

Intro to Swap Dealer Requirements (2025)

Course Outline and Provider Qualifications

Welcome to the Exchange Analytics Intro to Swap Dealer Requirements. Designed for new employees of CFTC-registered Swap Dealers, this comprehensive best practices course provides individuals with a foundational understanding of industry structure and rules, supervisory systems and internal controls, avoiding conflicts of interest, counterparty considerations, and more. It is also designed to satisfy the ethics and marketing supervision training requirements so that individuals do not have to separately take those courses.

- I. U.S. Swap Markets Structure and Rules
 - a. Regulatory Backdrop
 - b. Oversight of the U.S. Swap Markets
 - c. CFTC & NFA
 - d. Swap Dealer Definition
 - e. NFA Registration & Membership
 - f. De Minimis Registration Exception
 - g. Swap Dealer Principals & Aps
 - h. Other Types of Swap-related Entities
- II. Supervisory Systems & Internal Controls
 - a. Supervision
 - b. Diligent Supervision Requirement
 - c. Supervision of Non-U.S. Swap Dealers
 - d. Policies and Procedures
 - e. Internal Controls – Three Lines of Defense
 - f. Risk Management Program
 - g. Risk Management Program: Reporting Breaches
 - h. Chief Compliance Officer
 - i. The Compliance Department
 - j. Reporting Breaches
 - k. Whistleblowers
 - l. NFA Bylaw 1101
 - m. Business Continuity
 - n. Cybersecurity
 - o. NFA Annual Requirements
 - p. Swap Documentation Standards

- q. Swap Trading Relationship Documentation
- r. Swap Trading Relationship Documentation: Contents
- s. Recordkeeping – Generally
- t. Recordkeeping – Specific Swap Dealer Requirements
- u. Retention Requirements – Oral Communications
- v. Oral Communication Records and Rules
- w. Personal Devices and Unapproved Communication Methods
- x. Unapproved Communication Prohibitions and Requirements
- III. Ethical Behavior
 - a. Preface
 - b. Ethics Training is a Regulatory Requirement
 - c. CFTC's Statement of Acceptable Practices with Respect to Ethics Training
 - d. Code of Ethics
 - e. Communications: Fair Dealing
 - f. Misrepresentation
 - g. AI Washing
 - h. Conflicts of Interest
 - i. Generally
 - ii. Counterparty Conflicts
 - iii. Customer Conflicts
 - iv. Customer Conflicts: Commissions
 - v. Political Contributions
 - vi. Internal Conflicts
 - a. Clearing Activities
 - b. Research Functions
 - vii. Appearance of a Conflict
 - i. Avoiding Ethical Dilemmas
- IV. Counterparty Considerations
 - a. Know Your Counterparty
 - b. KYC: Counterparty Representations
 - c. Verification of Counterparty Eligibility
 - d. Eligible Contract Participants
 - e. Institutional Suitability
 - f. Institutional Suitability: Safe Harbor
 - g. Dealing with Special Entities
 - h. Acting as Advisor to a Special Entity
 - i. Acting as a Counterparty to a Special Entity
 - j. Dealing with Special Entities: Safe Harbors
 - k. Swap Processing & Clearing
 - l. Clearing Disclosures

- m. Swap Dealer Clearing Member Requirements
 - n. Notice of Right to Segregate Initial Margin
 - o. Material Disclosures
 - p. ISDA Protocols
 - q. ISDA Risk Disclosure Documents
 - r. Scenario Analysis
 - s. Daily Mark
 - t. Portfolio Reconciliation
 - u. Discrepancies
 - v. Portfolio Compression
- V. NFA Marketing Supervision Requirements
 - a. NFA Marketing Supervision Requirements
 - b. Marketing Materials: Examples
 - c. Marketing Materials: Regulatory Requirements
 - d. Marketing Supervision Requirements: Restrictions
 - e. Marketing Supervision Requirements: Review & Approval
 - i. General Marketing Materials
 - ii. Specific Marketing Materials
 - iii. Appropriate Personnel
 - f. Marketing Supervision Requirements: Training
 - g. Marketing Supervision Requirements: Recordkeeping
- VI. Just & Equitable Principles of Trade
 - a. Manipulation
 - b. Anti-Fraud Restrictions – CFTC Regulation 180.1
 - c. Insider Trading and Misappropriated Information
 - d. Confidential Treatment of Counterparty Information
 - e. False Statements
 - f. Understanding & Managing AI Risks
 - g. CFTC – Disruptive Trading Practices
 - i. Violating Bids and Offers
 - ii. Orderly Execution During the Closing Period
 - iii. Spoofing
 - h. Wash Sales
 - i. Position Limits
 - j. Position Limits – Hedge Exemption
 - k. Antitrust Considerations
 - l. Restrictions on Counterparty Clearing Relationships
 - m. General Offenses
 - n. Cross-Border Rules
- VII. Regulatory Enforcement Cases
 - a. CFTC Off-Channel Communications Cases

- b. Off-Channel Communication Reminders
 - c. Other CFTC Cases
- VIII. Case Study
- IX. Quiz

Provider Qualifications - About the Author

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.