

CFTC Ethics Requirements for Swap Dealers Periodic Training Course 2024

Course Outline and Provider Qualifications

This program is designed to comply with the CFTC's Statement of Acceptable Practices with Respect to Ethics Training (Section 4p(b) of the Commodity Exchange Act), NFA Rule 2-9 and NFA Interpretive Notice 9051, which collectively require that Associated Persons and other relevant persons at registered Swap Dealers, receive periodic ethics training.

- I. Swaps Industry Structures & Rules
 - a. CFTC and NFA
 - b. Principals & Associated Persons of Swap Dealers
 - c. Swap Dealer APs: Statutory Disqualifications

- II. Supervisory Systems & Controls
 - a. Diligent Supervision Requirement
 - Failure to Supervise Violations
 - Policies & Procedures
 - b. Supervision of non-U.S. Swap Dealers
 - c. Chief Compliance Officer & Officer Duties
 - d. Whistleblowers

- III. Acting Honestly & Fairly
 - a. Communications: Fair Dealing
 - b. Code of Ethics
 - c. Ethical Dilemmas

- IV. Counterparty Considerations
 - a. Know Your Counterparty
 - b. Dealing with Special Entities
 - c. Swap Documentation Standards
 - d. Discrepancies
 - e. Daily Mark

- V. Avoiding Conflicts of Interest
 - a. Conflicts of Interest Definition and Disclosure Requirements
 - b. Conflict Partitions: Business Trading Units & Clearing Services
 - c. Research Analysts
 - d. Political Contributions

- VI. Just & Equitable Principles of Trade
 - a. Prohibition on Fraud, Deception or Manipulative Acts
 - b. False or Misleading Statements & Reports
 - c. Insider Trading
 - d. Confidential Treatment of Counterparty Information
 - e. Disruptive Trading
 - Violating Bids or Offers
 - Banging the Close
 - Spoofing
 - f. Wash Sales
 - g. Recordkeeping
 - h. Position Limits
- VII. Regulatory Cases
- VIII. Case Study
- IX. Quiz – (Questions1-10) – Accept & Acknowledge

Provider Qualifications - About the Authors

Julian Hammar served as co-author. Mr. Hammar currently holds the position of Associate General Counsel at Nodal Exchange. Prior to this affiliation, he was a partner in the New York and Washington, D.C. offices of FisherBroyles where he focused his practice on futures, derivatives and commodities, energy regulatory, blockchain and securities matters. Mr. Hammar is a leading expert on the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). He is a partner in the New York and Washington, D.C. offices of FisherBroyles. He focuses his practice on futures, derivatives and commodities, energy regulatory, blockchain and securities matters. Mr. Hammar is a leading expert on the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). Prior to joining FisherBroyles, Mr. Hammar served as of counsel at Morrison & Foerster and special counsel at Covington, where he counselled a wide range of clients on compliance with Dodd-Frank derivatives regulatory requirements. Before his experience in big law, Mr. Hammar was an assistant general counsel at the Commodity Futures Trading Commission (CFTC), Office of the General Counsel, where he drafted regulations to further define key terms including “swap,” “security-based swap” and “security-based swap agreement,” under the Dodd-Frank Act. In addition, he assisted with drafting other Dodd-Frank Act regulations, including the entity definitions (rules to further define such terms as “swap dealer,” “major swap participant” and “eligible contract participant”), commodity options and the Volcker Rule. He was also a member of the CFTC’s legislative drafting team that drafted the derivatives title of the Obama Administration’s legislative proposal for derivatives regulation that eventually was enacted into law as Title VII of the Dodd-Frank Act.

Joseph Adamczyk served as a co-author. Prior to his affiliation with Exchange Analytics, he served as the Chief Compliance Officer for Options Clearing Corporation (OCC). Mr. Adamczyk oversaw the firm’s compliance risk monitoring and governance programs, advised the board of directors and staff on compliance and regulatory requirements, and interacted with federal regulators on compliance, risk, and examination matters. Before joining OCC, Mr. Adamczyk worked at CME Group where he served as the Managing Director & Associate General Counsel overseeing the company’s non-U.S. legal staff and activities. In this role, he interacted with regulators from around the globe. He also handled CME Group’s interactions with U.S. regulators and other authorities on cybersecurity and technology controls, requirements, cyber incident response, and examinations. At CME Group, Mr. Adamczyk also served as the Global Head of Investigations and Enforcement in the Market Regulation Department. In that role, he oversaw teams responsible for monitoring, investigating, and enforcing the CME Group exchanges’ trade practice rules and other requirements. Mr. Adamczyk received his MBA from the University of Chicago, law degree from Loyola University Chicago School of Law, and undergraduate degree from DePaul University. He has no regulatory actions or other disciplinary history.