



Self-Examination Questionnaire

For FCMs, FDMs, IBs, CPOs and CTAs

June 2020 Revisions: Updated to incorporate amendments to NFA Financial Requirements Section 11 and 12, NFA interpretive notice regarding the supervision of branch offices and guaranteed IBs, NFA Compliance Rule 2-29 and 2-36 and related interpretive notices regarding communications with the public and promotional material, and NFA Compliance Rules 2-8 and 2-30 and related interpretive notices regarding bunched orders.

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Introduction

NFA Compliance Rule 2-9 places a continuing responsibility on every Member to diligently supervise its employees and agents in all aspects of their commodity interest activities, while NFA Compliance Rule 2-36 (and Compliance Rule 2-39 by reference to Compliance Rule 2-36), imposes the same requirements on Members with respect to their forex-related activities. NFA recognizes that, given the differences in the size and complexity of the operations of NFA Members, Members must be given some degree of flexibility in determining what constitutes diligent supervision. It is NFA's policy to provide firms with flexibility to develop and implement policies and procedures that are tailored to the Member's own situation. However, NFA believes that all Members should regularly review the adequacy of their supervisory procedures.

In order to satisfy their continuing supervisory responsibilities under NFA Compliance Rules 2-9, 2-36 and 2-39, NFA Members must review their operations on a yearly basis using NFA's Self-Examination Questionnaire, which includes a general questionnaire that must be completed by all Members and five supplemental questionnaires (i.e., FCM, FDM, IB, CPO and CTA) that must be completed as applicable. The questionnaires are designed to aid Members in recognizing potential problem areas and to alert them to procedures that need to be revised or strengthened. The questionnaires focus on the Member's regulatory responsibilities and solicit information regarding whether the Member's internal procedures are adequate for meeting these responsibilities.

After reviewing the annual questionnaires, an appropriate supervisory person must sign and date a written attestation stating that he/she has reviewed the Member's operations in light of the matters covered by the questionnaire. Although a Member may review more than one supplemental questionnaire, only one attestation is necessary per office. A separate attestation must be made for each branch office and if the branch office reviews its own operations then the main office must receive a copy of the questionnaire's signed attestation. Guarantor FCMs and FDMs must obtain copies of the questionnaire's signed attestation from guaranteed IBs, including branch offices of these guaranteed IBs. These attestations **should not** be forwarded to NFA but should be retained by the Member. Signed attestations should be readily available for the most recent two years and retained for the most recent five years. As necessary, NFA updates these questionnaires to reflect new and amended rules. Members should obtain the most recent version of the questionnaires from NFA's website (www.nfa.futures.org). If you have questions, please contact NFA's Compliance Department at (800) 621-3570.

Sample Attestation

(On Member's Letterhead)

Appropriate supervisory personnel for Member's Name have reviewed and evaluated the current procedures of Member's Name (and branch location, if applicable) using the NFA Self-Examination Questionnaire. Based on that review, it appears that Member's Name current procedures are adequate to meet its supervisory responsibilities.

Signed

Date

General Self-Examination Questionnaire for All Members

Registration

- Has the Member listed all of the following individuals as principals on the Member's Form 7-R? (Registration Rules 208 and 101(t)):
 - Individuals who hold the following positions with the Member:
 - Sole proprietor of a sole proprietorship;
 - General partner of a partnership;
 - Director, president, chief executive officer, chief operating officer, chief financial officer or a person in charge of a business unit, division or function subject to regulation by the Commission of a corporation, limited liability company or limited partnership;
 - Manager, managing member or a member vested with the management authority for a limited liability company or limited liability partnership; or
 - Chief compliance officer.
 - Individuals who directly or indirectly, through agreement, holding companies, nominees, trusts or otherwise, have the following financial relationships to the Member:
 - Own 10 percent or more of the outstanding shares of any class of the Member's stock, other than non-voting stock;
 - Are entitled to vote 10 percent or more of any class of the Member's voting securities;
 - Have the power to sell or direct the sale of 10 percent or more of any class of the Member's voting securities;
 - Have contributed 10 percent or more of a Member's capital; or
 - Are entitled to receive 10 percent or more of a Member's net profits.
 - Individuals who have the power to exercise a controlling influence over an applicant's or registrant's activities that are subject to regulation by the Commission.
- Has the Member listed all of the following entities as principals on the Member's Form 7-R? (Registration Rules 208 and 101(t)):
 - A general partner of a partnership;
 - The direct owner of 10 percent or more of any class of an entity's securities, other than non-voting stock; or
 - Entities that have directly contributed 10 percent or more of a Member's capital unless such capital contribution consists of subordinated debt contributed by:
 - An unaffiliated bank insured by the Federal Deposit Insurance Corporation;

- A United States branch or agency of an unaffiliated foreign bank that is licensed under the laws of the United States and regulated, supervised and examined by United States government authorities having regulatory responsibility for such financial institutions; or
 - An insurance company subject to regulation by any State.
- Has the Member listed all branch office locations and branch office managers on the Member's Form 7-R? (Interpretive Notice ¶9002)
- Have all branch office managers passed the branch office manager proficiency exam? (NFA Compliance Rule 2-7)
- Do all branch offices hold themselves out in the name of the Member? (CFTC Regulation 166.4)
- Has the Member listed on the Form 7-R all "doing business as" names? (Registration Rules 204 and 210)
- Does the Member prohibit individuals who are not registered as associated persons ("AP") from soliciting or accepting customer orders (except in a clerical capacity) or from supervising those individuals? (CEA Section 4k)
- If the Member terminated any principal's, branch office manager's or AP's affiliation with the Member, did the Member file with NFA an Individual Withdrawal Notice (Form 8-T) within 30 days after the termination? (Registration Rule 214)
- Is the information provided on the Member's Form 7-R still accurate and complete (including but not limited to names, addresses, phone numbers, e-mail addresses, etc.). If there were any changes that rendered the information inaccurate or incomplete, did the Member update and correct the information on NFA's Online Registration System? (Registration Rule 210)
- Has the Member reviewed commission payouts and other disbursements to ensure that only NFA Members are being paid for customer business? (NFA Bylaws 301 and 1101)
- Does the Member review all parties it does business with to ensure those that are required to be registered are registered, and, if required to be an NFA Member, are NFA Members? (NFA Bylaw 1101 and Compliance Rule 2-36(d))
- If the Member and any of its Associates intend to engage in retail forex transactions, has the Member designated itself a forex firm and designated the Associate(s) a forex AP on NFA's Online Registration System? (NFA Bylaw 301(j))

Supervision (NFA Compliance Rules 2-9 and 2-36, and Interpretive Notices ¶9019 and 9053)

- Has the Member designated a "compliance officer" who is responsible for handling customer complaints or inquiries of a compliance nature including matters received in branch offices?

- Does the Member have a compliance procedures manual or other written documentation that outlines the Member's policy with respect to handling compliance matters, such as customer complaints or inquiries?
- Does the Member have a systematic method of recording, investigating and responding to customer complaints or inquiries?
- Does the Member have written policies and procedures designed to ensure that a robust due diligence review is performed before it establishes or modifies a branch office or GIB relationship?
- Does the Member provide supervisory oversight for the commodity interest business of its branches and guaranteed IBs?
- Does the Member ensure that all prospective employees at a branch office or GIB are screened and qualified, and have policies and procedures regarding the hiring and supervision of APs who have been or whose past employers have NFA or CFTC disciplinary history?
- Does the Member supervise sales solicitations by one or more of the following methods: direct listening, reviewing taped solicitations, silent phone monitoring and customer contact?
- If the Member has any branch offices or GIBs, does it have an Internal Audit Department or other designated individual ("Auditor") who monitors the branch offices and/or GIBs, including annual inspections, using a written audit program?
 - Has the Auditor prepared a written summary of findings noted during an on-site inspection of a branch office or GIB and submitted the report to a partner or officer?
 - If the Auditor noted any problems during an on-site visit or other during other monitoring, has the Member taken appropriate corrective action?
 - Does the Member have policies and procedures regarding the hiring and supervision of APs who have been or whose past employers have been disciplined by NFA or the CFTC for fraud?
- If the Member engages in retail forex, does the Member have procedures to screen prospective Associates to ensure that they are qualified and to determine the extent of supervision they will need if hired?
- Does the Member provide its APs with training on proper sales solicitations for transactions in the forex, futures and options markets?
- Does the Member distribute changes in rules or regulations to appropriate personnel?
- Does the Member monitor incoming and outgoing mail in order to intercept/identify any customer complaints?

- Does an officer or other supervisory personnel regularly review trading in non-customer and proprietary trading accounts?
- If the firm has received any special calls for traders with reportable positions, has it filed a Form 40 with the CFTC? (CFTC Regulation 15.02 and 15.03) If not, the firm must file this form immediately.
- Does the Member require its branch offices and GIBs to create and maintain a record of all verbal and written complaints as set forth by the CFTC? (CFTC Regulation 1.31)
- Does the Member ensure its APs are properly trained to perform their duties?

Ethics Training (NFA Compliance Rule 2-9 and Interpretive Notice ¶9051)

- Does the Member have policies and procedures regarding the ethics training requirements for APs, detailing areas such as content, frequency and format of training? For further assistance in drafting these ethics training procedures, see [Appendix C on NFA's website](#).
- Have all of the Member's APs received ethics training in accordance with the firm's procedures? Has the Member maintained records documenting compliance with these procedures, including dates and providers of training and materials used or distributed?
- Does the firm use an ethics training provider (either internal or external) who is qualified to conduct training (e.g. has completed relevant proficiency testing and has three years of relevant industry experience, or similar experience)?

Business Continuity and Disaster Recovery Plan (NFA Compliance Rule 2-38 and Interpretive Notice ¶9052)

- Does the firm have a written business continuity and disaster recovery plan (BCDR) that outlines the procedures to be followed in the event of an emergency or significant disruption? (See Appendix B for assistance in drafting a BCDR plan)
- Does the firm test the effectiveness of its (BCDR) plan on a periodic basis or at least once a year and maintain evidence of that review?
- Does the firm update its BCDR plan as necessary to respond to material changes in the Member's operations?
- Has a supervisory individual reviewed the plan and signed off that review?
- Has the firm distributed the BCDR plan to its key employees and communicated the essential components of the BCDR plan to all employees?
- Does the Member maintain copies of the BCDR plan at one or more off-site locations that are readily accessible to key employees?
- If an FDM or FCM Member, has the firm provided or updated NFA with the name and contact information for all key management employees? Has the firm provided NFA with the location, address and telephone number of its primary and alternative disaster recovery sites?

- If an IB, CPO, or CTA Member, has the firm provided or updated NFA with emergency contact information for one or more individuals NFA can contact in the event of an emergency? Are those individuals authorized to make key decisions in the event of an emergency?

Account Opening (NFA Compliance Rules 2-9, 2-10, 2-30 and 2-36)

- Does the firm obtain the following information from customers who are individuals: name, address, occupation or business description, estimated annual income, estimated net worth, age and prior investment and futures trading experience? For all other non-ECP customers: name, address, principal business, net worth or net assets and current estimated annual income (if not available the previous year's annual income)?
- Does the Member require that the necessary information be obtained and recorded prior to permitting a new account to commence trading?
- If an account is opened in the name of an entity, does the Member obtain some type of authorization signed by appropriate personnel (such as a corporate resolution) indicating who has the authority to open and trade the account and identifying any account limitations?
- Does the Member require a partner, officer, director, branch office manager or other supervisory employee to approve a new customer account and document this review?
- Does the firm provide adequate risk disclosure to customers prior to opening an account?

Privacy Rules (CFTC Regulation 160 and NFA Compliance Rule 2-4)

- Does the firm have a written privacy policy pertaining to consumer financial information as required by CFTC Regulation 160? Does the firm provide the privacy notice to customers at the time the account is opened and where required annually thereafter?
- Does the firm provide and obtain customer "opt out" notices as required?
- For further assistance in drafting these privacy procedures, see [Appendix D on NFA's website](#).

Promotional Material (NFA Compliance Rules 2-29 and 2-36)

- Does the Member have written procedures to supervise the preparation and use of promotional material?
- Does the Member require an officer, general partner, sole proprietor, branch office manager or other supervisory employee other than the individual who prepared the material to approve promotional material in writing before its use?
- Does the Member maintain all promotional materials and written approvals for a period of five years from the date last used?
- Does the Member maintain supporting documentation for all statements, claims and performance results?

- Does the firm ensure that the promotional material includes all material information necessary to ensure that it is not misleading?
- If the material mentions the possibility of profit including the presentation of profitable past performance results, does the Member include an equally prominent discussion of the risk of loss?
- Does the Member calculate rates of return in a manner consistent with CFTC Part 4 Regulations?
- Does the Member ensure that any presentation of past performance of any actual accounts is representative of the actual performance of all reasonably comparable accounts for the same time period?
- Does the Member present performance net of all commission, fees and expenses?
- Does the Member include reference that past results are not necessarily indicative of future results when past performance is mentioned?
- Does the Member ensure that statements of opinion are identifiable as such and have a reasonable basis in fact? Does the Member maintain support for such statements?
- Does the Member ensure that the promotional material does not include any guarantee against loss?
- Does the Member ensure that reprints of articles have been supplemented with the proper disclosures and disclaimers?
- Does the Member include the hypothetical performance disclaimer prescribed by NFA Compliance Rule 2-29(c) with any hypothetical performance results? The Member must cease using hypothetical results when there are three months or more of actual trading results for the offered program unless the hypothetical performance is directed to Qualified Eligible Persons (QEPs).
- When the Member uses hypothetical results for a trading system, and these results are being distributed to individuals who do not qualify as QEPs, does the Member also include either the actual results of all customer accounts directed by the Member for the past five years (or entire performance history if less than five years), or if the Member has less than one year of experience directing accounts, the results of any proprietary trading over the past five years (or the entire performance history if less than five years)?
- If the Member distributes hypothetical performance to individuals who are not QEPs, does the Member calculate hypothetical results in the same way as actual results?
- When the Member uses both hypothetical results and actual results, does the Member ensure that the actual results and hypothetical results are appropriately identified, separately formatted, discussed in an equally balanced manner and calculated pursuant to the same rate of return method?

- Does the Member explain all material assumptions made in preparing hypothetical results, including at least the minimum investment amount, distribution or reinvestment of profits, commission charges, management and incentive fees, and a general discussion of how performance was calculated (e.g., based on settlement prices, real time pricing)? (NFA Interpretive Notice ¶ 9025)
- Does the Member submit all promotional material that uses audio or video content to make any specific recommendations or refer to or describe the extent of any profit obtained in the past or that can be achieved in the future to NFA's promotional material review team for its review and approval at least 10 days prior to first use?
- Does the Member prohibit the use of promotional material that contains any of the following below?
 - Claims regarding seasonal trades;
 - Claims regarding historical price moves;
 - Claims regarding price movements that are characterized as conservative estimates when in fact such price movements would be dramatic;
 - Claims using certain pricing data for a product different from the one being marketed in the promotional material;
 - Claims containing profit projections;
 - Claims containing "cherry picked" trades;
 - Claims regarding mathematical examples of leverage as a means of suggesting that prospective customers are likely to earn large profits from trading;
 - Performance information that is not calculated based upon nominal account size or uses an arbitrary leverage level that differs from how the account was actually traded; and
 - Claims regarding the performance of third-party managed futures or hedge fund indices without the disclosure of the basis and limitations of these indices and/or a statement that the customer is unable to invest directly in an index.
- Does the Member ensure employees and agents are not purchasing leads from non-Members required to be registered and/or using fraudulent advertising practices? Does the Member maintain a record of any non-member or member advertisement used?
- If the Member engages in retail forex, has the Member ensured that its promotional material does not represent any of the following below?
 - Forex funds deposited with an FDM are given special protection under the bankruptcy laws or that assets necessary to satisfy its obligations to customers are more secure because the Member keeps some or all of those assets at a regulated entity in the U.S. or a money center country. (NFA Interpretive Notice ¶ 9053)

- Its services are commission free without prominently disclosing how it is compensated in near proximity to that representation. (NFA Interpretive Notice ¶ 9053)
- It offers trading with "no-slippage" or that it guarantees the price at which a transaction is filled (unless it can also demonstrate that all orders for all customers have been executed and fulfilled at the price initially quoted on the trading platform when the order was placed and no authority exists, pursuant to a contract, agreement, or otherwise, to adjust customer accounts in a manner that would have the direct or indirect effect of changing the price at which an order was executed). (NFA Interpretive Notice ¶9053)
- Solicits customers based on the leverage available unless the material balances any discussion regarding the advantages or leverage with an equally prominent contemporaneous disclosure that increasing leverage increases risk. (NFA Interpretive Notice ¶9053)
- Customers will have direct access to the interbank market. (NFA Interpretive Notice ¶9053)

Website, Social Media, other Internet-Based Forums and Electronic

Communications (NFA Compliance Rules 2-9 and 2-29, and Interpretive Notice ¶ 9037 and ¶ 9053)

- Does the Member have written procedures to supervise the preparation and use of websites, social media and other internet-based forums (e.g. blogs, chat rooms, etc., referred to as platforms) that meet the requirements of NFA Compliance Rule 2-29, including procedures to monitor comments and posts made by participants that are not affiliated with the Member, regularly monitor their content, and promptly take down any post that violates NFA rules (e.g., a deceptive, misleading or fraudulent post) and ban users for egregious or repeat violations?
- Does the Member require prior review and written approval of these platforms by an appropriate supervisor?
- Does the Member periodically evaluate and, when necessary, modify their review procedures for these platforms to ensure they remain effective?
- Does the Member retain all required records and ensure they are readily available upon the request by NFA or the CFTC?
- Does the Member ensure paid hyperlinks to the firm's website do not contain deceptive information regarding futures or options trading?
- Does the Member monitor the general content of any websites to which the Member links?

- Does the Member have written procedures to review electronic communications and supervisory procedures that are reasonably designed to ensure personnel are not using unauthorized electronic communications or platforms to conduct business on its behalf?
- Does the Member review personal websites or on-line social networking groups used by employees or agents used to promote business for the firm?

Cybersecurity (NFA Interpretive Notice ¶ 9070)

NFA has developed the following questionnaire to assist firms in meeting their obligations under NFA's [Interpretive Notice to NFA Compliance Rules 2-9, 2-36 and 2-49 entitled *Information Systems Security Programs*](#) (Cybersecurity Notice). The Cybersecurity Notice adopts a principles-based risk approach to allow Member firms some degree of flexibility in determining what constitutes "diligent supervision," given the differences in Members' size and complexity of operations, the make-up of customers and counterparties serviced by Members, and the extent of Members' interconnectedness. NFA recognizes that a one-size-fits-all approach will not work for the application of these requirements. However, the Cybersecurity Notice does require each Member to adopt and enforce an information systems security program (ISSP) appropriate to its circumstances.

The firm must develop and maintain a written ISSP for securing customer data and access to their electronic systems, which should be maintained with the rest of the firm's written procedures. Although the firm is not required to have a separate single document describing every aspect of its ISSP, a comprehensive written policy may be the best way to ensure that firm personnel know what the firm's policy is, depending upon the firm's size and complexity of business and technological operations. Similarly, while the ISSP may be implemented at an enterprise wide level, the ISSP should be appropriate to the Member's information security risks. This is important because just having a policy is not enough to meet your regulatory requirements. You must also implement and follow that policy and review it at least annually to keep it current and complete.

The questions listed below are very general and do not cover every aspect of the Cybersecurity Notice, which you should consult when designing your ISSP. The questions are intended to provide a tool or process to assist you in developing the written ISSP. The firm should also consider whether it has the internal expertise to develop and implement a written ISSP or whether additional resources are needed either through hiring cyber professionals or engaging consultants with the necessary expertise.

You should complete this questionnaire as appropriate in light of your firm's size and complexity of operations, the make-up of your customers and counterparties, and the extent of your interconnectedness. You should carefully consider the firm's operations before deciding that a particular point is not applicable.

Identification of threats and vulnerabilities:

Taking an inventory of information assets

- Has the firm taken an inventory of the data and information that the firm creates, collects, receives, uses, processes, stores, or communicates to others?
- Has the firm identified the systems, networks and processes by which such data is created, collected, received, used, processed, stored, or communicated?
- Has the firm identified where in the firm (e.g., which office and which department), the data and systems are located, and who controls them?
 - Has the firm identified all data privacy or data security laws that apply to the information collected, processed, and stored?
 - Does the firm have data that is in the possession and control of a third party, such as an outsource service provider, back-up facility provider or cloud storage provider?
 - Does the firm provide third-party service providers with access to its data and systems?

Conducting a risk assessment

A risk assessment identifies threats and vulnerabilities to the information assets used by the company and assesses the potential impact/harm that would result if a threat materializes. Threats include, for example cyber or physical attacks; human errors; disasters, accidents, and failures beyond the control of the organization, such as a fire, flood, or tornado. A vulnerability is a flaw or weakness that could be exploited by a threat e.g., unrestricted access to the firm's premises where information systems hardware is located, a system with

easy to guess passwords, unencrypted data on a laptop computer or disgruntled or poorly trained employees.

- Has the firm identified the reasonably foreseeable internal and external threats to the information and system assets?
- Has the firm identified the vulnerabilities that could be exploited by threat sources?
- Has the firm assessed the likelihood that the identified threats will materialize, and if so, the probability that it will exploit one or more of the vulnerabilities to cause harm?
- Has the firm evaluated the potential damage that will result in such case?
- Has the firm assessed the sufficiency of the security controls in place to guard against the threat?

Deployment of protective measures against the identified threats and vulnerabilities:

Physical security

- Has the firm considered and, when appropriate, implemented restrictions on physical access to:
 - the premises where its information systems are located; and
 - the data processing equipment used for storing, accessing and processing data?
- Has the firm considered and, when appropriate, implemented measures to:
 - protect against power interruptions and other potential physical hazards such as water and fire damage;
 - restrict access to specific types of digital or printed information only to authorized users;
 - securely store removable media, such as USB drives and CD/DVDs;
 - secure the information on equipment and removable media that are taken out of the premises; and
 - securely destroy and dispose of digital and printed information?

Technical security

Access

- Has the firm considered and, when appropriate, implemented measures to:

- prevent unauthorized persons from accessing information systems and data;
- limit and control the scope of access by authorized users to information systems and data; and
- authenticate and identify authorized users?

System acquisition, configuration and change management

- Has the firm considered and, when appropriate, implemented measures to:
 - with respect to third-party service providers, to the extent practical:
 - conduct reasonable due diligence on third-party service providers that possess, control or have access to the firm's data or information systems;
 - include contractual provisions in contracts with these third-party service providers requiring appropriate information security practices; and
 - monitor the performance of these third-party service providers with respect to information security practices?
 - include appropriate security practices into the design and implementation of information systems;
 - test and evaluate the security of new systems;
 - verify that the system and software configuration are appropriate from a security perspective; and
 - ensure that system modifications are consistent with the firm's security program?

System and information integrity

- Has the firm considered and, when appropriate, implemented measures to:
 - protect against unauthorized changes to software;
 - protect information from unauthorized access, alteration, disclosure or destruction through, for example encryption of data; and
 - prevent the introduction of and protect against the effects of malicious software, e.g., viruses, etc.?

Data movement

- Has the firm considered and, when appropriate, implemented measures to:
 - prevent unauthorized persons from moving data outside of the premises;
 - establish when, by whom and to whom sensitive data is transmitted; and

- protect the confidentiality and integrity of data in the process of transfer or transmission through encryption?

Maintenance

- Has the firm considered and, when appropriate, implemented measures to:
 - identify, test and install software patches in a timely manner;
 - remove data from equipment that is sent off-site for repair and verify hardware and software security features functionality when the equipment is returned; and
 - approve, control and monitor remote maintenance activity?

System activity monitoring and audit records

- Has the firm considered and, when appropriate, implemented measures to:
 - determine whether continuous auditing of access to and alteration, deletion and copying of sensitive data is required;
 - identify the events which require auditing if auditing is not continuous; and
 - determine the content of audit logs?

Personnel

- Has the firm considered and, when appropriate, implemented measures to:
 - verify that its employees and service providers are technically qualified and are sufficiently trustworthy to access information systems containing sensitive data; and
 - specify the security obligations of its employees and service providers who have access to information systems containing sensitive data?
- Has the firm implemented information security training that
 - is appropriate based upon the employees' roles; and
 - is conducted for all employees upon hire and annually thereafter?

Detection of Threats in a Timely Manner

- Has the firm deployed tools, techniques and procedures to:
 - monitor log-in attempts and report discrepancies;
 - detect actual and attempted attacks on or intrusions into the firm's information systems; and
 - identify unauthorized users

- Has the firm considered and, where appropriate, installed intrusion detection software that detect and reports unauthorized access to or actual or attempted installation of malicious software on the firm's information systems?

Response to Events that Threaten the Security of Electronic Systems

- Has the firm developed an Incident Response Plan (IRP) in the event of a security incident that identifies the team of people who are responsible for implementing the IRP and that contains procedures:
 - for timely notification of appropriate firm personnel and external parties;
 - to obtain the appropriate internal and external support to handle and report security incidents to regulatory and law enforcement authorities and persons or business partners whose information may have been compromised;
 - to take timely action to contain and recover from the security incident;
 - to document the date, time, nature and impact of and response to the security incident;
 - for training of the IRP team; and
 - for periodically testing the IRP to determine its effectiveness and document the test.

Notice to NFA (FCM-only Members for which NFA is not the DSRO need not provide copies of notices to NFA)

- Does the firm have procedures to ensure that it provides notification electronically through EasyFile to NFA?
- Has the firm notified NFA through EasyFile as a cybersecurity incident as it relates to the firm's commodity interest business and that results in:
 - any loss of customer or counterparty funds;
 - any loss of a firm's own capital; or
 - the firm providing notice to customers or counterparties under state or federal law
- Has the firm provided a written summary of the incident with the relevant details?
 - If the firm provides a notice to customers or counterparties, the firm may provide a copy of the notice to NFA in lieu of a written summary. Additionally, if identical notices regarding the same incident are provided to multiple parties (e.g. to all affected customers in a breach of personally identifiable information), the firm should provide a copy of one particular notice to NFA.

Recovery from the Events

- Has the firm integrated its ISSP with the firm's business continuity/disaster recovery plan?

Training

- Has the firm internally developed and implemented or contracted with a qualified service provider to provide an information security training program that
 - is designed to provide an understanding of the firm's ISSP and limit human error;
 - includes training for employees upon hiring and annually during their employment but more frequently if circumstances warrant additional training and be appropriate to its employees' access to or involvement with its information systems; and
 - includes training topics such as social engineering tactics and other general threats that could compromise the firm's information system or result in data loss/breach?

Annual Review of ISSP

- Has the firm implemented a process to monitor the effectiveness of its ISSP at least on an annual basis?
- Has the firm considered whether its internal staff has the appropriate knowledge and training to perform the annual effectiveness review and, if not, engaged a qualified service provider to perform the review?
- Has the firm considered whether, based on the firm's size, business, technology, electronic connectivity with other entities and the potential threats identified in the firm's risk assessment whether to perform penetration testing of its information systems?
- Does the firm's ISSP effectiveness review include a process of remediating issues identified by the review?

Supplemental Questionnaire for FCMs

Financial (for all FCMs)

- Is the preparer of the firm's financial books and records an AP/Principal or under the direct supervision of an AP/Principal? (CFTC Regulation 1.10 and NFA Financial Requirements Section 4)
- Does the firm balance accounting records on a regular basis? (CFTC Regulation 1.18(a) and NFA Compliance Rule 2-10)
- Does the firm retain financial and compliance records for five years? (CFTC Regulation 1.31 and NFA Compliance Rule 2-10)
- Does the firm maintain a general ledger on an accrual basis? (CFTC Regulation 1.18(a) and NFA Compliance Rule 2-10)
- Does the firm prepare a trial balance on a regular basis? (CFTC Regulation 1.18(a) and NFA Compliance Rule 2-10)
- Does the firm prepare detailed support to convert the trial balance or general ledger to the financial statement format? (CFTC Regulation 1.18(a) and NFA Compliance Rule 2-10)
- Does the firm prepare monthly capital computations and required 1-FR or FOCUS statements including supplementary schedules within 17 business days after the month end? (CFTC Regulation 1.10(a)(2), CFTC Regulation 1.10(b), and NFA Financial Requirements Section 1(b))
- Does the firm file the required 1-FR and FOCUS statement with NFA or the firm's DSRO, and the CFTC, by the due dates? (CFTC Regulation 1.10(a)(2), CFTC Regulation 1.10(b), NFA Financial Requirements Section 1, NFA Financial Requirements Section 1(b))
- Does the firm monitor intra-day capital compliance? (CFTC Regulation 1.12 and NFA Financial Requirements Section 4)
- Does the firm ensure that the independent certified public accountant that the firm has engaged to certify its year-end 1-FR or FOCUS report is registered with the Public Company Accounting Oversight Board (PCAOB) and has undergone an examination by the PCAOB? (CFTC Regulation 1.16) (Effective for FOCUS and 1-FR reports dated as of 12/31/2015)
- Does the firm have procedures to ensure that it provides notification (immediately or within 24 hours where applicable) electronically through WinJammer™ to the CFTC and its DSRO for all [notices](#) required under CFTC Regulation 1.12?
- Has the firm submitted subordinated loan agreements to the DSRO for approval at least 10 days before the effective date? In addition, for FCMs that are also registered as broker-dealers, is a copy of the firm's securities industry designated examining authority's

approval filed with NFA immediately upon receipt? (CFTC Regulation 1.17(h)(3)(vi) and NFA Financial Requirements Section 4)

Financial (for FCMs that hold customer funds)

- Does the firm prepare daily segregation, secured amount and cleared swaps customer collateral computations as of the close of business by noon of the following day? (CFTC Regulations 1.32, 30.7(l) and 22.2(g); NFA Compliance Rule 2-10)
- Does the firm maintain sufficient funds in United States Dollar ("USD") held in segregated and cleared swaps customer collateral accounts within the United States to cover its USD customer segregated, and cleared swaps customer collateral liabilities (as applicable), respectively? (CFTC Regulations 1.49(e) and 22.9)
- Does the firm clearly designate all customer securities and property as customer segregated? (CFTC Regulation 1.20 and NFA Financial Requirements Section 4)
- Does the firm perform due diligence as required by CFTC Regulation 1.11 on the location of customer funds? (CFTC Regulations 1.11 and 1.20)
- Does the firm obtain acknowledgement letters from depositories, including derivatives clearing organizations and other FCMs, where applicable, holding customer funds in the form prescribed under CFTC Regulations 1.20, 1.26, 22.5, and 30.7 within three business days of opening any new accounts? Do the firm and their depositories file copies of the acknowledgment letters with both the CFTC and its DSRO through WinJammer™?
- Does the firm instruct each depository holding customer segregated, customer secured and cleared swaps customer collateral accounts to report the balances in these accounts on a daily basis to NFA or a third party designated by NFA, in the form and manner prescribed by NFA, to be considered as an acceptable depository to hold customer segregated funds, customer secured funds and cleared swaps customer collateral? (NFA Financial Requirements Section 4)
- Does the firm maintain written policies and procedures that establish a target amount (either by percentage or dollars) that the FCM seeks to maintain as its residual interest in its customer segregated, customer secured, and cleared swaps customer collateral accounts, which are designed to reasonably ensure the FCM maintains these amounts and remains in compliance with the segregation, secured amount and cleared swaps customer collateral amounts at all times? (CFTC Regulations 1.11 and 1.23 and NFA Financial Requirements Section 16(a))
- Have the procedures been approved in writing by the FCM's Board of Directors or similar governing body? (NFA Financial Requirements Section 16(a))
- Have any material changes to the firm's procedures regarding residual interest in customer segregated, customer secured or cleared swaps customer collateral accounts

been approved in writing by the FCM's Board of Directors or similar governing body?
(NFA Financial Requirements Section 16(a) and Interpretive Notice ¶9066)

- Does the firm ensure that if it does not hold sufficient funds to meet its target residual amount in customer segregated, customer secured or cleared swaps customer collateral accounts that it files immediate notice of this occurrence with the CFTC and the firm's DSRO? (NFA Interpretive Notice ¶9066 and CFTC Regulation 1.12(j))
- Does the firm require that any withdrawal, transfer or disbursement, not made for the benefit of customers from any customer segregated funds account, customer secured, or cleared swaps customer collateral account that exceeds 25% of the firm's residual interest meets the requirements of NFA Financial Requirements Section 16(b), (c) and (d)?
- Does the firm ensure that in those instances where it withdraws a portion of its residual interest not for the benefit of customers, and the withdrawal causes it to fall below its target residual amount, that by the close of business the next day the firm either deposits funds in the segregated, secured funds or cleared swaps customer collateral account(s), as applicable, to restore the respective account balance to the target residual amount or if appropriate revise the target residual amount in accordance with its policies and procedures on doing so? (NFA Interpretive Notice ¶9066 and CFTC Regulation 1.23(e)).
- Does the firm prepare semi-monthly Segregated Investment Detail Reports (SIDRs) and file with its DSRO within one business day? (NFA Financial Requirements Section 16(e))
- Does the firm review the equity run to ensure accounts of officers, directors, partners and employees are reflected separately from customers? (NFA Compliance Rules 2-9 and 2-10)
- Does the firm maintain complete and detailed records of all securities held or owned by the firm which represents an investment of customer funds? (CFTC Regulation 1.27)

Risk Management

- If the FCM holds customer funds, does the firm establish, maintain and enforce a system of risk management policies and procedures, known as the Risk Management Program, which is designed to monitor and manage the risks associated with the FCM's activities? (CFTC Regulation 1.11)
- Does the firm provide its senior management and its governing body with a quarterly Risk Exposure Report (RER), as well as interim RERs at any time the firm detects a material change in its risk exposure? (CFTC Regulation 1.11)
- Does the firm file a copy of the quarterly and any interim RER within five business days of providing the report to its senior management through WinJammer™? (CFTC Regulation 1.11)

- Does the firm file an annual Risk Assessment Report containing a copy of the firm's organizational chart and copies of the financial, operational and risk management policies, procedures and systems, as well as fiscal year-end consolidated financial statements for certain affiliates through WinJammer™? If a material change occurs in the firm's organizational chart and/or financial, operational and risk management policies and procedures, does the firm report the material change within 60 days after the end of the fiscal quarter where the change has occurred? (CFTC Regulations 1.15 and 5.11)

Supervision

- Has the firm provided adequate risk disclosure to customers purchasing deep out-of-the-money options? (NFA Compliance Rules 2-30 and 2-4, and NFA Interpretive Notices ¶9004 and ¶9013)
- If the FCM permits its APs to maintain an account at other IBs or FCMs, does the firm require an AP to obtain written authorization from an appropriate supervisory person of the firm who will be responsible for reviewing the AP's account and require the AP to instruct the other IB or FCM to transmit copies of statements and order tickets relating to his/her account to the FCM on a regular basis? (CFTC Regulation 155.3(c), and NFA Compliance Rules 2-9 and 2-10)
- Does the FCM maintain records that clearly identify which customer accounts are discretionary? (NFA Compliance Rule 2-8(a))
- Has the firm established written procedures to supervise the trading of discretionary accounts? (NFA Compliance Rule 2-8(b))
- Does the firm require something in writing, such as a power of attorney or other instrument, authorizing the member or AP to exercise discretion? (NFA Compliance Rule 2-8(b))
- Does the FCM require that an appropriate supervisory person regularly review discretionary trading activity and prepare a written record of the review of discretionary accounts? (NFA Compliance Rule 2-8(b))
- Does the firm ensure that APs have been continuously registered and working in that capacity for a minimum of two years prior to handling discretionary accounts? (NFA Compliance Rule 2-8(c))
- If fees and charges are not determined on a per-trade or round-turn basis, has the firm provided customers with a written explanation of the charges and reasonable examples on a per-trade or round-turn basis? (NFA Compliance Rule 2-4 and Interpretive Notice ¶9005)
- For accounts of employees of other commodity firms, does the firm obtain written authorization from a person designated by such other FCM or IB with responsibility for surveillance over the employee's account and transmit regularly to the FCM or IB

customer statements and order tickets for the account? (CFTC Regulation 155.3(c) and NFA Compliance Rule 2-10)

- Has the firm designated a Chief Compliance Officer ("CCO") who is also listed as a principal of the firm per NFA's Online Registration System? (CFTC Regulation 3.3)
- Does the firm's CCO prepare the CCO Annual Report covering the firm's most recent completed fiscal year containing the information required by CFTC Regulation 3.3? Does the firm provide the report to its Board of Directors or the senior officer? Does the firm file a copy of the report through WinJammer™ not more than 90 days after the firm's fiscal year end?

Due Diligence Prior to Trading

- Does the firm carefully examine a potential customer's creditworthiness, business reputation, market knowledge and anticipated trading patterns before authorizing a customer to commence trading? (NFA Compliance Rules 2-9 and 2-30)
- Does the firm establish margin requirements and risk guidelines or limits for each customer? Does the firm periodically review these parameters and revise them as necessary? (NFA Financial Requirements Section 7)
- Does the firm provide adequate risk disclosure about the markets appropriate to the particular customer and type of trading anticipated? (NFA Compliance Rule 2-30)
- Has the firm established customer confidentiality procedures to prevent unauthorized use of customer information and trade data for the benefit of other customers? (CFTC Regulation 160.30)

Anti-Money Laundering (NFA Compliance Rule 2-9(c) and NFA Interpretive Notice ¶ 9045)

- Has the firm adopted a policy statement that clearly outlines the firm's policy against money laundering and terrorist financing, its commitment to follow all applicable laws to ensure that its business is not used to facilitate money laundering and the consequences to employees for not following the firm's procedures?
- Does the firm have a written anti-money laundering program that includes: a customer identification program that enables the firm to form a reasonable belief that it knows the true identity of each customer; procedures that enable firm personnel to recognize suspicious customers and transactions, require personnel to report suspicious or unusual activity or transactions to appropriate supervisory personnel and FinCEN when required, and ensure that the firm maintains an adequate audit trail to assist law enforcement agencies in any investigation? For further assistance in drafting an anti-money laundering program, see [Appendix A on NFA's website](#).
- Has the firm ensured that senior management has approved the anti-money laundering program in writing?

- Has the firm provided training at least every 12 months to all of its employees that work in areas susceptible to money laundering?
- Has the program been subject to an independent review at least every 12 months that tests the adequacy of the program?
- Does the firm have a designated person or persons to oversee the AML program who is either a designated principal or Associate Member or who reports to the firm's senior management?

Public Disclosures (CFTC Regulation 1.55)

- Does the firm provide the Disclosure Document required under CFTC Regulation 1.55(i), which includes the information required in CFTC Regulation 1.55(k) to each customer prior to opening an account?
- Does the firm publicly display the Disclosure Document on its website, and update when necessary, but at least annually to keep it accurate and complete?
- Does the firm make the following financial information publicly available on its website including:
 - The daily segregated, secured, and cleared swaps customer collateral computations for the most current 12-month period;
 - The summary schedule of month end net capital, adjusted net capital, and excess net capital for the most current 12 month period;
 - The segregated, secured and cleared swaps customer collateral computations included in the firm's 1-FR-FCM for the most current 12-month period; and
 - The most current certified financial statement including all applicable footnotes?
- Does the firm's website contain a link to the CFTC's webpage for financial data—where additional information on all FCMs is available—and a link to NFA's BASIC system—where additional information on how it invests and holds customer funds is disclosed?

Customer Trading

- Does the firm maintain any documents produced or obtained as a result of the order flow/trading process for a period of five years (i.e., customer order tickets, trade listing, equity run, customer statements, open position listing, day trade listing, and P&S recap)? (CFTC Regulation 1.31 and 1.35, and NFA Compliance Rule 2-10)
- Does the firm keep all customer order records (filled, unfilled, open, or canceled)? (CFTC Regulation 1.35(a) and NFA Compliance Rule 2-10)
- Does the firm immediately upon receipt of a customer order that cannot be immediately entered into a trade matching engine prepare a written record (order ticket) of the order that includes as applicable, commodity option/futures contract, quantity long/short, put/call, strike price, premium, requested price, account identification, order number and a timestamp indicating the date and time to the nearest minute the order is received? For

commodity options only, a time stamp indicating the date and time to the nearest minute that the order is transmitted for execution. (CFTC Regulation 1.35(b) and NFA Compliance Rule 2-10)

- Does the firm transmit customer orders executable at or near the market to the floor before any orders in the same commodity for proprietary accounts or other accounts affiliated with the firm? (CFTC Regulation 155.3(a))
- Does the firm record the fill price when it is received? (CFTC Regulation 1.35 and NFA Compliance Rule 2-10)
- Does the firm promptly call the customer with the fill information? (Recommended Best Practice)
- Does the firm maintain a record of all oral (therefore tape record) and written communications provided or received concerning quotes, solicitations, bids, offers, instructions, trading and prices that lead to the execution of a transaction in a commodity interest and related cash or forward transaction, whether communicated by telephone, voicemail, facsimile, instant messaging, chat rooms, electronic mail, mobile device, or other digital or electronic media? (CFTC regulations 1.13 and 1.35(a), and NFA Compliance Rule 2-10)
- Does the firm keep the oral communication records for a period of one year? (CFTC Regulations 1.31 and 1.35(a), and NFA Compliance Rule 2-10)
- Does the firm keep the written communications records for a period of five years? (CFTC Regulation 1.35(a) and NFA Compliance Rule 2-10)

Discretionary Trading and Bunched Orders

- Does the firm identify discretionary customer orders as discretionary? (NFA Compliance Rule 2-8(a))
- Does the firm maintain a list of discretionary accounts?
- For discretionary accounts included in a bunched order, does the firm establish written procedures to allocate split fills and partial fills in a systematic and non-preferential manner? (NFA Compliance Rule 2-4 and Interpretive Notice ¶ 9029)
- Does the firm prohibit discretionary and non-discretionary orders being included in the same a block order? (CFTC Regulation 155.3(a))
- Does the firm prohibit trades for proprietary and non-customer accounts to be combined with customer orders on block orders? (CFTC Regulation 155.3(a))
- For bunched orders placed by CTAs, does the firm ensure that required information is obtained prior to the end of the trading day concerning the number of contracts to be allocated to each account included in a bunched order along with instructions for the allocation of split and partial fills among accounts? (NFA Compliance Rule 2-4 and Interpretive Notice ¶ 9029)

- Does the firm ensure that sufficient information to identify the customer from entry through post-execution reporting is obtained? (CFTC Regulation 1.35(b) and NFA Compliance Rule 2-10)
- In situations where the FCM is acting as an eligible account manager for trades eligible for post execution allocation, does the firm make the following information available to customers upon request: (1) the general nature of the allocation methodology; (2) a summary of composite data sufficient for a customer to compare his results with those of other relevant customers and any account in which the account manager has an interest; and (3) an indication whether any account in which the account manager has an interest can be included with customer accounts in bunched orders? (CFTC Regulation 1.35(b)(5), NFA Compliance Rule 2-10 and Interpretive Notice ¶ 9029)
- For orders which use the average price allocation, does the firm verify that cash residuals greater than a penny are paid to the relevant customers?
- Does the firm analyze each trading program at least once a quarter to ensure that the allocation method has been fair and equitable?
- Does the firm document and maintain its internal audit procedures and results of its allocation methodology as the firm's records are subject to review during an examination?

Margins

- Does the firm make margin calls when an account is under margined? Does the firm maintain a written record of all margin calls? (NFA Financial Requirements Section 7 and Margins Handbook)
- Does the firm prepare a written daily listing of outstanding calls that indicates the number of days the call is outstanding? (NFA Financial Requirements Section 7 and Margins Handbook)
- Does the firm keep documentation on file for any manual adjustments made to equity system reports to determine an account's margin status? (Margins Handbook)
- Does the firm collect margin calls in a timely manner? (NFA Financial Requirements Section 7 and Margins Handbook)
- Does the firm accept only immediately available funds from omnibus accounts—acceptable forms are wire transfers or certified checks? (NFA Compliance Rule 2-33)
- Does the firm prohibit customers from funding their commodity interest accounts with a credit card or other electronic funding mechanisms that draw funds from a credit card?
- If the firm permits customers to fund their account with other electronic funding methods that draw funds directly from the customer's account at a financial institution, such as a debit card, is the firm able to distinguish prior to accepting the funds between an electronic funding method that draws funds from a customer's account at a financial

- institution and a traditional credit card, and be able to reject the credit card before accepting customer funds? (NFA Compliance Rule 2-4 and Interpretive Notice ¶ 9068)
- Does the firm set a pre-determined length of time allowed for the collection of outstanding margin calls? (NFA Financial Requirements Section 7 and Margins Handbook)
 - Does the firm aggregate related accounts as if they were one account when determining if excess margin is available for withdrawal? (NFA Financial Requirements Section 7 and Margins Handbook)
 - Does the firm margin domestic omnibus accounts on a gross basis? (CFTC Regulation 1.58, NFA Financial Requirements Section 7 and Margins Handbook)
 - Does the firm obtain current margin rates and SPAN risk parameters on a daily basis? (NFA Financial Requirements Section 7 and Margins Handbook)
 - Does the firm compute the aggregate amount of its customers' undermargined accounts as the close of business each day? (CFTC Regulation 1.22)
 - Does the firm maintain a sufficient amount of residual interest in the customer segregated, customer secured or cleared swaps customer collateral accounts by the Residual Interest Deadline of 6:00 p.m. Eastern time on the next business day to cover the customer's undermargined amounts that were computed as of close of the business on the previous day? (CFTC Regulation 1.22)

Account Statements

- Does the firm furnish confirmation statements to customers no later than the business day after the customer transaction? (CFTC Regulation 1.33(b)) Does the firm furnish monthly statements to active customers promptly after every month end and inactive customers at least every three months? (CFTC Regulation 1.33(a))
- Does the firm forward daily and monthly trade confirmations by means of electronic media to any customer who consents to delivery by that method, subject to certain conditions? (CFTC Regulation 1.33(g))
- For accounts of IBs, does the firm identify the FCM and IB on the account statements? (CFTC Regulation 1.33(f) and NFA Compliance Rule 2-10)
- Does the firm offset positions on a FIFO basis unless the customer gives other instructions? (CFTC Regulation 1.46 and NFA Compliance Rule 2-10)

Give-Up Transactions

- Does the firm know their rights and responsibilities for a give-up transaction? (Recommended Best Practice)
- Does the executing broker notify the carrying broker promptly after an order has been executed if a customer has initiated trades that, in the circumstances, appear to deviate significantly from the customer's normal trading activities? (Recommended Best Practice)

- Does the executing broker provide all relevant trade information to the carrying broker as soon as practicable after a trade has been executed? (Recommended Best Practice)
- Does the carrying broker keep a list of customers' executing brokers and adopt procedures to assure that the list is current? Does the carrying broker establish and communicate to an executing broker limits (e.g., order size, daily aggregate positions) on the trades that the executing broker can accept for each customer? (Recommended Best Practice)

Automatic Order Routing System (NFA Interpretive Notice ¶ 9046 and NFA Compliance Rules 2-4, 2-9 and 2-10)

- Has the firm established written procedures to ensure that:
 - The order-routing process protects the integrity and confidentiality of orders and account information at all points during the process?
 - The delivery and reporting of customers orders is timely and efficient? Customer complaints about order delivery and reporting are addressed expeditiously?
 - The system monitors trading and imposes controls on trading activity for each customer in order to prevent the customer from entering into trades that create undue financial risks for the firm or its other customers?
- Does the firm disclose pertinent information about the Automatic Order Routing System, including, but not limited to the following below?
 - The time frame established for completion of transactions.
 - The time frame and process for informing customers of exceptions to normal processing of orders or requests.
 - Days and hours of operation.
 - Fees, commissions or costs associated with the transaction. Information to enable customers to file claims, ask questions, register complaints and obtain information on customer recourse.
- Has the firm established security appropriate to protect internal systems from viruses and malicious code and to prevent unauthorized access?
- Does the firm monitor security procedures and update due to technology changes?
- Does the firm identify and authenticate authorized users and the protection of personally identifiable information? This should include limiting access to systems and data only to authorized employees based upon their assigned roles and responsibilities, using encryption or other equivalent security procedure to protect the transmission of information, and preventing customers from accessing others' information.
- Has the firm established procedures to disclose to users any breaches or possible breaches to the system?

- Has the firm established procedures to monitor availability and capacity compared to the disclosed commitments and provide for expected future requirements?
- Does the firm document, authorize, test and approve proposed system changes before implementation to protect the availability of the system?
- Does the firm provide for back-up, offsite storage, restoration and disaster recovery processes sufficient to achieve the disclosed availability commitments?
- Does the firm ensure policies are current with disclosed business practices, laws and regulations?

Security Futures Products (NFA Compliance Rule 2-37 and Interpretive Notices ¶ 9043, ¶ 9044, ¶ 9049 and ¶ 9050)

- Does the Member have a designated security futures principal at each main or branch office?
- Does the Member check the Central Registration Depository (CRD) for information on prospective employees who will be involved in security futures activities and obtain and review a copy of the individual's most recent Form 8-T or U5?
- Does the Member require APs to complete appropriate security futures products training modules?
- Does the Member ensure that the firm's written procedures address the following below?
 - Compliance with applicable securities laws, including Sections 9(a), 9(b), and 10(b) of the Securities Exchange Act of 1934.
 - The review and approval of customer accounts including:
 - Specific criteria and standards to be used in evaluating the suitability of a customer to engage in security futures transactions.
 - Specific procedures for approving accounts to engage in security futures transactions, including requiring written approval by a designated security futures principal.
 - A requirement that the designated security futures principal explain, in writing, why he or she has approved an account that does not meet the specific criteria and standards set forth in the procedures.
 - Specific financial requirements for initial approval and maintenance of customer accounts that engage in security futures transactions.
- Before entering into a guarantee agreement with an IB, does the Member check the Central Registration Depository (CRD) for any derogatory information on the IB, its principals and its employees who will be involved in security futures activities?
- Does the Member provide the risk disclosure statement required by NFA Compliance Rule 2-30(b) prior to approving an account to trade security futures?

- Does the Member obtain the following additional information below from customers before commencing trading?
 - Identification that the customer account is speculative or hedge;
 - Employment status;
 - Estimated liquid net worth;
 - Marital status; and
 - Number of dependents.
- Does the Member require that the customer account record include the name of the Associate, how the customer account information was obtained and the date the required risk disclosure statement was provided?
- Does the Member ensure that on an annual basis, customers are provided with written notice regarding NFA's Background Affiliation Status Information Center (BASIC) at www.nfa.futures.org/basicnet?
- Does the Member notify NFA within 10 business days of any required reportable events?
- Does the Member submit a quarterly report to NFA regarding written customer complaints?
- Does the Member ensure that promotional material meets the following requirements below?
 - Prominently identifies the Member;
 - Includes the date that the material was first used;
 - Provides contact information for obtaining a copy of the disclosure statement for security futures products;
 - States that security futures products are not suitable for all customers;
 - Does not include any statement suggesting that security futures positions can be liquidated at any time;
 - Does not include any cautionary statement, caveat, or disclaimer that is not legible, that attempts to disclaim responsibility for the content of the promotional material or the opinions expressed in the material, that is misleading, or that is otherwise inconsistent with the content of the material;
 - Discloses the source of any statistical tables, charts, graphs or other illustrations from a source other than the Member, unless the source of the information is otherwise obvious;
 - States that supporting documentation will be furnished upon request if it includes any claims, comparisons, recommendations, statistics or other technical data;
 - If soliciting for a trading program that will be managed by an FCM or IB or Associate of an FCM or IB, it includes the cumulative performance history of the Member's customers or states that the trading program is unproven;

- Refers to past recommendations regarding security futures products, the underlying securities, or a derivative thereof only if it lists all similar recommendations made by the Member or Associate within the last year;
- Includes current recommendations regarding security futures products only if: (i) the Member has a reasonable basis for the recommendation; (ii) the material discloses all material conflicts of interest created by the Member's or Associate's activities in the underlying security; and (iii) the material contains contact information for obtaining a list of prior recommendations;
- Includes only a general description of the security futures products for which accounts, orders, trading authorization, or pool participations are being solicited; the name of the Member; and contact information for obtaining a copy of the current disclosure statement for security futures products; (unless the promotional material is accompanied or preceded by the disclosure statement for security futures products); and
- Has been submitted to NFA for review and approval at least ten days prior to first use if it reaches or is designed to reach a public audience through mass media.

Conflict of Interest

- Does the firm maintain all records regarding conflict of interest requirements? (CFTC Regulation 1.71 and NFA Compliance Rule 2-10)

Virtual Currency (Interpretive Notice ¶ 9073)

- Does the Member provide investors with robust disclosures related to their investor activities in spot market virtual currencies and virtual currency derivatives?
- Does the Member engaging in activities related to virtual currencies or virtual currency derivatives provide their virtual currency derivative customers with the [NFA Investor Advisory – Futures on Virtual Currencies Including Bitcoin](#) and the [CFTC Customer Advisory: Understand the Risks of Virtual Currency Trading](#), at or before the time the customers trade a virtual currency derivative with or through the Member?
- Does the Member engaging in any type of spot market virtual currency activity with a customer or counterparty provide the standardize disclosure language, as prescribed by Interpretive Notice ¶ 9073?

Supplemental Questionnaire for FDMs

Financial

- Is the preparer of the firm's financial books and records an AP/Principal or under the direct supervision of an AP/Principal? (NFA Financial Requirements Section 13)
- Does the firm balance accounting records on a regular basis? (CFTC Regulation 5.14 and NFA Compliance Rule 2-36(k))
- Does the firm retain financial and compliance records for five years? (CFTC Regulation 5.14 and NFA Compliance Rule 2-36(k))
- Does the firm maintain a general ledger on an accrual basis? (CFTC Regulation 5.14 and NFA Compliance Rule 2-36(k))
- Does the firm prepare a trial balance on a regular basis? (CFTC Regulation 5.14 and NFA Compliance Rule 2-36(k))
- Does the firm prepare and maintain detailed support to convert the trial balance or general ledger to the financial statement format? (CFTC Regulation 5.14 and NFA Compliance Rule 2-36(k))
- Does the firm prepare monthly capital computations and required 1-FR or Focus statements including supplementary schedules within 17 business days after the month end? (CFTC Regulation 5.12 and NFA Financial Requirements Section 11)
- Does the firm file the required 1-FR and Focus statement with NFA or the firm's DSRO, and the CFTC, by the due dates? (CFTC Regulation 5.12 and NFA Financial Requirements Section 11)
- Does the firm prepare forex daily reports each business day and file the reports by noon on the following business day? (NFA Financial Requirements Section 13)
- Does the firm prepare monthly operational risk reports and quarterly reports with up-to-date performance disclosures within 17 business days after the end of each month or quarter for which the report is prepared? (NFA Financial Requirements Section 13)
- Does the firm monitor trading activity to ensure intra-day capital compliance and file the appropriate notices with NFA, other DSROs and the CFTC if the firm falls below required capital levels? (CFTC Regulation 5.16 and NFA Compliance Rule 2-36(k))
- For purposes of determining adjusted net capital under CFTC Regulation 5.7 (incorporating CFTC Regulation 1.17), does the firm ensure it has not included assets held by an affiliate or an unregulated person in its current assets? An affiliate is any person that controls, is controlled by, or is under common control with the FDM. (NFA Financial Requirements Section 11)
- For purposes of calculating adjusted net capital under NFA Financial Requirements Section 11, does the firm take the capital charges required under Financial Requirements

Section 11(a) related to liabilities owed to customers and to eligible contract participant counterparties?

- Does the firm maintain complete and detailed records of all securities held or owned by the firm? (CFTC Regulation 5.14 and NFA Compliance Rule 2-36(k))
- On a periodic basis, does the firm review the equity run to ensure accounts of officers, directors, partners and employees are reflected separately from customers? (CFTC Regulation 5.8 and NFA Compliance Rule 2-36(k))
- Has the firm submitted all subordinated loan agreements to the firm's DSRO for approval at least 10 days before the effective date? In addition, for FDMs that are also registered as broker-dealers, is a copy of the firm's securities industry designated examining authority's approval filed with NFA? (CFTC Regulation 5.7 and NFA Compliance Rule 2-36(k))
- On a daily basis, does the firm calculate the amount owed to customers for forex transactions and ensure it holds assets equal to or in excess of that amount, at one or more qualifying institutions in the United States or money center countries as defined in CFTC Regulations 1.49 and 5.8 and in accordance with NFA Financial Requirements Sections 11 and 14?
- Does the firm instruct each forex fund depository holding assets used to cover the firm's liabilities to its retail forex customers to report the balances in these accounts on a daily basis? Does the firm ensure the forex fund depository reports the balances in these accounts to NFA or a third party designated by NFA, in the form and manner prescribed by NFA, to be considered as an acceptable depository for retail forex assets? (NFA Financial Requirements Section 14)

Risk Management Program

- Has the firm established, maintained and enforced a Risk Management Program designed to monitor and manage the risks associated with its forex activities? (Compliance Rule 2-36 and NFA Interpretive Notice ¶ 9069)
- Does the firm provide its senior management and its governing body with a quarterly Risk Exposure Report (RER), as well as interim RERs at anytime the firm detects a material change in its risk exposure? (NFA Interpretive Notice ¶ 9069)
- Does the firm file a copy of the quarterly and any interim RER within five business days of providing the report to its senior management through WinJammer™? (NFA Interpretive Notice ¶ 9069)
- Does the firm conduct stress tests under extreme but plausible conditions of all positions in the proprietary account and in each counterparty account (both retail and ECPs) at least on a semi-monthly basis? (NFA Interpretive Notice ¶9069)

- Does the firm ensure that the Risk Management Program is reviewed and tested at least annually or upon any material change in the FDM's business that is reasonably likely to alter the FDM's risk profile? (NFA Interpretive Notice ¶9069)
- Does the firm file an annual Risk Assessment Report containing a copy of the firm's organizational chart and copies of the financial, operational, and risk management policies, procedures and systems, as well as fiscal year-end consolidated financial statements for certain affiliates through WinJammer™? If a material change occurs in the firm's organizational chart and/or financial, operational, and risk management policies and procedures, does the firm report the material change within 60 days after the end of the fiscal quarter where the change has occurred? (CFTC Regulations 1.15 and 5.11)

Disclosure

- Prior to opening a customer account, does the firm provide customers with a risk disclosure statement that meets the criteria of CFTC Regulation 5.5 and obtain a signed and dated acknowledgement from the customer indicating that he/she received and understood the statement? Does the firm ensure that the statement includes the performance disclosures required by CFTC Regulation 5.5(e)? (CFTC Regulation 5.5 and NFA Compliance Rule 2-36(k)).
- Does the firm provide customers with information relating to NFA's BASIC system prior to engaging in forex transactions and annually thereafter? (NFA Compliance Rule 2-36(f) and NFA Interpretive Notice ¶ 9053)
- Does the firm publicly display the information required by NFA Compliance Rule 2-36(n) on its website, and update when necessary, but at least annually to keep it accurate and complete?
- Does the firm provide to a customer, within 30 minutes of request, the transaction data required by NFA Compliance Rule 2-36(o)? Does the firm prominently display a notice that customers may request the transaction data listed in NFA Compliance Rule 2-36(o) on its website, each customer's trading portal, and each transaction confirmation?

Supervision

- Has the firm designated a CCO who is also listed as a principal of the firm per NFA's Online Registration System? (CFTC Regulation 3.3(a) and NFA Compliance Rule 2-36(j))
- Does the CCO report to the Board of Directors or the senior officer of the firm? (CFTC Regulation 3.3(a), and NFA Compliance Rule 2-36(j))
- Does the CCO prepare an annual report that meets the requirements of CFTC Regulation 3.3(e) and provide the annual report to the firm's Board of Directors or the senior officer? (CFTC Regulation 3.3 and NFA Compliance Rule 2-36(j))
- Does the firm submit the annual report to NFA within 60 days after the firm's fiscal year end? Does that report contain a certification by the CCO or chief executive officer that to

the best of his or her knowledge and reasonable belief, and under penalty of law, the information contained in the annual report is accurate and complete? (CFTC Regulation 3.3 and NFA Compliance Rule 2-36(j))

- Has the firm ensured that no AP, principal, or the firm itself maintains discretion over customer accounts? (CFTC Regulation 5.2(c) and NFA Compliance Rule 2-36(k))
- For third party discretionary accounts, does the firm review these accounts on a periodic basis and maintain written evidence of the review? (NFA Compliance Rule 2-36(e))
- Does the firm establish, maintain and enforce written supervisory procedures over the Member's forex business, including the activities of the Member's Associates and agents? (NFA Compliance Rule 2-36(e))
- Does the firm screen the background of prospective Associates, as well as persons who introduce customer business or manage customer accounts? (NFA Compliance Rule 2-36 and NFA Interpretive Notice ¶ 9053)
- Does the firm establish, maintain and enforce written supervisory procedures over the activities of third parties with which it does business? (NFA Compliance Rule 2-36(e) and NFA Interpretive Notice ¶ 9053)
- Does the firm conduct an annual visit to branch offices, guaranteed IBs and affiliates with which it conducts forex business? (NFA Compliance Rule 2-36(e) and NFA Interpretive Notice ¶ 9053)
- Does the firm maintain a record of any communication regarding possible violations of the CEA or CFTC Regulations? The record must include the name of complainant (if known), date of the communication, the agreement, contract or transaction at issue, the substance of the communication and the name of the person who received the communication. Does the firm provide CFTC Division of Enforcement an electronic copy of these communications no later than 30 days after it is received or within 3 business days if the communication concerns facts giving rise to possible fraud under the CEA or CFTC Regulations? (CFTC Regulation 5.18(g) and NFA Compliance Rule 2-36(k))

Customer Trading and Reporting

- Does the firm maintain procedures to monitor the activity in customer accounts and maintain written evidence of the review? (NFA Compliance Rule 2-36(e))
- Does the firm ensure that any price adjustments have been made in accordance with NFA Compliance Rule 2-43?
- Does the firm report price adjustments to NFA on a daily basis? (NFA Compliance Rule 2-36(e) and NFA Interpretive Notice ¶ 9060)
- Does the firm provide daily, monthly account statements required under CFTC Regulation 5.13 that prominently display the account's equity? The account equity is the

sum of all realized profits and losses, all unrealized profits and losses, and any other cash and collateral in the account

- Does the firm tape record all oral communications provided or received concerning quotes, solicitations, bids, offers, instructions, trading and prices that lead to the execution of a transaction in a commodity interest **and** related cash or forward transaction, whether communicated by telephone, voicemail, mobile device, or other digital or electronic media for a period of one year? Does the firm keep the records for a period of five years and in a form and manner that is identifiable and searchable by transaction? (CFTC Regulation 1.35(a) and NFA Compliance Rule 2-10)

Security Deposits

- Does the firm collect and maintain the required security deposit for its customers and/or eligible contract participants? (CFTC Regulation 5.9 and NFA Financial Requirements Section 12)
- Does the firm increase security deposits collected from customers for market events where NFA's Executive Committee increases requirements? (NFA Financial Requirements Section 12)
- Does the firm review customer accounts to ensure that customers are in compliance with security deposit requirements? (CFTC Regulation 5.9 and NFA Financial Requirements Section 12)
- Does the firm require customers to post additional security deposits when their account falls below security deposit requirements? (CFTC Regulation 5.9 and NFA Financial Requirements Section 12)
- Does the firm collect additional security deposits in a timely manner? (CFTC Regulation 5.9 and NFA Financial Requirements Section 12)
- Does the firm liquidate the customer's positions if the customer does not post any additional security deposit necessary to maintain the required security deposit amount? (CFTC Regulation 5.9 and NFA Financial Requirements Section 12)
- Does the firm immediately notify NFA if the firm changes the security deposit amount required by NFA Financial Requirements Section 12 (a) or (b)? (NFA Financial Requirements Section 12)
- Does the firm ensure it is not violating the prohibition against acting as a counterparty to an eligible contract participant acting as a dealer, as defined in NFA Financial Requirements Section 11(f), unless the dealer collects and maintains from its customers and eligible contract participant counterparties security deposit amounts for forex equal to or greater than amounts required in NFA Financial Requirements Section 12?
- Does the firm prohibit customers from funding their forex accounts with a credit card or other electronic funding mechanisms that draw funds from a credit card?

- If the firm permits customers to fund their accounts with other electronic funding methods that draw funds directly from the customer's account at a financial institution, such as a debit card, is the firm able to distinguish prior to accepting the funds between an electronic funding method that draws funds from a customer's account at a financial institution and a traditional credit card, and be able to reject the credit card before accepting customer funds? (NFA Interpretive Notice ¶ 9068)

Electronic Trading Systems (CFTC Regulation 5.18, NFA Compliance Rule 2-36(e), and NFA Interpretive Notice ¶ 9060)

- Has the firm established ETS procedures in accordance with NFA Interpretive Notice ¶ 9060 and CFTC Regulation 5.18? At a minimum, the firm's procedures must address security, capacity, integrity, recordkeeping, and credit and risk management controls.
- Did the firm provide NFA with a copy of these procedures?
- Has the firm assigned the responsibility for complying with the ETS Notice to individuals who are under the ultimate supervision of an associated person who is also a listed principal?
- Has the firm notified NFA about its current trading platforms in use?
- Does the firm notify NFA if they change their trading platforms?
- Does the firm ensure that the system produces profit and loss reports, assessment reports and exception reports?
- If the FDM white labels a platform of another FDM, the FDM may rely on the procedures of the sponsor FDM. However, if the FDM white labels a non-FDM system, does the firm ensure that the white label sponsor is complying with NFA's ETS Interpretive Notice?
- Does the firm ensure that an AP who is also a principal certifies annually that the system is in compliance with NFA's Requirements?
- Does the firm conduct periodic reviews of the system and document these reviews?
- Does the firm maintain a record of how rollovers are calculated?
- Does the firm maintain a record of the method used to calculate the bid/ask spread?
- Does the firm ensure that the system provides customers symmetrical re-quoting? This means if you provide a retail forex customer a new bid price for a retail forex transaction that is lower than its previous bid, you must provide a new asked price that is also lower than its previously asked price by a similar amount. This also means if you provide a retail forex customer a new bid price for a retail forex transaction that is higher than its previous bid, you must provide a new asked price that is also higher than its previously asked price by a similar amount.
- Has the firm established and implemented a prompt and effective method to notify customers when operational difficulties occur?

- Has the firm established and implemented a procedure to inform NFA no later than 24 hours after an outage of the firm's trading system has occurred?
- Has the firm provided customers with advance disclosure of factors that may adversely impact a firm's system?

Virtual Currency (Interpretive Notice ¶ 9073)

- Does the Member provide investors with robust disclosures related to their investor activities in spot market virtual currencies and virtual currency derivatives?
- Does the Member engaging in activities related to virtual currencies or virtual currency derivatives provide their virtual currency derivative customers with the [NFA Investor Advisory – Futures on Virtual Currencies Including Bitcoin](#) and the [CFTC Customer Advisory: Understand the Risks of Virtual Currency Trading](#), at or before the time the customers trade a virtual currency derivative with or through the Member?
- Does the Member engaging in any type of spot market virtual currency activity with a customer or counterparty provide the standardize disclosure language, as prescribed by Interpretive Notice ¶ 9073?

Supplemental Questionnaire for IBs

Supervision of Accounts

- If the IB permits its APs to maintain an account at other IBs or FCMs, does the firm require the AP to obtain written authorization from an appropriate supervisory person of the IB who will be responsible for reviewing the AP's account and require the AP to instruct the other IB or FCM to transmit copies of statements and order tickets relating to his/her account to the IB on a regular basis? (CFTC Regulation 1.55 and NFA Compliance Rules 2-9 and 2-10)
- Does the IB maintain records that clearly identify which customer accounts are discretionary? (NFA Compliance Rule 2-8(b))
- Does the IB have written procedures to supervise the trading of discretionary accounts? (NFA Compliance Rule 2-8(b))
- Does the IB require that an appropriate supervisory person regularly reviews discretionary trading activity and prepare a written record of the review? (NFA Compliance Rule 2-8(b))
- Does the firm ensure that APs have been continuously registered for a minimum of two years prior to handling discretionary accounts? (NFA Compliance Rule 2-8(c))
- If the IB accepts accounts controlled by a third party, does the IB obtain a copy of the account controller's written trading authorization or a written acknowledgment from the customer that such authorization has been given prior to accepting any orders from the third party? (NFA Compliance Rule 2-8)
- If the IB imposes fees and/or charges that are not determined on a per-trade or round-turn basis, does the IB provide customers with a complete written explanation of the charges? (NFA Interpretive Notice ¶ 9005 and NFA Compliance Rule 2-4)

Due Diligence Prior to Trading

- Does the IB review the financial standing of omnibus accounts and commodity pools before the accounts are accepted? (NFA Compliance Rule 2-9)
- Does the IB carefully examine a potential customer's creditworthiness, business reputation, market knowledge and anticipated trading patterns before authorizing a customer to commence trading? (NFA Compliance Rules 2-9 and 2-30)
- Does the IB provide adequate and appropriate risk disclosure about the markets appropriate based on the particular customer and type of trading anticipated? (NFA Compliance Rules 2-4 and 2-30)
- If the IB trades one or more proprietary accounts, either on its own behalf or for an affiliate, does the IB have clearly defined trading objectives and loss limits or risk guidelines consistent with these objectives? If the IB has granted trading authority to an

account manager or relies on individuals to implement the entity's objectives, has the IB instituted appropriate procedures to protect against unauthorized trading by employees or independent account managers? (NFA Compliance Rules 2-9 and 2-4)

Anti-Money Laundering Program (NFA Compliance Rule 2-9(a) and NFA Interpretive Notice ¶ 9045)

- Has the firm adopted a policy statement that clearly outlines the firm's policy against money laundering and terrorist financing, its commitment to follow all applicable laws to ensure that its business is not used to facilitate money laundering and the consequences to employees for not following the firm's procedures?
- Does the firm have a written anti-money laundering program that includes: a customer identification program that enables the firm to form a reasonable belief that it knows the true identity of each customer; procedures that enable firm personnel to recognize suspicious customers and transactions, require personnel to report suspicious or unusual activity or transactions to appropriate supervisory personnel and FinCEN when required, and ensure that the firm maintains an adequate audit trail to assist law enforcement agencies in any investigation? See [Appendix A](#) for assistance in drafting an AML program.
- Has a member of the firm's senior management approved the AML program in writing?
- Has the firm provided training at least every 12 months to all of its employees that work in areas susceptible to money laundering?
- Has the program been subject to an independent review at least every 12 months that tests the adequacy of the program?
- Does the firm have a designated person or persons to oversee the AML program who is either a designated principal or Associate Member or who reports to the firm's senior management?

Cash Flow (CFTC Regulation 1.57 and NFA Compliance Rule 2-4)

- Does the IB prohibit employees or agents from accepting any money or other property from customers except checks that are made payable to the FCM? (CFTC Regulation 1.57)
- If the IB accepts checks made payable to the FCM, has the IB received written authorization from the FCM to do so, and does the IB deposit the check in a qualifying bank account or forward the check to the FCM on the same day the check is received? (CFTC Regulation 1.57)

Customer Trading

- Does the IB provide the carrying broker with the account numbers at the time a trade is placed? (NFA Compliance Rule 2-10 and NFA Interpretive Notice ¶ 9029)

- Does the IB maintain any documents produced or obtained as a result of the order flow/trading process for a period of five years (i.e., customer order tickets, trade listing, equity run, customer statements, open position listing, day trade listing, and P&S recap)? (CFTC Regulation 1.31 and NFA Compliance Rule 2-10)
- Does the IB keep all customer order tickets (filled, unfilled, open, or canceled)? (CFTC Regulation 1.31 and NFA Compliance Rule 2-10)
- Does the IB immediately upon receipt of a customer order that cannot be immediately entered into a trade matching engine prepare a written record (order ticket) of the order that includes as applicable, commodity option/futures contract, quantity long/short, put/call, strike price, premium, requested price, account identification, order number and a timestamp indicating the date and time to the nearest minute that the order is received? For commodity options only, a time stamp indicating the date and time to the nearest minute that the order is transmitted for execution? (CFTC Regulation 1.35(b) and NFA Compliance Rule 2-10)
- Does the IB immediately call the carrying broker or the floor directly upon receipt of a customer order during market hours? (CFTC Regulation 155.4 and NFA Compliance Rule 2-4)
- Does the IB transmit customer orders executable at or near the market to the floor before any orders in the same commodity for proprietary accounts or other accounts affiliated with the firm? (CFTC Regulation 155.4 and NFA Compliance Rule 2-4)
- Does the IB promptly call the customer with the fill information? (Recommended Best Practice)
- Does the IB prohibit discretionary orders and non-discretionary orders from being included in the same bunched order? (CFTC Regulation 155.4 and NFA Compliance Rule 2-4)
- Does the IB prohibit trades for proprietary and non-customer accounts from being combined with customer orders on block orders? (CFTC Regulation 155.4)
- Does the IB have procedures to identify and investigate in a timely manner unusual activity within or among accounts that may indicate illicit trading practices; including large or non-routine account transfers, account number changes and error accounts that appear to be used for trading purposes? (NFA Compliance Rules 2-9 and 2-4)
- Does the IB maintain a record of all oral communications (therefore tape record) and written communications provided or received concerning quotes, solicitations, bids, offers, instructions, trading and prices that lead to the execution of a transaction in a commodity interest and related cash or forward transaction, whether communicated by telephone, voicemail, facsimile, instant messaging, chat rooms, electronic mail, mobile device, or other digital or electronic media (Note: IBs that have not generated \$5 million

in gross aggregate revenue over the preceding three years are not required to tape record oral communications).

- Does the firm keep the oral communication records (if applicable) for a period of one year in a form and manner that is identifiable and searchable by transaction? (CFTC Regulation 1.31 and 1.35(a), and NFA Compliance Rule 2-10) Does the firm keep written communication records for a period of five years in a form and manner that is identifiable and searchable by transaction? (CFTC Regulation 1.35(a) and NFA Compliance Rule 2-10)
- For GIBs relying upon its guarantor FCM to satisfy the tape recording of oral communications requirement:
 - Does the FCM's recording of the oral communication duplicate the information that the GIB is required to record and maintain under CFTC Regulation 1.35(a)?
 - Does the FCM maintain the record in accordance with Regulation 1.35(a) and 1.31?
 - Does the FCM provide the GIB with access to the record?
 - Does the FCM and GIB enter into a written agreement specifying each party's responsibilities and requiring the FCM to make and retain the record in accordance with CFTC Regulations 1.35(a) and 1.31, and provide the GIB with access to the record?

However, a GIB's reliance on its guarantor FCM to satisfy its recordkeeping obligations does not relieve the GIB of the responsibility to comply with Regulations 1.35(a) and 1.31.

Financial (Independent IBs only)

- Does the IB monitor for daily capital compliance? (NFA Financial Requirements Section 5 and NFA Compliance Rule 2-10)
- Does the IB maintain a general ledger on an accrual basis? (CFTC Regulation 1.18 and NFA Compliance Rule 2-10)
- Does the IB balance accounting records on a regular basis? (CFTC Regulation 1.18 and NFA Compliance Rule 2-10)
- Does the IB prepare a trial balance on a regular basis? (CFTC Regulation 1.18 and NFA Compliance Rule 2-10)
- Does the IB prepare detailed support to convert the trial balance or general ledger to the financial statement format? (CFTC Regulation 1.18 and NFA Compliance Rule 2-10)
- Does the IB maintain complete and detailed records of all securities held or owned by the firm? (CFTC Regulation 1.18 and NFA Compliance Rule 2-10)

- Does the IB review positions in the firm's trading account to determine their effect on the firm's compliance with minimum capital requirements? (CFTC Regulation 1.18 and NFA Compliance Rule 2-10)
- Does the IB prepare monthly capital computations within 17 business days after the month end? (CFTC Regulation 1.18 and NFA Compliance Rule 2-10)
- Does the IB prepare required 1-FR or Focus statements including Supplementary Schedules and file them with NFA or the DSRO, and the CFTC, by the due dates? (CFTC Regulation 1.10 and NFA Compliance Rule 2-10)
- Has the IB submitted all subordinated loan agreements to the firm's DSRO for approval at least 10 days before the effective date? In addition, for IBs that are also registered as broker-dealers, is a copy of the firm's securities industry designated examining authority's approval filed with NFA? (CFTC Regulation 1.17 and NFA Compliance Rule 2-10)
- Does the IB retain financial and compliance records for five years? (CFTC Regulation 1.31 and NFA Compliance Rule 2-10)

Post-Execution Allocation of Bunched Orders (CFTC Regulation 1.35(b)(5), NFA Compliance Rule 2-10 and NFA Interpretive Notice ¶ 9029)

- In situations where the IB is acting as an eligible account manager for trades eligible for post execution, does the IB make the following information available to customers upon request? (1) The general nature of the allocation methodology; and (2) a summary of composite data sufficient for a customer to compare his results with those of other relevant customers. Prior to the end of the trading day, does the Member provide the FCM that executes or clears the trade with information concerning the number of contracts to be allocated to each account included in the bunched order along with instructions for the allocation of split and partial fills among accounts?
- If fill prices are allocated by an FCM, does the Member maintain a written agreement with the FCM that clearly describes that the FCM is responsible for the allocation?
- For orders which use the average price allocation, does the firm verify that cash residuals greater than a penny are paid to the relevant customers?
- Does the IB analyze each trading program at least once a quarter to ensure that the allocation method has been fair and equitable?
- Does the IB document and maintain its internal audit procedures and results of its allocation methodology as the firm's records are subject to review during an NFA examination?

Automatic Order Routing System (NFA Compliance Rules 2-4, 2-9 and 2-10, and NFA Interpretive Notice ¶ 9046)

For an IB that permits a customer to use an automated order routing system,

- Does the IB have written procedures to ensure that:

- The order-routing process protects the integrity and confidentiality of orders and account information at all points during the process?
 - The delivery and reporting of customer orders is timely and efficient?
 - Customer complaints about order delivery and reporting are handled expeditiously?
 - The system monitors trading and imposes controls on trading activity for each customer in order to prevent the customer from entering into trades that create undue financial risks for the firm or its other customers?
- Does the IB disclose pertinent information about the Automatic Order Routing System, including, but not limited to the following below?
 - The time frame established for completion of transactions;
 - The time frame and process for informing customers of exceptions to normal processing of orders or requests;
 - Days and hours of operation;
 - Fees, commissions or costs associated with the transaction; and
 - Information to enable customers to file claims, ask questions, register complaints and obtain information on customer recourse.
- Does the IB establish security appropriate to protect internal systems from viruses and malicious code and to prevent unauthorized access?
- Does the IB monitor security procedures and updates due to technology changes?
- Does the IB identify and authenticate authorized users? Does the IB ensure that personally identifiable information is protected? This should include limiting access to systems and data only to authorized employees based upon their assigned roles and responsibilities, using encryption or other equivalent security procedure to protect the transmission of information, and preventing customers from accessing others' information.
- Does the IB have procedures to disclose to users any breaches or possible breaches to the system?
- Does the IB have procedures to monitor availability and capacity compared to the disclosed commitments and provide for expected future requirements?
- Does the IB document, authorize, test and approve proposed system changes before implementation to protect the availability of the system?
- Does the IB provide for back-up, offsite storage, restoration and disaster recovery processes sufficient to achieve the disclosed availability commitments?
- Does the IB ensure policies are current with disclosed business practices, laws and regulations?

Security Futures Products (NFA Compliance Rule 2-37 and Interpretive Notices ¶ 9043, ¶ 9044, ¶ 9049 and ¶ 9050)

- Does the Member have a designated security futures principal at each main or branch office?
- Does the Member check the Central Registration Depository (CRD) for information on prospective employees who will be involved in security futures activities and obtain and review a copy of the individual's most recent Form 8-T or U5?
- Does the Member require APs to complete appropriate security futures products training modules?
- Does the Member ensure that the firm's written procedures address the following below?
 - Compliance with applicable securities laws, including Sections 9(a), 9(b), and 10(b) of the Securities Exchange Act of 1934.
 - The review and approval of customer accounts including:
 - Specific criteria and standards to be used in evaluating the suitability of a customer to engage in security futures transactions.
 - Specific procedures for approving accounts to engage in security futures transactions, including requiring written approval by a designated security futures principal.
 - A requirement that the designated security futures principal explain, in writing, why he or she has approved an account that does not meet the specific criteria and standards set forth in the procedures.
 - Specific financial requirements for initial approval and maintenance of customer accounts that engage in security futures transactions.
- Before entering into a guarantee agreement with an IB, does the Member check the Central Registration Depository (CRD) for any derogatory information on the IB, its principals and its employees who will be involved in security futures activities?
- Does the Member provide the risk disclosure statement required by NFA Compliance Rule 2-30(b) prior to approving an account to trade security futures?
- Does the Member obtain the following additional information below from customers before commencing trading?
 - Identification that the customer account is speculative or hedge;
 - Employment status;
 - Estimated liquid net worth;
 - Marital status; and
 - Number of dependents.

- Does the Member require that the customer account record include the name of the Associate, how the customer account information was obtained and the date the required risk disclosure statement was provided?
- Does the Member ensure that on an annual basis, customers are provided with written notice regarding NFA's Background Affiliation Status Information Center (BASIC) at www.nfa.futures.org/basicnet?
- Does the Member notify NFA within 10 business days of any required reportable events?
- Does the Member submit a quarterly report to NFA regarding written customer complaints?
- Does the Member ensure that promotional material meets the following requirements below?
 - Prominently identifies the Member;
 - Includes the date that the material was first used;
 - Provides contact information for obtaining a copy of the disclosure statement for security futures products;
 - States that security futures products are not suitable for all customers;
 - Does not include any statement suggesting that security futures positions can be liquidated at any time;
 - Does not include any cautionary statement, caveat, or disclaimer that is not legible, that attempts to disclaim responsibility for the content of the promotional material or the opinions expressed in the material, that is misleading, or that is otherwise inconsistent with the content of the material;
 - Discloses the source of any statistical tables, charts, graphs or other illustrations from a source other than the Member, unless the source of the information is otherwise obvious;
 - States that supporting documentation will be furnished upon request if it includes any claims, comparisons, recommendations, statistics or other technical data;
 - If soliciting for a trading program that will be managed by an FCM or IB or Associate of an FCM or IB, it includes the cumulative performance history of the Member's customers or states that the trading program is unproven;
 - Refers to past recommendations regarding security futures products, the underlying securities, or a derivative thereof only if it lists all similar recommendations made by the Member or Associate within the last year;
 - Includes current recommendations regarding security futures products only if: (i) the Member has a reasonable basis for the recommendation; (ii) the material discloses all material conflicts of interest created by the Member's or Associate's

activities in the underlying security; and (iii) the material contains contact information for obtaining a list of prior recommendations;

- Includes only a general description of the security futures products for which accounts, orders, trading authorization, or pool participations are being solicited; the name of the Member; and contact information for obtaining a copy of the current disclosure statement for security futures products; (unless the promotional material is accompanied or preceded by the disclosure statement for security futures products); and
- Has been submitted to NFA for review and approval at least ten days prior to first use if it reaches or is designed to reach a public audience through mass media.

Conflict of Interest

- Does the firm maintain all records regarding conflict of interest requirements? (CFTC Regulation 1.71 and NFA Compliance Rule 2-10)

Forex Electronic Trading Systems—applicable only to IBs that offer a trading system separate from the system offered by the FDM with which it conducts business (NFA Compliance Rule 2-39, and NFA Interpretive Notice ¶ 9060)

- Does the firm have procedures in place to monitor the activity and address security, capacity, credit and risk-management controls, integrity, and recordkeeping as discussed in NFA Interpretive Notice 9060?
- Is the Member conducting periodic reviews (at least annually, but more frequently if the circumstances warrant a more frequent review) of any electronic trading system it utilizes?
- Is the Member providing an annual certification signed by a principal who is a registered AP and filing the certification with NFA?

Virtual Currency (Interpretive Notice ¶ 9073)

- Does the Member provide investors with robust disclosures related to their investor activities in spot market virtual currencies and virtual currency derivatives?
- Does the Member engaging in activities related to virtual currencies or virtual currency derivatives provide their virtual currency derivative customers with the [NFA Investor Advisory – Futures on Virtual Currencies Including Bitcoin](#) and the [CFTC Customer Advisory: Understand the Risks of Virtual Currency Trading](#), at or before the time the customers trade a virtual currency derivative with or through the Member?
- Does the Member engaging in any type of spot market virtual currency activity with a customer or counterparty provide the standardize disclosure language, as prescribed by Interpretive Notice ¶ 9073?

Supplemental Questionnaire for CPOs

- Does the Member operate all of its pools as separate legal entities from the CPO? (CFTC Regulation 4.20(a)(1) and NFA Compliance Rule 2-13)
- Does the Member ensure that all funds, securities, or other property received by the CPO from an existing or prospective pool participant for an investment in a pool is received in the name of that pool? (CFTC Regulation 4.20(b) and NFA Compliance Rule 2-13)
- Does the Member ensure that the pool does not make a direct or indirect loan or advance of pool assets to the Member or any other affiliated person or entity, except in certain specified transactions as discussed in Interpretive Notice ¶ 9062?

Account Statements (CFTC Regulations 4.7 and 4.22, and NFA Compliance Rule 2-13)

- Does the Member distribute account statements to pool participants at least monthly within 30 days of month end for pools with net asset value of more than \$500,000 (or at least on a quarterly basis within 30 days of the quarter end for pools with net asset value less than \$500,000 or exempt pools under CFTC Regulation 4.7)?
- For non-exempt pools, does the account statement for the pool include:
 - Statement of Income and Loss itemizing: realized commodity trading gain or loss, change in unrealized gain or loss, other gains and losses, management fees, advisory fees, brokerage commissions, other fees and other expenses?
 - Statement of Changes in net asset value ("NAV") itemizing: beginning NAV, additions, withdrawals, net income/loss, ending NAV, NAV per unit or individual's interest in the pool, and oath or affirmation manually signed by the proper individual?
 - An oath or affirmation that to the best of the knowledge and belief of the individual making the oath or affirmation, that the information contained in the oath or affirmation is accurate and complete and the name of the individual signing the oath or affirmation, the capacity in which he/she is signing, the name of the commodity pool operator for which he/she is signing and the name of the commodity pool for which the account statement is being distributed?
(CFTC Regulation 4.22)
- For 4.7 exempt pools, does the account statement for the pool include:
 - The NAV of the exempt pool as of the end of the reporting period, the change in NAV from the end of the previous reporting period, NAV per unit or individual's interest in the pool, and oath or affirmation manually signed by the proper individual?
 - An oath or affirmation that to the best of the knowledge and belief of the individual making the oath or affirmation, that the information contained in the oath or affirmation is accurate and complete and the name of the individual

signing the oath or affirmation, the capacity in which he/she is signing, the name of the commodity pool operator for which he/she is signing and the name of the commodity pool for which the account statement is being distributed?

(CFTC Regulation 4.7)

- Does the Member ensure that for pools comprised of more than one ownership class or series, the series or class on which the account statement is reporting is presented in addition to the information presented for the pool as a whole? (Except that, for a pool that is a series fund structured with a limitation on liability among the different series, the account statement is not required to include consolidated information for all series.)
- Does the Member ensure that any material business dealings between the pool, the pool's operator, commodity trading advisor, futures commission merchant or their principals that has not previously disclosed in the disclosure document are disclosed in the account statement?

CPO Internal Control System (Interpretive Notice ¶ 9074)

Each NFA commodity pool operator (CPO) Member must adopt and implement written policies and procedures reasonably designed to ensure the CPO's operations are in compliance with applicable NFA rules and CFTC regulations. These policies and procedures should fully explain the CPO's internal controls framework that is designed to address the safety of pool assets and deter from misstatements in the CPO's pool financial reports. Senior management should also be involved in the approval, communication and enforcement of such policies and procedures. NFA has developed the following questionnaire to assist firms in meeting these requirements.

A CPO's commitment to creating and fostering a culture of compliance is a key component of any strong control environment and should be considered when creating policies and procedures. For example, a CPO may have in place a code of conduct, ethics policies, value statements, job requirements, training programs, performance evaluations, or whistle blower programs. No employee, including senior management, should inappropriately circumvent the firm's internal controls system. Each firm should have an escalation policy in place for employees to report to the CPO's senior management if they believe individuals have attempted to improperly override the CPO's internal controls system in any respect. The firm's escalation procedures should also address whether and when a matter should be reported to the firm's regulator.

Each CPO should conduct a risk assessment to see where it's most critical risks arise, and then design and implement controls to address those risks. Risk areas that are generally applicable to the business operations of most CPOs are identified below. A CPO's written internal controls policies and procedures should answer all of the following questions as completely as possible. Although you may answer "not applicable" to particular questions, you should carefully consider

the firm's operations before doing so. This questionnaire is not intended to create a one-size-fits all internal control system for all CPO Members. NFA recognizes that, given the differences in the size and complexity of the operations of CPO Members, including the number of persons employed by the CPO, the specific processes in place will differ from Member to Member.

Please also consult the following NFA Rule and Interpretive Notice when designing your internal controls system:

NFA Compliance Rule 2-9:

<https://www.nfa.futures.org/rulebook/rules.aspx?Section=4&RuleID=RULE%202-9>

NFA Interpretive Notice 9074:

<https://www.nfa.futures.org/rulebook/rules.aspx?Section=9&RuleID=9074>

Separation of Duties

- What, if any, automated controls are in place to ensure that transactions (e.g., subscriptions, transfers and redemptions) are carried out in accordance with internal controls policies and procedures?
- To the extent possible, how are duties assigned to different employees in a manner that ensures there is regular cross-checking of the work performed in material areas (e.g., no one person should be responsible for initiating a transaction, approving the transaction, recording the transaction and reconciling the account to third party documentation and information)?
- How are operational functions relating to the custody of pool assets separated from financial reporting functions such as recordkeeping/accounting for the assets?

Pool Subscriptions, Redemptions and Transfers

- How does the CPO verify that pool funds are held in accounts properly titled with the pool's name and are not commingled with the assets of any other person?
- What is the CPO's process for reconciling (on a periodic basis) transactions between the pool's general ledger, banks and other third party depositories?
- How does the CPO authorize redemptions, including verification that the request is made by a participant, adequate funds are available, proper net asset value has been calculated (e.g., fee calculations and profit and loss allocations), the proper amount of funds is released, and timely payment is made to a pool participant or authorized third party?

- How does the CPO verify that transactions involving pool funds do not violate NFA Compliance Rule 2-45, Prohibition of Loans by Commodity Pools to CPOs and Affiliated Entities?

Risk Management and Investment and Valuation of Pool Funds

- How does the CPO verify that pool investments are held in accounts properly titled with the pool's name and are not commingled with the assets of any other person?
- What is the CPO's process for reconciling (on a periodic basis) transactions between the pool's general ledger, banks and other third party depositories?
- How are investments approved to ensure that each type of investment is authorized and is consistent with the pool's strategy?
- How does the firm verify that the CPO values investments in accordance with the CPO's valuation policies?
- What ongoing due diligence is performed of counterparties and other third party depositories that includes reviewing the depository's or counterparty's reputation, trading strategy, past performance and any actions taken by regulators?
- What ongoing monitoring is performed of the risks associated with investments held at third parties utilized by the pool(s) including market risk and credit risk?
- What ongoing monitoring is performed of pool liquidity to ensure the pool is able to satisfy redemption requests, margin calls and other financial obligations?

Use of Administrators

- What initial and ongoing due diligence is performed of the administrator?
- What evidence is obtained for a test of controls and security measures conducted at the administrator by an internal audit department or independent specialist?

Financial (CFTC Regulation 4.22, 4.23 and 4.27, and NFA Compliance Rule 2-13)

- Does the Member retain an independent certified public accountant to do a certified audit of each pool operated during the past fiscal year, including those pools which have permanently ceased trading? (Note: Liquidation statements are not required to be certified, as long as the Member obtains and maintains written waivers from all participants waiving rights to an audit, and a certified statement was prepared and provided to participants at least once during the pool's lifetime.)
- Does the Member distribute copies of the certified reports to NFA and to each of the participants within 90 days of the fiscal year-end or within 90 days of the permanent cessation of trading?

- Does the certified audit for each pool include the following information for the preceding two year-ends: NAV of the pool, NAV per outstanding participation unit in the pool or total value of the participant's interest or share in the pool, statement of financial condition, statement of operations, changes in net assets, appropriate footnote disclosure, and such further material information as may be necessary to ensure that the required statements are not misleading?
- Does the Member maintain the following documents for each pool: cash receipts and disbursements journal; security purchases and sales journal; adjusting journal entries; subsidiary ledger for each participant, including name, address, dates of deposits, withdrawals, etc., amount of deposits and withdrawals, etc., gains/losses accruing to participant, participant equity calculated on a quarterly/monthly basis, and the number of units owned; general ledger; copies of statements from any entity holding pool assets; copies of statements received from carrying brokers; bank statements and cancelled checks; dated copies of all reports and letters; balance sheets; income statements; account statements; and signed and dated acknowledgments of receipt of the disclosure document?
- Does the Member use NFA's EasyFile to report on a quarterly basis with NFA or the CFTC specific information about the firm and the pools that it operates? These quarterly reports are due within 60 days after the end of the quarters ending March 31, June 30 and September 30. Reports for the quarter ending December 31 are due within 90 days of the calendar year-end for Small CPOs (less than \$150 million in assets under management (AUM)) or Mid-size CPOs (greater than \$150 million but less than \$1.5 billion in AUM) and within 60 days for Large CPOs (greater than \$1.5 billion in AUM). All Pool Quarterly Reports (PQR) must be filed electronically using NFA's EasyFile system regardless of whether the PQR is being filed to fulfill NFA or CFTC requirements. The content of the quarterly PQR filing will depend upon the CPO's highest AUM during the reporting period. CPOs that file a Form PF with the SEC will continue to be required to file a PQR with NFA for quarters ending March 31, June 30 and September 30 and with the CFTC for the quarter ending December 31. CPOs that do not operate any pools, or that only operate pools pursuant to CFTC Regulations 4.5 or 4.13(a)(3), do not need to complete PQR filings.

Disclosure Document (CFTC Regulations 4.21, 4.24, 4.25 and 4.26, NFA Compliance Rules 2-13, 2-34, 2-35 and 2-45, and NFA Interpretive Notices ¶ 9006, ¶ 9023, ¶ 9034, ¶ 9035, and ¶ 9062)

- Does the Member's disclosure document comply with NFA Rules and CFTC Regulations?

- Does the Member file the disclosure document and any amendments with NFA electronically at least 21 calendar days prior to the date it first intends to solicit clients with the document?
- Does the Member file amendments or a new disclosure document when the existing document becomes materially incomplete or inaccurate?
- Does the Member provide prospective pool participants with a disclosure document, including any existing amendments, which is dated no more than twelve months prior to the date of delivery before accepting funds from the participant?
- Does the Member provide existing pool participants with all amendments to the disclosure document?
- Does the Member calculate fees in accordance with the method described in the disclosure document?

Security Futures Products (NFA Compliance Rule 2-37 and Interpretive Notices ¶¶ 9043, ¶¶ 9044, ¶¶ 9049 and ¶¶ 9050)

- Does the Member check the Central Registration Depository (CRD) for information on prospective employees who will be involved in security futures activities and obtain and review a copy of the individual's most recent Form 8-T or U5?
- Does the Member require APs to complete appropriate security futures products training modules?

Virtual Currency (Interpretive Notice ¶¶ 9073)

- Does the Member provide investors with robust disclosures related to their investor activities in spot market virtual currencies and virtual currency derivatives?
- Does the Member engaging in any type of underlying or spot virtual currency transactions in a commodity pool, exempt pool or managed account program display the standardize disclosure language, as prescribed by Interpretive Notice ¶¶ 9073, in its disclosure document, offering document and promotional material related to the Member's activity in virtual currencies?

Supplemental Questionnaire for CTAs

Financial

- For a Member that has a reporting requirement under CFTC Regulation 4.27 and directs trading of commodity interests, does the Member file a Form PR on a quarterly basis containing general information about the Member, its trading programs, the pool assets directed by the Member and the identity of the CPOs that operate those pools? Using NFA's EasyFile System, the quarterly Form PR must be filed within 45 days after the quarters ended March, June and September, and a year-end report filed within 45 days of the calendar year end (satisfying the CFTC's Form PR annual report requirement). (NFA Compliance Rule 2-46 and CFTC Regulation 4.27)

Disclosure Document (CFTC Regulations 4.31, 4.34, 4.35 and 4.36, NFA Compliance Rules 2-13, 2-34 and 2-35, and NFA Interpretive Notices ¶ 9006, ¶ 9023, ¶ 9034, and ¶ 9035)

- Does the Member's disclosure document comply with NFA Rules and CFTC Regulations?
- Does the Member file the disclosure document and any amendments with NFA electronically at least 21 calendar days prior to the date it first intends to solicit clients with the document?
- Does the Member file amendments or a new disclosure document when the existing document becomes materially incomplete or inaccurate?
- Does the Member provide prospective clients with a disclosure document, including any existing amendments, which is dated no more than twelve months prior to the date of delivery?
- Does the Member provide existing clients with all amendments to the disclosure document?
- Does the Member maintain signed and dated acknowledgments of receipt of disclosure documents from each client?
- Does the Member calculate fees in accordance with the disclosure document?
- If the Member collects fees directly from clients instead of from the carrying broker, is that amount reflected in the performance record supporting worksheets as an addition and as a debit to net performance?

Bunched Orders (CFTC Regulation 1.35(b)(5), NFA Compliance Rule 2-10 and NFA Interpretive Notice ¶ 9029)

- Does the Member maintain specific allocation procedures that are fair and equitable so that no account or group of accounts receives consistently favorable or unfavorable treatment?

- Does the Member ensure that all customer accounts have the correct allocation of contracts on each trade?
- Does the Member analyze each trading program at least once a quarter to ensure the allocation method has been fair and equitable? Does the Member maintain records of the review and any deficiencies that are discovered through the review?

Post-Execution Allocation of Bunched Orders (CFTC Regulation 1.35(b)(5), NFA

Compliance Rule 2-10 and NFA Interpretive Notice ¶ 9029)

- Does the Member make the following information available to customers upon request? (1) The general nature of the allocation methodology; (2) a summary of composite data sufficient for a customer to compare his results with those of other relevant customers and any account in which the account manager has an interest; and (3) an indication whether any account in which the account manager has an interest can be included with customer accounts in bunched orders. Prior to the end of the trading day, does the Member provide the FCM that executes or clears the trade with information concerning the number of contracts to be allocated to each account included in the bunched order along with instructions for the allocation of split and partial fills among accounts?
- If fill prices are allocated by an FCM, does the Member maintain a written agreement with the FCM that clearly describes that the FCM is responsible for the allocation?
- Does the Member document and maintain its internal audit procedures and results of its allocation methodology as the firm's records are subject to review during an NFA examination?

Security Futures Products (NFA Compliance Rule 2-37 and Interpretive Notices ¶ 9043, ¶ 9044, ¶ 9049 and ¶ 9050)

- Does the Member check the Central Registration Depository (CRD) for information on prospective employees who will be involved in security futures activities, and obtain and review a copy of the individual's most recent Form 8-T or U5?
- Does the Member require APs to complete appropriate security futures products training modules?

Virtual Currency (Interpretive Notice ¶ 9073)

- Does the Member provide investors with robust disclosures related to their investor activities in spot market virtual currencies and virtual currency derivatives?
- Does the Member engaging in any type of underlying or spot virtual currency transactions in a commodity pool, exempt pool or managed account program display the standardize disclosure language, as prescribed Interpretive Notice ¶ 9073, in its disclosure document, offering document and promotional material related to the Member's activity in virtual currencies?

Sources of Additional Information

Your attorney and accountant

American Institute of Certified Public Accountants

1211 Avenue of the Americas
New York, NY 10036
(212) 596-6200
www.aicpa.org

CME Group

20 South Wacker Drive
Chicago, IL 60606
(312) 930-1000
www.cmegroup.com

Commodity Futures Trading Commission

Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581
(202) 418-5000
www.cftc.gov

FIA/Institute for Financial Markets

2001 Pennsylvania Avenue, N.W., Suite 600
Washington, D.C. 20006
(202) 466-5460
(202) 223-1528
www.fia.org
www.theifm.org

Managed Funds Association

600 14th Street, NW, Suite 900
Washington D.C. 20005
(202) 730-2600
www.managedfunds.org

Financial Industry Regulatory Authority

9509 Key West Avenue
Rockville, MD 20850
(301) 590-6500
www.finra.org

National Introducing Brokers Association

c/o Melinda Schramm
55 West Monroe Street, Suite 3330
Chicago, IL 60603
(312) 977-0598
www.theniba.com

NFA

300 South Riverside Plaza, Suite 1800
Chicago, IL 60606-6615
(312) 781-1410
www.nfa.futures.org

U.S. Securities and Exchange Commission

450 Fifth Street, N.W.
Washington, D.C. 20549
(202) 942-7040
www.sec.gov

Appendix A - Anti-Money Laundering Questionnaire

Each National Futures Association (“NFA”) futures commission merchant (FCM) and introducing broker (IB) Member firm must adopt a written anti-money laundering (“AML”) program tailored to its operations. NFA has developed the following questionnaire to assist firms in meeting that requirement.

The firm should maintain its AML program with other firm procedures. Having a written program is not enough to meet your regulatory requirements, however. You must also implement and follow the program and communicate it to your employees.

Please also consult the following NFA Rule and Interpretive Notice when designing your AML program:

<http://www.nfa.futures.org/nfamanual/NFAManual.aspx#2-9>

<http://www.nfa.futures.org/nfamanual/NFAManual.aspx#45>

A Member firm’s written AML program should answer all of the following questions as completely as possible. Although you may answer “not applicable” to particular questions, you should carefully consider the firm’s operations before doing so.

General Questions

- What is the firm’s policy statement regarding money laundering and terrorist financing?
- What are the consequences if an employee does not follow the firm’s AML policy?
- Who in senior management is responsible for giving written approval of the firm’s AML program?
- Has the firm designated one or more individuals to be responsible for overseeing the day to day operations of the firm’s AML compliance program? Who has the firm designated?
- Does the AML Compliance officer/department report to senior management? If so, who do they report to?
- What are the AML Compliance Officer’s duties and responsibilities?

Customer Identification Program (CIP)

- What identifying information (e.g., name, address, date of birth, tax identification number) does the firm obtain from its new customers?
- Does the firm rely on documentary methods to verify identity? If so:
 - What documents does the firm accept to verify the identity of new customers who are individuals? Be specific.
 - What documents does the firm accept to verify the identity of new customers that are not individuals (e.g., corporations, partnerships, trusts)? Be specific.
- Does the firm rely on non-documentary methods to verify identity? If so, what non-documentary methods does the firm use to verify a customer’s identity? Be specific.
- Under what circumstances will the firm verify identity:

- Using documentary methods alone?
- Using non-documentary methods alone?
- Using a combination of both methods?
- Does the firm require non-documentary methods in the following situations:
 - The customer is unable to present a current government ID with a photograph or similar safeguard (e.g., a thumbprint)?
 - The firm is not familiar with the documents the customer provides?
 - The firm opens an account without obtaining documents from the customer?
 - A customer opens an account without appearing in person?
 - Other circumstances that increase the risk that the firm will be unable to verify the identity of the customer through documents?

If the firm does not use non-documentary methods in one or more of these situations, why has the firm concluded that non-documentary methods are not necessary?

- What is the firm's deadline for completing the verification process? How does the firm ensure that the customer's identity is verified within a reasonable time before or after the account is opened?
- Does the firm accept individual accounts from people who are applying for taxpayer identification numbers? If so, how does the firm confirm that an application for taxpayer identification number has been filed? How does the firm ensure that it obtains the taxpayer identification number within a reasonable period of time?
- Under what circumstances will the firm require customers that are not individuals (e.g., corporations, partnerships, trusts) to provide information about the account controller in order to verify the customer's identity?
- How does the firm handle an account if the firm does not have a reasonable belief that it knows the customer's identity? Specifically:
 - When will the firm refuse to open an account?
 - What restrictions does the firm place on customer transactions while the firm is still verifying the customer's identity?
 - Under what circumstances will the firm close an account after the firm's attempts to verify the customer's identity have failed?
 - In what situations will the firm file a suspicious activity report?
- Does the firm rely on other financial institutions to carry out its CIP requirements? If so, answer the following questions for each financial institution the firm intends to rely upon:
 - What is the financial institution's name?
 - When will your firm rely on that financial institution to perform some or all elements of the CIP for your firm? If it will perform only some elements, which ones are they?

- What steps did your firm take to ensure that the financial institution is required to have an AML Compliance program under the Bank Secrecy Act?
- What Federal agency regulates the financial institution?
- When did your firm enter into a written agreement with the financial institution requiring it to certify annually that it has implemented an AML program and that it will perform the specified requirements of its own CIP or perform the CIP functions described in the agreement? (You should attach the agreement to the firm's AML procedures.)
- How does your firm ensure that it obtains a copy of the annual certification?
- Does the firm contractually delegate its CIP functions to other entities? If so, answer the following questions for each entity (including any financial institution not included above) that the firm intends to contractually delegate those functions to:
 - What is the entity's name?
 - What elements of the firm's CIP are delegated to that entity?
 - When did you enter into a written agreement outlining each party's responsibilities? (You should attach the agreement to the firm's AML procedures.)
 - What does your firm do to monitor how the other entity implements the CIP and how effective the CIP is?
 - How does your firm ensure that regulators are able to obtain information and records relating to the CIP performed by that entity?
- How does your firm notify customers about why the firm requests information to verify identity before opening an account? What does the notice say?
- Where, in what form, and for what time period does the firm keep the following information:
 - Identifying information collected from customers (e.g., name, address, date of birth, tax identification number)?
 - Documents used to verify identity? Does the firm keep a copy of the documents or does it record the necessary information (e.g., identification number, place issued, date issued, expiration date)?
 - Descriptions of the methods used and results obtained when non-documentary methods are used to verify identity?
 - Descriptions of how discrepancies in particular customers' verifying information are resolved?

Identifying and Verifying Beneficial Owners (Effective May 11, 2018)

- For all new accounts for legal entity customers, does the firm identify all individuals who directly or indirectly own more than 25% of the legal entity and an individual with significant authority to control, manage or direct the legal entity customer (account controller)?
- Does the firm obtain the following for each beneficial owner and the account controller?
 - Name
 - Title (for account controllers only)

- Date of Birth
 - Residential or Business Address
 - For U.S. Person – Social Security Number
 - For Non-U.S. Person – Passport Number and Country of Issuance or other similar Identification Number
- Does the firm obtain a certification signed by the natural person opening an account for a legal entity indicating the above information is complete and accurate and include:
 - Name and title of natural person opening the account
 - Name and address of legal entity
 - Name
 - Signature
 - Date
 - Legal Entity Identifier (Optional)
- Does the firm verify the identity of each beneficial owner and account controller that, at a minimum, contains the same elements the firm employs to verify the identity of customers under its CIP procedures?
- Where, in what form, and for what time period does the firm keep the following information:
 - Identifying information collected on beneficial owners and account controllers (e.g., name, address, date of birth, tax identification number)?
 - Documents used to verify identity? Does the firm keep a copy of the documents or does it record the necessary information (e.g., identification number, place issued, date issued, expiration date)?
 - Descriptions of the methods used and results obtained when non-documentary methods are used to verify identity?
 - Descriptions of how discrepancies in a particular beneficial owner or account controller's verifying information are resolved?
- Does the firm rely on other financial institutions to carry out its beneficial ownership requirements? If so, answer the following questions for each financial institution the firm intends to rely upon:
 - What is the financial institution's name?
 - When will your firm rely on that financial institution to perform some or all elements of the beneficial ownership requirements for your firm? If it will perform only some elements, which ones are they?
 - What steps did your firm take to ensure that the financial institution is required to have an AML Compliance program under the Bank Secrecy Act?
 - What Federal agency regulates the financial institution?
 - When did your firm enter into a written agreement with the financial institution requiring it to certify annually that it has implemented an AML program and that it will perform the specified requirements of its own beneficial ownership requirements or perform the

beneficial ownership functions described in the agreement? (You should attach the agreement to the firm's AML procedures.)

- How does your firm ensure that it obtains a copy of the annual certification?
- Does the firm contractually delegate its beneficial ownership functions to other entities? If so, answer the following questions for each entity (including any financial institution not included above) that the firm intends to contractually delegate those functions to:
 - What is the entity's name?
 - What elements of the firm's beneficial ownership requirements are delegated to that entity?
 - When did you enter into a written agreement outlining each party's responsibilities? (You should attach the agreement to the firm's AML procedures.)
 - What does your firm do to monitor how the other entity implements the beneficial ownership requirements and how effective the beneficial ownership requirements is?
 - How does your firm ensure that regulators are able to obtain information and records relating to the beneficial ownership requirements performed by that entity?

Identifying High-Risk Accounts

- How does the firm identify potentially high-risk accounts?
- What types of accounts does the firm characterize as high risk?
- How does the firm determine whether a customer/prospective customer appears on OFAC's list of Specially Designated Nationals and Blocked Persons (SDN list) identifying known or suspected terrorists and terrorist organizations?
- How does the firm determine whether a customer is located in a country on OFAC's list of sanctioned countries?
- How does the firm determine whether a customer appears on any list of known or suspected terrorists or terrorist organizations that is issued by the Federal Government and designated by the Treasury Department? How does the firm ensure that it follows all Federal directives issued in connection with the list? (Note: No other lists or federal directives have yet been issued).
- How does the firm determine whether a customer is from a country that appears on FATF's Public Statement of jurisdictions with AML/CFT deficiencies?
- What type of ongoing monitoring does the firm do to ensure that existing customers don't subsequently appear on the SDN list or come from a country on OFAC's sanctioned country list or FATF's Public Statement of jurisdictions with AML/CFT deficiencies?
- What kind of due diligence does the firm perform to determine whether to accept a high risk account?
- How does the firm determine whether additional monitoring of account activity is necessary for a high risk account?
- What additional monitoring does the firm perform for account activity in high risk accounts?

- What special steps will the firm take if the customer/prospective customer or its country appears on the following lists:
 - OFAC's SDN list?
 - OFAC's list of sanctioned countries?
 - A list of known or suspected terrorists or terrorist organizations issued by the Federal Government?
 - FATF's Public Statement of jurisdictions with AML/CFT deficiencies?

Ongoing Customer Due Diligence and Detection and Reporting of Suspicious Activity

- What systems and procedures does the firm use to detect and report suspicious activity:
 - During the account opening process?
 - While an account is open?
 - When an account closes?
- What risk-based ongoing customer due diligence (CDD) procedures does the firm employ to:
 - Understand the nature and purpose of customer relationships for purposes of developing a customer risk profile
 - Conduct ongoing monitoring to identify and report suspicious transactions, and on a risk basis, maintain and update customer information, including beneficial ownership information
- What type of transactions will require the firm to file a form SAR?
- How does the firm ensure that a form SAR is filed for a transaction or series of transactions that are conducted, attempted by, at or through the firm, involve an aggregate of at least \$5,000 in funds or other assets and the firm knows, suspects or has reason to suspect that transactions or pattern of transactions (1) Involves funds that come from illegal activity or are part of a transaction designed to conceal that the funds are from illegal activity; (2) Are designed, such as through structuring, to evade the reporting requirements of BSA; (3) Do not appear to serve any business or apparent lawful purpose; (4) Use the firm to facilitate a criminal transaction? Generally, a SAR is due within 30 days after the firm becomes aware of the suspicious transaction.
- How does the firm monitor wire transfer activity for unusual transfers (e.g., unexpected or unusually frequent or large transfers by a particular account during a particular period, transfers involving certain countries identified as high risk or having AML/CFT deficiencies)?
- What examples of "red flags" does the firm provide its employees to alert them to suspicious activity?
- What kind of investigation does the firm do when a red flag occurs? Who does it?
- How promptly must employees report potential suspicious activity and who do they report it to?
- What are the firm's procedures for filing a form SAR with FinCEN after the firm becomes aware of a suspicious transaction or if identity is unknown? Specifically, how promptly does the firm file a form SAR with FinCEN?

- Which supervisory personnel evaluate the activity and determine whether the firm is required to file a SAR with FinCEN?
- How does your firm ensure the confidentiality of SAR filings or any information that would reveal the existence of a SAR?
- Where, and in what form, does the firm keep the form SAR and any supporting documentation which must be maintained for five years from the date the SAR was filed?
- How does the firm maintain the confidentiality of the form SAR?
- If your firm shares a SAR with a parent entity (or entities) does it have a written confidentiality agreement or other arrangement in place specifying that the parent (or parent entities) must protect the confidentiality of the SAR through appropriate internal controls?
- If your firm shares a SAR, or any information that might reveal the existence of a SAR, with an affiliate, does it have policies and procedures, as part of its internal controls, which ensure that its affiliate protects the confidentiality of the SAR? Note that any affiliate receiving a SAR from your firm must be subject to a SAR regulation and cannot share the SAR with another affiliate.
- What kind of due diligence does the firm do to ensure that any requests for SARs or SAR supporting documentation come from a representative of FinCEN or an appropriate law enforcement or supervisory agency? What procedures will the firm use to complete this verification?
- Does the firm have additional risk-based measures to help ensure the confidentiality of SARs, including limiting access to "need-to-know" basis, establishing restricted areas for reviewing SARs, maintaining a log of access to the SARs, using cover sheets for notices that highlight confidentiality concerns before a person may access or disseminate the information? Does the firm include information on SAR confidentiality and the penalties associated with unauthorized disclosure in its ongoing training of employees?
- Does the firm obtain a written request from a law enforcement agency when the agency is requesting that the firm keep a particular account open? If so, what type of documentation is maintained and for what time period does the firm keep the documentation?

Other

- If your firm is an FCM, what steps does the firm take to respond to FinCEN information requests (e.g., 314(a) biweekly request)?
- If responsibilities for conducting AML compliance, other than CIP responsibilities, are divided between your firm and an FCM or IB, what documentation does your firm maintain to indicate how those responsibilities are divided? How does the firm ensure the other firm is adhering to the AML procedures?
- If your firm is an FCM that guarantees introducing brokers ("GIB"), how does it ensure that the firm's GIBs are adhering to their AML procedures?

- If your firm is an FCM, how does your firm comply with the currency transaction reporting and funds transfer recordkeeping requirements set forth in the Bank Secrecy Act?
- Does your firm accept private banking accounts maintained for non-U.S. persons? If so, what kind of special due diligence does the firm perform for those accounts? If not, how does the firm screen new accounts to ensure that it does not accept this type of account?
- Does your firm accept private banking accounts maintained by or on behalf of senior political figures? If so, what enhanced scrutiny does the firm conduct for private banking accounts maintained by or on behalf of senior political figures? If not, how does the firm screen new accounts to ensure that it does not accept this type of account?
- Does your firm have a procedure to file the required FBAR report if it has a financial interest or signature authority over any financial accounts which exceed \$10,000 in a foreign country at any time during the calendar year?
- Does your firm (only FCMs) have a procedure to file a Report of International Transportation of Currency or Monetary Instruments (CMIR) if your firm transports amounts exceeding \$10,000 internationally under certain circumstances?
- Does the firm accept correspondent accounts established, maintained or administered by the firm in the US for a foreign financial institution. If so, what procedures or controls have the firm established over the account that will allow the firm to reasonably detect and report any known suspected money laundering activity conducted through or involving the correspondent account? If not, it is sufficient to indicate that the firm will not open any correspondent accounts.
- What are the firm's procedures regarding Section 311 Special Measures? Do the procedures require the firm to monitor FinCEN's website for information on foreign jurisdictions, institutions, classes of transactions, or types of account that have been designated as a primary money laundering concern and any special measures that have been imposed? Does the firm's procedure require the firm to follow any special measures that have been imposed?
- Which individuals or departments are trained, at least every 12 months, on the firm's overall AML program?
- Which individuals or departments are trained to monitor unusual trading activity to detect suspicious activity? How often do these employees take the training?
- Who conducts the training and what areas does it cover? Be specific for each group of employees who receive training.
- Other than documents obtained or made during the CIP process, what AML documents and records does the firm maintain? How long are they maintained? Be specific.
- Which independent firm personnel or experienced outside party will conduct annual testing on the adequacy of the firm's anti-money laundering program at least every 12 months?
- What areas are reviewed in the annual audit?

- Who in senior management or on the audit committee receives the results of the independent audit?
- Who in senior management or on the audit committee reviews and signs off in writing on the independent audit report?
- How will the firm address deficiencies noted in the annual AML audit report?

Appendix B - Business Continuity & Disaster Recovery Plan Questionnaire

Each National Futures Association (“NFA”) Member firm must adopt a written business continuity and disaster recovery plan tailored to its operations. NFA has developed the following questionnaire to assist firms in meeting that requirement.

The firm should maintain its business continuity and disaster recovery plan with other firm procedures. Having a written policy is not enough to meet your regulatory requirements, however. You must also implement and follow that policy and communicate it to your employees.

Please also consult the following NFA Rule and Interpretive Notice when designing your plan:

<http://www.nfa.futures.org/nfamanual/NFAManual.aspx#2-38>

<http://www.nfa.futures.org/nfamanual/NFAManual.aspx#52>

A Member firm's written policy should answer all of the following questions as completely as possible. Although you may answer “not applicable” to particular questions, you should carefully consider the firm's operations before doing so.

- Where are the firm's backup facilities (including systems and personnel) located? Are the backup facilities located in separate geographical areas from the primary facility? Are the backup facilities on a different power grid than the primary facility? Do they utilize a different telecommunication vendor?
- What are the firm's procedures for backing up or copying essential documents and data? How often is this done?
- Does the firm store the information in hard copy? In electronic format? Where is the backup information stored?
- What staff competencies or duties are critical to continuing your operations? How has your firm duplicated these competencies in order to minimize the effect on the firm's operations if it loses primary staff?
- What specific steps will the firm take to minimize the impact of business interruptions encountered by the following third parties:
 - Banks?
 - Carrying brokers?
 - Order routers?
 - Data providers?
 - Other third parties that are critical to continuing your operation? Be specific.
- Describe the firm's disaster-related communication plan. Specifically, how will the firm contact each of the following essential parties:

- Employees?
- Customers?
- Carrying brokers?
- Vendors?
- Other third parties that are essential to continuing your operation? Be specific.
- How often does management review the plan for needed updates? What evidence does the firm maintain as proof that a review was completed?
- How often is the plan tested for effectiveness? Describe the testing process, including whether the firm plans to participate in any industry-wide disaster recovery testing. What evidence does the firm maintain as proof that a test was completed?
- Where does the firm maintain copies of the plan? Is the plan kept at one or more off-site locations that are readily accessible to key employees? Be specific.
- List the key employees that have received the plan. Has the plan been explained to these employees? What essential components have been discussed with all other employees? How often will the plan be communicated or distributed to employees?
- What procedures are in place to ensure that any updated plan is distributed to key employees and that all other employees are notified of changes to essential components?
- If an FDM or FCM Member, has the firm provided or updated NFA with the name and contact information for all key management employees? Has the firm provided NFA with the location, address and telephone number of its primary and alternative disaster recovery sites?

If not, this information can be updated through the WinJammer™ Online Filing System.

- If an IB, CPO, or CTA Member, has the firm provided or updated NFA with emergency contact information for one or more individuals NFA can contact in the event of an emergency? Are those individuals authorized to make key decisions in the event of an emergency?

If not, this information can be updated in the firm's annual questionnaire. Go to NFA's website home page under the "Electronic Filings" heading. Then click on "Annual Questionnaire." Members will need an ORS sign-on ID and password to gain access.

The components listed in the above steps are the minimum areas that the plan should address. Please include additional information on any other areas that are essential to your operations.

Appendix C - Ethics Training Policy Questionnaire

Each National Futures Association (“NFA”) Member firm must adopt a written ethics training policy tailored to its operations. NFA has developed the following questionnaire to assist firms in meeting that requirement.

The firm should maintain its ethics training policy with other firm procedures. Having a written policy is not enough to meet your regulatory requirements, however. You must also implement and follow that policy.

Please also consult the following NFA Rule and Interpretive Notice when designing your plan:

<http://www.nfa.futures.org/nfamanual/NFAManual.aspx#2-9>

<http://www.nfa.futures.org/nfamanual/NFAManual.aspx#51>

A Member firm's written policy should answer all of the following questions as completely as possible.

- Who conducts the ethics training? If the firm conducts training in-house, who are the training personnel (by name or title)? If the firm utilizes an outside provider, what is the provider's name?
- What are the training personnel's or provider's qualifications? What proof does the firm maintain that the training personnel or provider are qualified to conduct ethics training?
- What type of medium (e.g., Internet, audiotapes, computer software, videotapes, in-person courses) does the firm utilize for the ethics training course?
- How frequently are employees required to complete the training? Specifically, how soon and how often are new registrants required to complete ethics training? How often are other registrants required to complete ethics training?
- How long is the ethics training program for new registrants? For existing registrants?
- List the topics the ethics training program addresses.
- What type of written materials are distributed during training? How does the firm ensure that it maintains copies of those materials?
- What type of documentation or records does the firm maintain as proof that its employees have completed the ethics training?
- How often does management review the firm's ethics training policy?

Appendix D - Privacy Policy Questionnaire

National Futures Association (“NFA”) has developed the following questionnaire to assist firms in meeting their obligations under the CFTC’s privacy rules.

Many elements of the firm’s privacy policy must be described in the privacy notice given to customers. The firm’s policy and procedures for protecting customer records and information (see third bullet below) must be in writing separate from the privacy notice and should be maintained with the rest of the firm’s written procedures. Although the firm is not technically required to have a separate document describing every aspect of its privacy policy and procedures, a comprehensive written policy is the best way to ensure that firm personnel know what the firm’s policy is. This is important because just having a policy is not enough to meet your regulatory requirements. You must also implement and follow that policy.

The questions listed below are very general and do not cover every aspect of the privacy rules. You should consult the following CFTC Regulations when designing your privacy policy:

<http://www.cftc.gov/foia/fedreg01/foi010511a.htm>

A firm’s privacy policy should answer all of the following questions as completely as possible. Although you may answer “not applicable” to particular questions, you should carefully consider the firm’s operations before doing so.

- Does the firm solicit, accept, or have any clients or customers who are individuals and who use the firm’s products or services primarily for personal, family or household purposes?
[NOTE: If the answer to this question is “NO,” the firm is not required to have a privacy policy and does not need to answer the remaining questions.]
- What types of nonpublic personal information does the firm collect from clients or customers? Be specific. (NOTE: Nonpublic personal information includes account numbers, trading history, account balances, social security numbers and all financial information obtained from the customer. It also includes names and addresses when that information is included in a list derived in whole or in part from nonpublic personal information, such as a list of the firm’s customers.)
- What does the firm do – administratively, technically and physically – to maintain the confidentiality and security of customer information?
 - How does the firm safeguard paper documents?
 - How does the firm safeguard electronic information?
 - Who has access to nonpublic personal information?
 - How does the firm protect against unauthorized access, disclosure or use of the information?

- Does the firm disclose information to nonaffiliated third parties? If so, what categories of nonaffiliated third parties does the firm disclose customer information to? For each category, what information does the firm disclose and under what circumstances does the firm disclose it? Be specific.
- What types of information are included in the firm's written privacy notice? (If the firm has written privacy procedures, you should attach a copy of the privacy notice to those procedures.)
- When does the firm provide new customers with the firm's privacy policy? How often does the firm provide its privacy policy to existing customers?
- Under what circumstances does the firm provide its privacy policy to consumers who do not become customers?
- How does the firm distribute its privacy policy to customers (e.g., electronically or mailed, included with account statements)?
- Does the firm give customers an opt-out notice? (If the firm has written privacy procedures, you should attach a copy of the opt-out notice to those procedures.) [NOTE: Your firm does not have to give customers an opt-out notice if it does not share nonpublic personal information with nonaffiliated third parties.]
- When does the firm provide customers with amended privacy and opt-out notices?