

FINRA 2017 Risk Control Assessment

The annual Risk Control Assessment (RCA) is an important part of FINRA's risk-based examination and surveillance program. FINRA uses it to better understand the risks associated with each firm's business activities, product and service mix, and customer base.

What's New in the Online Survey?

- **Pre-filled forms**– If your firm completed the 2016 RCA, your firm's responses to those questions will be filled on your behalf. The pre-filled responses may be revised at your discretion
- **Survey length** – The length of this year's survey is based on your firm's size and complexity
- **New Questions** – This year's survey includes a combination of new and previously asked questions related to firm risk and control environments

Notes to help you navigate the survey:

- As you complete survey questions, we ask that you **use your best judgment** when responding. In this regard, your responses should seek to describe only material aspects of your business
- Please refer to the [Glossary](#) for definitions of terms used in the survey
- Questions marked with an asterisk (*) are required. You will not be able to proceed to subsequent survey pages until you have completed all required questions on the existing page of the online survey.
- Should you wish to clarify your firm's responses, please do so using the provided comment boxes.

Please complete the survey by Friday, June 16th, 2017. If you would like to submit your survey as a PDF please send it to RCA@finra.org as an attachment. This PDF version of the survey contains all questions and does not dynamically tailor the survey based upon your firm's responses

For more information please review the resources on the RCA page on [FINRA's website](#). If you have questions, please contact the FINRA RCA team at (RCA@FINRA.ORG) or call the FINRA Gateway Call Center at 301-869-6699.

Please input your information below:

Name:

Firm Name:

Firm CRD #:

Email Address:

Phone Number:

Introduction

All member firms are asked to complete the Customer Profile, Risk Policies and Management, Cybersecurity, Anti-Money Laundering, and FinTech sections of the RCA. The business-specific survey sections you will be asked to complete are indicated by the check marks below. Check boxes that have been pre-filled are driven by either your previous RCA responses or revenue lines as reported in your firm's Supplemental Statement of Income (SSOI) filings over the last 12 months as well as other FINRA data about your firm. Please select any additional business lines that apply to your firm. Please note, the business line definitions below include more detailed examples to help you select the appropriate choices.

*1. What are your major business lines (check carefully the business line definitions below)?(*Required)

Select all that apply.

- Commission-based brokerage
- Asset management
- Investment Banking and/or Research
- Trading and/or Execution and/or Clearing
- None of the above are material (Please check examples below to make sure your firms does not belong to one of the four main business lines)

Business Line Definitions

Please be mindful that if a majority of your revenue is from fees earned from affiliated entities (SSOI line 11090), please use the main business of those entities to select your business lines.

Commission-Based Brokerage Check this response if you have a commission-based brokerage, variable annuities or a wholesale fund distribution business. Please select this response also if your firm reported revenue in fiscal year 2016 in the "Commissions" and/or "Revenue from Sale of Insurance Based Products" sections of the Supplemental Statement of Income (SSOI) - line items 13940 or 11029) and/or if these represent a material aspect of your overall business.

Examples of firms who should complete the Commission-Based Brokerage section of the RCA:

- All firms selling registered or unregistered products for a commission
- Mutual Fund Distributors
- Wholesale Brokers
- Sellers of Variable Annuities
- Introducing Brokers

Asset Management Please respond to this section if your firm reported revenue in fiscal year 2016 in the "Investment Advisory" section of SSOI line items 13975, 11099, or 11100), and/or if asset management represents a material aspect of the overall business of your firm or any affiliated entities.

Examples of firms who should complete the Asset Management section of the RCA:

- Dual-registered broker-dealers/investment advisors
- Broker-dealers with affiliated asset managers
- Firms offering financial planning and/or portfolio management services
- Firms affiliated with hedge funds

Trading, and/or Execution, and/or Clearing This section is intended to help us better understand the products and services associated with your trading, clearing and execution business. Please respond to this section if your firm reported revenue in fiscal year 2016 in the "Gains or Losses on Derivative Trading Desks" and/or "Net Gains or Losses on Principal Trades" and/or "Capital Gains (Losses) on Firm Investments and/or "Execution Services" and/or the "Clearing Services" sections of SSOI line items 13950 or 13952 or 11096 or 11097 respectively), and/or if this represents a material aspect of your overall business.

Examples of firms who should complete the Trading/Execution/Clearing section of the RCA:

- Firms with a trading desk and/or electronic execution services
- Clearing firms
- Electronic routing brokers

Investment Banking/Research Please respond to this section if your firm reported revenue in fiscal year 2016 in the "Investment Banking / M&A Advisory" and/or the "Underwriting" and/or "Research" sections of the SSOI line items 11091 or 13955 or 13980 respectively), and/or if these represent material aspects of your overall business.

Examples of firms who should complete the Investment Banking/Research section of the RCA:

- Firms offering underwriting services
- Firms offering private placements
- Firms publishing investment research

Finally, if a majority of your revenue is from fees earned from affiliated entities (SSOI line 11090), please use the main business of those entities to select your business lines.

This section helps identify the characteristics of your firm's customer base

*2. Which of the following client/customer types do you serve ?(*Required)

Select all that apply.

- Retail - not including high-net-worth individuals (Answer question number 2.2, 2.3, 2.6)
- High-net-worth individuals
- Institutional or wholesale customers (Answer question number 2.5.)
- None of the above (Answer question number 2.1.)

*2.1 Which of the following individuals or entity types were the sources of your firm's reported SSOI revenue in the last 12 months?(*Required)

Select all that apply.

- Institutional investors
- Accredited investors
- High-net-worth individuals
- Business owners
- Public corporations
- Private corporations
- Broker dealers
- Affiliated entity
- Financial advisors
- Trusts
- Hedge funds
- Registered Investment Advisors (RIAs)
- Retail customers
- We do not have any clients or customers because our firm generates revenue through proprietary trading of securities.
- None of the above: Please explain which individual or entity types are the source (or intended source) of your firm's revenue:

2.2 Approximately how many individual retail customers does your firm have?

Customer Profile

2.3 Approximately what percent of your retail customers are over 65 years of age?

 %

2.5 Does your firm have municipal entities as customers?

Select one.

- Yes
- No

2.6 Is your firm currently a party to a networking arrangement with any federal and/or state chartered banks, savings and loan associations, savings banks and/or credit unions ("collectively Financial Institutions") to provide securities brokerage services on the premises of such Financial Institutions?

Select one.

- Yes
- No
- Other - please specify:

3. Do any third party investment advisory firms or broker dealers introduce their trades through your firm in a piggyback arrangement?

Select one.

- Yes
- No
- Other - please specify:

- N/A

Specific Risk Policies and Management

These questions address risk areas that are applicable to the majority of broker-dealers. This section covers the following topics: Fraud Detection and Prevention, Liquidity Risk, Segregation of Customer Assets, and Registered Representative Investment Advisor Activities.

Fraud Detection and Prevention

These questions help FINRA understand firm risks related to Fraud

5. Does your firm accept customer deposits of Microcap securities?

Select one.

- Certificate Form
- Electronic Form
- Both
- Neither
- Other:
- N/A

6. Which of the following elements are included in your firm's overall fraud detection and prevention program?

Select all that apply.

- Ethics Statement
- Written Fraud policies and procedures
- Ethics and anti-fraud training for employees and contractors
- Management certification of code of conduct policies
- A loss prevention function
- An internal audit function
- Periodic fraud risk assessments
- Other: Please specify:

7. Does your firm have any sovereign/foreign government related accounts?

Select one.

- Yes
- No

8. Do you have any business activities involving foreign governments?

Select one.

- Yes
- No

Liquidity Risk

This section helps FINRA identify the risks and controls of your firm's cash flow needs.

9. Which of the following are the firm's primary sources of liquidity?

Select all that apply.

- Equity Capital/Cash
- Capital Infusions
- Subordinated debt/equity
- Bank Loan or Revolver (Secured - Firm)
- Bank Loan or Revolver (Secured - Customer)
- Bank Loan or Revolver (Unsecured)
- Stock Loan (Firm)
- Stock Loan (Customer)
- Repo
- Parent/Affiliate Loan or Revolver (Secured)
- Parent/Affiliate Loan or Revolver (Unsecured)
- Customer Free Credits
- Other: Please specify:

10. What characteristics apply to the firm's credit facilities?

Select all that apply.

- Committed
- Uncommitted
- Offered by parent/affiliate
- Offered by third party
- Offered by syndicate
- On demand
- Term
- Maturity > 1 year from now
- Maturity < 1 year from now
- Evergreen
- Other: Please describe:

11. Within the firm's loan agreements, what contingencies constitute events of default or otherwise require immediate repayment/result in termination?

Select all that apply.

- Capital below thresholds
- Downgrade in firm/parent credit rating (NRSRO rating)
- Downgrade in firm/parent credit rating (counterparty's internal rating)
- Material business changes
- Negative news
- Lender's discretion
- Other: Please explain:

12. With how many counterparties does the firm maintain Loan/Revolving Credit Agreements, Securities Lending Agreements or Master Repurchase Agreements?

Select one.

- 1 - 4
- 5 - 8
- 9 - 12
- 13 - 16
- > 16
- Other: Please explain:

13. On average, what percent of the counterparties identified in the prior question does the firm engage (i.e. open transactions, loans or draws on revolvers) over the course of one typical month?

Select all that apply.

- < 25%
- 25% - 49%
- 50% - 75 %
- > 75%

Risk Policies and Management

14. With what types of counterparties/lenders does the firm engage in secured funding transactions

Select all that apply.

- Broker-dealers
- Banks
- Central Counterparties
- Hedge Funds
- 2a-7 Funds
- Affiliates
- Other: Please specify:

15. Approximately what percentage of gross secured funding contracts (bank loan, stock loan and repo) is comprised of the following collateral types?

US Treasuries:	<input type="text"/>
US Govt Agencies and Debentures:	<input type="text"/>
Equities:	<input type="text"/>
Investment Grade Corporate Debt:	<input type="text"/>
Other:	<input type="text"/>
Total:	100

16. What is the approximate Weighted Average Maturity of securities loans?

Select one.

- Open/Overnight
- 2 - 7 days
- 8 - 14 days
- 15 - 21 days
- 22 - 30 days
- 31 - 60 days
- 61 - 90 days
- > 90 days

17. If applicable, what is the approximate Weighted Average Maturity of securities borrowed?

Select one.

- Open/Overnight
- 2 - 7 days
- 8 - 14 days
- 15 - 21 days
- 22 - 30 days
- 31 - 60 days
- 61 - 90 days
- > 90 days

18. What is the approximate Weighted Average Maturity of repo contracts?

Select one.

- Open/Overnight
- 2 - 7 days
- 8 - 14 days
- 15 - 21 days
- 22 - 30 days
- 31 - 60 days
- 61 - 90 days
- > 90 days

19. If applicable, what is the approximate Weighted Average Maturity of reverse repo?

Select one.

- Open/Overnight
- 2 - 7 days
- 8 - 14 days
- 15 - 21 days
- 22 - 30 days
- 31 - 60 days
- 61 - 90 days
- > 90 days

20. At how many clearing firms/organizations does your firm maintain a clearing deposit?

Select one.

- 0
- 1-3
- 4-6
- 7-9
- >10
- N/A

21. How often do you assess the firm's liquidity position?

Select one.

- daily
- weekly
- monthly
- quarterly
- semi-annually
- annually
- Other: Please specify:

22. What tools are employed to monitor the firm's liquidity position?

Select all that apply.

- p&l analysis
- bank records/reconciliations
- balance sheet analysis
- cash flow projections
- capital projections
- Business As Usual ("BAU") liquidity snapshot
- liquidity stress test (Answer question number 22.1, 22.2, 22.3, 22.4, 22.5, 22.6, 22.7, 22.8, 22.9.)
- KRIs/liquidity thresholds
- Other: Please specify:

22.1 At what level are stress tests conducted?

Select all that apply.

- legal entity
- parent
- enterprise-wide
- Other: Please specify:

22.2 How often are stress assumptions updated?

Select one.

- quarterly
- semi-annually
- annually
- ongoing/as needed
- Other: Please specify:

22.3 How often are stress tests run?

Select one.

- daily
- weekly
- monthly
- quarterly
- semi-annually
- annually
- Other: Please specify:

22.4 Under what scenarios does the firm stress its liquidity?

Select all that apply.

- market/systemic
- idiosyncratic
- combined
- enterprise-wide idiosyncratic
- Other: Please specify:

22.5 Over what time horizon does the firm stress its liquidity?

Select all that apply.

- less than 30 days
- 30 days
- 60 days
- 90 days
- 180 days
- 1 year
- Other: Please specify:

22.6 Over what time horizon does the firm require positive stressed liquidity (i.e. risk appetite - the minimum amount of time for which the firm must avoid a liquidity shortfall)?

Select one.

- less than 30 days
- 30 days
- 60 days
- 90 days
- 180 days
- 1 year
- Other: Please specify:

22.7 Are mitigating actions (e.g. assets sales, draws on credit facilities, capital infusions, additional secured financing, etc.) necessary to avoid stress test shortfalls within the firm's risk appetite?

Select one.

- Yes
- No

22.8 Who is responsible for developing and maintaining the firm's Liquidity Risk Management framework?

Select all that apply.

- CEO
- COO
- CFO
- CRO
- Treasurer
- Dedicated Liquidity Risk Manager
- Committee
- Parent/Affiliate
- Consultant
- Other: Please specify:

22.9 How often are liquidity metrics disseminated to senior management?

Select one.

- daily
- weekly
- monthly
- quarterly
- semi-annually
- annually
- Other: Please specify:

23. What types of actions are incorporated into the stress test to prevent liquidity shortfalls?

Select all that apply.

- asset sales
- draws on external credit facilities
- draws on internal (intercompany) credit facilities
- draws on subordinated loans
- draws on subordinated revolvers
- direct capital infusion
- increase secured financing activity - firm collateral
- increase secured financing activity - customer collateral
- Other: Please specify:

Segregation of Customer Assets

This section helps FINRA identify the controls your firm has to protect customer assets.

*24. Does your firm carry customer assets? (*Required)

Select one.

- Yes (Answer question number 24.1, 24.2, 24.3, 24.4, 24.5, 24.6.)
- No (Answer question number 24.7, 24.8, 24.9, 24.10.)
- Other: Please explain:

24.1 Which of the following procedures does your firm have to ensure possession or control of customer securities?

Select all that apply.

- Process to conduct a root cause analysis of possession and control deficits
- Process to determine if action was taken on possession and control deficits in a timely manner
- Process to control manual MSEG adjustments to DTC
- Process to establish good control locations
- Run Seg optimization once a day (batch)
- Run Seg optimization intra-day (multiple times)
- Other: Please explain:

Risk Policies and Management

24.2 How many back office systems carry customer assets?

Select one.

- 1
- 2
- 3 or more
- Other: Please explain:

24.3 Which of the following stock loan business activities does your firm engage in?

Select all that apply.

- Fully Paid lending
- Enhance Lending/Arranged Financing
- Source and lend customer hard to borrow securities
- Other: Please specify:

24.4 From how many departments is information being received to compute the reserve formula?

Select one.

- 1
- 2
- 3
- 4 or more
- Other: Please specify:

24.5 What percent of the reserve formula calculation is manual vs. automated?

Manual %:
Automated %:
Total: 100

24.6 Generally, how many hours does it take to compute the reserve formula?

Select one.

- 0-2 hours
- 3-4 hours
- 5-6 hours
- 7 or more hours

Risk Policies and Management

24.7 Which of the following processes does your firm employ when handling and/or forwarding customer assets?

Select all that apply.

- Process not to accept customer checks
- Process not to accept customer securities
- Use of Lock box
- Use of Vault
- Time stamp
- Automated check/securities log
- Manual check/securities log
- Forward assets via standard mail
- Forward assets via interoffice
- Forward assets via overnight mail
- Forward assets via certified mail
- Assets scanned
- Process to identify aging/delays
- Process to identify lost assets
- Process to determine assets received by Clearing Firm/MF/Sponsor
- Process not to accept customer cash
- Process for maintaining adequate documentation relative to the receipt/forwarding process
- Other: Please explain:

24.8 Do your firm's business activities require it to:

Select all that apply.

- Clear security transactions on a DVP/RVP basis?
- Create and manage escrow?
- Segregate commission/rebate due to customers?
- Utilize a k(2)(i) account?

Risk Policies and Management

24.9 Do the firm's business activities require it to accept the following funds from customers? (Check all that apply)

Select all that apply.

- Cash
- Checks
- Wires
- Physical Securities
- Other: Please explain:

24.10 Does the firm accept customer checks made payable to the broker/dealer?

Select one.

- Yes
- On an exceptional basis only
- No

25. How are the funds handled? (Check all that apply)

Select all that apply.

- Forwarded
- Deposited into the Firm's k(2)(i) account
- Deposited into the Firm's escrow account
- Deposited into the clearing firm's bank account
- Other: Please explain:

*26. Does your firm allow clients assets that are financed on margin or term debits to be held outside of the clearing relationship? (eg. Held at a bank or another custodian that is not the firm's clearing broker)(*Required)

Select one.

- Yes
- No
- Other: Please explain:

Registered Representative Investment Advisor Activities

This brief section helps FINRA to better understand the policies and procedures in place to manage the risks which accompany the activities of Registered representatives that conduct Investment Advisory transactions away from their firm

*27. Does your firm allow registered representatives to act as independent investment advisors, where transactions for their advisory accounts are executed through another broker-dealer?(*Required)

Select one.

- Yes (Answer question number 27.1, 27.2.)
- No

27.1 How does the firm supervise these outside transactions?

Select all that apply.

- There is a formal internal system in place that supervises all outside transactions
- The firm spot checks a few transactions periodically
- The firm conducts a thorough review when it completes a branch examination
- Other (please specify):

27.2 Does your firm record these transactions on its books and records?

Select one.

- Yes
- No

Cybersecurity

This section is intended to help us better understand the types of cybersecurity threats faced by the industry, as well as the cybersecurity risk controls in place to mitigate these threats.

*28. Which of the following elements/activities does your cybersecurity program include?(*Required)

Select all that apply.

- Cybersecurity Governance Structure
- Cybersecurity Policies
- Staff training and Awareness
- Asset Inventory
- Risk Assessments
- Branch Office Controls
- Cloud Computing Standards
- Data Loss Prevention Controls
- Data security and Encryption Standards
- Vendor Management Data Policies
- Incident Response Plans
- Penetration Testing (Internal or Third Party)
- Cyber Intelligence and Information Sharing with Other Parties/Firms (Answer question number 28.1.)
- Other (Specify):
- None of the above

28.1 Please select the organizations or companies you share (or plan to share) cybersecurity information with

Select all that apply.

- Sharing organizations like FS-ISAC
- Application Vendors
- Government Agencies
- Other

*29. Does your firm have [cyber insurance](#)?(*Required)

Select all that apply.

- Yes, integrated with physical (tangible) insurance
- Yes, separate from physical insurance
- No, not at this time

30. Does the firm have a named Chief Information Security Officer (CISO), or alternatively a single individual who has the authority to approve cybersecurity related decisions?

Select one.

- Yes
- No

*31. Which of these selected cybersecurity policies are documented at the firm?(*Required)

Select all that apply.

- Data classification policy
- Clean Desk Policy
- Solid State Data Storage
- Disabling USB drives
- Use of shredders
- Email monitoring
- Other (Specify):
- None of the above

32. Which of the following types of threats does your firm consider as part of the cybersecurity program?

Select all that apply.

- Hackers penetrating systems for the purpose of account manipulation, defacement or data destruction
- Competitors, nation states, or non-nation states penetrating systems for the purpose of corporate espionage or to create havoc
- Insider risk of employees or other authorized users abusing their authorized access by harvesting sensitive information or otherwise manipulating the system or data undetected
- Insider risk of employees or other authorized users stealing trade secrets
- Other:
- N/A

33. Which of the following methods does your firm use to test whether your cybersecurity program is functioning?

Select all that apply.

- Vulnerability Tests
- Pen (Penetration) Tests
- Find a Bug Program - Users
- Automated Testing via Simulation
- Quality Assurance Test Groups

34. Which controls are used for Identity and Access Management at the firm?

Select all that apply.

- Dormant Account Monitoring
- Controlled Access by IT or Staff Based on Need to Know
- Limited or Controlled use of Administrative Privileges
- Inventory of Authorized and Unauthorized Devices
- Inventory of Authorized and Unauthorized Software
- Application Software Security
- Secure Network Engineering
- Other - Please specify:

35. Which of the following controls are documented for firm branches?

Select all that apply.

- Password Policy
- The usage of up-to-date virus protection
- Encryption of hard drives
- Process for the installation of system patches
- Effective network security
- Firmwide Mobile Device Policy
- Branch Specific Mobile Device Policy
- Firm verification that controls are active
- Other - Please specify:
- None of the Above

36. Which firm roles are included in your firm's process for design and rollout of new or modified programs requiring information technology (Such as internal applications, smartphone apps for internal or client use, etc.)

Select all that apply.

- Information Security team
- Internal Audit
- Application Development
- Access Control team
- CIO/head of IT
- Other:

37. What type of authentication does the firm use for granting customer access to on-line retail account information?

Select all that apply.

- Single-factor authentication (e.g., user-ID/password)
- Dual-factor authentication (e.g., hardware or software key fobs/secure ID/tokens)
- Adaptive authentication (e.g., challenge questions posed for risky or abnormal logins)
- Other:
- N/A

38. If Mobile Devices are used by Firm employees or contractors, what controls are used to ensure data integrity and access?

Select all that apply.

- Encryption of phone data
- Single-factor authentication (e.g., user-ID/password)
- Dual-factor authentication (e.g., hardware or software key fobs/secure ID/tokens)
- Adaptive authentication (e.g., challenge questions posed for risky or abnormal logins)
- Fingerprint, biometric, or other advanced ID authentication
- Remote Fail-safe shutdowns of smart devices, or remote memory wipe

39. Through which method does your firm provide or allow retail customers access to their accounts when utilizing a mobile device?

Select all that apply.

- Website or Phone browser
- Mobile App
- The firm does not currently support the use of mobile devices by retail customers

40. If a cyber-attack occurs at your firm, which resources are made available to assist with the incident response?

Select all that apply.

- IT Staff
- Cybersecurity Response Team
- 3rd Party whitehat hackers
- Executive Management
- Software Response Tools

41. To the best of your knowledge, have any of your third party vendors experienced a security breach which affected your firm, another client firm or its customers?

Select one.

- Yes
- No

42. What percentage of IT budget do you spend on cybersecurity?

Select one.

- 1-2%
- 3-5%
- 6-10%
- 11-20%
- >20%
- Unknown

Anti-Money Laundering

This section is intended to help us better understand the risks and mitigating controls associated with money laundering.

44. With which of the following customer types does your firm conduct business (select all that apply)?

Select all that apply.

	<i>Cash</i>	<i>DVP/RVP</i>	<i>Prime Brokerage</i>	<i>Custodial Accounts</i>
Politically exposed persons	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Domestic banks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Domestic broker-dealers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Domestic charitable organizations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Domestic hedge funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Domestic personal holding/investment companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Domestic nominee companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foreign banks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foreign broker-dealer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foreign charitable organizations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foreign government-controlled banks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foreign hedge funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foreign mutual funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foreign individuals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foreign operating companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foreign personal holding/investment companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foreign nominee companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

44.1 Where appropriate, how does the firm ascertain the identities of the beneficial owners of its client personal holding/investment/nominee companies?

Select all that apply.

- Written declarations identifying the beneficial owners
- Review of company formation documents
- Additional due diligence procedures
- The firm does not ascertain the identities of the beneficial owners
- Other - please specify:

- N/A

44.2 Does the firm characterize the ownership structure of client personal holding/investment/nominee companies as aggravating factors when assessing a customer's risk profile?

Select one.

- Yes
- No
- Other - please specify:

- N/A

45. Does your firm permit customers to use or engage in the following activities within their accounts (select all that apply)?

Select all that apply.

- Use of an ATM card
- Check writing
- Use of a debit card
- Receiving securities from third parties
- Receiving third-party wires
- Sending securities to third parties
- Sending third-party wires
- Executing third-party journals
- Placing/structuring EB-5 investments

45.1 Optional Comments:

46. Which of the following systems or processes does your firm use to monitor for suspicious activity within customer accounts (select all that apply)?

Select all that apply.

- Automated surveillance system provided by vendor
- Exception reports provided by our clearing firm(s)

- Manual reviews

- Proprietary automated surveillance system

- Proprietary exception reports

- None of the above

- Other (please specify):
- N/A

46.1 Optional Comments:

*47. Which of the following programs does your firm have in place to manage AML risk?(*Required)

Select at least 1 choice.

- Transaction Monitoring
- Risk-based Customer Identification Program
- Suspicious Activity Reporting (SAR)
- Enhanced Due Diligence
- OFAC Risk Assessment
- Enhanced customer and transaction review for High Risk jurisdictions and/or high risk customers
- Customer name screening against published watch lists (e.g.: OFAC or sanctions list)
- Optimization and Calibration of transaction monitoring patterns and rules
- Independent Testing of the AML program
- None of the above
- Other - Please specify:

48. What types of factors are taken into account when assessing whether transactions are suspicious?

Select all that apply.

- Customer demographic information
- Transaction business purpose
- Customer anticipated business activity
- Customer historical account activity over the past year
- Customer historical account activity over the past three years
- Customer historical account activity over the past five years or more
- Other - please specify:

48.1 Optional Comments:

49. Are there situations in which a risk-based decision may be made to exclude certain customer transactions from one or more aspects of AML surveillance?

Select one.

- Yes (Answer question number 49.1.)
- No

49.1 Does your firm record and store the rationale for the decision?

Select one.

- Yes
- No

50. Does the AML function have a role in approving new business opportunities (new products, new customers, or new channels)?

Select one.

- Yes
- No

51. Does an AML representative have individual veto power over the decision to undertake the new business opportunity?

Select one.

- Yes
- No
- Other - please specify:

Anti-Money Laundering

52. Does a representative of the AML function participate on a committee to approve new business opportunities?

Select one.

- Yes: the AML representative is a member of the committee
- Yes: the AML representative is a chair of the committee
- No
- Other - please specify:

- N/A

Fintech: Finance and Technology

This section is intended to help us better understand the risks of new products and technology innovations in finance.

53. Does your firm engage in any business activities involving virtual currencies (e.g. Bitcoin, Proprietary Tokens)?

Select one.

- Yes
- No

54. Is your firm engaged in implementing (or implemented) any blockchain technology based platforms or applications?

Select one.

- Yes (Answer question number 54.1.)
- No
- N/A

54.1 What is the platform or application used for? Are you using a third-party vendor to assist the effort? Please specify:

55. Does your firm offer, operate, or make any of the following available to customers or any other institutions?

Select all that apply.

- Social media data analytics
- Crowdfunding platform
- Private Placement platform
- Regulation A+ platform
- Marketplace or P2P lending platform

56. Does your firm offer or operate a digital advice platform? If yes, please describe from one of the following:

Select all that apply.

	Yes	No
Is the platform made available directly to customers?	<input type="checkbox"/>	<input type="checkbox"/>
Is the platform made available to registered representatives?	<input type="checkbox"/>	<input type="checkbox"/>
Is the platform proprietary or operated by a third party?	<input type="checkbox"/>	<input type="checkbox"/>
Are Tax-advantaged accounts (including IRAs) made available to customers?	<input type="checkbox"/>	<input type="checkbox"/>
Are Non Tax-advantaged accounts made available to customers?	<input type="checkbox"/>	<input type="checkbox"/>

Commission-Based Brokerage Business

Commission-Based Brokerage Business

This section is intended to help us better understand the customer and product mix associated with your commission-based brokerage business. This includes full-service retail brokerage, discount retail brokerage, high-net-worth retail brokerage, Institutional brokerage, and wholesale brokerage firms,

This section is also intended for variable annuities and wholesale fund distribution firms.

Please respond to this section if your firm reported revenue in fiscal year 2016 in the "Commissions" and/or "Revenue from Sale of Insurance Based Products" sections of the Supplemental Statement of Income (line items 13940 or 11029 respectively) and/or if these represent a material aspect of your overall business.

*57. Please indicate which of the following businesses you engage in within your commission-based brokerage business (select all that apply):(*Required)

Select at least 1 choices.

- Full service retail brokerage
- Discount retail brokerage
- High net worth retail brokerage
- Institutional brokerage
- Wholesale brokerage
- Other (please specify):

59. What approximate percentage of your firm's last 12 months gross commission revenue (rounded to the nearest whole number between 0 and 100) did each of the following business lines contribute?

For additional guidance on this question, please see the [Instructions](#).

Full-service retail brokerage:	<input type="text"/>
Discount retail brokerage:	<input type="text"/>
High-net-worth retail brokerage:	<input type="text"/>
Institutional brokerage:	<input type="text"/>
Wholesale brokerage:	<input type="text"/>
Other:	<input type="text"/>
Total:	100

Commission-Based Brokerage Business

60. What is the approximate median account balance of your individual retail customer accounts for your commissioned-based brokerage business?

Select one.

- \$0-25,000
- \$25,000-50,000
- \$50,000-100,000
- >\$100,000
- Information not readily available

61. Does your firm allow clients assets that are financed on margin or term debits to be held outside of the clearing relationship? (eg. Held at a bank or another custodian that is not the firm's clearing broker)

Select one.

- Yes
- No
- Other - please specify::
- N/A

*62. Choose all the Product Categories in which your firm conducts business. Based on your selection(s), you will then be asked to select specific products in follow-up questions. (*Required)

Select all that apply.

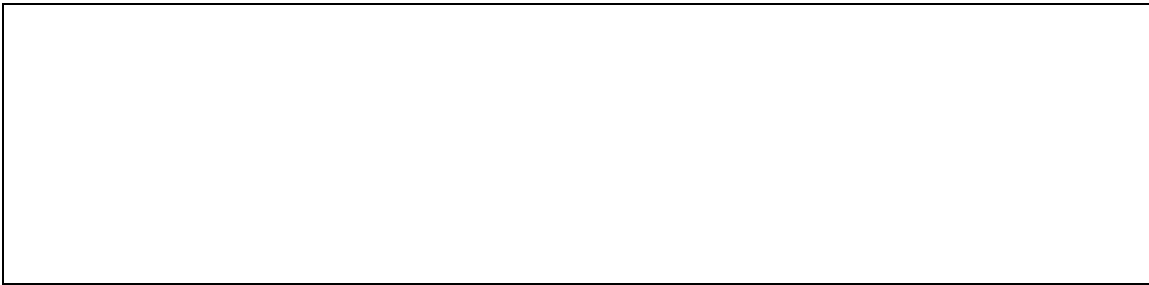
- Equities
- Investment Company Products
- Debt
- Securitized Products
- Derivatives
- Exchange Traded Products
- Alternative Investment
- Insurance Products and Annuities
- Structured Products
- Proprietary/Affiliated Products
- Other: Please specify:

64.1 Optional comments/Other Investment Company Products:

65.1 Optional comments/Other Debt Products:

67.1 Optional comments/Other Derivatives Products:

70.1 Optional comments/Other Insurance Products and Annuities

A large, empty rectangular box with a thin black border, intended for providing optional comments or information related to other insurance products and annuities.

71.1 Optional comments/Other Structured Products:

*72. Proprietary Products(*Required)

Select all that apply.

	<i>Solicited: Full- service retail brokerage</i>	<i>Unsolicited: Full- service retail brokerage</i>	<i>Discount retail brokerage</i>	<i>High-net- worth retail brokerage</i>	<i>Institutional brokerage</i>	<i>Wholesale brokerage</i>	<i>N/A</i>
*Direct Participation Plans (DPPs) - Public, Registered	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Direct Participation Plans (DPPs) - Private, Unregistered	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

72.1 Optional comments/Other Proprietary Products

Retail Full Service Brokerage

The following survey sections includes questions related to Firm Product Development procedures, Seniors and Vulnerable Investors, Registered Representative Hiring and Oversight, Retirement, and Other Products and Services.

Firm Product Development

*73. Does your firm have Written Supervisory Procedures (WSP's) documented for the introduction of all new or modified products?(*Required)

Select one.

- Yes (Answer question number 73.1.)
- No
- Other:Please specify: (Answer question number 73.1.)
- N/A

73.1 Which of the following are included in your firm's Written Supervisory Procedures (WSP's) for all new/modified products?

Select all that apply.

- Investment Objectives
- Assumptions
- Product Risks

Seniors and Vulnerable Investors

74. Does your firm have a specialized, centralized unit that coordinates the firm's responses to senior investor issues?

Select one.

- Yes
- No
- Other (Please Specify):
- N/A

75. Optional comments: Please provide any comments regarding any senior unit or program if necessary

*76. Does your firm utilize specialized monitoring for senior investors?(*Required)

Select one.

Yes

No

Other (Please Specify):

N/A

77. Does your firm track and verify Power of Attorney (POA) status for senior investors and related accounts?

Select one.

Yes

No

N/A

78. In your firm's experience, what are the risks to investment-related financial decisions that seniors face? (Select all that apply)

Select all that apply.

- Low levels of financial literacy
- Social isolation
- Diminished cognitive capacity affecting financial decision making
- Increasing levels of physical disability
- Prevalence of severe or long-term illness
- Financial abuse by family members or caretakers
- Financial fraud by someone other than a family member or caretaker, such as a financial advisor or stranger
- Risks related to estate planning, power of attorney and beneficiary issues
- Diminished cognitive capacity of financial advisors affecting the advice advisors provide
- Inability of advisors to recognize the signs of financial fraud targeted at senior investors
- Lack of training from firms or regulators or other entities to advisors on how to work with senior investors
- Lack of just-in-time financial information
- Gatekeeper culture and incentives that drive poor conduct
- Investments that are unsuitable
- Disclosure practices
- Complex products that are unfamiliar to investors
- Continuing to hold investments that may become unsuitable as investors age and their circumstances change

79. Does your firm offer educational programs or training to your registered representatives addressing senior-related issues (e.g. recognizing diminished capacity, working with elderly clients)? Select one:

Select one.

- Yes and it is mandatory for registered representatives
- Yes and it is optional for registered representatives
- No
- Not sure

80. Does your firm provide specific training to your registered representatives on escalation procedures for handling concerns about accounts held by seniors?

Select one.

- Yes
- No
- Not Sure

Registered Representative Hiring and Oversight

81. Do you allow any of your Registered Representative's to have OBA's?

Select one.

- Yes
- No
- N/A

82. Has your firm put any brokers for any reason on heightened supervision in the last 24 months?

Select one.

- Yes
- No
- N/A

83. How often are complaints about registered representatives addressed?

Select one.

- Daily (Answer question number 83.1.)
- Weekly (Answer question number 83.1.)
- Monthly (Answer question number 83.1.)
- Every Quarter (Answer question number 83.1.)
- Other - Please Specify: (Answer question number 83.1.)
- N/A (Answer question number 83.1.)

83.1 Optional comments

Retirement Products

This section helps us understand the risks of retirement products such as 401ks or IRA and their related services.
--

84. Does your firm employ call center or online education tools for retirement-related accounts?

Select one.

- Yes
- No
- N/A

85. Does your firm provide training to registered representatives on rollover of retirement-related accounts?

Select one.

- Yes
- No
- N/A

86. What % of the total AUM in IRA accounts opened last year was rolled over from 401K plans?

Enter a number (Minimum 0, Maximum 100).

87. Does the firm offer commission-based Individual Retirement Accounts (IRAs)? (If offering products via commission or load, what products are being offered) (select all that apply)?

Select all that apply.

- Equities – single name securities
- Equities – Exchange-traded products (funds and notes)
- Fixed Income securities – bonds
- Fixed Income securities – retail structured products
- Mutual Funds
- Variable Annuities
- Fixed Index Annuities
- Other - please specify::

88. If the firm is not offering commission-based IRAs or plans to cease offering commission-based IRAs, how is/will the firm service these accounts (Select all that apply)?

Select all that apply.

- Advisory relationship (IA) via dually-registered investment advisor/broker-dealer
- Advisory relationship (IA) via an affiliated stand-alone registered investment advisor
- IA relationship via digital advice platform
- Self-directed IRA
- No longer offering any retirement related business
- Other - please specify::

89. What 401k/403b/457 plan services does your firm provide?

Select all that apply.

- Sell plans to plan sponsors
- Provide recordkeeping services
- Provide transfer agent services
- Provide custody services
- Provide trade execution
- Provide advice to plan participants
- None of the above

Questions Related to Other Products and Services

90. Does your firm offer or operate any of the following?

Select all that apply.

- Alpha Capture Systems (Answer question number 90.1.)
- Funds that invest in pre-IPO companies and/or participation agreements linked to such securities
- Securities Backed Lines of Credit
- ETF Model Portfolios
- 401(k) Brokerage Windows
- None of the above

90.1 Which Alpha Capture systems do you use?

Select all that apply.

- Firm Proprietary System
- Third Party Vendor
- Institutional Investors' systems
- Other - please specify:
- N/A

91. Does your firm employ Desk Analysts (i.e. analysts that sit on the trading desk and produce written commentary for customers)?

Select one.

- Yes
- No
- N/A

Asset Management

This section is intended to help us better understand the risks and mitigating controls associated with your firm or your affiliated firm's asset management business. Please respond to this section if your firm reported revenue in fiscal year 2016 in the "Investment Advisory" section of the Supplemental Statement of Income (line items 13975, 11099, or 11100), and/or if asset management represents a material aspect of the overall business of your firm or any affiliated entities.

92. Does your firm or any affiliated firms engage in any of the following activities (select all that apply)?

Select all that apply.

	<i>Firm</i>	<i>Affiliated Firm</i>
Financial and Retirement Planning	<input type="checkbox"/>	<input type="checkbox"/>
Hedge Fund Management	<input type="checkbox"/>	<input type="checkbox"/>
Private Wealth Management	<input type="checkbox"/>	<input type="checkbox"/>
Investment Advisory Services	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify)	<input type="checkbox"/>	<input type="checkbox"/>

93. Over the past 12 months, has your firm made referrals to in-house, affiliated, or non-affiliated asset managers?

Select all that apply.

- In-House
- Affiliated Firms
- Non-Affiliated Firms

94. Does your firm or any affiliated firms provide consolidated supplemental reports and/or account statements to your clients?

Select one per row.

	<i>Yes</i>	<i>No</i>
Firm	<input type="radio"/>	<input type="radio"/>
Affiliated Firm	<input type="radio"/>	<input type="radio"/>

*94.1 What system does your firm use to create the consolidated reports?(*Required)

Select one.

- Reports are produced in-house using internally developed reporting systems
- Reports are produced in-house using third party software
- Reports are produced by the clearing firm's in-house reporting system
- Reports are produced by an external vendor
- Other - please specify:

*94.2 What system does your affiliated firm use to create the consolidated reports?(*Required)

Select one.

- Reports are produced in-house using internally developed reporting systems
- Reports are produced in-house using third party software
- Reports are produced by the clearing firm's in-house reporting system
- Reports are produced by an external vendor
- Other - please specify:

*95. Does your firm have pre-approved formats for the consolidated reports?(*Required)

Select one.

- Yes (Answer question number 95.1.)
- No

95.1 Does your firm allow the format of these reports to be changed?

Select one.

- Yes
- No

96. Does your firm audit the valuation of these assets on a regular basis?

Select one.

- Yes
- No

*97. Does your affiliated firm have pre-approved formats for the consolidated reports?(*Required)

Select one.

- Yes (Answer question number 97.1.)
- No

97.1 Does your affiliated firm allow the format of these reports to be changed?

Select one.

- Yes
- No

98. Does your affiliated firm audit the valuation of these assets on a regular basis?

Select one.

- Yes
- No

Trading, Execution, and Clearing
<p>This section is intended to help us better understand the risks and mitigating controls associated with your Trading, Execution, and/or Clearing business. Please respond to this section if your firm reported revenue in fiscal year 2016 in any of the following areas:</p> <ul style="list-style-type: none"> • “Gains or Losses on Derivative Trading Desks” • “Net Gains or Losses on Principal Trades” • Capital Gains (Losses) on Firm Investments and/or “Interest/Rebate/Dividend Income” • “Execution Services” and/or the “Clearing Services” sections of the Supplemental Statement of Income (line items 13960 or 13950 or 13952 or 11069 or 11096 or 11097 respectively) if these represent material aspects of your overall business <p>This section has also been categorized into 8 brief subsections.</p>

*99. Which products does your firm trade?(*Required)

Select all that apply.

	<i>Traded As Principal</i>	<i>Traded As Agency</i>	<i>We do not trade this product</i>
*Equities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Futures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Foreign Exchange	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Fixed Income	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

99.1 Optional comments/additional products?:

Subsection 1: Monitoring of trading positions, P&L, credit risk

*101. Does an individual/department independent of the trading desk monitor the daily profit-and-loss (P&L) fluctuations at the desk level?(*Required)

Select one per row.

	Yes	No	N/A
*Equities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Fixed Income	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*102. Does your firm have explicit credit **limits** established with respect to the total exposure across all product classes to an individual counterparty?(*Required)

Select one.

- Yes (Answer question number 102.1.)
- No (Answer question number 102.1.)
- N/A (Answer question number 102.1.)

102.1 Optional comments:

*103. Does your firm have explicit **limits** established with respect to the total exposure on a desk level?(*Required)

Select one.

- Yes (Answer question number 103.1.)
- No (Answer question number 103.1.)
- N/A (Answer question number 103.1.)

103.1 Optional comments:

*104. Does your firm have explicit **limits** established with the total market exposure at an individual trader level?(*Required)

Select one.

- Yes (Answer question number 104.1.)
- No (Answer question number 104.1.)
- N/A (Answer question number 104.1.)

104.1 Optional comments:

Subsection 2: Monitoring of Trading Practices

105. What supervisory controls does the firm employ to monitor for manipulative trading activity including but not limited to front-running, wash sales, layering, marking the close, etc.?

Select all that apply.

- System Controls
- Policies and Procedures
- Account Monitoring
- Email/IM Monitoring
- Exception Report Reviews
- Not monitored
- Other - Please specify:
- N/A

106. How does the firm supervise for customer accounts trading on material non-public information?

Select all that apply.

- Physical Barriers
- Electronic Barriers
- Policies and Procedures
- Account Monitoring
- Email/IM Monitoring
- Exception Report Reviews
- No Controls
- Other - Please specify:
- N/A

*107. Does the firm trade the same product across multiple markets?(*Required)

Select one.

- Yes (Answer question number 107.1, 107.2.)
- No

107.1 What types of supervisory controls does the firm utilize to review for manipulation across different markets?

Select all that apply.

- Vendor Provided tools and reports
- Real time monitoring
- Firm generated exception reports
- None
- Other: Please specify:

107.2 Optional comments

108. What types of supervisory controls does the firm utilize to review for manipulation involving different products, including across different markets?

Select all that apply.

- Vendor provided tools and reports
- Real time monitoring
- Firm generated exception reports
- Not Applicable - we only trade one product
- None
- Other: Please specify:

109. Optional Comments

Subsection 3: Market Access Questions

110. Does your firm provide market access services?

Select one.

- Yes (Go to question number 111.)
- No (Go to question number 0.)

*111. Does your firm provide [market access](#) to your clients or other broker-dealers?(*Required)

Select one per row.

	Yes	No	N/A
*Equities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Fixed Income	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Trading, Execution and Clearing

*112. Does your firm receive [market access](#) from other parties or broker-dealers?(*Required)

Select one per row.

	Yes	No	N/A
*Equities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Fixed Income	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

113. How does the firm monitor for manipulative activity in customer accounts that have been provided market access?

Select all that apply.

- System Controls
- Policies and Procedures
- Account Monitoring
- Email/IM Monitoring
- Exception Report Reviews
- No Monitoring
- Other - Please specify:
- N/A

114. Does the firm review erroneous activity in customer accounts that have been provided market access?

Select one.

- Yes
- No

Subsection 4: Order Routing and Marking

115. Does the firm receive rebates from Exchanges for routing orders there?

Select one.

- Yes
- No
- N/A

116. What tools does the firm employ to regularly and rigorously assess the quality of executions received for its routed customer orders?

Select all that apply.

- Best Execution Committee
- Execution Reports
- Vendor Provided Reports
- Exception Reports
- None
- Other - Please Specify:

- N/A

*117. Does your firm maintain agreements to pay other broker-dealer entities for order flow (with either cash or non-cash compensation)?(*Required)

Select one per row.

	Yes	No	N/A
*Equities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Fixed Income	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Trading, Execution and Clearing

*118. Does your firm maintain [reciprocal order flow arrangements](#) (in which the firm sends orders to another member in exchange for order flow from the other member)?(*Required)

Select one per row.

	Yes	No	N/A
*Equities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Fixed Income	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*119. Does your firm maintain agreements to send its orders to other broker-dealers for which the firm receives payment for order flow (with either cash or non-cash compensation)?(*Required)

Select one per row.

	Yes	No	N/A
*Equities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Fixed Income	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*120. Does your firm receive payment from other broker-dealers for being a [liquidity provider](#)?(*Required)

Select one.

- Yes
- No
- N/A

*121. Does your firm maintain agreements to pay other broker-dealer entities to provide liquidity?(*Required)

Select one.

- Yes
- No
- N/A

122. If the firm routes to affiliate(s), what resource(s) does the firm utilize to assess the quality of execution provided to such orders?

Select all that apply.

- Best Execution Committee
- Vendor provided reports
- Real time monitoring
- Firm generated exception reports
- Rule 605 Execution statistics
- Not Applicable
- None
- Other-Please Specify:

123. Has the firm transferred any part of its best execution obligations for customer executions to another party?

Select one.

- Yes (Answer question number 123.1.)
- No

123.1 Please describe to whom and under which circumstances your firm transfers part of its best execution obligations to another party

124. How does the firm conduct its best execution reviews?

Select one.

- On an Order-by-Order basis
- Periodic Regular and Rigorous Review
- Both
- None of the Above

125. If the firm conducts periodic Regular and Rigorous Review for execution quality, how frequently does it conduct this review?

Select one.

- Daily
- Weekly
- Monthly
- Quarterly
- Every 6 months
- Yearly
- Other-Please Specify:

126. Does the firm employ “filters”, which restrict the counter-parties/exchanges to whom it routes customer order flow?-

Select one.

- Yes (Answer question number 126.1.)
- No

126.1 Please discuss below the circumstances and reasons for this.

127. How are payments for order flow and other rebates received for routing customer order flow factored into the firm's best execution reviews?

Select all that apply.

- Firm does not factor in payment for order flow and rebates in its best execution reviews
- Via Best Execution Committee discussions
- Via vendor provided reports
- Via real time monitoring
- Via firm generated exception reports
- Via Rule 605 Execution statistics
- Other means-specify:

128. If the firm receives payment for order flow or rebates for routing orders, does the firm share this payment with its customers?

Select one.

- Yes (Answer question number 128.1.)
- No

128.1 If Yes, please discuss below how this is done.

129. Optional comments about order routing and marking:

Subsection 5: Algorithmic Trading

*130. Does the firm or any of its desks/traders employ automated trading strategies?(*Required)

Select one.

- Yes
- No

131. What types of automated trading strategies or tools does the firm employ?

Select all that apply.

- VWAP/TWAP/Percent of Volume (Answer question number 131.1.)
- Implementation Shortfall (Answer question number 131.1.)
- Electronic market making (Answer question number 131.1.)
- Delta neutral hedge (Answer question number 131.1.)
- Pairs trading (Answer question number 131.1.)
- Smart order router (Answer question number 131.1.)
- Liquidity seeking (Answer question number 131.1.)
- Arbitrage (Answer question number 131.1.)
- Other: Please specify: (Answer question number 131.1.)

131.1 Optional Comments

132. How many employees does the firm employ for the automated trading unit/business?

133. Please describe the roles of these employees and please indicate the number of employees in each role (e.g. Algorithmic Developers, Traders, Supervisors, Quantitative Strategists, Risk Management, Back Office, etc.)

134. Does the firm service any customers, broker-dealers, or affiliates that employ automated trading strategies?

Select one.

- Yes
- No

135. Optional Comments:

*136. Are automated trading algorithms material to your business in any of the following areas (select all that apply)?(*Required)

Select one per row.

	Yes	No	N/A
*Equities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Fixed Income	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*137. Does your firm make its proprietary algorithms available to its customers and/or other broker-dealers?(*Required)

Select one.

- Yes (Answer question number 137.1, 137.2.)
- No
- N/A

137.1 What types of proprietary algorithms or tools are made available to customers and/or broker-dealers?

Select all that apply.

- VWAP/TWAP/Percent of Volume
- Implementation Shortfall
- Electronic market making
- Delta neutral hedge
- Pairs trading
- Smart order router
- Liquidity seeking
- Arbitrage
- Other: Please specify:

137.2 Optional Comments

*138. Are the algorithms that underpin your firm's automated trading strategies clearly documented at a trading strategy level?(*Required)

Select one.

- Yes
- No
- Other - Please specify:

*139. Have your firm's trading algorithms been tested under various stress scenarios?(*Required)

Select one per row.

	Yes	No	N/A
*Equities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Options	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Fixed Income	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

140. Are the development, testing, deployment, and modification of new and existing technologies conducted by the same individual?

Select one.

- Yes (Answer question number 140.1.)
- No (Answer question number 140.1.)
- N/A (Answer question number 140.1.)

140.1 Optional Comments:

141. How does the firm test and validate its trading technology initiatives, including but not limited to new algorithms, vendors, software, hardware, and other trading tools prior to rolling them into production?

Select all that apply.

- User Acceptance Testing (UAT)
- Offline testing
- Testing under non-normal market conditions
- Unit testing
- Exception reports
- Other - Please specify:

142. Describe the testing process for algorithms prior to deployment.

143. How often does the firm conduct testing of its algorithms in production to ensure they are functioning as intended?

Select all that apply.

- Daily
- At each software release
- Weekly
- Monthly
- Quarterly
- Other - Please specify:

- N/A

Trading, Execution and Clearing

144. How does the firm supervise for abusive/manipulative trading by users of its algorithms?

Select all that apply.

- System Controls
- Policies and Procedures
- Account Monitoring
- Email/IM Monitoring
- Exception Report Reviews
- Other - Please specify:

145. Which users of this technology do the supervisory reviews cover?

Select all that apply.

- Traders
- Customers
- Employees
- Ownership
- Affiliates
- Other - Please specify:

Subsection 6: Clearing Services

*146. Does your firm have a clearing business?(*Required)

Select one.

- Yes (Answer question number 146.1, 146.2, 146.3, 146.4, 146.5.)
- No

*146.1 Does your firm have a **clearing** business?(*Required)

Select one per row.

	Yes	No
*Equities	<input type="radio"/>	<input type="radio"/>
*Options	<input type="radio"/>	<input type="radio"/>
*Fixed Income	<input type="radio"/>	<input type="radio"/>
*Other	<input type="radio"/>	<input type="radio"/>

*146.2 In which of the following clearing-related activities does your firm engage (select all that apply)?(*Required)

Select at least 1 choices.

- Collateral transformation services
- Correspondent clearing services
- Securities lending
- Other (please specify):

- N/A

146.3 What percentage of your firm's margin debits are collateralized with assets held away (as of the most recent financial reporting date)?

Select one.

- Greater than 50%
- Between 25% and 50%
- Above zero, but less than 25%
- None
- Other: Please explain:

- N/A

146.4 What percentage of your firm's lending book is financed by collateral which is not highly liquid ? (as of the most recent financial reporting date) ?

Select one.

- Greater than 200% of firm's regulatory capital
- Between 100%-200% of firm's regulatory capital
- Between 25%-99% of the firm's regulatory capital
- Less than 25% of the firm's regulatory capital
- Other: Please explain:

- N/A

146.5 How often does your firm stress test lending collateral?

Select all that apply.

	Daily	Weekly	Monthly	Quarterly	Yearly	Never (Not Tested)	Not Applicable
Reg-T Collateral	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Portfolio Margining Collateral	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments

Reg-T Collateral:

Portfolio Margining Collateral:

Subsection 7: Execution Services

147. Is a formal Contingency Funding Plan (CFP) in place ?

Select one.

- Yes (Answer question number 147.1, 147.2.)
- No

147.1 Who is responsible for putting the CFP into effect in a stress event ?

Select all that apply.

- CEO
- COO
- CFO
- CRO
- Treasurer
- Dedicated Liquidity Risk Manager
- Committee
- Parent/Affiliate
- Consultant
- Other: Please specify:

Trading, Execution and Clearing

147.2 How often does the firm test its procedures under the CFP, including any material changes to standard operating procedures (i.e. increased frequency in reporting, increased usage of funding lines, increased frequency of customer/PAB reserve computations, etc.)

Select one.

- monthly
- quarterly
- semi-annually
- annually
- Other: Please specify:

*148. Does your firm have an [execution](#) business?(*Required)

Select one per row.

	Yes	No
*Equities	<input type="radio"/>	<input type="radio"/>
*Options	<input type="radio"/>	<input type="radio"/>
*Fixed Income	<input type="radio"/>	<input type="radio"/>
*Other	<input type="radio"/>	<input type="radio"/>

148.1 Optional comments:

148.2 Does your firm provide Execution Consulting services for institutional customers?

Select one.

- Yes
- No

*149. In which of the following execution-related activities does your firm engage (select all that apply)?(*Required)

Select all that apply.

	<i>Equities</i>	<i>Options</i>	<i>Fixed Income</i>	<i>Other</i>	<i>N/A</i>
*Alternative trading system/dark pool	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Electronic communications network (ECN) / Electronic executions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Exchange market maker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Exchange non-floor broker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Execution on an agency basis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Execution on a principal basis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Execution on a proprietary basis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Floor broker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Intermediary for foreign brokers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Market access	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*OTC/OTCBB market maker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*Sponsored access	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

149.1 Please describe any selections in the "Other" category.

Subsection 8: Other Questions

150. Which of the following roles does your firm provide or perform?

Select all that apply.

- Authorized Participant for exchange traded products such as ETFs
- Market maker for exchange-traded products such as ETFs

151. How do you price fixed income products?

Select all that apply.

- Internal system
- We use one third party service (Answer question number 151.1.)
- We use multiple third party services (Answer question number 151.1.)
- N/A

151.1 Please indicate name or names of third party service used to price fixed income products.

152. Optional Comments

Investment Banking and/or Research

This section is intended to help us better understand the products and services associated with your investment banking and/or Research business. Please respond to this section if your firm reported revenue in fiscal year 2016 in the "Investment Banking / M&A Advisory" and/or the "Underwriting" sections of the Supplemental Statement of Income (line items 11091 or 13955 or 13980 respectively), and/or if these represent material aspects of your overall business.

For additional guidance on materiality, please see the FAQs.

*153. Which of the following apply to your firm's Investment Banking / Research business?(*Required)

Select all that apply.

- M&A Advisory
- Financing Advisory
- Municipal Advisory
- Financing
- Private Placement
- Underwriting
- Research
- Other: Please specify:

*154. Which of the following does your firm employ to ensure that IPO allocations are not made to restricted accounts?(*Required)

Select one.

- An automated order entry system
- Manually review
- Other: Please specify:

*155. Does your firm provide any of the following services to municipal entity clients?(*Required)

Select one per row.

	Yes	No	N/A
*Underwriter	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Financial Advisor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Guaranteed Investment Contract Broker	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Third-party marketer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Brokerage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Placement agent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Solicitor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Finder	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
*Swap advisor	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

156. Does your firm sell private placements offered on a contingency basis?

Select one.

- Yes
- No
- N/A

157. If yes, does your firm utilize a particular escrow agent on a regular basis?

Select one.

- Yes (Answer question number 157.1.)
- No

157.1 If Yes, with whom?

158. Does your firm sell private placements offered pursuant to a general solicitation?

Select one.

- Yes
- No

159. Does your firm sell private placements to non-accredited investors?

Select one.

- Yes
- No

160. Which types of procedures does your firm have in place to perform due diligence on privately placed offerings?

Select all that apply.

- Internal review
- External (third-party) research
- Combination of internal and external
- Other - Please Specify:

161. Does your firm publish research material on firms in which it holds a financial interest?

Select one.

- Yes
- No
- N/A

162. What types of research does your firm generate?

Select all that apply.

- Macro-economic analysis
- Specific industries or market sectors
- Equity securities
- Debt securities
- Other securities

163. Do you have policy in place to monitor any of the following social media accounts?

Select all that apply.

- Firm's office social media account
- Research analysts' social media accounts
- Investment bankers' social media accounts
- N/A

164. Does your firm offer investment banking services to any issuer for whom you provide research coverage?

Select one.

- Yes
- No
- N/A

165. Are you considering or are you in the process of applying to become a [CAB firm](#)?

Select one.

- Yes
- No
- N/A

166. Which of the following business activities do you perform?

Select all that apply.

- Capital Raising Advisory
- Corporate Restructuring Advisory
- Private Equity (PE) Funds Advisory
- Sales of unregistered securities to institutional investors
- N/A

167. Do Firm employees produce research that the Firm does not consider to be its own research?

Select one.

- Yes (Answer question number 167.1.)
- No

167.1 How is the Firm supervising this activity

168. Does the firm's research department offer corporate access services to its customers?

Select one.

- Yes (Answer question number 168.1.)
- No

168.1 What level/percentage of analyst compensation is derived from/tied to arranging corporate access for customers?

169. If your firm is engaged in the distribution of securities, does your role include:

Select all that apply.

	<i>Retail</i>	<i>Institutional</i>	<i>Both</i>
Lead Underwriter or Agent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Underwriter or Agent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

170. Does your firm offer exchange-traded and/or non-exchanged traded securities?

Select all that apply.

- Exchange-Traded
- Non-Exchange Traded
- Both

171. Does your firm anticipate hiring additional personnel to be involved in the distribution of securities in the next 12 months?

Select one.

- Yes
- No

172. Has your firm considered implementing any of the following emerging technologies designed to facilitate the distribution of securities, including:

Select all that apply.

- Electronic subscription tools
- Client-to-firm platforms
- Other forms of client facing tools (please describe):

None of the Above Firms

None of the Above Business Line

Please respond to this section if you chose "None Of the Above" as your business line. In order to improve our understanding of your firm, please use this section to describe your main business activities.

*173. Please describe your business(*Required)

175. Optional comments:

All fields with an asterisk () are required.*