BRANCH MANAGER EXAM—FUTURES

SERIES 30

The following is a general listing of the major subject areas covered by the examination and does not represent an exhaustive list of the actual test questions.

A. General
   • Books and records, preparation and retention
   • Order tickets, preparation and retention
   • Written option procedures
   • Handling of customer deposits
   • NFA Compliance Rule 2-9, supervision of employees
   • Business Continuity and Disaster Recovery Plan
   • Registration requirements—who needs to be registered, sponsor verification, NFA Bylaw 1101, AP termination notices, temporary licenses
   • NFA disciplinary process
   • Reportable positions
   • NFA Arbitration Rules
   • On-site audits of branch offices
   • Bona fide hedging transactions
   • Trading on foreign exchanges

B. CPO/CTA General
   • Registration requirements
   • Books and records to be maintained
   • Reports to customers
   • Block orders and order allocation

C. CPO/CTA Disclosure Documents
   • Management and incentive fees
   • Performance records
   • How long a CPO or CTA can use a disclosure document
   • Conflicts of interest
   • Pool units purchased by principals
   • Business backgrounds of principals
   • Amendments to disclosure documents
   • Disclosure of disciplinary actions
   • NFA review of document before each use

D. NFA Know Your Customer Rule
   • Client information required
   • Responsibility to obtain additional client information
   • Risk disclosures

E. Disclosure by CPOs and CTAs Required for Costs Associated with Futures Transactions
   • Disclosure of upfront fees and expenses
   • Effect of upfront fees and organizational expenses on net performance

F. Disclosure by FCMs and IBs Required for Costs Associated with Futures Transactions
   • Explanation of fees and charges to customers

G. IB General
   • Accepting funds from customers
   • Guarantee agreements
   • Responsibilities of guarantor FCM
   • Minimum net capital requirements
   • Timestamping of order tickets
   • Books and records to be maintained

H. General Account Handling and Exchange Regulations
   • Risk Disclosure Statement
   • Margin requirements
   • Stop loss orders
   • Preparing orders
   • Block orders
   • Bunched orders
   • Proprietary accounts
   • Positions limits and reporting requirements
   • Trade confirmations
I. Discretionary Account Regulation
   • Requirements relating to discretionary accounts
   • Supervision and review of discretionary accounts

J. Promotional Material (Compliance Rule 2-29)
   • Definition of promotional material
   • Standardized sales presentations
   • Use of a third-party consulting or advertising firm
   • Reprints of articles from industry publications
   • Recordkeeping of promotional material
   • Past performance
   • Hypothetical trading results
   • Written procedures for promotional material
   • Supervisory review of promotional material

K. Anti-Money Laundering Requirements
   • Developing policies, procedures and internal controls
   • Customer identification, verification and recordkeeping
   • Detection and reporting of suspicious activity
   • Training staff to monitor trading activity
   • Recordkeeping
   • Designation of individual or individuals ("compliance officer") to be responsible for overseeing the program
   • Employee training program Independent audit function