

Security Futures Training Program FAQ

What are Security Futures Products (SFPs)?

Security Futures Products (SFPs) are financial instruments that are both securities and futures contracts. There are two primary types of security futures:

- Futures on individual securities (single-stock futures)
- Futures on narrow-based security indexes

SFPs are subject to a unique regulatory framework because they combine characteristics of both securities and futures products.

How are Security Futures Products regulated?

Security Futures Products are regulated jointly by the Securities and Exchange Commission (SEC) and the Commodity Futures Trading Commission (CFTC). Firms and individuals who engage in SFP-related activities must comply with applicable federal securities and futures laws, as well as the requirements of relevant self-regulatory organizations (SROs).

What products are not considered Security Futures Products?

Security futures do not include futures on broad-based stock indexes, such as widely recognized market indexes. These products remain subject to the regulatory framework applicable to traditional futures contracts and are not treated as Security Futures Products.

Who should take this training program?

This training program is designed for securities and futures professionals who seek to obtain or demonstrate proficiency in Security Futures Products. It is intended for persons involved in the offer, sale, supervision, compliance oversight, or support of SFP-related activities.

Firms should determine which personnel are required to complete training based on their responsibilities and applicable regulatory requirements.

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Does completing this training qualify me to offer all securities and futures products?

No.

This training focuses specifically on Security Futures Products and the regulatory requirements associated with them. Completion of this program does not replace any securities or futures licensing examinations or registration requirements and does not authorize participants to engage in activities beyond those permitted by their existing qualifications and registrations.

Must I complete training before engaging in Security Futures Product activities?

Individuals should complete all required training and satisfy applicable regulatory and firm-specific qualification requirements before engaging in Security Futures Product activities.

What topics are covered in the training program?

The training program consists of five modules:

Module 1: Stocks and Stock Options

Introduces equity securities, stock market fundamentals, and stock options concepts relevant to Security Futures Products.

Module 2: Futures

Provides an overview of futures markets, futures contracts, clearing, margin requirements, and futures trading practices.

Module 3: Security Futures Products

Examines the structure, pricing, risks, characteristics, and uses of Security Futures Products.

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Module 4: Regulatory Requirements for Security Futures Products

Reviews applicable SEC, CFTC, and self-regulatory requirements governing Security Futures Products.

Module 5: Supervision of Security Futures Product Activities

Focuses on supervisory responsibilities, compliance controls, recordkeeping, and oversight requirements.

Each module includes review questions and knowledge checks designed to reinforce key concepts.

Which modules am I required to complete?

Training requirements are determined by your firm and applicable regulatory obligations.

Everyone must complete Modules 3 and 4. Completion of Modules 1, 2, and 5 may depend on your existing qualifications, experience, and supervisory responsibilities.

Consult your firm's compliance department for guidance regarding required modules.

How long does the training take?

Completion times vary based on experience and prior knowledge.

Most participants complete the core curriculum in approximately two hours. Supervisory training may require additional time.

What system requirements do I need?

Exchange Analytics supports current versions of major web browsers, including:

- Microsoft Edge
- Google Chrome
- Mozilla Firefox
- Apple Safari

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For best results, keep your browser updated to the latest version.

When can I access the training?

Training is available online and may be accessed at any time, except during occasional scheduled maintenance periods.

How is my progress tracked?

Your training progress is automatically saved within the Exchange Analytics platform. You may exit and return to the course at any time and continue from your most recently saved location.

What happens if I exit before completing the course?

Any completed modules and saved progress will remain available in your account. You can return later and continue where you left off.

Will my session time out?

Exchange Analytics does not intentionally time out active training sessions. However, your firm's network or security settings may impose automatic session timeouts.

Will I receive a certificate of completion?

Yes.

Upon successful completion of all required modules, you may download or print a certificate of completion for your records and for submission to your firm's compliance department, if required.

What records should firms maintain?

Firms should maintain records sufficient to demonstrate that personnel have completed applicable Security Futures Product training and satisfied any required proficiency obligations.

Firms should consult their compliance and legal departments regarding specific retention requirements.

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How long should I keep my completion certificate?

You should retain your certificate for as long as required by your firm's policies and any applicable regulatory recordkeeping requirements.

Does my employer need a copy of my certificate?

Many firms require proof of completion to demonstrate compliance with internal training and qualification requirements. Check with your firm's compliance department regarding documentation requirements.

Does Exchange Analytics maintain completion records?

Yes.