

# Risk Control Assessment Survey

## Introduction

The Risk Control Assessment (RCA) is an important part of FINRA' risk-based examination program. It helps FINRA better understand firms' business activities, product and service mix, and customer base. The goal for the RCA is for it to inform a more streamlined, risk-based examination of firms examined by FINRA.

A few notes to help you navigate through the survey:

- Unless a previous answer choice instructs you to skip questions, all questions marked with an asterisk (\*) are required.
- As you complete survey questions, we ask that you **use your best judgment** when responding. In this regard, your responses should seek to describe the material aspects of your business rather than immaterial activities.
- FINRA has included definitions for key terms throughout the survey. These key terms will have **blue text**, and definitions can be seen by hovering your cursor over the **blue text**. You can also access the glossary
- At your discretion, clarify your firm's responses using the provided comment boxes.
- **To route the survey** to other departments within your organization, please save a copy of your in progress survey and email it to the appropriate resource(s).

**Please complete and return the survey by June 21 to**

For more information, including how to navigate the survey and answer individual questions, please review the resources on the RCA page on [FINRA's website](#) or contact the FINRA Help Desk at (240) 386 4001.

# Risk Control Assessment Survey

**\* Please enter your firm's CRD number:**

**\* Please enter the name of the person submitting this survey.**

**\* Please enter the email address of the person submitting this survey.**

**\* Please enter the phone number of the person submitting this survey.**

## Firm Business Activities

**\* FBA 1: Is **day trading** a material aspect of your firm's revenue mix?**

- Yes
- No

Comments (1000 characters max):

**\* FBA 2: Does your firm offer **pension plan administration services** to other organizations or entities?**

- Yes
- No

Comments (1000 characters max):

**\* FBA 3: Does your firm have a **clearing** business?**

- Yes
- No (If the answer is no, skip to **page 4**)

Comments (1000 characters max):

# Risk Control Assessment Survey

## Firm Business Activities

**\*FBA 4: Does your firm engage in any of the following clearing-related activities (select all that apply)?**

- Collateral Transformation Services
- Correspondent Clearing Services
- Securities Lending
- Other (please explain, 1000 characters max):

## Firm Business Activities

**\*FBA 5: Does your firm have an **execution** business?**

- Yes
- No (If the answer is no, skip to **page 6**)

Comments (1000 characters max):

# Risk Control Assessment Survey

## Firm Business Activities

**\*FBA 6: Does your firm engage in any of the following execution-related activities (select all that apply)?**

- Electronic Communications Network (ECN) /Electronic Executions
- Exchange Non-Floor Broker
- Floor Broker
- High-Frequency Trading
- Intermediary for Foreign Brokers
- Sponsored Access
- Other (please explain, 1000 characters max):

# Risk Control Assessment Survey

## Firm Product Mix

Please select the product classes in which your firm transacts business, and the types of customers or counterparties with whom your firm engages (select all that apply). If your firm does not engage in any of the products listed, simply check the first "None of the above apply to my firm" box, leave the rest of the options unchecked and move on to the next question.

### \*FPM 1: Alternative Investments

	Retail Investors	High-Net-Worth or Accredited Retail Investors	Institutional	Wholesale	Proprietary Trading
Fund of Funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hedge Funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Private Equity Funds - Affiliated	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Private Equity Funds - Non-Affiliated	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above apply to my firm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments (1000 characters max):

### \*FPM 2: Banking Products

	Retail Investors	High-Net-Worth or Accredited Retail Investors	Institutional	Wholesale	Proprietary Trading
Lines of Credit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above apply to my firm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments (1000 characters max):

# Risk Control Assessment Survey

## \*FPM 3: Debt

	Retail Investors	High-Net-Worth or Accredited Retail Investors	Institutional	Wholesale	Proprietary Trading
Auction Rate Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Certificates of Deposit (CD)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commercial Paper	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Exchange-Traded Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foreign Sovereign Debt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
High-Yield Corporate Debt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Investment Grade Corporate Debt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leveraged Loan Products	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Municipal Debt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Promissory Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
U.S. Government Debt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Variable Rate Demand Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above apply to my firm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments (1000 characters max):

## \*FPM 4: Derivatives

	Retail Investors	High-Net-Worth or Accredited Retail Investors	Institutional	Wholesale	Proprietary Trading
Commodity Swaps	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Credit Default Swaps (CDS)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Currency Swaps	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Forex (Options, Forwards and Futures)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Futures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Interest Rate Swaps	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Listed Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OTC Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above apply to my firm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments (1000 characters max):

# Risk Control Assessment Survey

## \*FPM 5: Equities

	Retail Investors	High-Net-Worth or Accredited Retail Investors	Institutional	Wholesale	Proprietary Trading
Exchange-Traded Real Estate Investment Trusts (REITs)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Non-Exchange-Traded Real Estate Investment Trusts (REITs)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Listed Equities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OTC Equities (Other than Penny Stocks/Low Priced Securities)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Penny Stocks/Low Priced Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1031 Tenancy in Common	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Unregistered Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above apply to my firm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments (1000 characters max):

## \*FPM 6: Insurance Products and Annuities

	Retail Investors	High-Net-Worth or Accredited Retail Investors	Institutional	Wholesale	Proprietary Trading
Equity Indexed Annuities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fixed Annuities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Life Settlement/Viaticals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Variable Annuities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Variable Life Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above apply to my firm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments (1000 characters max):



# Risk Control Assessment Survey

## \*FPM 7: Investment Company Products

	Retail Investors	High-Net-Worth or Accredited Retail Investors	Institutional	Wholesale	Proprietary Trading
529 Plans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business Development Companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Closed-End Funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commodities Futures Funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Exchange-Traded Funds (ETF)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Money Market Mutual Funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mutual Funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Unit Investment Trusts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above apply to my firm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments (1000 characters max):

## \*FPM 8: Securitized Debt Instruments

	Retail Investors	High-Net-Worth or Accredited Retail Investors	Institutional	Wholesale	Proprietary Trading
Asset-Backed Commercial Paper (ABCP)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Asset-Backed Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Collateralized Loan Obligations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mortgage-Backed Securities Agency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mortgage-Backed Securities Non-Agency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above apply to my firm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments (1000 characters max):

# Risk Control Assessment Survey

## \*FPM 9: Structured Products

	Retail Investors	High-Net-Worth or Accredited Retail Investors	Institutional	Wholesale	Proprietary Trading
Commodity-Linked Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Credit-Linked Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Equity-Linked Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Foreign Exchange-Linked Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Interest Rate-Linked Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Inverse Exchange-Traded Funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leveraged Exchange-Traded Funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Market-Linked Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Principal Protected Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reverse Convertible Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above apply to my firm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments (1000 characters max):

## \*FPM 10: Proprietary Products

	Retail Investors	High-Net-Worth or Accredited Retail Investors	Institutional	Wholesale	Proprietary Trading
Affiliated Hedge Funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Closed-End Mutual Funds (CEF)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Direct Participation Plans (DPPs)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Promissory Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Proprietary Mutual Funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Real Estate Investment Vehicle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above apply to my firm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments (1000 characters max):

## Risk Governance

**\*RG 1: Does your firm have a formal process in place to periodically assess and prioritize the risks it faces?**

- Yes
- No

**\*RG 2: While not required, many firms assign specific risks to individuals who are then held accountable for managing that risk; does your firm do this?**

- Yes
- No (If the answer is no, skip to **page 13**)

## Risk Governance

### **\*RG 3: How does your firm hold those individuals accountable in terms of managing specific risks?**

- Through periodic performance appraisals
- Through their compensation
- Both
- Other (please explain, 1000 characters max):

# Risk Control Assessment Survey

## Risk Governance

**\*RG 4: Does your firm's business continuity plan specifically identify the key employees who manage business-critical processes?**

- Yes
- No
- N/A

**\*RG 5: Does your firm's business continuity plan specifically address the risks associated with key employees' unexpected departure or sudden unavailability?**

- Yes
- No
- N/A

**\*RG 6: Does your firm have a formal policy requiring its registered representatives who trade securities, either on behalf of your firm's customers or in your firm's proprietary accounts, to take mandatory vacations where the representatives' book of business is exposed to other firm personnel?**

- Yes
- No
- N/A

## Cyber-Security, Data Security and Information Technology

### \*CS 1: Has your firm experienced any of the following types of cyber-attacks in the past year (select all that apply)?

- The firm is not aware of any cyber-attacks in the past year. (If the answer is the firm is not aware of any cyber-attacks in the past year, skip to **page 16**)
- Denial of Service
- Exploitation of a User's Social Network Profile
- Firm's Employee Abused Internet Access or E-mail (e.g. pornography, pirated software)
- Hack of Wireless Network
- Laptop or Mobile Theft or Loss
- Malware Infection
- Network or System Application Penetration by Outsider
- Password Sniffing
- Phishing
- Theft of or Unauthorized Access to Intellectual Property
- Theft of or Unauthorized Access to Personally Identifiable Information (PII)
- Unauthorized Access by a Firm's Employee
- Website Defacement
- Other (please explain, 1000 characters max):

## Cyber-Security, Data Security and Information Technology

**\*CS 2: What specific actions did your firm take after an incident (security breach) (select all that apply)?**

- No Action Taken
- Attempted to Identify the Intruder
- Changed the Firm's Security Policies
- Conducted a [Forensic Investigation](#)
- Did Not Report the [Intrusion](#) to Anyone Outside the Firm
- Installed Additional Computer Security Software/Hardware
- Patched Vulnerable Software/Hardware
- Provided Additional Security Awareness Training to End Users
- Reported Intrusion(s) to a Security Agency/Legal Counsel
- Other (please specify, 1000 characters max):

## Cyber-Security, Data Security and Information Technology

**\*CS 3: What specific testing and/or security protocols does your firm deploy in order to guard against cyber-attacks (select all that apply)?**

- No testing or security protocols are deployed.
- Email Monitoring
- External Penetration Testing
- Internal Penetration Testing
- Internal/External Audits
- Web Monitoring
- Other (please specify, 1000 characters max):

**\*CS 4: What type of cyber-security tools are deployed at your firm (select all that apply)?**

- The firm does not have any cyber-security tools deployed.
- AntiSpyware Software
- AntiVirus Software
- Application Firewall
- Biometrics
- Encryption of Data (in storage)
- Forensic Tools
- Intrusion Prevention System
- Web/URL Filtering
- Other (please specify, 1000 characters max):



## Risk Control Assessment Survey

### \*CS 5: Does your firm utilize **cloud computing** (select all that apply)?

- Cloud computing is restricted to test or early phase deployments.
- Use of [Private Cloud](#)
- Use of [Public Cloud](#)
- The firm does not currently utilize [cloud computing](#).

### \*CS 6: Does your firm allow its personnel to use their own personal technology devices while at work (e.g., laptops, smart phones, tablets)?

- Yes
- No (If the answer is no, please skip to **page 19**)

Comments (1000 characters max):

## Cyber-Security, Data Security and Information Technology

### **\*CS 7: Does your firm use secure VPN on employees' personal laptops?**

Yes

No

Comments (1000 characters max):

## Cyber-Security, Data Security and Information Technology

**\*CS 8: Does your firm's information technology policy require the encryption of laptops, desktops, smartphones, tablets or external drives that are used for business purposes?**

- Yes, all devices are required to be encrypted.
- Yes, some devices are required to be encrypted.
- No encryption is required.

Comments (1000 characters max):

**\*CS 9: Are external drives enabled on company-issued technology devices (e.g., USB, SD Card, Bluetooth)?**

- Yes
- No

Comments (1000 characters max):

## Custody and Cash Management

### \*CCM 1: Does your firm take custody of customer funds and/or securities?

- Customer Funds (If the answer is customer funds, please skip to **page 22**)
- Customer Securities (If the answer is customer securities, please skip to **page 22**)
- Both (If the answer is both customer funds and customer securities, please skip to **page 22**)
- Neither

## Custody and Cash Management

**\*CCM 2: Does your firm receive customer funds or securities prior to forwarding them to the custodian?**

- Customer Funds
- Customer Securities
- Both
- Neither

Comments (1000 characters max):

**\*CCM 3: Who acts as your firm's custodian(s) (including sub-clearing relationships)?  
(Please list the legal name of the firm in the box below and separate names by commas).**

## Custody and Cash Management

**\*CCM 4: Does your firm have any affiliates that take custody of customer funds and/or securities?**

- Customer Funds
- Customer Securities
- Both
- Neither

## Retail Brokerage Business

### \*RBB 1: Is retail brokerage a material aspect of your firm's revenue mix?

- Yes
- No (If the answer is no, please skip to **page 33**)

Comments (1000 characters max):

# Risk Control Assessment Survey

## Retail Brokerage Business

**\*RBB 2: What is the ratio of registered representatives to supervisory personnel? (Divide the number of registered representatives by the number of supervisory personnel who are responsible for managing them.)**

**\*RBB 3: Are the supervisors who manage the sales activity of retail customer-facing registered representatives located in the same facility with those registered representatives under their supervision?**

- Yes in all cases
- Yes in some cases
- No

Comments (1000 characters max):

**\*RBB 4: Does your firm have “Producing Managers” who are responsible for supervising registered representatives who interact with the retail public?**

- Yes
- No

**\*RBB 5: Are managers of the sales platform compensated based on a percentage of the revenue the registered representatives under their supervision generate?**

- Yes in all cases
- Yes in some cases
- No

Comments (1000 characters max):



## Risk Control Assessment Survey

**\*RBB 6: Are all registered representatives who interact with retail investors required to conduct all work-related activities from company facilities?**

- Yes in all cases
- Yes in some cases
- No

Comments (1000 characters max):

**\*RBB 7: Does the supervisor of the sales platform independently contact a representative sample of the retail customers of registered representatives under their supervision to periodically validate that customers are aware of and approve of transactions executed on their behalf?**

- Yes
- No

Comments (1000 characters max):

**\*RBB 8: Does someone independent of the sales channel (e.g., audit, compliance) periodically contact a random sample of retail customers of the firm to validate that customers are aware of and approve of transactions executed on their behalf?**

- Yes
- No

Comments (1000 characters max):

## Risk Control Assessment Survey

**\*RBB 9: Are the investment objectives of your firm's retail customers independently reviewed during the account-opening process (e.g., by someone other than the registered representative who handles the account)?**

- Yes in all cases
- Yes in some cases
- No ((If the answer is no, please skip to **page 28**)

Comments (1000 characters max):

## Retail Brokerage Business

**\*RBB 10: Please tell us the title of the employees who conduct that review and describe the review process.**

# Risk Control Assessment Survey

## Retail Brokerage Business

**\*RBB 11: How often does your firm reassess the investment objectives, risk tolerance and liquidity needs of retail customers beyond the initial account-setup process?\***

- Monthly
- Quarterly
- Annually
- Other (please explain, 1000 characters max):

**\*RBB 12: Are transactions monitored in customer accounts for deviations from stated investment objectives?**

- Yes in all cases
- Yes in some cases
- No

**\*RBB 13: Can registered representatives update customer account profile information (e.g., contract information, home address, investment objectives) in the system of record without assistance or intervention from the back office?**

- Yes
- No

Comments (1000 characters max):

**\*RBB 14: Does your firm obtain positive affirmation of customer address or other account profile changes?**

- Yes
- No

Comments (1000 characters max):

\*RBB 11: We recognize that SEA Rule 17a-3 requires firms to attempt to update certain account information every 36 months. This question, however, is not intended to gauge compliance with SEA Rule 17a-3.

## Risk Control Assessment Survey

**\*RBB 15: Is cash from your client accounts swept nightly into an affiliated bank?**

- Yes
- No

Comments (1000 characters max):

**\*RBB 16: Does your firm buy, sell or liquidate unregistered penny stocks/low priced securities on behalf of its retail customers?**

- Yes
- No (If the answer is no, please skip to **page 31**)

Comments (1000 characters max):

## Retail Brokerage Business

**\*RBB 17: How does your firm receive its penny stock/low priced securities inventory (select all that apply)?**

- Via Physical Certificates
- DWAC (deposit/withdrawal at the custodian)
- N/A
- Other (please explain, 1000 characters max):

# Risk Control Assessment Survey

## Retail Brokerage Business

**\*RBB 18: Does your firm require customers engaging in unsolicited penny stock/low priced security transactions to fill out a questionnaire regarding the source and nature of the shares?**

- Yes
- No
- N/A

Comments (1000 characters max):

**\*RBB 19: Who prepares and distributes your firm's customer statements (select all that apply)?**

- The firm prepares and distributes its own customer statements.
- An affiliate of the firm prepares and distributes customer statements on behalf of the firm.
- The firm's non-affiliated clearing agent prepares and distributes its customer statements on behalf of the firm.
- Other (please explain, 1000 characters max):

**\*RBB 20: Does your firm allow its retail-facing registered representatives to engage in investment-related outside business activities?**

- Yes
- No

Comments (1000 characters max):

## Risk Control Assessment Survey

**\*RBB 21: Does your firm employ an automated investment advice solution to assist its registered representatives with investment recommendations to retail customers?**

Yes

No

Comments (1000 characters max):



## Execution Business and High-Frequency Trading

**\*HF 1: Is **high-frequency trading** a material aspect of your firm's revenue mix?**

- Yes
- No (If the answer is no, please skip to **page 38**)

Comments (1000 characters max):

## Execution Business and High-Frequency Trading

### \*HF 2: How does your firm access the markets with respect to its high-frequency trading activity?

- [Direct Market Access](#)
- [Sponsored Access](#) (If the answer is sponsored access, please skip to **page 36**)
- Both
- Other (please specify, 1000 characters max):

## Execution Business and High-Frequency Trading

**\*HF 3: Does your firm provide sponsored access for its customers who engage in high-frequency trading?**

Yes

No

## Execution Business and High-Frequency Trading

**\*HF 4: Are the **algorithms** that underpin your firm's high-frequency trading clearly documented at a trading strategy level?**

- Yes
- No
- N/A

Comments (1000 characters max):

**\*HF 5: Have your firm's trading **algorithms** been tested under various **stress scenarios**?**

- Yes
- No (If the answer is no, please skip to **page 38**)

Comments (1000 characters max):

## Execution Business and High-Frequency Trading

**\*HF 6: Describe the testing process for [algorithms](#) prior to deployment.**

## Investment Banking Business

**\*IBB 1: Is investment banking a material aspect of your firm's revenue mix?**

- Yes
- No (If the answer is no, please skip to **page 44**)

Comments (1000 characters max):

## Investment Banking Business

**\*IBB 2: Does your firm engage in any of the following investment banking-related activities (select all that apply)?**

- Hedge Fund Management
- Leveraged Loan Financing
- Mergers and Acquisition Advisory
- PIPE/SPAC Financing
- Private Placement Underwriting (Non-PIPE)
- Reverse Merger Support
- Securities or Debt Underwriting
- Securitization of Debt
- Structured Product manufacturing
- Other (please explain, 1000 characters max):

**\*IBB 3: Does your firm underwrite or offer for sale any private securities?**

- Yes
- No

Comments (1000 characters max):

## Risk Control Assessment Survey

**\*IBB 4: What type of private offerings has your firm participated in during the last two years (select all that apply)?**

- Common Stock
- Convertible Stock
- Domestic Issuer
- Foreign Issuer
- Limited Partnerships
- Oil and Gas
- PIPEs
- Promissory Notes
- REITs
- SPACs
- Tenants in Common (1031 TICs)
- N/A
- Other (please explain, 1000 characters max):



## Risk Control Assessment Survey

**\*IBB 5: Where applicable to a particular offering, what due diligence steps are taken with respect to validating the integrity of the issuer of private securities transactions (select all that apply)?**

- Assessing Adequacy of Offering Documents
- Assessing the Exemption Requirements
- Assessing the Historical Financial Stability of the Issuer
- Assessing the Risk of the Products to be Offered
- Comparing the Reported Returns Against Industry Benchmarks
- Inquiries into the Background of the Issuer and its Officers (such as bankruptcies, problematic litigation or even criminal history)
- Research of the Issuer's Past Association with Successful or Unsuccessful Projects
- N/A
- Other (please explain, 1000 characters max):

# Risk Control Assessment Survey

## Investment Banking Business

**\*IBB 6: Does your firm serve as an investment adviser, administrator or custodian for the issuer of any securities that the firm is also underwriting or offering for sale?**

- Yes
- No
- N/A

Comments (1000 characters max):

**\*IBB 7: Are research services, as defined in rule NASD 2711 (Research Analysts and Research Reports), a material aspect of your firm's business?**

- Yes
- No (If the answer is no, please skip to **page 44**)

Comments (1000 characters max):

## Investment Banking Business

**\*IBB 8: Is the research department physically separated from all other business operations (e.g., investment banking, sales and trading)?**

- Yes
- No
- N/A

Comments (1000 characters max):

## Asset Management Business

**\*AMB 1: Is asset management or investment advisory a material aspect of your firm's revenue mix?**

- Yes
- No (If the answer is no, please skip to **page 49**)

Comments (1000 characters max):

## Asset Management Business

**\*AMB 2: Does your firm engage in any of the following asset management-related activities (select all that apply)?**

- Financial Planning
- Investment Advisory Services
- Private Wealth Management / Private Banking
- Other (please explain, 1000 characters max):

**\*AMB 3: Does your firm benchmark the reported returns of investments managed by affiliated and/or non-affiliated firms against industry standards?**

- Affiliate-Managed Investments
- Non-Affiliate-Managed Investments
- Both Affiliate and Non-Affiliate-Managed Investments
- Neither Affiliate nor Non-Affiliate-Managed Investments

Comments (1000 characters max):

**\*AMB 4: Is there a process in place to identify outliers and prioritize those investments for a deeper review and analysis?**

- Yes
- No (If the answer is no, please skip to **page 47**)

## Asset Management Business

**\*AMB 5: Describe the procedures followed to validate investment returns that appear as outliers when compared to industry benchmarks.**

## Asset Management Business

**\*AMB 6: Does your firm independently verify the pricing of illiquid or hard-to-price securities reported by affiliated or non-affiliated investment managers?**

- Yes
- No (If the answer is no, please skip to **page 49**)
- N/A

Comments (1000 characters max):

## Asset Management Business

**\* AMB 7: Describe the process to verify the pricing of illiquid or hard-to-price securities.**



## Institutional Sales and Trading Business

**\*IST 1: Is institutional sales and trading a material aspect of your firm's revenue mix?**

- Yes
- No (If the answer is no, please skip to **page 54**)

Comments (1000 characters max):

# Risk Control Assessment Survey

## Institutional Sales and Trading Business

**\*IST 2: Does your firm engage in any of the following activities on an agency or principal basis (select all that apply)?**

- Market Making
- Proprietary Trading
- Other (please explain, 1000 characters max):

**\*IST 3: Does your firm have explicit credit limits established with respect to the total exposure across all product classes to an individual counterparty?**

- Yes
- No
- N/A

Comments (1000 characters max):

**\*IST 4: Does your firm have explicit credit limits established with respect to the total exposure on a desk level?**

- Yes
- No
- N/A

**\*IST 5: Does your firm have explicit limits established with respect to the total market exposure at an individual trader level?**

- Yes
- No
- N/A

Comments (1000 characters max):

## Risk Control Assessment Survey

**\*IST 6: Does an individual/department independent of the trading desk monitor position limits?**

- Yes
- No (If the answer is no, please skip to **page 53**)
- N/A (If the answer is N/A, please skip to **page 53**)

## Institutional Sales and Trading Business

**\*IST 7: Describe what happens when formal limits are breached.**

## Institutional Sales and Trading Business

**\*IST 8: Does an individual/department independent of the trading desk monitor the daily profit and loss (P & L) fluctuations at the desk level?**

- Yes
- No

Comments (1000 characters max):

**\*IST 9: Does your firm have the ability to aggregate daily current exposure along any of the following dimensions (select all that apply)?**

- Counterparty
- Desk
- Position
- Trader
- The firm does not have the ability to aggregate daily current exposures.
- Other (please explain, 1000 characters max):

# Risk Control Assessment Survey

## Survey Feedback

The following questions are optional and are intended to help FINRA improve the Risk Control Assessment Survey in the future

**Please indicate whether you agree or disagree with the statements below.**

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	N/A
The 2013 RCA is an improvement from the 2012 RCA.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The survey was easy to navigate.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The survey had a professional look and feel.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I was easily able to distribute the survey to other members of my organization for their input.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The questions in the survey focused on materially significant aspects of my firm's business.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The dictionary was helpful while going through the survey.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The FAQ page was helpful while going through the survey.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Help Desk was able to help me with any questions/issues that I had with the survey.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please add any additional comments/feedback that you may have. (1000 characters max)

**Thank you for participating in the 2013 Risk Control Assessment Survey.**

**Please save your completed survey and email the completed survey as an attached PDF to**

**Please do not electronically sign the survey or submit the survey through a PDF signature service such as EchoSign**

**Please do not print to PDF or scan the completed survey when sending to**