

# CFTC Customer Protection Rule Training Course 2024 (Standard Version)

## Course Outline and Provider Qualifications

The Exchange Analytics CFTC Customer Protection Rule training course was designed to comply with the CFTCs enhanced customer protection requirements for the handling of customers' funds, risk management programs, internal monitoring and controls, capital and liquidity standards, required disclosures to customers and annual training requirement for all finance, treasury, operations, regulatory, compliance, settlement and other relevant officers and employees for FCMs and DCOs holding customer funds.

### Standard Course Version:

- I. Customer Funds Protection
  - a. Account Types
    - Customer Segregated Funds
    - Customer Secured Funds
    - Cleared Swaps Collateral
  - b. Depositories
    - Requirements / Locations
    - Special Rule Regarding Location of Customer Secured Funds
    - Acknowledgment Letters / FCM Policies & Procedures
  - c. Customer Deposits
  - d. Letters of Credit
  - e. Segregation Calculations & Reporting
  - f. Residual Interest
  - g. Prohibition on Commingling
  - h. Delivery Accounts
  - i. Hedging Accounts
  - j. FCM Bankruptcy
  - k. Insurance for Customer Funds
  - l. Guarantees Against Loss
  - m. Separate Accounts Issue
  - n. Investment of Customer Funds
  - o. Liquidity and Time to Maturity
  - p. Loss Allocation
  - q. Customer Loans
  - r. Capital and Liquidity
  - s. Failure to Comply with Capital Requirements
  - t. Key Requirements

- II. Reporting
  - a. Financial Reporting
  - b. Notice Filing Requirements
  - c. Risk Assessment of Affiliates
  - d. Chief Compliance Officer
  - e. Record Keeping
  
- III. Disclosures
  - a. Customer Disclosures
  - b. NFA Risk Disclosure Requirements
  - c. Eligible Contract Participants
  - d. Non-Cash Margin Disclosure
  - e. Firm-Specific Risk Disclosure
  - f. Web Posting Requirements
  
- IV. Risk Management
  - a. Risk Management Program
    - General Requirements
    - Risk and Tolerance Limits
  - b. Risk Management Unit
    - General Requirements
    - Periodic Risk Exposure Reports
  - c. Reviewing the RMP
  - d. Consequences of Failing to Comply
  
- V. Case Studies
  
- VI. Assessment

## Provider Qualifications - About the Authors

**Julian Hammar** served as the main course 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). 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. Mr. Hammar also has bankruptcy experience obtained while at the CFTC, which involved futures commission merchant bankruptcies. He received his B.A. from Yale University in 1990 and his J.D. and M.A. in 1996 from Duke University School of Law, where he was an editor of the Alaska Law Review. Mr. Hammar is recommended by Legal 500 US 2019 for Structured Finance. He is also a Member of the Board of Editors of Futures & Derivatives Law Report.

**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.