

TREASURY OPERATIONS COUNTERPARTY PILOT PROGRAM REQUEST FOR INFORMATION

Please submit all of the following materials to pilotinfo@ny.frb.org by **March 29, 2013**.

1. Organization¹ and Governance

- a. Copy of the firm's original formation documents.
- b. Description of the firm's ownership structure, including the following:
 - i. For beneficial owners:² full legal name, date of birth, SSN, address of residence, country of citizenship, biography (including details on work experience), ownership percentage, EIN (in case of corporate entity)
 - ii. For control persons:³ full legal name, date of birth, SSN, address of residence, country of citizenship, biography (including details on work experience), relationship to the entity.
- c. Organizational chart of the firm's consolidated group, describing the relationships between each entity, including ownership and control information of every entity

2. Financial Condition

- a. Description of the financial condition of the firm and the consolidated corporate group to which it belongs, including audited financial reports (with notes) from the last three (3) years and the most recent quarterly financial statements.
- b. Financial and Operational Combined Uniform Single (FOCUS) reports for the firm for the fiscal year end month for the past three (3) years and the most recent month of the current year

3. Regulation

- a. Information identifying the primary regulator of the firm and the primary regulators of all other entities within the consolidated corporate family
 - i. To the extent permissible under the applicable regulatory regime, the firm shall seek consent from its regulator(s) to provide the FRBNY with copies of its three (3) most recent examination reports.

¹ Note that FRBNY will consider pilot participants as though the Primary Dealers Act of 1988 (the Act) applies. That Act provides that a foreign-owned dealer may not be newly designated, or continue to be designated, as a primary dealer in cases where the Board of Governors of the Federal Reserve System (Board) and the New York Fed have concluded that the country in which a foreign parent is domiciled does not provide the same competitive opportunities to U.S. companies as it does to domestic firms in the underwriting and distribution of Government debt. As of [January 13, 2013], the Board and FRBNY have made affirmative determinations that the same competitive opportunities for US firms do exist with respect to France, Germany, Japan, the Netherlands, Switzerland and the United Kingdom. In addition, firms controlled by persons domiciled in Canada and Israel are grandfathered under the Act.

² For these purposes, a beneficial owner is defined as any entity or individual with a 10 percent or greater direct or indirect beneficial ownership interest in the firm.

³ For these purposes, a control person includes the senior executives of the firm (e.g. CEO, CFO, COO, etc) and senior members of the Board of Directors (e.g., Chairman, Vice Chairman), and other principals, general partner(s) or managing member(s) of the firm.

**TREASURY OPERATIONS COUNTERPARTY PILOT PROGRAM
REQUEST FOR INFORMATION**

- b. Description of material past or pending legal or regulatory matters involving or affecting the firm, its subsidiary or affiliates, its beneficial owners or control persons for the last ten (10) years.

4. Compliance Regime

- a. Organizational chart of the firm's compliance function, including number of employees in compliance function, years of service in their roles, descriptions of their role and responsibilities in implementing the firm's compliance program, and biographies for top three (3) compliance officers
- b. Copy of the firm's compliance policies and procedures, including any materials related to internal controls for fixed income operations.
- c. Documentation on the firm's Anti-Money Laundering Program, including:
 - i. AML policy and procedures
 - ii. Know Your Customer (KYC) policies and procedures (including Customer Identification Program, Customer Due Diligence and Enhanced Due Diligence)
 - iii. Risk assessment methodology
 - iv. Transaction monitoring policies and procedures (including Suspicious Activity Reporting processes)
 - v. AML Training Program
 - vi. AML Independent Testing policies and procedures
 - vii. Policies and procedures as they relate to the USA PATRIOT Act (specifically, Sections 311, 312, 313(a) and (b), 314 (a) and (b), 319 (a) and (b))
- d. Documentation on the firm's Office of Foreign Assets Control ("OFAC") Program, including:
 - i. OFAC policies and procedures (including details on OFAC transaction monitoring, filtering and reporting, blocking funds, annual OFAC reporting, updating the OFAC list, and the firm's OFAC risk assessment)
 - ii. OFAC Training Program

5. Internal Controls

- a. Description of the firm's corporate governance policies
- b. Description of the firm's internal control environment, including related policies and procedures
 - i. Copies of the three (3) most recent Internal Audit reports conducted by the firm's Internal Audit group
 - ii. Copy of Internal Audit policies and procedures

**TREASURY OPERATIONS COUNTERPARTY PILOT PROGRAM
REQUEST FOR INFORMATION**

- c. Business continuity plan or a description of the contingency arrangements with respect to the business areas in the markets relevant to the FRBNY

6. Customer Base

- a. Description of the firm's customer base and distribution network, including types of customers served and geographic distribution of customers.
- b. Percentage of customers that operate in High Risk industries or High Risk jurisdictions (as defined in the AML Program) and percentage of revenues derived from such customers

7. Other

- a. Any other information you think the FRBNY may deem relevant to its review and selection of participants in the pilot program
 - i. Rating agency reports
 - ii. Investment analyst reports written about the firm
 - iii. Other quantitative or qualitative information about the firm and its characteristics and activities