super quick survey that will truly help us make these webinars just very – much more better for you. So, I'll give you a second to capture that with your mobile devices.

And again, if you ever have a question, feel free to reach out to any one of us, or to NFA's information center, and we'll get you an answer as quickly as we can. Well, thanks, everybody, for your participation and hope you have a great rest of your day. Take care. Thank you.