

Written Supervisory Procedures Review Checklist

The Written Supervisory Procedures Checklist ("WSP Checklist") is an outline of selected key topics representative of the range of business activities typically proposed by applicants seeking approval to become FINRA members or to expand their existing securities business under NASD Membership and Registration Rules (*Note - Though part of the current FINRA Manual, these rules have not yet been consolidated, please see <http://www.finra.org/Industry/Regulation/FINRARules/> for more information*).

As part of the application process, applicants are required to submit a completed WSP Checklist, together with a copy of their Written Supervisory Procedures ("WSPs"). FINRA staff reviews the checklist and the WSPs in conjunction with its determination of whether the applicant meets the standards for admission specified in NASD Rule 1014(a).

Note that the outline of topics in the WSP Checklist is not all-inclusive, and does not necessarily represent all of the areas of inquiry that the staff will make when evaluating supervisory procedures proposed in an application. The full extent of the staff's inquiry and evaluation will depend on a number of factors, including the precise nature of the proposed business activities.

In addition, applicants are advised that acceptance of a firm's proposed WSPs during the application process is not a safe harbor with respect to potential supervisory deficiencies. Among other things, the nature of the business actually conducted by a firm, the manner in which the WSPs are implemented and followed, and the extent to which the firm updates and revises its procedures to reflect operating experience and change (both regulatory and operational) are important factors in determining future compliance with applicable rules. The WSPs are a "living" document and should provide a road map for the supervisory personnel to follow when they conduct each review. WSPs should not be updated only to reflect changes to rules and regulations, but also when changes are made to the supervisory process.

IMPORTANT NOTE: This outline of topics should not be considered by the user to include all topics and issues applicable to the user's business. It is merely to be used as an aid in preparing WSPs.

Certain references to specific rules and other guidance have been provided for some topics and line items contained within the checklist, although the list of references may not be exhaustive. Please review all references relevant to the firm's business plan prior to completing and submitting the checklist.

ADVISORY: Members should be aware that the requirements of FINRA Rule 3120 (Supervisory Control System) and FINRA Rule 3130 (Annual Certification of Compliance and Supervisory Processes) are separate and distinct from the requirements pursuant to FINRA Rule 3110(b) (Written Procedures) that members create and maintain WSPs.

Members seeking guidance on compliance with FINRA Rule 3120 and FINRA Rule 3130 are encouraged to visit the Supervisory Control web page FINRA has created to assist members in complying with these Rules A34. The Supervisory Control web page contains rule filings, Notices, and other publications relating to these Rules. Included in this material is an outline of the requirements of FINRA Rule 3120 and FINRA Rule 3130. The outline is located in the "Additional Guidance" section of the

Supervisory Control web page.

Written Supervisory Procedures Checklist

Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
I. GENERAL ADMINISTRATION				
		A. Form Filings		
General Administration	Form Filings	Form BD Amendments	<i>FINRA By-Laws, Art. IV, Section 1 - Application for Membership</i>	
General Administration	Form Filings	Form U4/Form U5	<i>FINRA By-Laws, Art. V, Sections 2 (Application for Registration) and 3 (Notification of Termination; Amendments to Notification); FINRA Rule 4530 - Reporting Requirements</i>	
General Administration	Form Filings	Fingerprint Cards	<i>SEA Rule 17f-2 - Fingerprinting of Personnel</i>	
General Administration	Form Filings	Designation of principal responsible for supervision of form filings	<i>FINRA Rule 1010(b) - Electronic Filing Requirements for Uniform Forms</i>	
Firm Supervision and Oversight	Designation of Supervisors	Designation of Executive Representative	<i>FINRA By-Laws, Art. IV, Section 3 - Executive Representative; FINRA Rule 4517 - Member Filing and Contact Information Requirements; MSRB Rule12(f) - Designated Contacts</i>	

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Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Firm Supervision and Oversight	Designation of Supervisors	Updates to FINRA Contact System	<i>FINRA Rule 4370 - Business Continuity Plans and Emergency Contact Information; FINRA Rule 4517 - Member Filing and Contact Information Requirements; MSRB Rule 12(f) - Designated Contacts</i>	
General Administration	Regulatory Fees	FINRA Fees and Assessments	<i>FINRA By-Laws, Schedule A; MSRB Rules A-12 - Registration and A-13 - Underwriting and Transaction Assessments for Brokers, Dealers, and Municipal Securities Dealer; A-16 - Examination Fees</i>	
B. Business Continuity Plan				
General Administration	Business Continuity Plan	Business Continuity Plan - Content and Standards	<i>FINRA Rule 4370 - Business Continuity Plans and Emergency Contact Information</i>	
II. PERSONNEL				
A. Hiring Practices, Registration and Qualifications				
Personnel	Hiring Practices	Investigation of Background and Qualifications	<i>FINRA Rule 3110(a)(6) - Supervisory System; FINRA Rule 3110(e) - Responsibility of Member to Investigate Applicants for Registration; MSRB Rule G-7 - Information concerning associated persons</i>	

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Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Personnel	Hiring Practices	Screening for SD persons hired in clerical or ministerial positions	<i>FINRA By-Laws, Art. III - Qualifications of Members and Associated Persons</i>	
Personnel	Hiring Practices	Parking of Securities Registrations	<i>FINRA By-Laws, Art. III, Sec. 1; NASD Rules 1021(a) and 1031(a) - Registration Requirements</i>	
Personnel	Qualification and Registration	Determine qualifications of Supervisory Personnel	<i>FINRA Rule 3110(e) - Responsibility of Member to Investigate Applicants for Registration; FINRA Rule 3110(a)(6) - Supervisory System; FINRA Rule 3110(b)(6) - Documentation and Supervision of Supervisory Personnel; Notice 99-45 - Guidance on Supervisory Responsibilities</i>	
Personnel	Qualification and Registration	Municipal securities personnel, including representatives, principals, apprentices	<i>MSRB Rule G-3 - Professional Qualification Requirements</i>	
Personnel	Qualification and Registration	Registration of trading personnel	<i>NASD Rule 1022 - Categories of Principal Registration; NASD Rule 1032(f) - Limited Representative - Equity Trader</i>	

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Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Personnel	Qualification and Registration	All associated persons are properly registered	<i>FINRA By-Laws, Art. III, Sec. 2; NASD Rule 1070 - Qualification Exams and Waiver of Requirements; MSRB Rule G-2 - Standards of Professional Qualification; MSRB Rule G-3 - Professional Qualification Requirements; NASD Rules 1021 and 1031 - Registration Requirements; NASD Rule 1022 - Categories of Principal Registration; NASD Rule 1032 - Categories of Representative Registration; NASD Rule 1040 - Registration of Assistant Representatives and Proctors; NASD Rule 1100 - Foreign Associates</i>	
Recordkeeping	Associated Persons Records	Records for all Associated Persons	<i>SEA Rule 17a-3(a)(12) - Records to be Maintained by Certain Exchange Members, Brokers and Dealers; Notice 01-80 - Amendments to Broker-Dealer Books and Records Rules Under the Act</i>	
		B. Continuing Education		
Personnel	Continuing Education	Required attendance at annual compliance meeting	<i>FINRA Rule 3110(a)(7) - Supervisory System; FINRA Rule 3110 Supplementary Material .04 - Annual Compliance Meeting</i>	

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Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Personnel	Continuing Education	CE Contact person; Person responsible for firm's Continuing Education Program	<i>FINRA Rule 1250(a)(1) - Continuing Education Requirements; FINRA Rule 4517 - Member Filing and Contact Information Requirements; MSRB Rule G-3 - Professional Qualification Requirements</i>	
Personnel	Continuing Education	Monitor compliance with the Regulatory Element of Continuing Education	<i>FINRA Rule 1250 - Continuing Education Requirements; MSRB Rule G-3 - Professional Qualification Requirements</i>	

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Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Personnel	Continuing Education	Firm Element of Continuing Education	<i>FINRA Rule 1250 - Continuing Education Requirements; MSRB Rule G-3 - Professional Qualification Requirements</i>	
III. Firm Supervision and Oversight				
		A. Supervisory System		
Firm Supervision and Oversight	Designation of Supervisors	Designation of Supervisors and Supervisory Duties	<i>FINRA Rule 3110(a)(2) - Supervisor for each type of business; 3110(a)(3) - Designation of Offices of Supervisory Jurisdiction; Notice 99-45 - Guidance on Supervisory Responsibilities</i>	
Firm Supervision and Oversight	General Supervisory Obligations	Assign each registered rep to a supervisor and create a record of all reps supervised by a supervisor	<i>FINRA Rule 3110(a)(5) - Supervisory System</i>	
Firm Supervision and Oversight	Designation of Supervisors	Designation of branch supervisor	<i>FINRA Rule 3110(a)(4) - Designation of principals and representatives in each OSJ</i>	

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Firm Supervision and Oversight	General Supervisory Obligations	Distribution of procedures and amendments	<i>FINRA Rule 3110(b)(7) - Maintenance of Written Supervisory Procedures; MSRB Rule G-27(c) - Written supervisory procedures</i>	
Firm Supervision and Oversight	General Supervisory Obligations	Annual review of business and branch inspections	<i>FINRA Rule 3110(c) - Internal Inspections; MSRB Rule G-27(d) - Internal Inspections</i>	
B. General Supervisory Obligations				
Firm Supervision and Oversight	Employee Supervision	Gifts & Gratuities	<i>FINRA Rule 3220 - Influencing or Rewarding Employees of Others</i>	
Firm Supervision and Oversight	Employee Supervision	Non-cash compensation	<i>FINRA Rule 2310(c) - DPPs; FINRA Rule 2320(g)(4)(D) - Variable Contracts of an Insurance Company; NASD Rule 2830(l)(5) - Investment Company Securities</i>	
Firm Supervision and Oversight	Employee Supervision	Outside Business Activities	<i>FINRA Rule 3270 - Outside Business Activities of Registered Persons</i>	
Firm Supervision and Oversight	Employee Supervision	Private Securities Transactions	<i>NASD Rule 3040 - Private Securities Transactions of an Associated Person</i>	

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Firm Supervision and Oversight	Employee Supervision	Obligations related to associated persons with accounts at other BDs	<i>NASD Rule 3050 - Transactions For or By Associated Persons; MSRB Rule G-28 - Transactions with Employees and Partners of Other Municipal Securities Professionals</i>	
Firm Supervision and Oversight	Employee Supervision	Sharing in Customer Accounts	<i>FINRA Rule 2150 - Improper Use of Customers' Securities or Funds; Prohibition Against Guarantees and Sharing in Accounts</i>	
Firm Supervision and Oversight	Employee Supervision	Borrowing and lending between associated persons and customers	<i>FINRA Rule 3240 - Borrowing From or Lending to Customers</i>	
Firm Supervision and Oversight	General Supervisory Obligations	Supervision of Outsourcing Arrangements	<i>FINRA Rule 3110 - Supervision; Notice to Members 05-48 - Outsourcing</i>	

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Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Firm Supervision and Oversight	Employee Supervision	Heightened Supervision (including registered persons from a disciplined firm)	<i>FINRA Rule 3110 - Supervision; Notice to Members 97-19 Guidance on Heightened Supervision</i>	
Firm Supervision and Oversight	Employee Supervision	Supervision of Statutorily Disqualified Individuals	<i>FINRA By-Laws, Art. III, Sec. 3 and 4; Form MC-400; FINRA Rule 4530 - Reporting Requirements; MSRB Rule G-4 - Statutory Disqualifications; MSRB Rule G-5 - Disciplinary Actions by Appropriate Regulatory Agencies, Remedial Notices by Registered Securities Associations</i>	
Firm Supervision and Oversight	Exception Report Utilization	Use of Exception and Other Reports	<i>FINRA Rule 4311 - Carrying Agreements</i>	
C. Review of Accounts and Correspondence				
Firm Supervision and Oversight	Correspondence Review	Correspondence -incoming, outgoing, including facsimiles and electronic messages (email, instant messages, etc.)	<i>FINRA Rule 3110(b)(4) - Review of Correspondence and Internal Communications; G-27(e) - Review of Correspondence</i>	

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Firm Supervision and Oversight	Employee Supervision	Transaction Review	<i>FINRA Rule 3110(b)(2) - Review of Member's Investment Banking and Securities Business; FINRA Rule 3110(d) - Transaction Review and Investigation; MSRB Rule G-27(c) - Supervision</i>	
Firm Supervision and Oversight	General Supervisory Obligations	Opening accounts and transactions involving persons associated with other BDs	<i>NASD Rule 3050 - Transactions For or By Associated Persons; MSRB Rule G-28 - Transactions with Employees and Partners of Other Municipal Securities Professionals</i>	
Firm Supervision and Oversight	General Supervisory Obligations	Transactions involving FINRA employees	<i>FINRA Rule 2070 - Transactions Involving FINRA Employees</i>	
Firm Supervision and Oversight	General Supervisory Obligations	Supervision of Municipal Securities Activities	<i>MSRB Rules G-17 to G-27</i>	
Firm Supervision and Oversight	Taping Rule	Taping Rule Compliance	<i>FINRA Rule 3170 - Tape Recording of Registered Persons by Certain Firms</i>	
Firm Supervision and Oversight	Branch Supervision and Inspections	Designation of Offices of Supervisory Jurisdiction (OSJ)	<i>FINRA Rule 3110(a)(3) - Supervisory System; 3110(e)(1) - Definitions</i>	

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Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Firm Supervision and Oversight	Branch Supervision and Inspections	Branch office inspections	<i>FINRA Rule 3110(c) - Internal Inspections; 3110(a) - Supervisory System</i>	
Firm Supervision and Oversight	Branch Supervision and Inspections	Activities on the Premises of a Financial Institution	<i>FINRA Rule 3160 - Networking Arrangements Between Members and Financial Institutions</i>	
Firm Supervision and Oversight	Branch Supervision and Inspections	Documentation regarding limited size and resource exemption	<i>FINRA Rule 3110(c)(3)(C)- Internal Inspections</i>	
Firm Supervision and Oversight	Branch Supervision and Inspections	Conflicts of interest with respect to inspections of branch and non-branch locations	<i>FINRA Rule 3110(c)(3)(A) and (B)- Internal Inspections</i>	
Firm Supervision and Oversight	Branch Supervision and Inspections	Supervision of Branch Offices - Options Business	<i>FINRA Rule 2360 - Options</i>	
		E. Insider Trading		

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Firm Supervision and Oversight	Monitoring for Insider Trading	Periodically reviewing employee and firm trading	<i>FINRA Rule 3110(d) - Transaction Review and Investigation; SEA Rule 10b-5 - Employment of Manipulative and Deceptive Devices; FINRA Rule 2010 - Standards of Commercial Honor and Principles of Trade; FINRA Rule 2020 - Use of Manipulative, Deceptive, or Other Fraudulent Devices</i>	
Firm Supervision and Oversight	Monitoring for Insider Trading	Criteria for investigating suspect trades	<i>Section 15(g) of the '34 Act</i>	
Firm Supervision and Oversight	Monitoring for Insider Trading	Require employees to sign attestation	<i>Section 15(g) of the '34 Act; Notice 91-45 - Joint Memo on Chinese Wall Policies and Procedures</i>	
Firm Supervision and Oversight	Monitoring for Insider Trading	Update employees on new or revised insider trading rules and regulations	<i>Section 15(g) of the '34 Act</i>	

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Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Firm Supervision and Oversight	Monitoring for Insider Trading	Definition of Material, Non-Public Information, Insiders, and other relevant terms and prohibitions	<i>SEA Rule 10b-5 - Employment of Manipulative and Deceptive Devices; FINRA Rule 2010 - Standards of Commercial Honor and Principles of Trade; FINRA Rule 2020 - Use of Manipulative, Deceptive, or Other Fraudulent Devices; Notice 89-05 - Insider Trading and Securities Fraud Enforcement Act of 1988</i>	
Firm Supervision and Oversight	Monitoring for Insider Trading	Policies and procedures on access to utilization of material, non-public information		
Firm Supervision and Oversight	Monitoring for Insider Trading	Tools and methods for inhibiting or monitoring transactions in restricted securities		

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Firm Supervision and Oversight	Monitoring for Insider Trading	Chinese Wall Procedures including: 1) method for determining whether firm trading should be restricted; 2) determining and identifying activities that are restricted while security is on list; 3) monitoring associated persons' trading of restricted securities; 4) time period covered and frequency of review; 5) recording details of associated persons' trade in restricted security; 6) creation and maintenance of documentation to evidence supervisory reviews	<i>NASD Rule 3050 - Transactions for or by Associated Persons; FINRA Rule 5280 - Trading Ahead of Research Reports; Notice 91-45 - Joint Memo on Chinese Wall Policies and Procedures; Notice 91-27 - Associated Person Notifying Employer Prior to Opening a Securities Account With Another Member</i>	
Firm Supervision and Oversight	Monitoring for Insider Trading	Procedures to detect transactions in restricted/control securities, e.g., Compliance, Gray, or Watch Lists, etc.	<i>SEA Rule 144 - Selling Restricted and Control Securities</i>	
Firm Supervision and Oversight	Monitoring for Insider Trading	Securities transactions for personal and family-related accounts	<i>FINRA Rule 2010 - Standards of Commercial Honor and Principles of Trade; NASD Rule 3050 - Transactions for or by Associated Persons; FINRA Rule 5130 - Restrictions on the Purchase and Sale of Initial Equity Public Offerings</i>	

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Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
F. Anti-Money Laundering Compliance Program				
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Designate AML Contact Person	<i>FINRA Rule 3310(d) Anti-Money Laundering Compliance Program; MSRB Rule G-41 - Anti-Money Laundering Compliance Program</i>	
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Written Anti-Money Laundering Compliance Program approved in writing by sr management	<i>FINRA Rule 3310 Anti-Money Laundering Compliance Program; MSRB Rule G-41 - Anti-Money Laundering Compliance Program</i>	
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Establish and implement policies and procedures to detect and cause the reporting of suspicious transactions	<i>FINRA Rule 3310(a) Anti-Money Laundering Compliance Program; MSRB Rule G-41 - Anti-Money Laundering Compliance Program</i>	
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Bank Secrecy Act policies and procedures	<i>FINRA Rule 3310(b) Anti-Money Laundering Compliance Program; MSRB Rule G-41 - Anti-Money Laundering Compliance Program</i>	

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Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Independent testing of AML Compliance Program	<i>FINRA Rule 3310(c) Anti-Money Laundering Compliance Program; MSRB Rule G-41 - Anti-Money Laundering Compliance Program</i>	
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	On-going training of firm personnel	<i>FINRA Rule 3310(e) Anti-Money Laundering Compliance Program; MSRB Rule G-41 - Anti-Money Laundering Compliance Program</i>	
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Customer Identification Program and verification of customers' identity	<i>Section 326 of the USA Patriot Act; SEA Rule 17a-8; FINRA Rule 3310 - Anti-Money Laundering Compliance Program; FINRA Rule 2090 - Know Your Customer; Notice to Members 03-34 - Treasury and SEC Issue Final Rule Regarding Customer Identification Programs for Broker/Dealers</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Determine whether customer appears on any list of known terrorists or terrorist organizations, such as those listed on the Treasury's OFAC web site, as well as those on the list of embargoed countries/regions on the OFAC List		
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Responding to information requests from FinCEN concerning money laundering or terrorist financing, including how the firm will protect the security and confidentiality of the information requests	<i>US Patriot Act, Section 314; Bank Secrecy Act</i>	
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Sharing information with other financial institutions, if applicable (including requirement to provide annual sharing agreement to FinCEN)	<i>US Patriot Act, Section 314; Bank Secrecy Act</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	If firm does not open or maintain correspondent accounts for foreign banks, it must have internal controls implemented to detect any attempt to open such an account		
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	If firm opens or maintains correspondent accounts for foreign banks: i) identify US agent for service of legal process, ii) identify owners of foreign banks, iii) provide information to federal law enforcement officers, iv) terminate correspondent relationship w/in 10 days of notice by the Treasury or AG that the firm failed to comply with summons or contested a summons, v) due diligence review for correspondent accounts of foreign financial institutions		

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Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Determine the identity of the nominal and beneficial account holders and the source of funds deposited into "private banking accounts," and to conduct enhanced scrutiny of accounts of a senior foreign political figure		
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	If the firm does not open or maintain private banking accounts for non-US persons, have internal controls in place designed to detect any attempt to open such an account		
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Freeze accounts and prohibit transactions with persons who are suspected of terrorist activities pursuant to Executive Order #13224 that was issued through OFAC		

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Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	If the firm prohibits the receipt of currency, procedures and internal controls to detect its receipt		
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Filing Currency Transaction Reports: Identify cash transactions for filing CTRs; Filings CTRs; Verify the identity of customers for filing CTRs	<i>SEA Rule 17a-8 - Financial Recordkeeping and Reporting of Currency and Foreign Transactions; Bank Secrecy Act</i>	
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Filing reports of International Transportation of Currency or Monetary Instruments	<i>SEA Rule 17a-8 - Financial Recordkeeping and Reporting of Currency and Foreign Transactions; Bank Secrecy Act</i>	
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Filing reports of Foreign Bank and Financial Accounts	<i>SEA Rule 17a-8 - Financial Recordkeeping and Reporting of Currency and Foreign Transactions; Bank Secrecy Act</i>	

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Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Obtaining all required information regarding the transmittal/re-transmittal of wire transfers that includes the transmitter and recipient of funds		
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Verifying the identity of customers in connection with wire transfers		
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Procedures to detect and report suspicious transactions by filing Suspicious Activity Reports (SAR-SF)	<i>SEA Rule 17a-8 - Financial Recordkeeping and Reporting of Currency and Foreign Transactions; Bank Secrecy Act; Notice to Members02-47 - Treasury Issues Final Suspicious Activity Reporting Rule for Brokers/Dealers</i>	
Firm Supervision and Oversight	Anti-Money Laundering Policies and Procedures	Record keeping requirements (Currently a 5-year requirement)	<i>SEA Rule 17a-8 - Financial Recordkeeping and Reporting of Currency and Foreign Transactions; Bank Secrecy Act</i>	
IV. SALES PRACTICES				
		A. Communications with the Public		

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Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Sales Practices	Communications with the Public	Advertising and Sales Literature (including email and web sites)	<i>FINRA Rule 2210 - Communications with the Public; FINRA Rule 2220 - Options Communications; FINRA Rule 2357 - Communications with the Public and Customers Concerning Index Warrants, Currency Index Warrants, and Currency Warrants; MSRB Rule G-21 - Advertising; SEA Rule 17a-3(a)(20) - Communications with the public</i>	
Sales Practices	Communications with the Public	Cold callers/ telemarketing scripts	<i>FINRA Rule 2210 - Communications with the Public; FINRA Rule 3230 - Telemarketing; FINRA Rule 3170- Tape Recording of Registered Persons by Certain Firms; Notice to Members95-54 - Cold Calling Requirements</i>	
Sales Practices	Communications with the Public	Institutional Sales Literature and Correspondence	<i>FINRA Rule 2210 - Communications with the Public</i>	

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Sales Practices	Communications with the Public	Speaking Engagements; Scripts; Outlines; Media Participation; Chat Rooms	<i>FINRA Rule 2210 - Communications with the Public</i>	
Sales Practices	Communications with the Public	Sales Material for Municipal Fund Securities; 529 Plans	<i>Notice to Members 03-17 - Sales Material for Municipal Fund Securities</i>	
Sales Practices	Communications with the Public	Options Communications with the Public	<i>FINRA Rule 2220 - Options Communications</i>	
Sales Practices	Communications with the Public	Sales Literature Review	<i>FINRA Rule 2210 - Communications with the Public</i>	
B. Disclosures to Customers				
Sales Practices	Customer Information and Disclosures	Customer Disclosure and Written Acknowledgment (Business on the premises of a financial institution)	<i>FINRA Rule 3160 - Networking Arrangements Between Members and Financial Institutions</i>	
Sales Practices	Customer Information and Disclosures	Communications related to SIPC coverage	<i>SIPC By-Laws, Art. 11, Sec. 4; FINRA Rule 2266 - SIPC Information</i>	

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Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Sales Practices	Customer Information and Disclosures	Material Event & Customer Complaint Reporting	<i>FINRA Rule 4530 - Reporting Requirements</i>	
Sales Practices	Customer Information and Disclosures	Regulation SP requirement to provide initial, annual, & revised privacy policy notice; description of how and when distributed to customers; administrative, technical, & physical safeguard of information; testing of firewalls	<i>Regulation SP - Privacy of Consumer Financial Information</i>	
Sales Practices	Customer Information and Disclosures	Investor Education	<i>FINRA Rule 2267 - Investor Education and Protection</i>	
Sales Practices	Customer Information and Disclosures	Mortgage-Backed Securities: risk disclosure	<i>Regulation AB - Regulation Asset Backed Securities</i>	

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Sales Practices	Customer Information and Disclosures	CMOs: risk disclosures	<i>FINRA Rule 2216 - Communications with the Public About Collateralized Mortgage Obligations; Notice to Members 93-85 - SEC Approves Amendments to CMO Advertising Guidelines; Notice to Members 93-73 - Members' Obligations to Customers When Selling Collateralized Mortgage Obligations</i>	
Sales Practices	Customer Information and Disclosures	Delivery of options disclosure documents	<i>FINRA Rule 2360(b)(11) - Delivery of Current Disclosure Documents</i>	
Sales Practices	Customer Information and Disclosures	Disclosures	<i>SEA Rule 10b-9 - Prohibited Representations in Connection with Certain Offerings</i>	
Sales Practices	Customer Information and Disclosures	Designated Securities/Penny Stocks	<i>SEA Rules 15g(1) - (9); Notice: 92-38 - SEC Adoption of Penny Stock Disclosure Rules</i>	
Sales Practices	Customer Information and Disclosures	Payment for Order Flow - Policies, Procedures, and Disclosures to Customers	<i>FINRA Rule 2010 - Standards of Commercial Honor and Principles of Trade; SEA Rule 10b-10 - Confirmation of Transactions; SEC Reg NMS, Rule 607 - Payment for order flow disclosures</i>	

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Sales Practices	Customer Information and Disclosures	Disclosures for bank-affiliated broker-dealers, e.g., statement that investment is not FDIC insured, price fluctuations, etc.	<i>FINRA Rule 3160 - Networking Arrangements Between Members and Financial Institutions</i>	
Municipal Securities Sales Practices	Customer Information and Disclosures	Disclosures in connection with new issues of municipal securities	<i>MSRB Rule G-32 - Disclosures in connection with new issues</i>	
Municipal Securities Sales Practices	Customer Information and Disclosures	Municipal securities, disclosure by issuer	<i>SEA Rule 15c2-12 - Municipal Securities Disclosures</i>	
Sales Practices	Customer Information and Disclosures	Prohibition against guaranteed	<i>FINRA Rule 2150 - Improper Use of Customers' Securities or Funds; Prohibition Against Guarantees and Sharing in Accounts</i>	
Firm Supervision and Oversight	General Supervisory Obligations	Conduct and fair dealing; Fraud	<i>MSRB Rule G-17 - Conduct of municipal securities activities; SEA Rule 15c1-2 - Fraud and Misrepresentation</i>	
		C. Customer Information Controls		

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Sales Practices	Customer Information Controls	New Account Review and Approval	<i>FINRA Rule 2111 - Suitability; FINRA Rule 4512 - Customer Account Information; NASD Rule 3050 Transactions for or by Associated Persons; SEA Rule 17a-3; MSRB Rule G-8</i>	
Sales Practices	Customer Information Controls	Verification of customer's background and financial information for options; maintenance of background information	<i>FINRA Rule 2360 - Options</i>	
Sales Practices	Customer Information Controls	Review/approve new options accounts	<i>FINRA Rule 2360 - Options</i>	
		D. Suitability		

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Sales Practices	Suitability	Suitability	<i>FINRA Rule 2010 - Standards of Commercial Honor and Principles of Trade; FINRA Rule 2111 - Suitability; FINRA Rule 4511 - General Requirements; FINRA Rule 5121 - Public Offerings of Securities with Conflicts of Interest; FINRA Rule 2310 - Direct Participation Programs; FINRA Rule 2353 - Suitability; FINRA Rule 2360(b)(19) - Options; MSRB Rule G-17 - Prohibition against unfair, dishonest, deceptive activities; MSRB Rule G-19 - Suitability of recommendations and transactions and discretionary accounts</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Sales Practices	Suitability	Discretionary Accounts	<i>NASD Rule 2510 - Discretionary Accounts; FINRA Rule 4512 - Customer Account Information; MSRB Rule G-19 - Suitability of recommendations and transactions and discretionary accounts</i>	
Sales Practices	Suitability	Sale of Designated Securities/Penny Stocks	<i>SEA Rules 15g(1) - (9); Notice to Members: 92-38 - SEC Adoption of Penny Stock Disclosure Rules; Notice 92-42 - Penny Stock Risk Disclosure Documents; Notice to Members 93-55 - SEC Amends and Clarifies Penny Stock Rules</i>	
Sales Practices	Suitability	Suitability; review of subscription agreements	<i>FINRA Rule 2111 - Suitability; FINRA Rule 2310(b) - Direct Participation Programs</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Sales Practices	Suitability	Identification of Sophisticated Municipal Market Professionals (SMMPs)	<i>MSRB Rule G-17 - Conduct of municipal securities and municipal advisory activities</i>	
Sales Practices	Suitability	Minimum denomination amounts	<i>MSRB Rule G-15; MSRB Rule G-17; MSRB Rule G-8</i>	
Sales Practices	Due Diligence	Hedge fund due diligence reviews	<i>Notice 03-07 - Obligations When Selling Hedge Funds</i>	
Sales Practices	Due Diligence	Due diligence (public/private) review of prospective offerings and files	<i>FINRA Rule 2111- Suitability; FINRA Rule 2310 - Direct Participation Programs; SEA Rule 10b-5</i>	
Sales Practices	Suitability	Powers of attorney/authority to act as agent on behalf of account/third party	<i>SEA Rule 17a-4(b)(6) - Records to be preserved by certain exchange members, brokers and dealers</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Sales Practices	Suitability	Short sale recommendations	<i>FINRA Rule 2130 - Approval Procedures for Day-Trading Accounts</i>	
Sales Practices	Suitability	Suitability of solicited online transactions	<i>FINRA Rule 2130 - Approval Procedures for Day Trading Accounts; Notice 01-23 - Online Suitability</i>	
E. Fees Charged to Customers				
Sales Practices	Fees Charged to Customers	Fair pricing, commissions fees charged to customers, markups	<i>FINRA Rule 2122 - Charges for Services Performed; FINRA Rule 2121 - Fair Prices and Commissions</i>	
F. Transaction Review and Handling of Customer Complaints				
Sales Practices	Reviewing Transactions and Handling Customer Complaints	Customer Complaints	<i>FINRA Rule 4530 - Reporting Requirements; FINRA Rule 4513 - Records of Written Customer Complaints; MSRB Rules G-8(a)(xii) and G-10</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Sales Practices	Reviewing Transactions and Handling Customer Complaints	Trade review (including unauthorized trading, churning, etc.)	SEA Rules 10b-5 and 15c1-7; FINRA Rule 2010 - Standards of Commercial Honor and Principles of Trade; FINRA Rule 2020 - Use of Manipulative, Deceptive, or Other Fraudulent Devices; FINRA Rule 2111 - Suitability; Rule 3110 - Supervision; MSRB Rule G-27(c) - Supervision	
Sales Practices	Reviewing Transactions and Handling Customer Complaints	Customer Grievances - Options	FINRA Rule 2360 - Options	
V. FINANCIAL AND OPERATIONAL ISSUES				
		A. Financial Reporting		

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Firm Supervision and Oversight	FinOp Responsibilities	FinOp's duties and responsibilities (including FinOps registered with multiple firms)	<i>NASD Rule 1022 - Categories of Principal Registration; Notice 06-23 - NASD Reminds FinOps of their Obligations under NASD Rule 1022 and Issues Guidance to FinOps who Work Part-Time, Work Off-Site, or Hold Multiple Registrations</i>	
Financial and Operational	Filing of FOCUS and Related Forms	Financial Reporting/Backup - Net Capital Computation, FOCUS	<i>SEA Rules 17a-5, 17a-11; FINRA By-Laws, Schedule A; FINRA Rule 4511 - General Requirement; FINRA Rule 4110 - Capital Compliance; FINRA Rule 4524 - Supplemental FOCUS Information</i>	
Financial and Operational	Filing of FOCUS and Related Forms	Policies and procedures to ensure timely filing of Schedule I annually. <i>Note: if firm has municipal securities revenue, include procedures for ensuring such revenue is recorded on Schedule I.</i>		
		B. Handling of Customer Funds and Securities		

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Financial and Operational	Handling of Funds and Securities	Net Capital Rule: Error procedures for handling customer funds received by fully-disclosed firms; handling customer funds in general; handling customer securities	<i>SEA Rules 15c3-1 - the Net Capital Rule; 17a-11 - Notification Provisions for Brokers and Dealers</i>	
Financial and Operational	Handling of Funds and Securities	Customer Protection Rule; Reserve Computations; Quarterly Box Count; Safekeeping and Segregation of Customer Securities	<i>SEA Rule 15c3-3 - the Customer Protection Rule; NASD Rule 3140 - Approval of Change in Exempt Status Under SEC Rule 15c3-3; Notice 99-44; SEA Rule 17a-13; SEA Rule 8c-1; SEA Rule 15c2-1; SEA Rule 17a-3; FINRA Rule 2150 - Improper Use of Customers' Securities or Funds, Prohibition Against Guarantees or Sharing in Accounts</i>	
Financial and Operational	Handling of Funds and Securities	Prohibition against improper use of customer funds & securities	<i>FINRA Rule 2150 - Improper Use of Customers' Securities or Funds; Prohibition Against Guarantees and Sharing in Accounts; MSRB Rule G-25 - Improper Use of Assets</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Financial and Operational	Handling of Funds and Securities	Escrow account maintenance; transmission or maintenance of payments received in connection with underwritings	<i>SEA Rule 15c2-4 - Transmission or Maintenance of Payments Received in Connection with Underwritings</i>	
Financial and Operational	Handling of Funds and Securities	Receipt and reporting of cash receipts	<i>SEA Rule 15c3-3 - the Customer Protection Rule</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
C. Capital and Credit Regulation				
Financial and Operational	Capital & Credit Regulation	Buy-In Procedures	<i>FINRA Rule 11810 - Buy-In Procedures and Requirements</i>	
Financial and Operational	Capital & Credit Regulation	Sell-Out Procedures	<i>FINRA Rule 11820 - Selling-Out</i>	
Financial and Operational	Capital & Credit Regulation	Short Sale Close-Out Procedures	<i>Notice to Members 93-53 - SEC Approves Amendments Relating to Close Outs of Short Sales and Bona Fide Fully Hedged or Arbitrated Positions</i>	
Financial and Operational	Capital & Credit Regulation	Parking of securities for net capital	<i>FINRA Rule 2010 - Standards of Commercial Honor and Principles of Trade; SEA Rules 10b-5 and 15c3-1</i>	
Financial and Operational	Capital & Credit Regulation	Parking of securities for manipulation	<i>FINRA Rule 2010; SEA Rules 10b-5 and 15c3-1</i>	
Financial and Operational	Capital & Credit Regulation	Repurchases/ reverse repurchase transactions	<i>SEA Rules 15c3-1 and 15c3-3(b)(4)</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Financial and Operational	Capital & Credit Regulation	Bonds borrowed & loaned transactions	<i>SEA Rule 15c3-3(b)(3)</i>	
Financial and Operational	Capital & Credit Regulation	Uniform Practice - Municipals	<i>MSRB Rule G-12 - Uniform Practice</i>	
Financial and Operational	Capital & Credit Regulation	Disclosure of firm balance sheets upon customer request	<i>SEA Rule 17a-5 - Reports to be made by certain brokers and dealers; FINRA Rule 2261 - Disclosure of Financial Condition</i>	
		D. Margin		
Capital and Credit Regulation	Margin	Margin Requirements	<i>FINRA Rule 4210 - Margin Requirements; Regulation T - Credit by Brokers and Dealers</i>	
Capital and Credit Regulation	Margin	Netting positions of accounts that are related or accounts under common control; Letter of authorization regarding guarantees/ cross guarantees	<i>Reg SHO</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Capital and Credit Regulation	Margin	Joint Back Office Arrangements	<i>FINRA Rule 4210 - Margin Requirements</i>	
VI. RECORDKEEPING				
Recordkeeping	Maintenance of Books and Records	Maintenance of books and records [main office; other offices; and update customer account information]	<i>SEA Rules 17a-3 and 17a-4; FINRA Rule 4511 - General Requirements; MSRB Rule G-8 - Books and Records to be Made by Brokers, Dealers, and Municipal Securities Dealers; MSRB Rule G-9 - Preservation of Records; MSRB Rule G-15 - Confirmation, Clearance, Settlement and Other Uniform Practice Requirements with Respect to Transactions with Customers</i>	
Recordkeeping	Order Tickets	Order Tickets/Order Ticket Procedures	<i>FINRA Rule 4511 - General Requirements; SEA Rule 17a-3; SEA Rule 10b-10; MSRB Rule G-15</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Recordkeeping	Confirmations	Confirmations	<i>FINRA Rule 2232 - Confirmations; SEA Rule 10b-10 - Confirmation of transactions</i>	
Recordkeeping	Electronic Communications	Instant Messaging	<i>Regulatory Notice 07-59 - FINRA Provides Guidance Regarding the Review and Supervision of Electronic Communications; Notice 03-33 - Clarification for Members Regarding Supervisory Obligations and Recordkeeping Requirements for Instant Messaging; Regulatory Notice 11-39 - Social Media Websites and the Use of Personal Devices for Business Communications; FINRA Rule 3110 -</i>	
Recordkeeping	Maintenance of Books and Records	Municipal books and records to be created and preserved	<i>MSRB Rule G-8 - Books and Records to be Made by Brokers, Dealers, and Municipal Securities Dealers; MSRB Rule G-9 - Preservation of Records</i>	
VII. INTERNAL CONTROLS				
Internal Controls	Account Transfers	Customer Account Transfers Contracts (ACATS)	<i>NASD Rule 3012 - Supervisory Control System; FINRA Rule 11870 - Customer Account Transfer Contracts</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Internal Controls	Account Transfers	Verification of customer signature to transfer account, change address, etc.		
Internal Controls	Branch Office Controls	Review of order entry and account access centers and customer account access at branch offices		
Internal Controls	Branch Office Controls	Controls over branch office administrative and back-office functions	<i>FINRA Rule 3120 - Supervisory Control System; FINRA Rule 11870 - Customer Account Transfer Contracts</i>	
Internal Controls	Clearing Firm Monitoring of Correspondents	Clearing Agreements (e.g., clearing firm forwarding complaints to introducing firms, etc.)	<i>FINRA Rule 4311 - Carrying Agreements</i>	
Internal Controls	Customer Information Controls	Approval of account name or designation changes for orders	<i>FINRA Rule 4515 - Approval and Documentation of Changes in Account Name or Designation</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Internal Controls	Risk Mitigation	Trading Limits		
Internal Controls	Systems and Operations Controls	Signature guarantee requirements and proper execution		
Internal Controls	Systems and Operations Controls	Information security measures (e.g., securing equipment, preventing entry of unauthorized orders, controls on system entitlements, limits on password sharing, administrative procedures to change passwords, audit trail for tracking changes in entitlements, etc.)		
VIII. DIRECT PARTICIPATION PROGRAMS Including Real Estate Syndications; Oil and Gas Interests				
Direct Participation Programs	Suitability Determinations and Reviews	Disclosure; Review of subscription agreements	<i>FINRA Rule 2310 - Direct Participation Programs</i>	
Direct Participation Programs	General Supervisory Obligations	Rollups	<i>FINRA Rule 2310 - Direct Participation Programs</i>	

Written Supervisory Procedures Checklist

Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Direct Participation Programs	Organization and Offering Expenses	Review and determination for Fair and Reasonable DPP Expenses; Documentation for evidencing review	<i>FINRA Rule 2310 - Direct Participation Programs</i>	
Direct Participation Programs	Secondary Market Trading	Secondary Trading of DPP Shares	<i>FINRA Rule 2111 - Suitability; FINRA Rule 2310 - Direct Participation Programs; FINRA Rule 11580 - Transfer of Limited Partnership Securities</i>	
Direct Participation Programs	Secondary Market Trading	Trade Reporting of DPP Transactions		

IX. FIXED INCOME SECURITIES

Municipal Securities	Municipal Securities	Financial Advisor Activities	<i>MSRB Rule G-23 - Activities of Financial Advisors</i>	
Municipal Securities	Municipal Securities	Disclosures in connection with primary offerings	<i>MSRB Rule G-32 - Disclosures in Connection with Primary Offerings</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Municipal Securities	Municipal Securities	Underwriting and transaction assessments payable to MSRB	<i>MSRB Rule A-13 - Underwriting and Transaction Assessments for Brokers, Dealers, and Municipal Securities Dealers</i>	
Municipal Securities	Municipal Securities	Solicitation of municipal securities business	<i>MSRB Rule G-38 - Solicitation of Municipal Securities Business</i>	
Municipal Securities	Municipal Securities	Primary offering practices	<i>MSRB Rule G-11 - Primary Offering Practices</i>	
Municipal Securities	Municipal Securities	CUSIP Numbers, New Issue, and Market Information Requirements	<i>MSRB Rule G-34 - CUSIP Numbers, New Issue, and Market Information Requirements; SEA Rule 15c2-12 - Municipal securities disclosure</i>	
Municipal Securities Business	Delivery of Investor Brochure	Delivery of investor brochure upon receipt of complaint/ customer complaint brochure	<i>MSRB Rule G-10 - Delivery of Investor brochure</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Municipal Securities Business	Political Contributions	Political contributions	<i>MSRB Rule G-37 - Political Contributions and Prohibitions on Municipal Securities Business; MSRB Rule G-38 - Solicitation of Municipal Securities Business</i>	
Municipal Securities Business	Trade Reporting	Reports of sales or purchases	<i>MSRB Rule G-14 - Reports of Sales or Purchases</i>	
Municipal Securities Business	Municipal Securities Business	Use of ownership information obtained in Fiduciary or Agency Capacity	<i>MSRB Rule G-24 - Use of Ownership Information Obtained in Fiduciary or Agency Capacity</i>	
Municipal Securities Business	Municipal Securities Business	Customer suitability and fair pricing	<i>MSRB Rule G-18 - Best Execution [*Note - this rule becomes effective on 12/7/15, see SR-MSRB-2014-07]; MSRB Rule G-19 - Suitability of Recommendations and Transactions, Discretionary Accounts; MSRB Rule G-27 - Supervision; MSRB Rule G-30 - Prices and Commissions;</i>	
Fixed Income Securities	TRACE	Participation, trade reporting, dissemination of information	<i>FINRA Rules 6700 - 6770 - Trade Reporting and Compliance Engine (TRACE)</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
X. INVESTMENT COMPANY PRODUCTS				
Mutual Funds	Fees Charged to Customers	Sales Charges - Investment Company Products	<i>FINRA Rule 2111 - Suitability; FINRA Rule 2121 - Fair Prices and Commissions; FINRA Rule 2122 - Charges for Services Performed; NASD Rule 2830 - Investment Company Securities</i>	
Mutual Funds	General Requirements	Prospectus delivery	<i>Securities Act of 1933, Section 5(b)</i>	
Mutual Funds	Late Trading and Market Timing	Market timing and late trading activities	<i>FINRA Rule 2010 - Standards of Commercial Honor and Principles of Trade; FINRA Rule 2020 - Use of Manipulative, Deceptive, or Other Fraudulent Devices</i>	
Mutual Funds	Mutual Fund Underwriters/ Dealers	Redemption procedures (Dealers only)	<i>NASD Rule 2830 - Investment Company Securities</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Mutual Funds	Customer Information and Disclosures	Selling dividends - limitations on disclosures	<i>NASD Rule 2830 - Investment Company Securities</i>	
Mutual Funds	Fees Charged to Customers	Review of Customer Accounts	<i>FINRA Rule 2342 - Breakpoint Sales; Notices 02-85 and 04-30</i>	
Mutual Funds	Fees Charged to Customers	Breakpoints, Letters of Intent, Rights of Accumulation	<i>FINRA Rule 2342 - Breakpoint Sales; Notices to Members 02-85, 94-16, and 04-30</i>	
Mutual Funds	Suitability	Switching	<i>Notices to Members 91-39, 95-80, 94-16</i>	
Mutual Funds	Employee Supervision	Execution of investment company portfolio transactions; compensation, commissions, reciprocal activity	<i>NASD Rule 2830(k) - Execution of investment company portfolio transactions; MSRB Rule G-31 - Reciprocal dealings with municipal securities investment companies</i>	
XI. OPTIONS				
Options	Recordkeeping	Maintenance of records - central log, index or file for options complaints	<i>FINRA Rule 2360(b)(17) - Maintenance of Records</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Options	Supervision of Options Accounts	Supervision of options accounts	<i>FINRA Rule 2360(b)(20) - Supervision of Accounts</i>	
Options	Supervision of Options Accounts	Adjustments to options contracts	<i>Noticeto Members02-17 - Alerting customer to adjustments to option contracts caused by corporate actions</i>	
Options	Transaction Processing	Allocation procedures	<i>FINRA Rule 2360(b)(23) - Tendering Procedures for Exercise of Options</i>	
Options	Transaction Processing	Uncovered short option contracts	<i>FINRA Rule 2360(b)(16)(E) - Uncovered Short Option Contracts; Notice 06-54 - Special Statement for Uncovered Options Writers</i>	
Options	Transaction Processing	Position Limits/ Exercise Limits	<i>FINRA Rule 2360(b)(3) - Position Limits; 2360(b)(4) - Exercise Limits</i>	
Options	Transaction Processing	Reporting options positions	<i>FINRA Rule 2360(b)(5) - Reporting of Options Positions</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Options	Transaction Processing	Position Limits Reporting Procedures	<i>FINRA Rule 2360(b)(23) - Tendering Procedures for Exercise of Options</i>	
Options	Transaction Processing	Cash and Margin Treatment for Certain Types of Options	<i>Notice 06-26 - Amendments to Margin Rules to Reflect Additional Complex Option Spread Strategies; Notice to Members 01-11 - Cash and Margin Treatment for Certain Types of Options</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
XII. RESEARCH				
Research	General Supervisory	Research Analysts: Restrictions and Disclosure Obligations	NASD Rule 1050 - Registration of Research Analysts; NASD Rule 2711 - Research Analysts and Research Reports SR-[FINRA-2014-047 has been approved by the SEC / Upon effectiveness, this rule will no longer be applicable]; Notice 07-04 - Codification of Interpretations to Rule 2711 ; Notice 04-81 - SEC Approves New NASD Qualification Requirements for Supervisors of Research Analysts; Notice 04-18 - NASD and NYSE Provide Further Guidance on Rules Governing Research Analysts' Conflicts of Interest	
Research	General Supervisory Obligations	Research Reports	NASD Rule 2711 - Research Analysts and Research Reports [SR-FINRA-2014-047 has been approved by the SEC / Upon effectiveness, this rule will no longer be applicable]; FINRA Rule 5280 - Trading Ahead of Research Reports	
Research	General Supervisory Obligations	Quiet Periods	NASD Rule 2711 - Research Analysts and Research Reports [SR-FINRA-2014-047 has been approved by the SEC / Upon effectiveness, this rule will no longer be applicable]; NASD Rule 2210 - Communications with the Public	
Research	Research	Fixed Income Research	Notice to Members 06-36 - NASD and NYSE Joint Interpretive Guidance on Fixed Income Research	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
XIII. UNDERWRITINGS AND PRIVATE PLACEMENTS				
Sales Practices	General Obligations	Private Placements	<i>FINRA Rule 5122 - Private Placements of Securities Issued by Members; Regulation A; Regulation D, Rules 501 - 506 of the Securities Act of 1933</i>	
Underwriting	Types of Offerings	Best Efforts and Private Placement (including procedures for contingent offerings)	<i>FINRA Rule 5110 - Corporate Financing Rule - Underwriting Terms and Arrangements; FINRA Rule 5190 - Notification Requirements for Offering Participants; SEA Rule 10b-9; SEA Rule 15c2-4; Regulation D Rules 501 - 506; Regulation A</i>	
Underwriting	Types of Offerings	PIPES - Private Investments in Public Equities (including monitoring for impermissible trading in PIPE issuers)	<i>FINRA Rule 5110 - Corporate Financing Rule - Underwriting Terms and Arrangements; FINRA Rule 5190 - Notification Requirements for Offering Participants; SEA Rule 10b-9; SEA Rule 15c2-4; Regulation D Rules 501 - 506; Regulation A</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Underwriting	Types of Offerings	Self Underwriting	<i>FINRA Rule 5121 - Public Offerings of Securities with Conflicts of Interests; FINRA Rule 5122 - Private Placements of Securities Issued by a Member</i>	
Underwriting	Types of Offerings	Intrastate Offerings	<i>Securities Act of 1933, Sec. 3(a)(11); Securities Act Rule 147</i>	
Underwriting	Types of Offerings	SEC Rule 144 Stock	<i>Securities Act of 1933 Rule 144</i>	
Underwriting	Firm Commitment Charges	Communications with the public about variable life insurance and variable annuities	<i>NASD IM-2210-2 - Communications with the Public About Variable Life Insurance and Variable Annuities</i>	
Underwriting	Material Event Disclosure	Material Events	<i>SEA Rule 15c2-12 - Municipal Securities Disclosures</i>	
Underwriting	Securities Registration	Public Offerings (Securities Registration)	<i>Securities Act of 1933, Sec. 5</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Underwriting	Securities Registration	Misrepresentations as to registration	<i>SEA Rule 15c1-3 - Misrepresentation by brokers, dealers, and municipal securities dealers as to registration</i>	
Underwriting	Syndicate Settlement	Syndicate Management	<i>FINRA Rule 11880 - Settlement of Syndicate Accounts</i>	
Underwriting		Restricted Period; Underwriting Activity Report	<i>FINRA Rule 5110 - Corporate Financing Rule - Underwriting Terms and Arrangements</i>	
Underwriting		Filings required by Corporate Finance Department	<i>FINRA Rule 5110 - Corporate Financing Rule - Underwriting Terms and Arrangements</i>	
Underwriting		Regulation M - Rules 101 - 105	<i>Regulation M - Anti-Manipulation Rules Concerning Securities Offerings</i>	
Underwriting		Non-cash compensation	<i>FINRA Rule 5110 - Corporate Financing Rule - Underwriting Terms and Arrangements</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Underwriting		Disclosure of affiliation with issuer or interest in distribution	<i>SEA Rule 15c1-5 - Disclosure of control; SEA Rule 15c1-6 - Disclosure of interest in distribution</i>	
XIV. VARIABLE PRODUCTS				
Variable Products	Communications with the Public	Communications with the public about variable life insurance and variable annuities	<i>NASD IM-2210-2 - Communications with the Public About Variable Life Insurance and Variable Annuities</i>	
Variable Products	General Obligations	Sales of Variable Products	<i>FINRA Rule 2320 - Variable Contracts of an Insurance Company; FINRA Rule 2330 - Members' Responsibilities Regarding Deferred Variable Annuities; Notice to Members99-35 - NASD Reminds Members of Their Responsibilities Regarding the Sales of Variable Annuities; Notice to Members00-44 - NASD Reminds Members of Their Responsibilities Regarding the Sale of Variable Life Insurance</i>	
Variable Products	General Obligations	Variable Annuities	<i>FINRA Rule 2320 - Variable Contracts of an Insurance Company; FINRA Rule 2330 - Members' Responsibilities Regarding Deferred Variable Annuities</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Variable Products	Suitability	Twisting (trading among mutual funds, insurance products, and variable products)	<i>FINRA Rule 2010 - Standards of Commercial Honor and Principles of Trade</i>	
Variable Products	Suitability	1035 Exchanges	<i>IRS Code § 1035</i>	
Variable Products	Suitability	Replacements	<i>FINRA Rule 2010 - Standards of Commercial Honor and Principles of Trade</i>	
Variable Products	Suitability	Multiple Contract Sales	<i>FINRA Rule 2010 - Standards of Commercial Honor and Principles of Trade</i>	
XV. TRADING AND TRADING OPERATIONS				
		A. Trading: Supervisory System, Procedures, and Qualifications		
Trading	Supervision	Designation of Principal(s) responsible for overall supervisory system and procedures	<i>FINRA Rule 3110(a)(2) - Supervisory System; FINRA Rule 3110(b) - Written Procedures; FINRA Rule 3120(a) - Supervisory Controls</i>	
Trading	Supervision	Designation of Principal(s) responsible for supervision of the member's trading area	<i>FINRA Rule 3110(a) - Supervisory System; FINRA Rule 3120(a) - Supervisory Controls</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Trading	Supervision	Designation, as an Office of Supervisory Jurisdiction ("OSJ"), of each location at which the order execution or market making functions are conducted	<i>FINRA Rule 3110(a)(3) - Supervisory System; FINRA Rule 3110(e)(1) - Definitions</i>	
Trading	Supervision	Designation of Principal(s) in each OSJ location at which order execution or market making occurs	<i>FINRA Rule 3110(a)(4) - Supervisory System; FINRA Rule 3110(b)(6) - Written Procedures</i>	
Trading	Supervision	Procedures to ensure personnel are properly registered as required by SRO Rules	<i>FINRA Rule 3110(b) - Written Procedures</i>	
Trading	Supervision	Procedures to help ensure a reasonable effort is made to determine supervisory personnel are qualified by virtue of experience or training to execute assigned responsibilities	<i>FINRA Rule 3110(a)(6) - Supervisory System; FINRA Rule 3110(b)(6) - Written Procedures</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
B. Order Handling				
Trading	Order Handling	If the firm routes orders to another market center: procedures to ensure compliance and to review for compliance with the Disclosure of Order Routing Information Rule	<i>SEC Reg NMS, Rule 606</i>	
Trading	Order Handling	If the firm makes markets in covered securities: procedures to ensure compliance, and to review for compliance, with the Limit Order Display and Quote Dissemination Rules	<i>SEC Reg NMS, Rules 604 and 602</i>	
Trading	Order Handling	If the firm accepts limit orders: procedures to ensure compliance, and to review for compliance, with the Limit Order Protection Rules	<i>FINRA Rule 2010 - Standards of Commercial Honor and Principles of Trade; FINRA Rule 5320 - Prohibition Against Trading Ahead of Customer Orders</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Trading	Order Handling	If the firm accepts market orders: procedures to ensure compliance and to review for compliance with the Market Order Protection Rule	<i>FINRA Rule 5320 - Prohibition Against Trading Ahead of Customer Orders</i>	
Trading	Order Handling	For firms that make markets OTC in any exchange-traded security, but are not registered as market makers: procedures to monitor member's trading activity to determine whether it has traded over 1% of the quarterly volume of any exchange-traded security, thereby making the security a "subject security" and the member a "responsible broker-dealer" that is required to communicate its best bid, offer, and size for each subject security to a national securities exchange or association	<i>SEC Reg NMS Rules 600(b)(65) & (73) and 602(b)(2) & (4)</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Trading	Order Handling	If the firm is an exchange or OTC market maker in NMS securities: procedures to ensure quotations are not communicated to vendors for display on a terminal, unless the security is a subject security with respect to the market maker	SEC Reg NMS Rule 602(b)(4)	
Trading	Order Handling	If the firm is a market center in NMS stocks: procedures to ensure compliance and review for compliance with the Disclosure of Order Execution Information Rule	SEC Reg NMS Rule 605	
		C. Best Execution		

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Trading	Best Execution	Procedures to ensure compliance and to review for compliance with the requirement execute customer orders and orders for the customers of another broker-dealer at a price as favorable as possible under prevailing market conditions, including:	<i>FINRA Rule 5310 - Best Execution and Interpositioning; MSRB Rules G-17 and 18; FINRA Rule 2020 - Use of Manipulative, Deceptive, or Other Fraudulent Devices; SEA Rule 10b-5</i>	
		Execution of customer orders as principal		
		Execution of customer orders as principal after acquiring securities to fill the customer's order (i.e., riskless principal trading)		
		Execution of customer orders as agent		

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
		Execution of customer block-sized orders, "not-held" orders, and customer orders with special pricing terms/ conditions (e.g., VWAP, MOO, MOC, Capped)		
		If member concurrently handles multiple orders subject to time/price trading discretion (e.g., "not held", "working", cost-based VWAP, etc.) establishing a process to ensure best execution obligations are met with respect to all orders and that shares are allocated to concurrently open orders in a fair and non-discriminatory manner		
		Execution of orders routed to and executed by other parties, based on order-by-order routing decisions made by the member (a/k/a Regular and Rigorous Reviews)		

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
		Policies and procedures against adjusted trading		
		Reallocation of trades/Allocation methodology and procedures		
Trading	Best Execution	If the firm trades OTC equity securities: procedures to ensure compliance and to review for compliance with the requirements to ascertain the best interdealer market by obtaining and documenting quotations (a/k/a "3-Quote Rule")		
		D. Anti-Intimidation/Coordination		

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Trading	Anti-Intimidation/ Coordination	Procedures to prevent and detect the occurrence of prohibited trading practices including: i) the coordination of quotes, trades, or trade reports with another member through "price/size convention", ii) requesting another member to alter or maintain a price or quote, iii) display of quotes in order to orchestrate artificial price movements, iv) the display of quotes with no intention of trading at the quoted prices, v) display of quotes in order to help another member execute trades, vi) delay of trade reports for the benefit of the member or another party, vii) engaging in any other activity, which improperly benefits the member or other members at the expense of customers	<i>FINRA Rule 5240 - Anti-Intimidation/ Coordination</i>	
Trading	Anti-Intimidation/ Coordination	Procedures to prevent and detect the occurrence of prohibited conduct including threatening, coercion, or intimidation to improperly influence another person or member including:	<i>FINRA Rule 5240 - Anti-Intimidation/ Coordination</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
		i. Refusals to honor firm quote obligations or to trade with other members, especially in a selective/discriminatory fashion		
		ii. Executing orders in a manner intended to harass or annoy another member		
		iii. Reporting harassment an instances in which threats or attempts at coercion have been received		
		iv. Educating personnel as to what constitutes improper conduct		

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
E. Trade Reporting				
Trading	Trade Reporting	If the firm reports trades through a TRF, procedures to ensure compliance and review for compliance with requirements to report trade accurately and timely	<i>FINRA Rule 6181 - Timely Transaction Reporting; FINRA Rule 6622 - Transaction Reporting; FINRA Rule 7330 - Trade Report Input; FINRA Rules 6182 and 6624 - Trade Reporting of Short Sales</i>	
Trading	Trade Reporting	If the firm reports trades through ADF/TRACS, procedures to ensure and review for compliance with requirements to report trades accurately and timely	<i>FINRA Rule 6182 - Timely Transaction Reporting; FINRA Rule 7130 - Trade Report Input</i>	
Trading	Trade Reporting	Procedures to ensure and review for compliance with TRF and/or ADF/TRACS requirements regarding:		
		1) The proper use of trade modifiers (e.g., .PRP, .SLD, .T, .W, etc.) when required, and refraining from use when not required.		

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
		2) Reporting riskless principal trades		
		3) Accepting trades reported by another member (or entering a matching trade) in a timely manner		
Trading	Trade Reporting	If another member or third party reports trades on the firm's behalf (under an AGU, A2, QSR, or otherwise), procedures to ensure trades have been accurately reported on the member's behalf.		
F. Sale Transactions				
Trading	Sale Transactions	Procedures to ensure and review for compliance with requirements to (i) properly determine whether a sale is long or short, and (ii) mark the member's order records accordingly as "long," "short," or "short exempt."	<i>SEC Reg SHO, Rule 200(a)&(g)</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Trading	Sale Transactions	If the firm will utilize aggregation of units, procedures to ensure the member's organization plan qualifies for independent trading unit aggregation, that each unit engages only in its specified trading strategies and that trading units do not coordinate strategies with each other.	<i>SEC Reg SHO, Rule 200(f)</i>	
Trading	Sale Transactions	Procedures to ensure and review for compliance with requirements to locate (or arrange to borrow) securities being sold prior to execution	<i>SEC Reg SHO, Rule 203(b)</i>	
Trading	Sale Transactions	Procedures to ensure and review for compliance with requirements to refrain from accepting short sale order for threshold securities in which the member has aged fails unless the member borrows the securities being sold prior to execution	<i>SEC Reg SHO, Rule 203(b)(3)</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Trading	Sale Transactions	If the firm reports trades to a TRF and/or the ADF/TRACS, procedures to ensure and review for compliance with requirements to report accurate short sale indicators (i.e., long, short, or short exempt) for customer and proprietary sale transactions	<i>FINRA Rule 6182 - Trade Reporting of Short Sales; FINRA Rule 6624 - Trade Reporting of Short Sales</i>	
Trading	Sale Transactions	If the firm accepts, displays, and/or executes short sales in NMS securities otherwise than on an exchange, procedures to ensure and review for compliance with the prohibitions on executing non-exempt short sales on a down tick if the price of the security decreases by 10% or more from the prior day's closing price	<i>SEC Reg SHO, Rule 201</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
G. Other Trading Rules				
Trading	Other Trading Rules	Procedures to ensure and review for compliance with the prohibitions on trading or quoting during a trading halt in Nasdaq-listed, exchange-listed, or OTC equity security	<i>FINRA Rule 5260 - Prohibition on Transactions, Publication of Quotations, or Publication of Indications of Interest During Trading Halt; FINRA Rule 6460 - Display of Customer Limit Orders</i>	
Trading	Other Trading Rules	Procedures to ensure and review for compliance with the requirements for the member to honor its quotes, refrain from "backing away" from its quotes and adequately staffing its trading desk	<i>FINRA Rule 5220 - Offers at Stated Prices; FINRA Rule 6272 - Character of Quotations; SEC Reg NMS, Rules 602(b)(2)&(b)(3)</i>	
Trading	Other Trading Rules	Procedures to help ensure and review for compliance with requirements related to locked and crossed markets, including:		

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
		If the member is an ADF participant, properly responding to "trade or move directed orders" during pre-opening trading		
		If the member enters quotes in ADF, refraining from entering a quote that would lock or cross an existing quote		
Trading	Other Trading Rules	If the firm enters quotes for OTC Equity securities in multiple real-time quotation systems, procedures to ensure and review for compliance with requirement to maintain identical quotes for a security in each system		

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Trading	Other Trading Rules	If the firm will use FINRA systems, procedures to ensure and review for compliance with requirements to maintain the physical security of equipment to prevent the improper use of, or unauthorized entry of information into FINRA systems	<i>FINRA Rule 7220A - Trade Reporting Participation Requirements; FINRA Rule 7320 - Trade Reporting Participation Requirements</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
H. Soft Dollar Accounts and Trading				
Trading	Soft Dollar Accounts and Trading	If the firm provides "soft dollar" credits to customers, procedures to ensure and review for compliance with requirements related to this activity including:	<i>Section 28(e) of the Securities Exchange Act of 1934; Notice 07-04 - Codification of Interpretations to Rule 2711; Notice 05-04 - Directed Brokerage</i>	
		(1) Preparing records that reflect which trades were executed by the member pursuant to agreements with customers to generate soft dollar credits	<i>SEA Rule 17a-3 - Records to be made by certain exchange members, brokers and dealers; SEA Rule 17a-4 - Records to be preserved by certain exchange members, brokers and dealers</i>	
		(2) Monitoring trades for which soft dollar credits are accrued to determine whether they were within the SEC-established safe harbor for agency transactions and riskless principal transactions reported as such in accordance with FINRA trade reporting rules	<i>Securities Exchange Act of 1934, Sec. 28(e)</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
		(3) If/When operating outside the SEC-established safe harbor, undertaking reasonable affirmative steps to verify that the member is operating in compliance with all applicable securities rules and regulations, and is not aiding or abetting violations by others	<i>Securities Exchange Act of 1934, Sec. 28(e)</i>	
		(4) Preparing records that reflect the cost/value of research or other services provided to customers that reduce/eliminate accrued soft dollar credits	<i>SEA Rule 17a-3 - Records to be made by certain exchange members, brokers and dealers; SEA Rule 17a-4 - Records to be preserved by certain exchange members, brokers and dealers</i>	
		(5) Monitoring research or services provided to ensure the items are within the SEC-established safe harbor	<i>Securities Exchange Act of 1934, Sec. 28(e)</i>	
		(6) Annual review of research analyst compensation	<i>NASD Rule 2711(d)(2) - Restrictions on Research Analyst Compensation</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
I. Order Audit Trail System ("OATS")				
Trading	OATS	Procedures to ensure and review for compliance with the requirement to synchronize the member's clock daily, prior to the open, and to monitor for intraday drift	<i>FINRA Rule 7430 - Synchronization of Member Business Clocks</i>	
Trading	OATS	Procedures to ensure and review for compliance with the requirement that reported OATS data is accurately and timely, whether reported by the firm or by a third party on the member's behalf	<i>FINRA Rule 7440 - Recording of Order Information; FINRA Rule 7450 - Order Data Transmission Requirements</i>	
Trading	OATS	Procedures to review, correct, and re-submit data initially rejected by OATS	<i>FINRA Rule 7440 - Recording of Order Information; FINRA Rule 7450 - Order Data Transmission Requirements</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Trading	OATS	Procedures to ensure information reported to OATS is consistent with information submitted to a TRF and/or the ADF/TRACS	<i>FINRA Rule 7230A - Trade Report Input; FINRA Rule 7330 - Trade Report Input; FINRA Rule 7440 - Recording of Order Information; FINRA Rule 7450 - Order Data Transmission Requirements</i>	
Trading	OATS	Procedures to ensure reported routed order identification numbers are consistent with the numbers received from the sending member	<i>FINRA Rule 7440 - Recording of Order Information; FINRA Rule 7450 - Order Data Transmission Requirements</i>	
		J. Other Rules		
Trading	Other Rules	Procedures to ensure and review for compliance with the prohibitions on the improper sharing of material, non-public information (including information about pending orders) between the member's trading desk(s)	<i>FINRA Rule 3110 - Supervision; FINRA Rule 2010 - Standards of Commercial Honor and Principles of Trade</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Trading	Other Rules	Procedures to ensure and review for compliance with the requirement to accurately prepare and maintain required books and records pertaining to the trading area(s)	<i>SEA Rules 17a-3 and 17a-4; FINRA Rule 4511 - General Requirements</i>	
Trading	Other Rules	Procedures to ensure and review for compliance with the prohibitions against accepting payment or other consideration, directly or indirectly, from an issuer, affiliate, or promoter thereof	<i>FINRA Rule 5250 - Payments for Market Making</i>	
		K. Use of Multiple Market Participant Identifiers ("MPIDs")		

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Trading	Use of MPID	If the firm proposes to use multiple MPIDs, procedures to ensure and review for compliance with use of each MPID in accordance with (i) the representations made when requesting supplemental MPIDs, and (ii) the requirements/limitations related to the use of supplemental MPIDs	<i>FINRA Rule 2010 - Standards of Commercial Honor and Principles of Trade; FINRA Rule 6160 - Multiple MPIDs for TRF Participants</i>	
Trading	Use of MPID	If the firm proposes to use multiple MPIDs, procedures to ensure and review for compliance with limiting access of each MPID's user(s) to their own order/trading information and ensuring that order/trading information is not improperly shared between multiple MPID user(s)	<i>FINRA Rule 2010 - Standards of Commercial Honor and Principles of Trade</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Trading	Use of MPID	If the firm proposes to use multiple MPIDs, procedures to ensure the member has incorporated activity conducted under all MPIDs into its supervisory system and procedures as needed (including but not limited to trade reporting, OATS, record keeping, Reg SHO, Reg NMS, and best execution obligations, based upon the activity for which the additional MPIDs are used	<i>FINRA Rule 3110 - Supervision; NASD Rule 3120- Supervisory Control System; FINRA Rule 3130- Annual Certification of Compliance and Supervisory Processes</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
L. Rules Applicable to ATSs and ECNs				
Trading	ATS/ECN	Procedures to ensure and review for compliance with the requirements to file Form ATS-R on a quarterly basis	<i>SEC Reg ATS, Rule 301(b)(9)</i>	
Trading	ATS/ECN	Procedures to ensure and review for compliance with the requirement to protect subscribers' confidential trading information including, a) limiting information access to ATS employees responsible for operating the ATS or for compliance with applicable rules, and b) implementing standards to control ATS employees trading for their own accounts	<i>SEC Reg ATS, Rule 301(b)(10)</i>	
Trading	ATS/ECN	Procedures to ensure and review for compliance with the prohibition on charging inconsistent fees	<i>SEC Reg ATS, Rule 301(b)(4)</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Trading	ATS/ECN	Procedures to monitor trading volume and determine whether the ATS has surpassed the "5% threshold" that would require it to comply with Reg ATS order display, execution access, and fair access requirements	<i>SEC Reg ATS, Rule 301(b)(3) & (b)(5)</i>	
Trading	ATS/ECN	Procedures to monitor trading volume and determine whether the ATS has surpassed the "20% threshold" that would require it to comply with the Reg ATS requirements for capacity, integrity, and security of automated system	<i>SEC Reg ATS, Rule 301(b)(6)</i>	
Trading	ATS/ECN	If the firm proposes to be a "Reporting ECN" (as defined in FINRA Rule 7210A) that reports trades to a TRF, procedures to ensure and review for compliance with TRF reporting requirements in FINRA Rules 7230A and 7230B, 7230C, and 7330	<i>FINRA Rules 7230A, 7230B, 7230C, and 7330 - Trade Report Input</i>	

Written Supervisory Procedures Checklist				
Section	Topic	Item Required to be Addressed	Reference	Applicable to Firm's Business?
Trading	ATS/ECN	If the ATS enters quotes in FINRA's ADF, procedures to ensure and review for compliance with the requirement to execute orders in excess of the ECN's displayed quote size, when displaying a quote based on a reserved size order	<i>FINRA Rule 6279 - Alternative Trading Systems</i>	
Trading	ATS/ECN	Policies and procedures pursuant to which the firm will review and approve applicants seeking to subscribe to the ATS		