



## Core Content Areas

Activities relevant to securities compliance that fall within the auspices of the following topic areas are deemed appropriate for continuing education units (CEUs)

### **COMPLIANCE POLICES AND PROCEDURES**

Understanding the development of the firm's compliance program based on company policies, procedures, and processes and federal law, and translation into written policies, procedures and controls. Understanding how the monitoring process works.

### **COMPLIANCE PROGRAM MANAGEMENT**

Understanding how to manage a compliance program through the use of exception reports, internal controls, compliance calendars, the annual review, and inquiry among personnel at the firm. Understanding the relationship with regulators and the resources provided by the regulators that can assist you in the implementation of the compliance program.

### **MONITORING AND SURVEILLANCE SYSTEMS**

Understanding how to implement and monitor policies and procedures designed to oversee key compliance activities. Such activities include, but are not limited to marketing communications, sales practices, trading practices, code of ethics oversight, and exception reporting.

### **RECORDKEEPING**

Understanding how to monitor for the accurate creation and maintenance of required records and to document the performance of review procedures and internal inspections.

### **ENFORCEMENT**

Understanding the disciplinary process in the firm including: (1) identifying the appropriate disciplinary standard; (2) making recommendations on a course of action (informative, corrective, or disciplinary); (3) evaluating effectiveness of corrective or disciplinary action taken; and (4) maintaining the records of the action and the steps taken.

### **TRAINING**

Understanding how to: 1) provide compliance education and training to your firm's staff based on its current and evolving requirements, and 2) provide continuing education to a broker-dealer's staff that reflect regulatory and firm business requirements. Such activities include monitoring applicable regulatory updates and educating departments to assist in their understanding of their regulatory and legal obligations, conducting annual firm element needs analysis, preparing updates for field staff, answering questions from personnel on compliance policies, procedures and regulations, and maintaining the compliance program resources database.

## **REPORTING**

Understanding the current securities compliance reporting requirements as they pertain to financials, complaints, and disclosable events in order to provide transparency to the regulators and investors.

## **PRIVACY AND CONFIDENTIALITY**

Understanding the application of the federal securities laws and regulations which are intended to protect "consumer" financial information. Understanding the obligations of investment advisers, broker-dealers and investment companies to "consumers" and "customers" with respect to their "non-public personal information".

Understanding the importance of establishing a control environment, including the commitment of senior management to the security of client data, a process for identification of security risks, the establishment of safeguards, protocols for the disposal of "nonpublic consumer information," testing the control environment, and establishing policies and procedures which incorporate a game plan for responding to security breaches.

## **USA PATRIOT AND BANK SECRECY ACTS**

Understanding the requirements of the firm's Anti-Money Laundering program, including: monitoring the Customer Identification Program; screening customers against the OFAC lists; monitoring trading for red flags, preparing and filing Suspicious Activity Reports; testing for compliance; and developing and conducting firm training.

## **RISK MANAGEMENT**

Understanding the importance of developing a "risk profile" for the firm based on a process that includes risk identification, risk analysis and risk response (accept, reject, or mitigate); understanding the manner in which the firm's risk profile can be utilized to determine a "risk tolerance" level for the firm; and understanding how the firm's "risk profile" and "risk tolerance" level can be applied in the development of appropriate risk management procedures.