

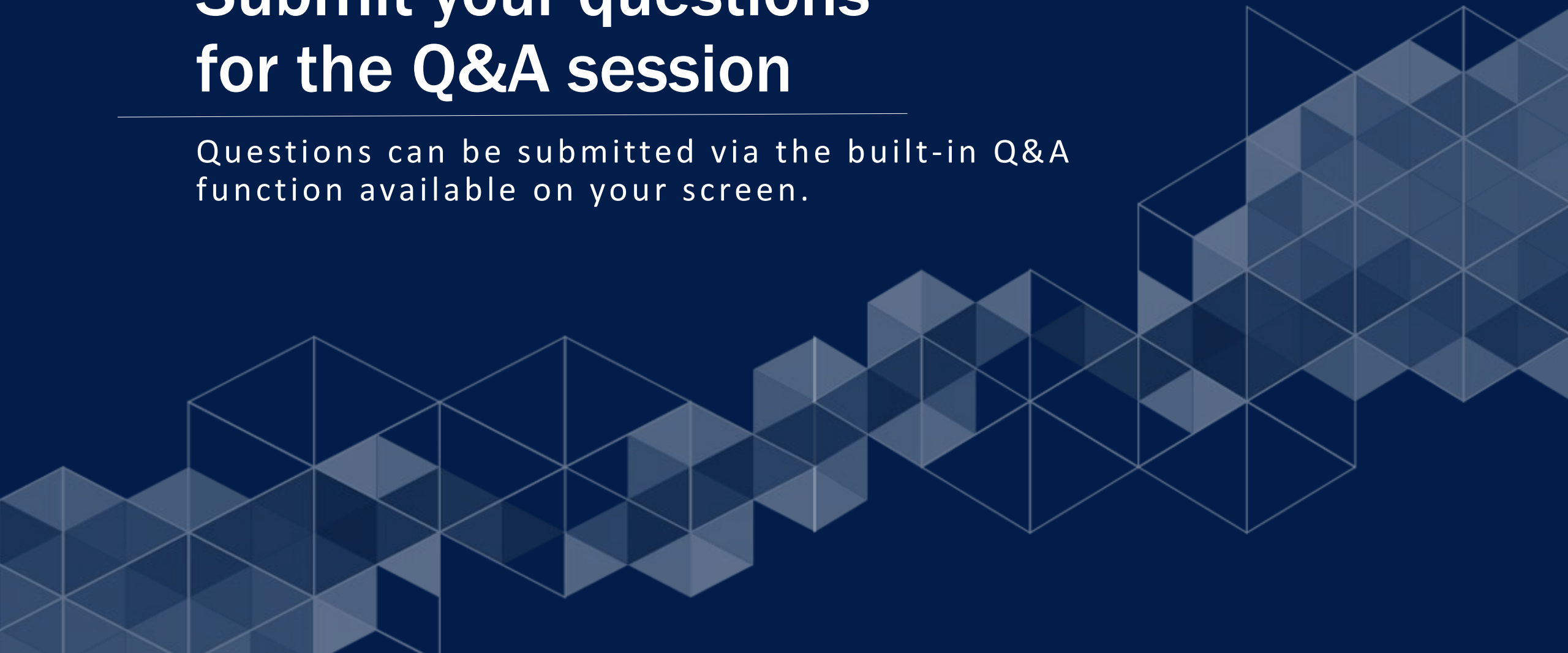
Supervision of Remote Offices

June 2, 2022




Submit your questions for the Q&A session

Questions can be submitted via the built-in Q&A function available on your screen.



Supervision of Remote Offices

An archived version of today's session, along with all other sessions for the Member Regulatory Workshop, will be available on NFA's website in the coming weeks.

A decorative background pattern of overlapping, semi-transparent hexagons in various shades of blue, creating a 3D effect. The pattern is more dense on the right side of the slide and fades out towards the left.

Supervision of Remote Offices

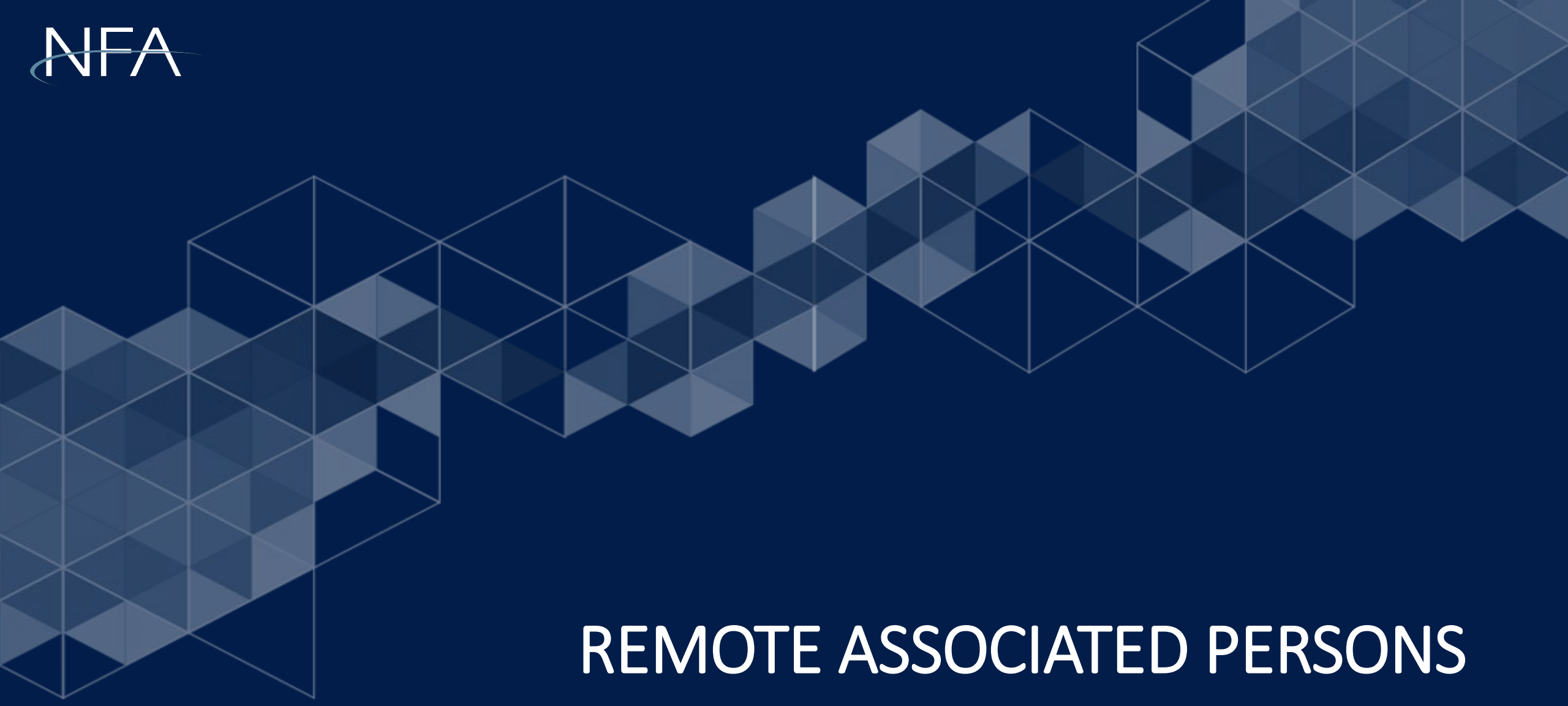
Member Regulatory Workshop 2022



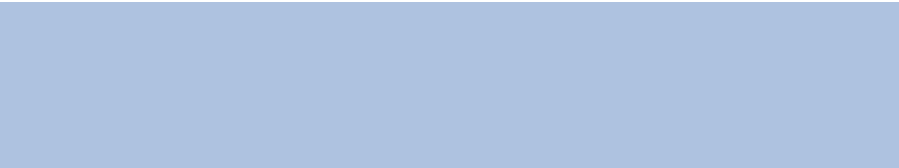
Agenda



- Remote associated persons
- Supervision of remote offices
- Recordkeeping
- Cross-border implications for swap dealers
- Q&A



REMOTE ASSOCIATED PERSONS



Remote Associated Persons



- Branch office definition excludes home offices or flexible shared workspace if certain criteria met
- Risk assessment to determine if an AP is permitted to work remotely
 - Scope of activities and responsibilities
 - AP's background
 - Risks of the AP's remote location
- Swap AP identification and proficiency requirements

A decorative background pattern of overlapping, semi-transparent blue cubes and hexagons, creating a 3D effect against a dark blue background.

SUPERVISION OF REMOTE OFFICES

Remote APs



- Written supervisory policies and procedures
- Supervisory system and structure
- Initial and ongoing training on regulatory requirements and policies and procedures



Trading Activity



- Policies and procedures to surveil and monitor APs' order handling and/or trading activities
 - Address any additional or enhanced reviews for remote APs
 - Consider changes to scope or frequency of reviews
 - Documented reviews of order handling and trading, escalation and resolution of potential issues

Communications



- Required communications carried out on equipment and through applications that Member can capture and retain
- Policies and procedures for review of pre-trade communications
 - Address alternative or enhanced procedures for remote APs



Information Security



- Cybersecurity standards same as in-office workers
 - May require additional equipment or technology for remote APs
 - Consider additional training regarding increased cyber risks in a remote work environment
- Remote AP location should be sufficiently secure



Business Continuity



- Consider BCDR for remote APs and traders
 - Testing of trading abilities and resolution of latency or bandwidth issues
 - Contingency plans for internet connectivity issues
 - Back-up for phone and recording outages



RECORDKEEPING

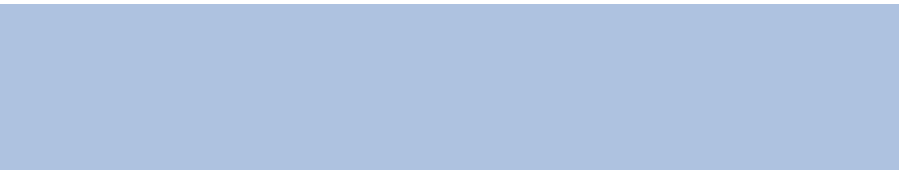
Recordkeeping



- Members with remote offices remain responsible for all applicable recordkeeping requirements
 - Accessible from regular business office
 - Supervisory procedures to address how Member ensures required records are created, retained, and accessible
 - Member may mandate use of firm-approved devices and technology
 - Consider training on firm-approved devices and applications and requiring attestation



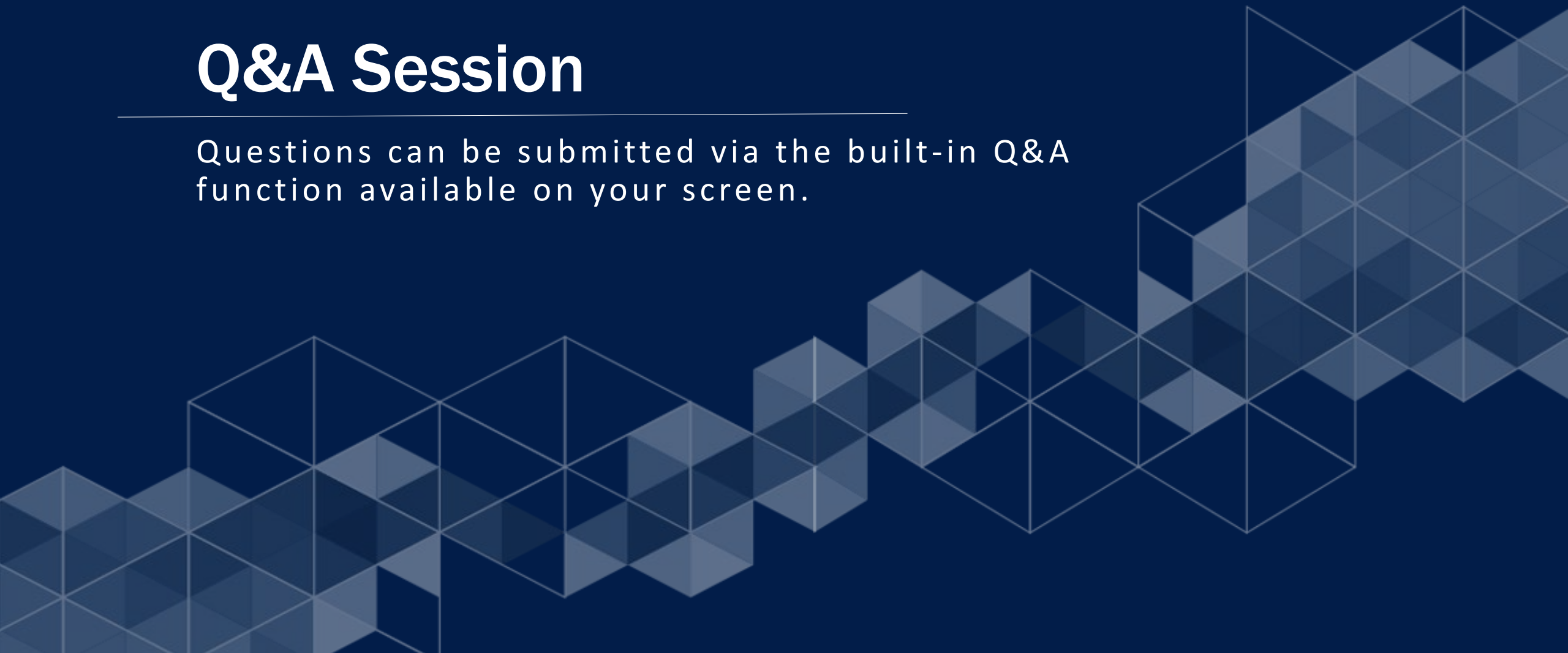
CROSS-BORDER



- CFTC Cross-Border Regulation 23.23
 - Requirements apply to trades after September 14, 2021
- Branch offices
- Application of certain regulations
 - U.S. Swap Dealers operating through a Foreign Branch
 - Non-U.S. Swap Dealer operating through a U.S. Branch
- Recordkeeping

Q&A Session

Questions can be submitted via the built-in Q&A function available on your screen.



Supervision of Remote Offices

An archived version of today's session, along with all other sessions for the Member Regulatory Workshop, will be available on NFA's website in the coming weeks.