



Compliance Solutions

CFTC REGULATED FIRMS

- Swap Dealers & Major Swap Participants
- Retail Foreign Exchange Dealers
- Futures Commission Merchants
- Commodity Trading Advisors
- Commodity Pool Operators
- Introducing Brokers
- Members of Contract Markets
- Swap Execution Facilities

CFTC Requirements and Global Relay Solutions for
Electronic Communications Recordkeeping & Supervision

Archiving the financial services world

- CFTC Rule 1.31
- CFTC Rule 1.35
- CFTC Rule 1.40
- CFTC Rule 3.3
- CFTC Rule 4.23
- CFTC Rule 4.33
- CFTC Rule 23.201
- CFTC Rule 23.202

Welcome, and thank you for your interest in Global Relay's messaging compliance services for CFTC-regulated firms. We are confident you will find that our CFTC compliance solutions exceed your expectations.

Compliance is more than just the preservation of records to ensure that your firm can survive regulatory, audit and evidentiary scrutiny. It's a matter of reputation, integrity and control. The stakes are high and they are tied to the prosperity of your firm. The compliance burden should no longer be thought of as solely a back office or IT matter. It should involve proactive decision-making on the part of senior management to (i) choose a high quality compliance solution to efficiently retain, protect, manage and ensure authenticity of records, and (ii) implement safeguards and internal supervisory controls against inadequate data management practices. Selecting a message archiving solution should be thought of as an investment in your firm's future, both in terms of risk reduction and overall firm image.

Global Relay's solutions reflect "best practice" standards that have become the benchmark for message management. Our technology, Global Relay Archive and Compliance Reviewer, is specifically engineered to provide a total regulatory compliance and eDiscovery solution for firms subject to CFTC, SEC, FINRA, and other regulatory requirements. Our cloud-based services provide reliable, cost-effective and scalable message management and compliance solutions that:

- are implemented within hours, with no software or hardware requirements or other capital outlays
- are continuously and seamlessly updated to meet current technological, legal and regulatory needs
- provide end-user tools, including mobile apps for iPhone, iPad, Blackberry and Android

Know your vendor. As the developer, owner and operator of our technology, we have provided message archiving solutions since 1999 without a single incident of data loss. Our private green data center undergoes regular SOC2 audits conducted by Ernst & Young. As well, we annually engage KPMG to perform independent testing and validation on our business, operational and security controls and report upon findings. KPMG also conducts independent security penetration testing procedures on our internet-facing systems and applications. This comprehensive third party validation, available upon request, is unique in the hosted messaging industry.

Further, our CFTC compliance solutions are more than just best-of-breed technology. We are a dedicated team of professionals with the highest synergy of business, technical and legal expertise. With 24x7x365 IT support, full-time in-house compliance lawyers, and professional Audit & eDiscovery and Data Services teams, we help our customers troubleshoot and resolve key IT and business issues on a daily basis, as well as play a mission-critical role in your equation for achieving corporate excellence. We will provide your firm with a superior balance of technology, service, support, training, and affordability to efficiently assist you in meeting regulatory, audit and discovery requests, corporate governance requirements, and other business needs.

Your compliance solution will be tailored, without extra cost, to fit the needs of your firm, whether it is an independent business with outsourced email or a single server environment, or a multinational enterprise with disparate email and messaging systems (i.e. multiple servers/multiple platforms). Call Global Relay at +1.866.484.6630 or visit us at www.globalrelay.com, and let us demonstrate how our best-of-class solutions will make the difference in winning you as a customer.

Yours truly,



Shannon Rogers
President & General Counsel

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Global Relay Archive

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For more information

Please refer to the following Global Relay publications:

- Global Relay Services Guide: a complete overview of all Global Relay compliance, message archiving, support, and professional services solutions
- Global Relay Compliance Solutions Guidebooks: additional publications detailing how Global Relay addresses the message archiving and compliance needs of:
 - SEC Regulated Firms (Investment Advisors, Hedge Funds & Private Equity)
 - FCA (UK) Regulated Firms
 - Canadian Financial Firms (IIROC & MFDA)
 - Health Care (HIPAA)
 - Public Companies (Sarbanes-Oxley)
 - Enterprises

Available upon request

- KPMG Report on Global Relay's Business, Operational and Security Controls: provides assurances and transparency into the high standards of Global Relay's internal controls, and how these truly differentiate Global Relay
- SOC audit reports on Global Relay's two mirrored east/west coast data centers

SERVICES

At-A-Glance

Global Relay Archive

Securely captures and preserves email, public instant messaging, mobile messaging, Bloomberg®, Thomson Reuters, Pivot, ICE, social media (LinkedIn, Twitter, Facebook, Google+, Instagram and YouTube), Chatter, Yammer, web pages and more. Check with Global Relay if you need to archive a message type that is not listed here.

Compliance Reviewer

Complete message supervisory system that is configured to enforce and monitor your supervisory policies and procedures.

Audit and eDiscovery

Solutions are readily accessible within Global Relay Archive, providing efficient online tools for collaboration, case management and responses to legal data requests.

Global Relay Search

Provides users with 24/7 "anywhere access" to archived data via mobile apps, Outlook, and the Web.

Global Relay Message

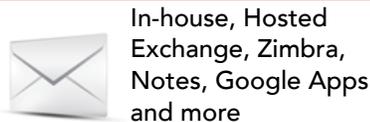
Global Relay's flagship messaging and unified collaboration communications service, designed to address the messaging, federation, compliance, privacy and security needs of firms in regulated industries. Global Relay Message is currently in beta.

Global Relay services are presented in three "pillars":

message

- **Global Relay Message¹**
Secure, fully compliant messaging platform
- **Email Services**
Secure email with spam and virus filtering, shared calendars and contacts
- **Message Hub**
Federate your Microsoft OCS/Lync with Thomson Reuters Messaging

archive



search



- Access messages anytime, anywhere
- Search across all message types
- Easily Reply, Reply All, Forward and Recover messages
- SAML enabled

1. Global Relay Message is our messaging and collaboration platform for the financial community. In Beta - available soon.

All trademarks are the property of their respective owners. Third party trademarks are used to identify supported data types.

SEC REGISTRATION REQUIREMENTS

The Dodd-Frank Act

Significance of Rules

On July 21, 2010, President Obama signed the Dodd-Frank Wall Street Reform and Consumer Protection Act into law, bringing sweeping changes to the regulation of the American financial industry.

Title VII of the Dodd-Frank Act amended the Commodity Exchange Act (CEA) to require the regulation of swap dealers (SDs) and major swap participants (MSPs) by the CFTC and SEC. The SEC has regulatory authority over security-based swaps. The CFTC regulates all other types of swaps. The CFTC and the SEC jointly regulate mixed swaps. Among the new regulations mandated by Dodd-Frank are public swap data reporting, recordkeeping requirements and business conduct rules, including supervision of employees, risk management, business continuity planning and conflict of interest management.

In formulating swap regulations, the CFTC has chosen not to differentiate between SDs and MSPs; both are subject to the same regulations. **CFTC Rule 23.21** requires all SDs and MSPs that (i) fall under the CFTC's definitional rules and (ii) do not qualify for available de minimis exemptions to register with the CFTC. SDs and MSPs who are subject to regulation by a prudential regulator are still subject to applicable CFTC regulations.

In This Publication

This booklet describes how Global Relay assists CFTC-registered firms, including SDs and MSPs, in meeting their regulatory requirements for the recordkeeping and supervision of electronic communications.

SUMMARY OF REQUIREMENTS

Recordkeeping

Significance of Rules

CFTC regulations require registered firms to preserve comprehensive and wide-ranging records of their business activities. [CFTC Rule 1.31](#) establishes recordkeeping and retention standards for all registered firms. This rule explicitly states that firms may store records electronically and establishes standards for record format and retention. CFTC registrants are also subject to additional recordkeeping rules according to their specific line(s) of business.

Who Must Comply

All swap dealers, major swap participants, retail foreign exchange dealers, futures commission merchants, commodity trading advisors, commodity pool operators and introducing brokers required to register with the CFTC must comply with [CFTC Rule 1.31](#). Firms may also be subject to the additional rules based on their specific line(s) of business:

Line of Business	Applicable Rule(s)	Line of Business	Applicable Rule(s)
Futures commission merchants	CFTC Rules 1.35 and 1.40	Commodity pool operators	CFTC Rule 4.23
Retail foreign exchange dealers		Commodity trading advisors	CFTC Rule 4.33
Introducing brokers		Swap dealers and major swap participants	CFTC Rules 23.201, 23.202 and 23.203
Members of contract markets		Swap execution facilities	CFTC Rules 1.35 and 1.40

Requirements

All CFTC Registered Firms

In connection with electronic records under [CFTC Rule 1.31](#), all CFTC registered firms must:

- Retain all CFTC-required books and records for 5 years, the first 2 years in a readily accessible place (with the exceptions that (i) records of any swap or related cash or forward transaction must be retained until the termination, maturity, expiration, transfer, assignment or novation date of the transaction and for a period of five years after, and (ii) records of oral communications kept pursuant to [CFTC Rules 1.35](#) and [23.202](#) must be retained for 1 year);
- Retain records in their native file format;
- Allow representatives of the CFTC or the DOJ to inspect records upon request;
- Promptly provide copies of records to the CFTC in the format specified by any Commission representative;
- Store records in a format that is non-rewritable, non-erasable;
- Automatically verify the quality and accuracy of the storage media recording process;
- Serialize and time-date stamp each record;
- Index records to facilitate retrieval;
- Store duplicate copies of records and indexes in physically separate locations;
- At all times, be ready to immediately provide the following: (i) an easily readable electronic projection or production of records, (ii) hard copies of records, and (iii) record indexes;
- Develop written procedures and controls (an "audit system") to ensure accountability for and accuracy of records;
- Appoint a qualified third party ("Technical Consultant") to access and download records when requested by the CFTC or DOJ; and
- Provide a representation to the CFTC that the electronic storage system in use meets all of the requirements of this rule.

Futures Commission Merchants, Retail Foreign Exchange Dealers, Introducing Brokers, Members of Contract Markets, and Swap Execution Facilities

In connection with [CFTC Rules 1.35](#) and [1.40](#), futures commission merchants, retail foreign exchange dealers, introducing brokers, members of contract markets, and swap execution facilities must:

- Retain “full, complete and systematic” records that include all pertinent data and memoranda of all transactions relating to their business in commodity interests and cash commodities;
- Retain all records prepared in the course of their business in commodity interests and related cash or forward transactions;
- Retain all documents on which trade information is originally recorded (“original source documents”);
- Retain original source documents such that they are identifiable and searchable by transaction;
- Retain all oral and written communications sent or received concerning quotes, solicitations, bid, offers, instructions, trading and prices that lead to the execution of a transaction in a commodity interest and related cash or forward transactions, whether these communications occur over telephone, voicemail, facsimile, instant messaging, chat rooms, email, mobile device, or other digital or electronic media (with exemptions for certain types of oral communications); and
- Upon request, provide true copies of any published or circulated letter, circular, telecommunication, or report that concerns crop or market information or conditions that affect or tend to affect the price of any commodity, including any exchange rate.

Commodity Pool Operators

In connection with [CFTC Rule 4.23](#), commodity pool operators must:

- Maintain accurate, current and orderly books and records at their main business office or at an entity such as the pool’s administrator as specified in this rule (or maintain records with a third party recordkeeper provided “timely and complete” access to records is available);
- Retain all “records, data and memoranda” prepared or received relating to the operation of the pool and all other activities in which they engage;
- Retain records of every letter, circular, memorandum, publication, writing, advertisement or other literature or advice that is distributed or caused to be distributed to existing or prospective pool participants or received by the pool operator from one of the pool’s commodity trading advisors;
- With some exceptions, provide copies of all required records by mail to any pool participant within 5 business days, with reasonable costs paid by the participant;
- Make records available for copying and inspection during normal business hours at their main office;
- If not maintaining records at their main business office, file a statement with the CFTC identifying the third party recordkeeper and the services it will provide; and
- If not maintaining records at their main business office, file a statement with the National Futures Association from the third party recordkeeper that acknowledges the recordkeeper will (i) preserve records on their behalf in accordance with [CFTC Rule 1.31](#) and (ii) make such records available to the Commission, DOJ, or pool participants in compliance with applicable rules.

Commodity Trading Advisors

In connection with [CFTC Rule 4.33](#), commodity trading advisors must:

- Maintain accurate, current and orderly books and records at their main business office (or maintain records with a third party recordkeeper provided “timely and complete” access to records is available);
- Retain records of every letter, circular, memorandum, publication, writing, advertisement or other literature or advice distributed or caused to be distributed to existing or prospective clients or subscribers; and
- Retain records of all transactions in all business dealings in trading commodity interests and cash market transactions.

Swap Dealers & Major Swap Participants

In connection with [CFTC Rules 23.201](#), [23.202](#) and [23.203](#), swap dealers and major swap participants must:

- Retain “full, complete, and systematic records,” including all pertinent data and memoranda, of all swap activities;
- Retain daily trading records of all executed swaps and related cash and forward transactions, including all documents on which transaction information is originally recorded;
- Retain all records necessary to conduct a comprehensive and accurate trade reconstruction for each swap and related cash and forward transactions;
- Retain transaction records such that they are identifiable and searchable by transaction and counterparty;
- Retain all marketing and sales presentations, advertisements, literature and communications;
- Retain records of pre-execution trade information, including records of all oral and written communications sent or received concerning quotes, solicitations, bids, offers, instructions, trading and prices that lead to the execution of a swap, whether communicated by telephone, voicemail, facsimile, instant messaging, chat rooms, electronic mail, mobile device, or other digital or electronic media;
- Retain records of the date and time of (i) quotations sent to or received from counterparties, (ii) the execution of swaps and related cash and forward transactions, and (iii) swap confirmations with time-date stamps to the nearest minute using Coordinated Universal Time (UTC);
- Retain records at the firm’s “principal place of business”;
- Retain records for 5 years from the date the record was created, the first 2 years in a readily accessible place (with the exceptions that records of swap or related cash or forward transactions must be retained until the transaction’s termination, maturity, expiration, transfer, assignment or novation date and for 5 years thereafter, and records of oral communications required by [CFTC Rule 23.202](#) must be retained for 1 year); and
- Allow inspection of records by any representative of the CFTC, DOJ or applicable prudential regulator.

Global Relay’s Solution

Global Relay engineered Global Relay Archive to meet CFTC recordkeeping requirements. Global Relay Archive is a message archiving and compliance system that captures and archives authentic and complete electronic records of all electronic communications of a firm in a secure but accessible system.

SUMMARY OF CFTC REQUIREMENTS

Supervision

Significance of Rules

CFTC Rule 166.3 requires all registered firms to supervise employees to ensure compliance with all applicable rules and regulations. Additionally, **CFTC Rule 3.3** requires futures commission merchants, swap dealers and major swap participants to appoint a Chief Compliance Officer (CCO), who must establish, maintain and enforce written supervisory policies and procedures to detect and prevent compliance violations. With widespread use of electronic communications as primary business communication tools, it is essential to supervise employees' email, IM, social media and other electronic communications in order to identify and resolve any compliance violations.

Who Must Comply

All CFTC registrants must comply with **CFTC Rule 166.3**. Futures commission merchants, swap dealers and major swap participants must comply with **CFTC Rule 3.3**.

Requirements

All CFTC Registered Firms

Under **CFTC Rule 166.3**, all CFTC registered firms must:

- "Diligently supervise" all activities of their partners, officers, employees and agents relating to their business as CFTC registrants.

Futures Commission Merchants, Swap Dealers and Major Swap Participants

In connection with **CFTC Rule 3.3**, futures commission merchants, swap dealers and major swap participants must:

- Appoint a qualified individual to serve as their Chief Compliance Officer (CCO); and
- Require the Chief Compliance Officer to:
 - Meet with the board of directors or senior officer at the time of his or her designation as CCO and at least once annually thereafter;
 - Develop and administer written policies and procedures reasonably designed to ensure compliance with CFTC regulations;
 - Resolve any conflicts of interest in consultation with the board of directors or senior officer;
 - Establish procedures to handle compliance violations; and
 - Prepare an annual report, presented first to the board of directors or senior officers of the firm and subsequently to the CFTC, that includes a description of the firm's written compliance policies and procedures and, for each applicable CFTC requirement:
 - > Describes existing written policies and procedures and assesses their effectiveness;
 - > Discusses possible modifications to written policies and procedures;
 - > Lists any "material changes" made to the policies and procedures during the period;
 - > Documents the resources dedicated to ensuring compliance with CFTC regulations, including any inadequacies or deficiencies in resource allocation; and
 - > Describes any compliance violations and how these violations were handled.

Global Relay's Solution

Compliance Reviewer is engineered to provide CFTC-registered firms with a turnkey supervisory system with advanced monitoring, filtering, audit, and eDiscovery features. It provides a flexible, easy-to-use, multi-tier supervisory system that can mirror the reporting structure of any firm, no matter how complex. Firms can supervise and review all electronic communications, including email, IM, Bloomberg®, Thomson Reuters, social media, and mobile messaging, in a single unified platform.

Legal Filings & Technical Consultant

Global Relay provides a complete “best practice” compliance solution with respect to CFTC electronic recordkeeping requirements. This solution includes a CFTC Legal Compliance Documentation package that simplifies and expedites compliance with [CFTC Rule 1.31](#). The package provides:

a. CFTC Rule 1.31 Documentation and Instructions

Customized legal documents and corresponding compliance instructions relating to each legal document:

1. [Legal Direction and Authorization for Technical Consultant \(CFTC Rule 1.31\(b\)\(4\)\)](#) – This legal document appoints Global Relay as a firm’s impartial third party with access to, and the ability to download, the firm’s archived electronic records, if required by the CFTC (this is the second part of the Regulatory Compliance Letter below).

2. [Regulatory Compliance Letters \(CFTC Rule 1.31\(b\)\(4\) and 1.31\(c\)\)](#) – This legal document provides (i) the required Representation attesting to Electronic Storage System Compliance and (ii) the Technical Consultant Undertaking Letter. The Regulatory Compliance Letter satisfies the following regulatory requirements:

- [Attestation to Electronic Storage System Compliance \(CFTC Rule 1.31\(c\)\)](#) – Global Relay attests that Global Relay Archive meets the CFTC compliance requirements set forth in [CFTC Rule 1.31\(b\)\(1\)\(ii\)](#); and
- [Technical Consultant Undertaking \(CFTC Rule 1.31\(b\)\(4\)\)](#) – This letter identifies Global Relay as a firm’s impartial Third Party Downloader with access to, and the ability to download, the firm’s archived electronic records, if required by the CFTC.

b. Global Relay’s Compliance Solutions for CFTC Rule 1.31(b)(1)(ii)(A)-(D)

The Representation Letter prepared by Global Relay (refer to [section a\(2\)](#)), attests that the firm’s recordkeeping system satisfies the electronic storage system requirements of [CFTC Rule 1.31\(b\)\(1\)\(ii\)](#), conditions (A)-(D).

Accordingly, Global Relay provides a summary description of the technology used by Global Relay Archive, as it is important firms have a basic understanding of how Global Relay Archive assists in meeting these CFTC requirements. Global Relay’s technology summary relates to the following:

- [CFTC Rule 1.31\(b\)\(1\)\(ii\)\(A\)](#) - Non-Rewriteable, Non-Erasable Storage;
- [CFTC Rule 1.31\(b\)\(1\)\(ii\)\(B\)](#) - Message Write Quality & Accuracy Verification;
- [CFTC Rule 1.31\(b\)\(1\)\(ii\)\(C\)](#) - Message Serialization of Original and Duplicates; and
- [CFTC Rule 1.31\(b\)\(1\)\(ii\)\(D\)](#) - Index and Record Downloading.

c. Additional Information

The CFTC Legal Compliance Documentation, as described above, is prepared by Global Relay’s in-house lawyers. Any questions may be directed to legal@globalrelay.net.

CFTC Rule 1.31 Solution

Global Relay Archive is engineered to preserve quality, accurate and complete copies of electronic communications in accordance with [CFTC Rule 1.31](#). The requirements are met as follows:

Rule 1.31	Compliance Requirement	Global Relay's Compliance Solution
(a)(1) Native Format (a)(1) Retention	All books and records required to be kept by the Act or by these regulations shall be kept in their original form (for paper records) or native file format (for electronic records)... For purposes of this section, native file format means an electronic file that exists in the format in which it was originally created.	Native File Format – The CFTC has not officially published comprehensive guidelines regarding the “native” format(s) of electronic communications. However, available CFTC guidance indicates the Commission is likely to take an expansive interpretation of the native format requirement similar to the interpretation that has been well established by the courts. Records maintained in Global Relay Archive preserve the original formatting and metadata and satisfy the requirements of an expansive definition of native format. Message processing procedures are annually tested and validated by KPMG. See Global Relay Archive: Controls and Features, Section 2 for a complete description of the archiving process and quality controls.
(a)(1) Retention	[Records must be retained] for a period of five years from the date thereof and shall be readily accessible during the first 2 years of the 5-year period; Provided, however, That records of any swap or related cash or forward transaction shall be kept until the termination, maturity, expiration, transfer, assignment, or novation date of the transaction and for a period of five years after such date. Records of oral communications kept pursuant to § 23.202(a)(1) and (b)(1) of this chapter shall be kept for a period of one year. All such books and records shall be open to inspection by any representative of the Commission, or the United States Department of Justice.	<p>Retention Term – Global Relay Archive enforces flexible retention terms that can be configured to accommodate the 5-year retention term mandated by the CFTC. Regulated firms may also leverage a number of additional retention features to assist in meeting CFTC requirements:</p> <ul style="list-style-type: none"> i. Indefinite Retention: Global Relay can retain data for as long as a firm remains a paying customer. ii. Legal Holds: Firms can place Legal Holds on users, groups (e.g. all swap traders), folders, and their entire Archives as necessary. <p>Readily Accessible – Global Relay Archive exceeds the CFTC requirement for 2-year “readily accessible” access. Firms can immediately search, retrieve and view archived data online for the entire length of their retention terms. As well, firms can create temporary accounts for CFTC or DOJ representatives to permit inspection of books and records.</p> <p>See solution to 1.31(a)(2) below for details on online inspection and production.</p>
(a)(2) Production Of Records	Persons required to keep books and records by the Act or by these regulations shall produce such records in a form specified by any representative of the Commission... All copies or originals shall be provided promptly.	<p>Data Export – Firms can export data to a standard format (e.g. PST, EML). The CFTC’s published Data Delivery Standards specify PST as an acceptable format for email and IM data. Exported data is encrypted and made available via secure FTP transfer, DVD or hard drive. Global Relay’s professional Audit & eDiscovery team has a 24-hour turnaround time for data exported for audits or litigation.</p> <p>Online Production – Global Relay Archive has a special user role for audit purposes called the “Ghost Reviewer.” The Ghost Reviewer is a temporary account for a third party auditor, examiner or other regulatory representative that provides access to a defined subset of messages (e.g. a case folder set up for an audit). Using this account, the third party can review data online without his or her actions showing up in the audit trail. Use of the Ghost Reviewer is dependent on the discretion of the individual regulator or examiner.</p>

Rule 1.31	Compliance Requirement	Global Relay's Compliance Solution
(b) Electronic Records	Except as provided in paragraph (d) of this section, books and records required to be kept by the Act or by these regulations may be stored on either "micrographic media" (as defined in paragraph (b)(1)(i) of this section) or "electronic storage media" (as defined in paragraph (b)(1)(ii) of this section) for the required time period under the conditions set forth in this paragraph (b); Provided, however, For electronic records, such storage media must preserve the native file format of the electronic records as required by paragraph (a)(1) of this section.	Global Relay Archive uses electronic storage media that satisfies the applicable conditions set forth in Rule 1.31(b)(1)(ii) (described in detail below). Records preserved in Global Relay Archive satisfy the requirements of an expansive definition of native format (see solution for Rule 1.31(a)(1) for details).
(b)(1)(ii)(A) WORM Storage Media	[For purposes of this section: the term "electronic storage media" means any digital storage medium or system that] preserves the records exclusively in a non-rewritable, non-erasable format.	Global Relay Archive preserves copies of all messages and attachments in a tamperproof non-rewriteable, non-erasable format with write verification. Data is stored in Global Relay's secure production environment in two mirrored east/west coast SOC-audited data centers.
(b)(1)(ii)(B) Write Verification	[For purposes of this section: the term "electronic storage media" means any digital storage medium or system that] verifies automatically the quality and accuracy of the storage media recording process.	Global Relay Archive automatically verifies the quality and accuracy of the storage media recording process through data comparison. As messages are processed, Global Relay Archive automatically compares the post-processed message with the original message before deleting the original. Global Relay Archive also uses a 30-day buffer as an added level of redundancy in the write-verification process.
(b)(1)(ii)(C) Message Serialization	[For purposes of this section: the term "electronic storage media" means any digital storage medium or system that] serializes the original and, if applicable, duplicate units of storage media and creates a time-date record for the required period of retention for the information placed on such electronic storage media.	Global Relay Archive sequentially serializes and time-date stamps each message at the time of import. Any message can be retrieved within seconds by serial number. All messages are replicated in near real time between Global Relay's two mirrored east/west coast SOC-audited data centers such that there are always multiple copies of every message preserved.
(b)(1)(ii)(D) Index and Record Download	[For purposes of this section: the term "electronic storage media" means any digital storage medium or system that] permits the immediate downloading of indexes and records preserved on the electronic storage media onto paper, microfilm, microfiche or other medium acceptable under this paragraph upon the request of representatives of the Commission or the Department of Justice.	Global Relay Archive automatically preserves all indexes and messages for the length of a firm's specified retention term and is able to make such data readily available for online access and viewing by authorized users (such as the CFTC). See 1.31(a)(2) for details on online access and data export to standard formats. As well, messages may also be downloaded as EML, forwarded, printed, and restored to user's inboxes.

Rule 1.31	Compliance Requirement	Global Relay's Compliance Solution
(b)(2)(i) Message Availability	Have available at all times, for examination by representatives of the Commission or the Department of Justice, facilities for immediate, easily readable projection or production of micrographic media or electronic storage media images.	<p>Message Availability – Archived messages can be retrieved and viewed immediately online using advanced search and eDiscovery tools. See Section 3(a)(iii) of Compliance Reviewer: Controls and Features for details on search functionality. Users can access Global Relay Archive via web browser, Outlook plug-in, and proprietary mobile apps for iPhone, iPad, Blackberry and Android.</p> <p>Online Auditor Access – As noted in the solution to Rule 1.31(a)(2), Global Relay Archive has a special user role for audit purposes called the “Ghost Reviewer.” The Ghost Reviewer is a temporary account for a third party auditor, examiner or other regulatory representative that provides access to a defined subset of messages (e.g. a case folder set up for an audit). Using this account, the third party can review data online without his or her actions showing up in the audit trail. Use of the Ghost Reviewer is dependent on the discretion of the individual regulator or examiner.</p>
(b)(2)(ii) Hard-Copies	Be ready at all times to provide, and immediately provide at the expense of the person required to keep such records, any easily readable hard-copy image that representatives of the Commission or Department of Justice may request.	Archived messages can be retrieved and viewed immediately online using advanced search and eDiscovery tools. See Section 3(a)(iii) of Compliance Reviewer: Controls and Features for details on search functionality. Once identified, messages can be printed.
(b)(2)(iii) Exclusivity	Keep only Commission-required records on the individual medium employed (e.g., a disk or sheets of microfiche).	Global Relay Archive is engineered to retain electronic messages in compliance with CFTC regulations. Only Commission-required records (i.e. the electronic messages a firm chooses to archive) are stored in Global Relay Archive.
(b)(2)(iv) Message Duplication	Store a duplicate of the record, in any medium acceptable under this regulation, at a location separate from the original for the period of time required for maintenance of the original.	All archived data is replicated between Global Relay's two mirrored east/ west coast SOC-audited data centers such that there are always multiple copies preserved in geographically dispersed locations. All copies are preserved for the length of a firm's specified retention term.
(b)(2)(v)(A) Indexing	[Organize and maintain an accurate index of all information maintained on both the original and duplicate storage media such that:] the location of any particular record stored on the media may be immediately ascertained.	All messages are full-text indexed with complete metadata, including Subject, From, To, Cc, Bcc, Distribution Lists, and more. There are also some unique but useful metadata fields such as X-headers and IP address. Global Relay Archive supports full-text indexing for the majority of captured attachments, including metadata from image files. All attachments which can be converted to text can be full-text indexed. Authorized users can use Global Relay Archive's search features to immediately locate any particular record.
(b)(2)(v)(B) Index Availability	[Organize and maintain an accurate index of all information maintained on both the original and duplicate storage media such that:] the index is available at all times for immediate examination by representatives of the Commission or the Department of Justice;	Indexes are readily available for examination by the CFTC or DOJ.
(b)(2)(v)(C) Index Duplication	[Organize and maintain an accurate index of all information maintained on both the original and duplicate storage media such that:] a duplicate of the index is stored at a location separate from the original index.	All archived data, including indexes and metadata, is mirrored between Global Relay's two east/west coast SOC-audited data centers for redundancy and compliance purposes.

Rule 1.31	Compliance Requirement	Global Relay's Compliance Solution
(b)(2)(v)(D) Index Retention	[Organize and maintain an accurate index of all information maintained on both the original and duplicate storage media such that:] both the original index and the duplicate index are preserved for the time period required for the records included in the index.	Global Relay Archive employs retention schedules for all original and duplicate indexes and messages. Indexes are retained for the same time period as the messages and attachments to which they relate. Firms can enforce flexible retention terms to meet CFTC retention requirements. All retention terms can be extended and Legal Holds can be applied as needed.
(b)(3)(i) Record Production	Be ready at all times to provide, and immediately provide at the expense of the person required to keep such records, copies of [electronic] records on such compatible data processing media as defined in § 15.00(d) of this chapter which any representative of the Commission or the Department of Justice may request. Records must use a format and coding structure specified in the request.	Firms can export data to a standard format (e.g. PST, EML). The CFTC's published Data Delivery Standards specify PST as an acceptable format for email and IM data. Exported data is encrypted and made available via secure FTP transfer, DVD or hard drive. Global Relay's professional Audit & eDiscovery team has a 24-hour turnaround time for data exported for audits or litigation.
(b)(3)(ii) Audit System	Develop and maintain written operational procedures and controls (an "audit system") designed to provide accountability over both the initial entry of required records to the electronic storage media and the entry of each change made to any original or duplicate record maintained on the electronic storage media such that:	All messages stored in Global Relay Archive are captured automatically, with no user intervention. All user actions on an archived message are logged in an unalterable audit trail that documents the message's full lifecycle (e.g. initial entry, the retention term set, by whom it was viewed and when, etc.). Audit trails are retained for the life the message to which they relate. They are appended to each message and can be viewed by authorized users. See Global Relay Archive, Section 2 for a complete description of the archiving process and quality controls. Note also that all of Global Relay's internal, business and operational controls, including the message processing procedures that ensure that all archived data is quality, accurate and complete, are annually validated by KPMG. The KPMG Report can be provided upon request.
(b)(3)(ii)(A) Audit Availability	The results of such audit system are available at all times for immediate examination by representatives of the Commission or the Department of Justice.	As detailed directly above, Global Relay Archive immediately provides a full audit trail accessible to any authorized user. The KPMG Report described above also provides valuable proof of Global Relay's internal controls.
(b)(3)(ii)(B) Audit Lifecycle	The results of such audit system are preserved for the time period required for the records maintained on the electronic storage media.	Global Relay Archive employs retention schedules for all audit trails. Audit trails are retained for the life of the message to which they relate.
((b)(3)(ii)(C) Procedures and Controls	The written operational procedures and controls are available at all times for immediate examination by representatives of the Commission or the Department of Justice.	The KPMG Report on Global Relay's Business, Operational and Security Controls provides extensive written validation of Global Relay's business, operational and security controls, including message processing and storage procedures. The KPMG Report is available to all customers on request.

Rule 1.31	Compliance Requirement	Global Relay's Compliance Solution
(b)(3)(iii) Messages and Index Availability	<p>Either:</p> <p>(A) Maintain, keep current, and make available at all times for immediate examination by representatives of the Commission or Department of Justice all information necessary to access records and indexes maintained on the electronic storage media; or</p> <p>(B) Place in escrow and keep current a copy of the physical and logical format of the electronic storage media, the file format of all different information types maintained on the electronic storage media and the source code, documentation, and information necessary to access the records and indexes maintained on the electronic storage media.</p>	<p>Global Relay Archive satisfies option (A) of this requirement.</p> <p>All archived messages can be made promptly available to the CFTC online via a Ghost Reviewer account (see solution for Rule 1.31 (b)(2)(i) for details) provided the registered firm has authorized such access. Firms may also export data to a readable, standard format that complies with the CFTC's published Data Delivery Standards. Note as well that all data is preserved in open source RFC-2822 format in the Archive, ensuring data is not locked into a proprietary or obsolete format that may be difficult to work with.</p>
(b)(4) Technical Consultant	<p>In addition to the foregoing conditions, any person who uses only electronic storage media to preserve some or all of its required records ("Electronic Recordkeeper") shall, prior to the media's use, enter into an arrangement with at least one third party technical consultant ("Technical Consultant") who has the technical and financial capability to perform the undertakings described in this paragraph (b)(4). The arrangement shall provide that the Technical Consultant will have access to, and the ability to download, information from the Electronic Recordkeeper's electronic storage media to any medium acceptable under this regulation. The Technical Consultant must file with the Commission an undertaking in a form acceptable to the Commission, signed by the Technical Consultant or a person duly authorized by the Technical Consultant.</p>	<p>This is an extremely important, yet undervalued requirement. Global Relay's legal compliance package includes the documentation for Global Relay, as the firm's electronic storage medium vendor, to serve as the impartial third party Technical Consultant for CFTC purposes. A CFTC registrant can grant Global Relay the specific legal rights, pursuant to a Direction and Authorization, to access the firm's messages via Global Relay Archive if so requested by the CFTC in specific circumstances. Upon receipt by Global Relay of the signed Direction and legal Authorization, Global Relay will file a Technical Consultant undertaking to the CFTC.</p>
(c) Representation	<p>Persons employing an electronic storage system shall provide a representation to the Commission prior to the initial use of the system. The representation shall be made by the person required to maintain the records, the storage system vendor, or another third party with appropriate expertise and shall state that the selected electronic storage system meets the requirements set forth in paragraph (b)(1)(ii) of this section. Persons employing an electronic storage system using media other than optical disk or CD-ROM technology shall so state. The representation shall be accompanied by the type of oath or affirmation described in § 1.10(d)(4).</p>	<p>Global Relay's legal compliance package includes the required representation letter attesting that Global Relay Archive meets the electronic storage media conditions of 1.31 (b)(1)(ii).</p>

CFTC Rule 23.201 – 23.203

Solution

CFTC regulations require registered swap dealers (SDs) and major swap participants (MSPs) to preserve comprehensive and wide-ranging records of their business activities. Simply reporting swaps to a Swap Data Repository (SDE) as required by [CFTC Rule 23.204](#) does not meet recordkeeping obligations. Specifically, under [CFTC 23.201](#), SDs and MSPs are required to maintain “full, complete, and systematic records” of all swaps activities, including electronic communications. Global Relay meets swaps recordkeeping requirements as follows:

Rule 23.201	Compliance Requirement	Global Relay's Compliance Solution
(a) Required Records	Each swap dealer and major swap participant shall keep full, complete, and systematic records, together with all pertinent data and memoranda, of all its swaps activities.	Global Relay Archive automatically captures, indexes and archives all of a firm's incoming, internal and outgoing electronic communications, ensuring a full, complete and systematic record of all swaps activities conducted through electronic messaging. See Global Relay Archive, Section 1 for a full list of supported message types.
(a) (1) Transaction Records	Such records shall include: (1) Transaction records. Records of each transaction, including all documents on which transaction information is originally recorded. Such records shall be kept in a form and manner identifiable and searchable by transaction and by counterparty, and shall include: (i) All documents customarily generated in accordance with market practice that demonstrate the existence and nature of an order or transaction, including, but not limited to, records of all orders (filled, unfilled, or cancelled); correspondence; journals; memoranda; ledgers; confirmations; risk disclosure documents; statements of purchase and sale; contracts; invoices; warehouse receipts; documents of title; and (ii) The daily trading records required to be kept in accordance with § 23.202 .	<p>Transaction Records – Many transactions are conducted using electronic messaging systems such as Bloomberg®, Thomson Reuters, and public IM. These messages may be original source documents or contain correspondence relating to swap transactions. Global Relay Archive automatically captures, indexes and archives all of a firm's incoming, internal and outgoing electronic communications, ensuring preservation of original source and related documents created via electronic messaging systems.</p> <p>Identifiable and Searchable by Transaction and Counterparty - In its publication of Final Rules 23.201, 23.202 and 23.203 in the Federal Register, the CFTC clarified that swap dealers and major swap participants must maintain searchable databases of required records but are not required to retain each transaction record as a separate electronic file, nor do the rules require raw data to be tagged with transaction and counterparty identifiers, provided firms can “readily access and identify records pertaining to a transaction or counterparty by running a search on the raw data.” Global Relay Archive provides the following features to assist firms in retrieving records by transaction and counterparty.</p> <ul style="list-style-type: none"> i. Unified Archive – Communications related to specific transactions and counterparties are often distributed over multiple messaging systems. Global Relay Archive unifies all of a firm's electronic communications in one repository. Searches can be conducted across one message type, multiple message types or all message types, as required. ii. Search Parameters – Firms can conduct structured queries based on various search parameters, including: All, Date, Date Range, To, From, Cc, Bcc, Distribution List, X-Header, Subject, keywords contained within a message or attachment, attachment file name, events, or any part of or combination of the preceding. iii. Advanced Search Features – Global Relay Archive supports Boolean (AND, OR, NOT), wildcarding, relational/ proximity searching, and filtering by events, tags, labels and priorities. iv. Tags/Labels and Folders – Messages can be tagged or placed in folders within Global Relay Archive (e.g. based on legal entity, swap identifier or termination date). <p>Daily Trading Records – See CFTC Rule 23.202 Solution.</p>

Rule 23.201	Compliance Requirement	Global Relay's Compliance Solution
(b)(1) Business Records	<p>Each swap dealer and major swap participant shall keep full, complete, and systematic records of all activities related to its business as a swap dealer or major swap participant, including but not limited to:</p> <p>...(v) Internal and external audit, risk management, compliance, and consultant reports (including management responses).</p>	<p>SDs and MSPs are required by CFTC Rule 3.3 to appoint a Chief Compliance Officer (CCO) who must, among other responsibilities, (i) develop and administer written policies and procedures reasonably designed to ensure compliance with CFTC regulations and (ii) establish procedures to handle compliance violations. Additionally, under CFTC Rule 166.3, all CFTC registered firms must diligently supervise all activities of their partners, officers, employees and agents relating to their business as CFTC registrants.</p> <p>With the majority of business conducted electronically, it is essential for SDs and MSPs to supervise electronic communications. Global Relay's Compliance Reviewer is seamlessly integrated with Global Relay Archive and enables firms to cost-effectively implement procedures to detect and prevent compliance violations through a rules-based system. See the Compliance Reviewer: Controls and Features section for details on supervisory features, including the ability to electronically supervise all electronic communications across a firm, flag messages based on a customizable lexicon and/or random sampling, document review processes and activity through an unalterable audit trail, and generate reports as proof of review.</p>
(b)(3)(i) Complaints	<p>[Firms must retain] a record of each complaint received by the swap dealer or major swap participant concerning any partner, member, officer, employee, or agent. The record shall include the complainant's name, address, and account number; the date the complaint was received; the name of all persons identified in the complaint; a description of the nature of the complaint; the disposition of the complaint, and the date the complaint was resolved.</p>	<p>Firms can use Compliance Reviewer's customizable lexicon flagging rules to identify electronic communications containing customer complaints. See Compliance Reviewer: Controls and Features section for details on supervisory features.</p>
(b)(4) Marketing and Sales Materials	<p>All marketing and sales presentations, advertisements, literature, and communications, and a record documenting that the swap dealer or major swap participant has complied with, or adopted policies and procedures reasonably designed to establish compliance with, all applicable Federal requirements, Commission regulations, and the rules of any self-regulatory organization of which the swap dealer or major swap participant is a member.</p>	<p>Marketing and sales materials and communications are often distributed electronically via email, blogs, social media, and other channels. Global Relay Archive supports all major electronic message types used in finance (see Global Relay Archive, Section 1 for a complete list) preserving all messages in a unified repository with federated search and review capabilities.</p>
Rule 23.202	Compliance Requirement	Global Relay's Compliance Solution
(a) Daily Trading Records for Swaps	<p>Each swap dealer and major swap participant shall make and keep daily trading records of all swaps it executes, including all documents on which transaction information is originally recorded. Each swap dealer and major swap participant shall ensure that its records include all information necessary to conduct a comprehensive and accurate trade reconstruction for each swap. Each swap dealer and major swap participant shall maintain each transaction record in a manner identifiable and searchable by transaction and counterparty.</p>	<p>See solution for Rule 23.201(a)(1) for details on how Global Relay Archive preserves transaction records to make them identifiable by transaction and counterparty and to assist with trade reconstructions.</p>

Rule 23.202	Compliance Requirement	Global Relay's Compliance Solution
(a)(1) Pre-execution trade information	<p>Each swap dealer and major swap participant shall make and keep pre-execution trade information, including, at a minimum, records of all oral and written communications provided or received concerning quotes, solicitations, bids, offers, instructions, trading, and prices, that lead to the execution of a swap, whether communicated by telephone, voicemail, facsimile, instant messaging, chat rooms, electronic mail, mobile device, or other digital or electronic media. Such records shall include, but are not limited to:</p> <p>(i) Reliable timing data for the initiation of the trade that would permit complete and accurate trade reconstruction; and</p> <p>(ii) A record of the date and time, to the nearest minute, using Coordinated Universal Time (UTC), by timestamp or other timing device, for each quotation provided to, or received from, the counterparty prior to execution.</p>	<p>Written Communications – Global Relay Archive unifies all of a firm's written electronic communications in one repository. Over 30 message types are supported. See Section 1 of Global Relay Archive: Controls and Features for a complete list. All messages are captured automatically, regardless of employees' location or device. This means all business messages of a firm, whether on office PCs, personal laptops and/or corporate and personal mobile devices, are captured and preserved.</p> <p>Oral Communications - Global Relay Archive supports voice archiving. Please contact Global Relay to learn more about voice archiving options.</p> <p>UTC Time-Stamp – Global Relay Archive supports search and display of message time-date stamps using Coordinated Universal Time (UTC).</p> <p>Additional Trade Information – Sections (a)(2), (a)(3) and (b) of Rule 23.202 require swap dealers and major swap participants to retain records of execution and post-execution trade information for swaps transactions, as well as daily trading records for related cash and forward transactions. Global Relay Archive automatically captures all electronic communications a firm chooses to archive. All communications containing transaction information, whether pre-execution, execution or post-execution, will therefore be serialized, time-date stamped, indexed and preserved in Global Relay Archive and will be readily searchable and accessible for the length of the firm's specified retention term.</p>

Rule 23.203	Compliance Requirement	Global Relay's Compliance Solution
(a)(1) Location of Records	<p>All records required to be kept by a swap dealer or major swap participant by the Act and by Commission regulations shall be kept at the principal place of business of the swap dealer or major swap participant or such other principal office as shall be designated by the swap dealer or major swap participant. If the principal place of business is outside of the United States, its territories or possessions, then upon the request of a Commission representative, the swap dealer or major swap participant must provide such records as requested at the place in the United States, its territories, or possessions designated by the representative within 72 hours after receiving the request.</p>	<p>Principal Place of Business - While the CFTC has not clarified the requirement to retain records at a firm's "principal place of business" specifically for Rule 23.203, the Commission published an Exemptive Letter in September, 2014 stating that CFTC Rule 4.23, which requires commodity pool operators (CPOs) to retain books and records at their "main business office," does not prohibit CPOs from using third party recordkeepers provided timely access to the records is maintained and records are available for inspection.</p> <p>Storage Location and Access - Global Relay stores all archived data in two mirrored east/west coast SOC-audited data centers. Authorized users can access data online "anytime, anywhere." This means that, at any time, firms can access all required records held by Global Relay Archive at their principal place of business. Additionally, firms can export data to a standard format (e.g. PST) and make it available via secure FTP transfer, DVD or hard drive. Global Relay has a 24-hour turnaround time for data exported for audits and litigation. Preserving electronic messages in Global Relay Archive therefore does not impair the CFTC's prompt and unimpaired access to a firm's books and records.</p>

(a)(2) Contact Information	<p>Each swap dealer and major swap participant shall maintain for each of its offices a listing, by name or title, of each person at that office who, without delay, can explain the types of records the swap dealer or major swap participant maintains at that office and the information contained in those records.</p>	<p>Global Relay provides training on Global Relay Archive for a firm's compliance officers or management, ensuring one or more firm representatives can explain the system and its records to the CFTC.</p>
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GLOBAL RELAY ARCHIVE

Global Relay Archive is a cloud-based information governance solution for electronic communications that uses role-based access controls to provide all employees with access to the tools and data they need to do their jobs. Employees can access a single data set for a variety of use cases, including supervision, eDiscovery, audits, and mailbox management/continuity. Global Relay Archive is developed, owned and operated in-house by Global Relay. It securely stores all major types of electronic messages in a unified repository with federated search capabilities, allowing firms to search, view, review and manage all messages from a single interface.

1. Message Types

Global Relay Archive securely captures and archives all of a firm's incoming, internal and outgoing electronic communications, including all major message types used in finance:

- Email
- Public Instant Messaging
- Social Media (LinkedIn, LinkedIn Sales Navigator, Twitter, Facebook, Google+, Instagram, YouTube)
- BlackBerry and Android Messaging (Text/SMS, PIN, Call logs)
- Bloomberg® messages (Instant Bloomberg, Bloomberg Mail)
- Thomson Reuters Messaging (Eikon, Thomson Reuters, Messenger)
- Microsoft Lync/Skype for Business/OCS
- Pivot
- ICE (YellowJacket)
- FactSet
- Jabber/XMPP
- Cisco WebEx and Jabber
- Web
- Chatter (Salesforce)
- Yammer
- Jive
- Slack
- Squawker
- Global Relay Message
- Symphony

Global Relay Archive may support message types not listed here. Please contact Global Relay to determine whether a specific message type is supported.

a. Global Relay Archive for Email – captures email and attachments from virtually all email platforms, including Exchange, Lotus Notes/Domino, Office 365/Exchange Online, Google Apps, and more. Messages are journaled and delivered to Global Relay Archive via IMAP or SMTP. Email is archived with complete metadata, including Bcc and Distribution Lists (both the Distribution List address and the List's individual members).

b. Global Relay Archive for Instant Messaging (IM) – supports major public instant messaging platforms, including AIM, as well as enterprise platforms such as Microsoft Lync/Skype for Business, Cisco Jabber and Global Relay Message, Global Relay's compliant enterprise messaging, collaboration and trading platform designed for the financial sector.

c. **Global Relay Archive for Market Data** – supports IM platforms tied to market data systems, including Pivot, ICE, and FactSet, as well as Bloomberg® and Thomson Reuters messages (see sections (f) & (g)).

d. **Global Relay Archive for Social Media** – supports LinkedIn, Twitter, Facebook, Google+, Instagram and YouTube, automatically capturing and archiving social media communications in context on long-term tamperproof storage. Features of note include:

- i. **Rich interface display** – When viewing social media communications inside Global Relay Archive, messages appear in their original format – preserving all metadata, photos, formatting and links (as opposed to plain text without context).
- ii. **Redline view** – Compliance Officers love this: when changes are made to a social media page, such as changes in profile information, Global Relay Archive shows a unique “redline” view that pinpoints exactly what text was altered, added or removed on social media pages (not static screenshots without tracked changes).

Note that Global Relay also offers plug-ins for archiving of enterprise social media platforms such as Yammer, Salesforce Chatter, and Jive.

e. **Global Relay Mobile Device Management For Compliance** – captures SMS, PIN, call logs, and location information directly from mobile phones. The solution currently supports Blackberry (BES and non-BES) and Android devices. It is ready to support iOS when Apple publishes the necessary API access.

f. **Global Relay Archive For Bloomberg® Messages** – enables Bloomberg messages to be automatically downloaded from the Bloomberg HTTPS site (under the express direction of the customer) and consolidated in Global Relay Archive, while retaining complete and searchable metadata.

g. **Global Relay Archive For Thomson Reuters** – enables the compliant use of Eikon, Thomson Reuters Messenger and Deal Tracker by logging user-generated content such as instant messages, chat room conversations and more, along with complete metadata. Global Relay is the exclusive integrated archive partner for Thomson Reuters worldwide.

h. **Global Relay Archive For Web** – preserves websites, social media and forums while accurately replicating complex interactive elements like Flash, Javascript/AJAX, video and audio, ensuring that firms can capture these important elements of their business.

2. Archiving Process and Controls

a. **Preservation & Access** – Global Relay Archive is a message archiving system for long-term preservation, access and retrieval of electronic communications. It employs retention scheduling to manage the lifecycle of messages, ensuring compliance preservation periods are met. Following best practice standards, Global Relay Archive provides “readily available” online access to messages for the length of a firm’s specified retention period. All messages are preserved on tamperproof storage in Global Relay’s two mirrored east/west coast SOC-audited data centers.

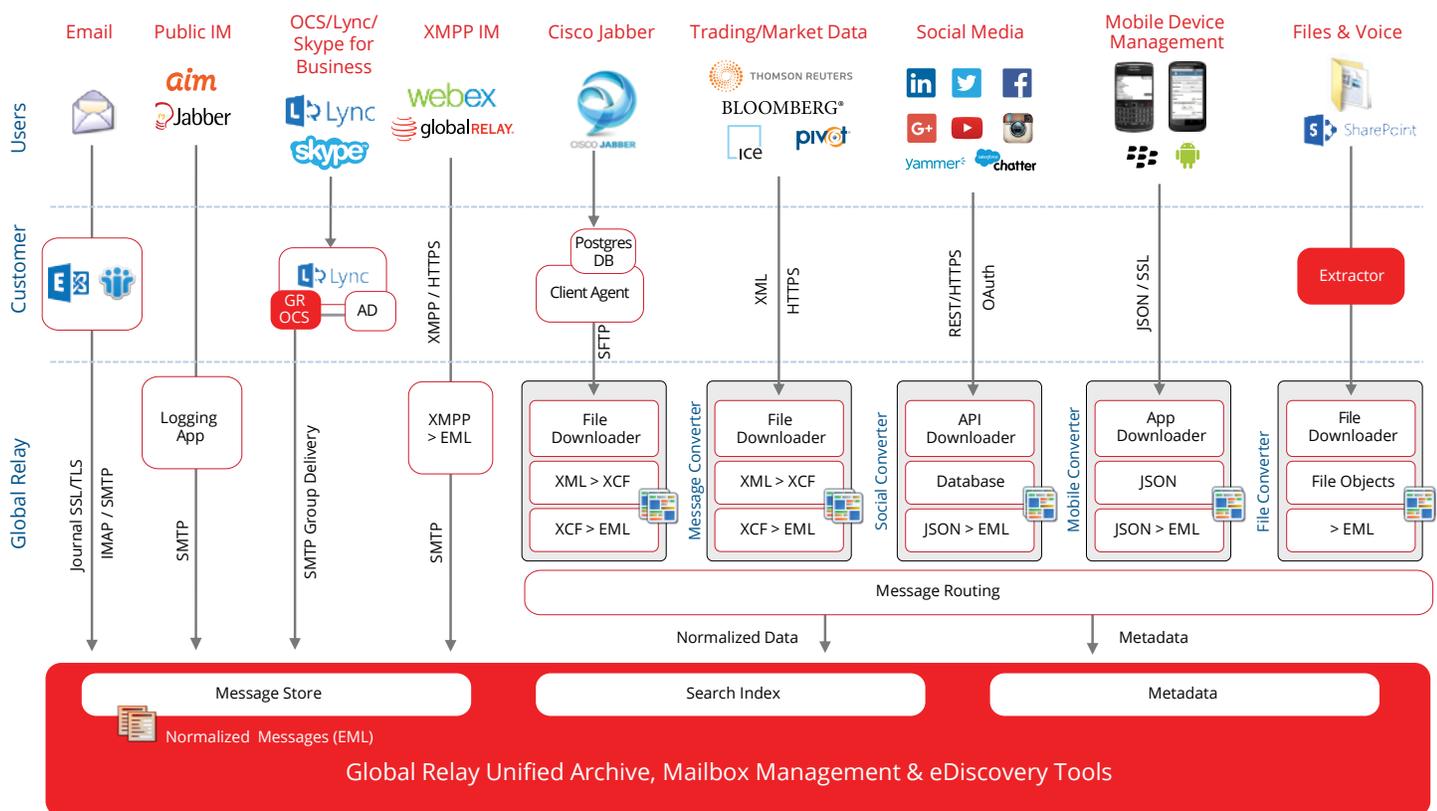
b. **Write-Verification** – All messages stored within Global Relay Archive are forwarded directly from a firm’s email server, messaging platform or social media site with no user intervention and preserved in their original format with complete metadata. Global Relay Archive automatically verifies the quality and accuracy of the storage media recording process. As messages are processed, Global Relay Archive automatically compares the post-processed message with the original message before the original message is deleted. Global Relay Archive also has a 30-day buffer as an added level of redundancy.

Disclaimer: Global Relay Archive only converts files that are made available by Bloomberg L.P. to Bloomberg L.P.’s customers, and technically able to be downloaded. There is no affiliation between Global Relay and Bloomberg, and Bloomberg processes are subject to change at any time without notice to Global Relay. Download of Bloomberg messaging is under the express direction of the customer. The Bloomberg® name and logo are the sole property of Bloomberg Finance L.P. The use of the Bloomberg name and logo is to identify its message type and no implication of endorsement by or affiliation with Bloomberg is intended.

c. **Message Capture** – Global Relay Archive uses journaling to capture and archive all incoming, internal and outgoing emails, including attachments, on a domain-wide or selective basis. Global Relay uses proprietary converters, APIs, and SMTP/IMAP/HTTPS to capture and archive other message types, including IM, social media, and more.

d. **Message Unification** – Global Relay Archive securely and automatically captures a wide variety of message types (See Section 1 for a detailed list), converts them into EML using proprietary converters, and integrates them into a unified, searchable Archive. An overview of the technologies used to process specific message types is shown below:

A UNIFIED ARCHIVE FOR ANY MESSAGE TYPE



All trademarks are the property of their respective owners.

e. **Message Indexing** – All messages are full-text indexed with complete metadata, including Subject, From, To, Cc, Bcc, Distribution Lists, and more. There are also some unique but useful metadata fields such as X-headers and IP address. Global Relay Archive supports full-text indexing for the majority of captured attachments, including metadata from image files. All attachments that can be converted to text can be full-text indexed.

f. **Message Retention** – Global Relay Archive employs retention scheduling to manage the lifecycle of electronic messages, audit trails and indices, ensuring compliance requirements are met. Retention terms in Global Relay Archive are defined by each firm’s Records Retention Schedules, typically ranging from 3-10 years. Data can also be retained indefinitely for as long as a firm remains a paying customer. Retention terms can be extended for data that is part of one or more Legal Holds.

g. Message Availability – Authorized users (including Reviewers, regulators and lawyers) can access archived data 24x7x365 via web browser, Outlook plug-in, and proprietary mobile apps for iPhone, iPad, Blackberry and Android. Messages can also be printed, forwarded, downloaded as EML and recovered to a user's inbox. Features of note include:

- i. Advanced Search Features** – Proprietary search technology allows authorized users to conduct searches using structured queries based on any combination of various search parameters (all, date, date range, To, From, Cc, Bcc, Distribution List, Subject, keywords contained within a message or attachment, X-Header, alias, attachment file name, events, etc.). As well, Global Relay Archive supports Boolean (AND, OR, NOT), wildcarding, word stemming, relational/proximity searching, filtering by events, tags, labels and priorities, and compound queries. Searching can be done across the entire Archive or across specific folders, groups and/or users, as well as across all message types or a specified subset of types.
- ii. Message Export** – Firms may export archived data to a standard format (e.g. PST, EML). All data held can be made available via FTP transfer, DVD and/or hard drive. Global Relay assists with approximately 30 ongoing data demands on a daily basis and 20-40 regulatory audits per week, with a 24-hour turnaround time for data exported for audits or litigation. Messages can be extracted by type, custodian and/or date. All exports include complete metadata such as Bcc and Distribution Lists.
- iii. Online Access** – Global Relay Archive has a special user role for audit purposes called the "Ghost Reviewer." Upon the direction of a firm, Global Relay can set up an account for a third party auditor or regulator which gives that party access to a defined subset of messages (e.g. a folder set up for the audit). The auditor or regulator can then review all of the messages online without his or her actions showing up in the audit trail. Use of the Ghost Reviewer is dependent on the discretion of the individual regulator or examiner.
- iv. Personal Archive** – Global Relay Search provides anytime, anywhere access to archived messages via web browser, Outlook plug-in, and mobile apps for iPhone, iPad, BlackBerry and Android. All users in a firm can have real-time access to a personal Archive of their own historical messages that includes every message type in the firm's Archive. Powerful search functionality enables users to retrieve and restore any message in seconds.

3. eDiscovery

Global Relay Archive captures messages for proactive 'litigation readiness' and provides tools for internal and external counsel and other stakeholders to conduct eDiscovery across a firm's electronic messages.

- a. Categorization, Evaluation & Case Management** – Search results can be iteratively calculated, conducted, refined and saved to achieve relevant subsets, then placed in online "case folders" to segregate and label data relating to an audit or legal action. Reviewers involved in eDiscovery can access the case folders in order to participate in review workflows and evaluate information for relevance. Items can be tagged as responsive/nonresponsive using priorities, reviewer-defined labels, and wizards.
- b. Collaboration** – Global Relay Archive provides collaborative tools for in-house and external counsel to conduct reviews. External counsel can be given online access to specific data related to a case in order to participate in review workflows. This external access can be disabled quickly and easily when it is no longer required.
- c. Privileged & Confidential Information** – Authorized users can mark messages as attorney/client privileged, personal, or restricted. Once marked, these messages are easily identifiable and can be excluded from any production of data. Firms can also set up customized rules to automatically scan and flag data as privileged, personal or restricted on import.

d. **Legal Holds** – Firms can enforce Legal Holds by users, groups of users, cases and/or across their entire Archive, independent of corporate retention policies.

e. **Complete Metadata** – Global Relay has a particular strength in capturing and preserving the complete and unique metadata associated with each message type used in finance. This extensive metadata, which is dropped by many other archiving systems, is leveraged to provide advanced search capabilities. For example, Global Relay preserves all Bcc and Distribution List data for archived emails.

4. Security Controls

a. **Encryption** – Global Relay Archive has end-to-end encryption to protect the privacy and confidentiality of archived data. TLS/SSL encryption is employed to ensure the privacy and security of data in transit. Data at rest is protected using dual AES and RSA encryption algorithms. Each incoming message is AES encrypted with a unique, randomly generated encryption key. Each message's AES encryption key is then encrypted with a 2048 bit RSA public key. The RSA public key is encrypted with a passphrase-encrypted private key. All three keys are kept in separate stores. The encryption (and decryption) process is transparent to users.

b. **Audit trails** – All actions on a message are logged in an unalterable audit trail that documents its full lifecycle (e.g. when it was imported, the retention term set, by whom it was viewed and when, etc.). Audit trails are retained for the life of the message to which they relate. They are appended to each message and can be viewed by authorized users.

c. **Back-Up and Disaster Recovery** – Global Relay systems operate out of two mirrored east/west coast SOC-audited data centers. All archived data is replicated in near real time between these data centers such that there are multiple copies of each message preserved in geographical dispersed locations. In the event the primary data center is lost, the flow of data fails over to the secondary data center. Individual components of the service can also be failed over to the secondary data center. KPMG has conducted independent testing and validation of Global Relay's core systems, networks and internal controls to demonstrate the redundancy and security of the systems.

Compliance Reviewer

With the majority of business being conducted electronically, including communications with prospective clients, current clients and the general public, CFTC-regulated firms' supervisory controls should include the monitoring of electronic communications. Such supervisory controls can assist firms with efficiently identifying, managing and resolving potential or actual compliance violations. Global Relay Archive's integrated Compliance Reviewer offers robust supervision and review tools that can be customized to accommodate any firm's structure, line(s) of business, and unique supervisory requirements.

1. Overview of Compliance System Controls and Features

Once a firm's written supervisory compliance policies and procedures for electronic communications have been established, Global Relay Archive and Compliance Reviewer can simplify enforcement of these policies by enabling the firm to:

a. Implement Procedures – A firm can cost-effectively implement procedures to detect and prevent compliance violations through a rules-based system in accordance with its firm's written supervisory policies. This system may include multi-tier Reviewers and Super Reviewers, if applicable, and customized supervision and monitoring privileges and capabilities to accommodate policies regarding review and use of electronic messaging.

b. Archive Messages – In accordance with [CFTC Rule 1.31](#) and the firm's compliance policies, all messages, attachments and associated indexes are serialized, time-date stamped and preserved on tamperproof storage using write-verification. All messages are stored in Global Relay's two mirrored east/west coast SOC-audited data centers. This eliminates the risks associated with lost, tampered, modified or deleted messages. Global Relay Archive automatically preserves all messages, attachments and indexes in their original format. Messages are easily searchable and retrievable through web browser, an Outlook plug-in, and mobile apps for BlackBerry, iPad, iPhone and Android. The easy-to-use interface allows authorized users to conduct searches using structured queries based on various search parameters.

c. Set Record Retention Schedules – Global Relay Archive employs retention scheduling to manage the lifecycle of messages, audit trails and indices, ensuring compliance preservation requirements and supervisory policies are met. Following best practice standards, Global Relay Archive is able to provide "easily accessible" real-time access to messages for the entire length of a firm's retention term. Note that retention terms can be extended for data that is part of a Legal Hold.

d. Electronically Supervise – Compliance Reviewer enables a firm's designated Compliance Officer(s), other Reviewers, Super Reviewers and Administrator(s) to supervise firm employees by using various review configurations to review any user's messages via any secure web browser. For details, refer to Section 2 - Compliance Monitoring System.

e. Review & Document – A simple icon-based system allows Reviewers to tag messages to document review (e.g. Reviewed, Non-compliant, Escalated, Closed, etc.). A comment field allows reviewers to add a predefined or issue-specific comment. As well, the date of the Reviewer's action and his or her username are recorded. A first level Reviewer may escalate any non-compliant message to a senior compliance officer for further evaluation.

f. **Schedule Review Time Frames** – A schedule for automatic message flagging and review may be implemented and customized to enforce policy time deadlines for review. Senior compliance personnel can schedule supervision reports to run automatically at specified intervals (e.g. weekly) to ensure junior Reviewers are completing reviews within appropriate time frames.

g. **Review Workflow Tools** – Compliance Reviewer provides a variety of workflow tools for reviewers, including:

i. **Review Button** – A “Review” button on the home screen takes Reviewers directly to a list of all messages they are required to review.

ii. **Compliance Dashboard** – The Compliance Dashboard is an intuitive interface that facilitates management of the compliance workflow, providing statistics and calculations on all messages that must be reviewed, have been reviewed, have been flagged with “action needed,” or require other action.

h. **Train Employees** – Firms must train registered and approved persons in firm policies and procedures governing compliance and supervision, as well as conduct follow-up reviews to ensure that policies and procedures are properly implemented and followed. Global Relay will assist in this process by providing support for employee education and training with respect to Global Relay Archive and Compliance Reviewer. The intuitive user interface is simple, virtually eliminating any learning curve. An audit trail of all Reviewer actions, whether the employee is having a training session or is carrying out an actual review, is automatically logged and available, if required for proof of training.

i. **Document Activity** – During the lifecycle of a message, all actions (viewing, replying, forwarding, downloading, flagging, notation, review) by any user, Reviewer, Super Reviewer, Administrator or the system itself associated with the message are logged in an unalterable audit trail that is available online with the associated message. Global Relay Archive’s detailed logs provide a full audit trail verifying the integrity of the message. Compliance-related messages may also be organized into Reviewer or Administrator defined folders. Compliance Reviewer also includes advanced on-demand and scheduled reporting features – allowing compliance officers to gain clear insight into message compliance within the firm and provide reports to the regulators when required.

2. Compliance Monitoring System

A firm may establish a highly scalable, multi-tier surveillance and monitoring structure for one or more domains, which may include one or more Administrators, Reviewers and Super Reviewers, each with defined access privileges depending on review level. The Administrator has the ability to set up the firm’s users and assigns them to user groups. A user group may be set up for each separate business unit or division. The Administrator appoints Reviewers to monitor specific user groups. One or more partners, directors or officers may be appointed as Super Reviewers to assist Reviewers and be charged with overall responsibility for ensuring compliance. The names of persons who wrote, reviewed and approved correspondence are readily ascertainable from message metadata and audit trails. A Reviewer has access to the electronic messages of his or her assigned user group(s) in order to carry out the first level review. By assigning a Reviewer specific users to monitor, a firm can ensure that only those employees with a business need to access specific messages have the ability to do so. Reviewer actions include the ability to annotate and escalate a reviewed message to a superior or Super Reviewer.

3. Preventing and Detecting Compliance Violations

Once the a firm’s written supervisory compliance policies and procedures have been established, Compliance Reviewer’s rule-based system can be employed to monitor message activity and enforce adherence to such policies and procedures. Compliance Reviewer enables the review, monitoring and retrieval of all electronic messages stored in Global Relay Archive in one unified platform, and therefore has the ability to monitor, detect and flag for review messages that may contain prohibitions set forth in the firm’s policies.

a. Flagging for Review – Messages of any user may be flagged for review by any combination of the following methods:

i. General Flagging Rules – General Flagging Rules are a list of keywords and phrases that flag messages across a firm’s Archive. Specific phrases can be excluded from flagging (e.g. “guarantee” might be included in a flagging lexicon, but the phrase “does not guarantee” can be excluded). Messages can also be excluded by Sender, Recipient, Subject, Message Direction, Group, Folder and Header Line. Global Relay Archive can calculate the number of hits by each keyword/phrase to ensure effective lexicon use.

ii. Advanced Flagging Rules – Advanced Flagging Rules allow firms to create multiple specialized flagging rules tailored to meet the unique supervision requirements of different groups or departments. Firms can apply different flagging rules to each review group (e.g. traders vs. research analysts), flag messages based on a variety of metadata matching/exclusion criteria, create very specialized keyword matching conditions that include Boolean logic as well as proximity, phrase and wildcard operators, prioritize each rule to ensure messages are flagged for the right reason, and more.

iii. Manual Real-Time Search – See [Section 2\(g\)\(i\) of Global Relay Archive: Controls and Features](#) for details on search functionality.

iv. Random Sampling – Random sampling percentages can be set by group or message direction. A random sampling percentage can also be added to any Advanced Flagging Rule to reduce the number of messages flagged for review.

b. Supervisory Review & Evaluation – A firm may establish a flexible and scalable multi-tier review system, consisting of authorized Reviewers and Super Reviewers. Reviewers and Super Reviewers, via an intuitive user interface, can instantaneously retrieve any flagged message for review. Using a simple icon-based system, a Reviewer is then able to evaluate and select the appropriate action icon to log the status of the message (as “Flagged for Review,” “No Action Taken,” “Reviewed,” “Non-compliant,” “Escalated”). If monitoring large numbers of registered representatives, a first level Reviewer may escalate any non-compliant message to a Super Reviewer for further evaluation.

c. Explanatory Evaluation Comments – In addition to marking the message status, a predefined or issue-specific comment may accompany all non-compliant and/or escalated messages. For compliance purposes, a firm can create a predefined comment list that may include prohibitions set out in its compliance policies (e.g. “False or Misleading Information”; “Unjustified Promise of Results”; “Unwarranted Conclusions”; “Future Forecast”; “Inadequate Description of Risks”; “Abusive Content”; or “Detrimental to Public Interest”).

d. **Examples** – Specific examples of messages that may be flagged for review include:

i. **Electronic Correspondence** – Reviewers and Super Reviewers are able to specifically review samples of all email, IM and social media messages from each individual registered representative. Such sampling may specify each registered representative’s username in order to ensure capturing some of his or her public correspondence. Messages of a firm that include recommendations to a customer may also be flagged for review by customer name, keywords or phrases.

ii. **Customer Complaints** – Firms can use Compliance Reviewer’s flagging rules to identify any customer complaints that may require handling.

e. **Transparency** – A firm should maintain transparency regarding its supervisory policies and procedures and disclose to its employees and representatives that all electronic communications are being archived. Proper notice and updates should be given to employees to ensure that such employees are fully informed of electronic communications retention, monitoring, supervisory review, usage and archive policies being undertaken and upheld within the firm.

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