

# 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

**Series 30 (continued)**

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**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