

FORM OF APPLICATION TO BECOME A PRIMARY DEALER
Part I*

In addition to this form, an applicant should submit a letter outlining its ability to meet the business standards for primary dealers set forth in Section 1.A. of the Primary Dealer policy and its satisfaction of the capital requirements set forth in Section 1.C of the policy. The letter should include, at minimum, a listing of the applicant's volume of activity in the last year in the business areas relevant to the primary dealer relationship: U.S. Treasury auction participation, cash market activity in U.S. Treasuries, Agencies and Agency MBS, and repo and reverse repo market activity in the same markets. The letter should also (i) discuss how becoming a primary dealer fits with the applicant's current business and long term business plan and (ii) include an organizational chart showing a detailed ownership chain from the applicant to the ultimate parent company, listing the jurisdiction of formation for each entity in the chain.

Legal Name & Address of Applicant	Name: Address:
Type of Entity (broker-dealer, government securities broker-dealer, state bank, etc):	
Primary Business Contact	Name: Address: Tel: Email:
Primary Legal Contact	Name: Address: Tel: Email:
Primary Compliance Contact	Name: Address: Tel: Email:
Legal Name & Address of Ultimate Parent Company	Name: Address:
Primary Regulator & Contact at Primary Regulator:	Regulator: Name: Address: Tel: Email:
How many years has applicant broker-dealer or bank been in existence?	
How many years has the applicant firm participated meaningfully in the markets in which FRBNY transacts?	

* Note that this is the first step in the application process. An applicant who appears, from this application, to meet the business standards and capital requirements for becoming a primary dealer will undergo the more rigorous and comprehensive consideration process described in the last section of the Primary Dealer Policy, and, among other things, will be asked to submit additional information, typically of the sort identified in Part II.

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Part II*

Information Request

A. Organization and Governance

- Business description of the applicant and of the consolidated group to which it belongs, including, among other things: a description of type of entity (U.S. broker dealer, national/state bank, etc.), jurisdiction of formation, number of years of existence, number of employees, a business summary, geographic presence, description of business lines (including types of markets and customers served, and percentage of total revenues and/or operating profits), business strategy, main competitors, risk management policies, composition of the applicant's securities portfolio and the applicant's funding composition and strategy
- Copy of the applicant's original formation documents
- Description of the applicant's ownership structure, including the following:
 - For beneficial owners:¹ full legal name, date of birth, SSN (or EIN in case of corporate entity), address of residence, country of citizenship, biography (including details on professional experience), ownership percentage, description of source of wealth, copy of identification document (passport, driver's license)
 - For control persons:² full legal name, date of birth, SSN, address of residence, country of citizenship, relationship to the entity, copy of identification document (passport, driver's license)
- Organizational chart of the applicant, listing senior management of the applicant and key management of the business areas in the markets relevant to the FRBNY
- Organizational chart of the applicant's consolidated group, describing the relationships between each entity, including ownership and control information of every entity

* Note that this is simply a form of typical information request that FRBNY will provide to applicants that have completed Part I and that appear to be appropriate candidates for further consideration as a prospective primary dealer. The actual information request submitted to a particular applicant may vary depending on a number of factors, including the applicant's size and business profile. FRBNY may submit multiple information requests to a particular applicant. An applicant should not provide this information without first submitting Part I and receiving further direction from FRBNY.

¹For these purposes, beneficial owners are defined as owners of 10 percent or more of the entity applying for designation as a primary dealer.

² For these purposes, control persons are defined as individuals or entities with direct or indirect control over the applicant, including but not limited to anyone with power of attorney, executive management (e.g., CEO, CFO, etc.), and members of the Board of Directors, general partner(s) or managing member(s) of the firm.

- Registration information with minority- or women- owned associations or Small Business Administration (where applicable)

B. Financial Condition

- Description of the financial condition of the applicant 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.
- Copies of the applicant's tax returns from the last three (3) years

C. Regulation

- Description of the regulation of the applicant and other entities within the consolidated corporate family (i.e., the primary regulator of the applicant and the other entities)
- To the extent permissible under the applicable regulatory regime, the applicant shall seek consent from its regulator(s) for such applicant to provide the FRBNY with copies of the three (3) most recent examination reports. [Please indicate whether such consent request is permissible and if so, the response of the applicable regulator(s).]
- Financial and Operational Combined Uniform Single (FOCUS) reports for the applicant for the fiscal year end month for the past three (3) years and the most recent month of the current year
- Description of material past or pending legal or regulatory matters involving or affecting the applicant, its subsidiary or affiliates, its beneficial owners or control persons for the last ten (10) years. A matter is material for these purposes if it is required to be filed in securities disclosures (or would be if the firm were a public entity).

D. Compliance Regime

- Organizational chart of the applicant'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 applicant's compliance program, and biographies for top three (3) compliance officers
- Copy of the applicant's fixed income compliance policies and procedures
- Copy of the applicant's policies, procedures, training materials, or other communications regarding the Treasury Market Practices Group ("TPMG") Best Practices
- Documentation on the applicant's Anti-Money Laundering Program, including:
 - AML policy and procedures
 - Know Your Customer (KYC) policies and procedures (including Customer Identification Program, Customer Due Diligence and Enhanced Due Diligence)

- Risk assessment methodology, as well as a copy of the results of such assessments
 - Transaction monitoring policies and procedures (including policies and procedures regarding the filing of Suspicious Activity Reports)
 - AML Training Program
 - Any additional policies and procedures related to the USA PATRIOT Act (specifically, Sections 311, 312, 313(a) and (b), 314 (a) and (b), 319 (a) and (b))
- Documentation on the applicant’s Office of Foreign Assets Control (“OFAC”) Program, including:
 - OFAC policies and procedures (including details on OFAC transaction monitoring, filtering and reporting, blocking funds, annual OFAC reporting, updating the OFAC list, and the applicant’s OFAC risk assessment)
 - OFAC Training Program

E. Internal Controls

- Description of the applicant’s corporate governance policies
- Description of the applicant’s internal control environment, including related policies and procedures
 - Copies of the three (3) most recent Internal Audit reports regarding business lines or activities that would be directly relevant to the proposed primary dealer relationship
 - Copy of Internal Audit policies and procedures
- Business continuity plan or a description of the contingency arrangements with respect to the business areas in the markets directly relevant to the proposed primary dealer relationship.

F. Customer Base

- Description of the applicant’s customer base and distribution network, including types of customers served and geographic distribution of customers.
- To the extent the applicant collects such data, highlight:
 - the percentage of customers operating in High Risk industries (as defined in the AML Program) and the percentage of revenues derived from such customers, and
 - the percentage of customers operating in High Risk jurisdictions (as defined in the AML Program) and the percentage of revenues derived from such customers.

G. Other

- Any other information you think the FRBNY may deem relevant
- Other helpful (but not required information), if available:
 - Rating agency reports

- Investment analyst reports written about the firm