



YOUR NETWORK.
DESIGNED-TO-PERFORM.

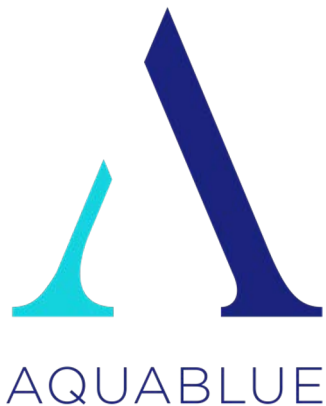
LEADERS ROUNDTABLE

New Technology for Remote Trading Compliance

JUNE 30, 2020

AQUABLUENETWORK.COM





We are delivering a **service model** responding to enterprises' most complex connectivity needs.

Designed-to-Perform, our solutions integrate **bespoke** infrastructure engineering, cost optimization intelligence and centralized management.





Designed-to-Perform **Infrastructure**

Solve network design issues with objectivity and transparency

Engineer leading technical solutions using multi-vendor solutions – taking the guesswork out of procuring routes globally

Deliver on-time with reliable proven partners



Designed-to-Optimize **Cost Management**

Vendor-agnostic helping you make the most difficult and sensitive connectivity decisions saving you time and money

Comprehensive and objective analysis not tied to a commission or revenue targets

Simplify network provisioning costs and complexity



Designed-to-Simplify **Account Support**


Manage relationships that deliver results with the highest levels of oversight within our carrier partners

Account expertise, continuity, and consistency

Aquablue Intelligence Platform uses our proprietary portal to manage inventory

Best NOC practices eliminate the need for constantly tracking maintenance and trouble tickets

Partial Client List

Technology Portfolio



PRIVATE NETWORKS

Layer 2
Layer 3 (MPLS)
SD WAN



POINT-TO-POINT / PRIVATE LINES

Wave
Ethernet
Dark Fiber
Low Latency Solutions
Fiber
RF / Wireless



DEDICATED INTERNET

Fiber Based
DSL/Cable
Wireless



CLOUD CONNECTIVITY

AWS
Azure
Others



CONSULTING SERVICES

RFP Creation and Management
Data Center Design and Relocation
Cost Reduction Implementation
Network Design



TIME SYNCHRONIZATION

Enabling you to maintain
a singular time source globally

Leadership

Chris Marino

Chief Executive Officer



Jim Erickson

Senior Vice President of Sales



Tamir Barsik

Senior Vice President of Operations



Gary Prestipino

Vice President of Client Services



Joseph Sestito

Vice President of Service Delivery





Regulatory Issues Related to Remote Access Trading



GUY F. TALARICO
FOUNDER AND CEO



Remote Working Environment New Normal

- COVID has driven a wide scale transition from “traditional” office operations to a remote, geographically dispersed process
- The “backup” operations plan in full force throughout the industry
- Technology has been essential to success and preplanning thought process has been put to the test
- Time to update the “Gap Analysis” between centralized and remote operations
- Nature of the business dictates different approaches
- Core concerns the same but applied in a new environment



Regulators

Stay Focused

- The SEC, FINRA, NFA/CFTC, EXCHANGES expect regulated entities to operate in accordance with the rules and regulations
- Remote regulator “visits” have increased
- Must continue to effectively implement a reasonably designed compliance program appropriate to the size and business model of the firm
- Policies and procedures must be adjusted as a result of COVID-19 and documented and tested
- Reassessment of the accuracy and completeness of disclosures and identification of key risks



FINRA Regulatory Notice 20-16

"Firms that previously relied on web-based tools, electronic document management systems and cloud-based services and regularly tested their remote connectivity, capacity, work process and trading capabilities had fewer difficulties transitioning to a remote work and supervisory environment."
(FINRA Regulatory Notice 20-16)



Trading Supervision

General Considerations

- Training staff about increased cybersecurity vulnerabilities and potential fraud risks, need to focus on protecting MNPI
- Access tools and speed of connections
- Do existing tools provide for remote supervision and compliance monitoring and surveillance?
- Due diligence reviews of home and trading systems set up in each home



Trading Supervision

General Considerations

- Pre-screen of trades; manual, automated
- Recording of verbal order transaction conversations
- Electronic order entry systems, how they're accessed remotely; trade size limits and approvals
- Trader attestations
- Focus on critical compliance topics: information barriers, voice recording, use of approved mobile devices, privacy and record keeping requirements
- Trade reports and timeliness of review
- Approved communication tools

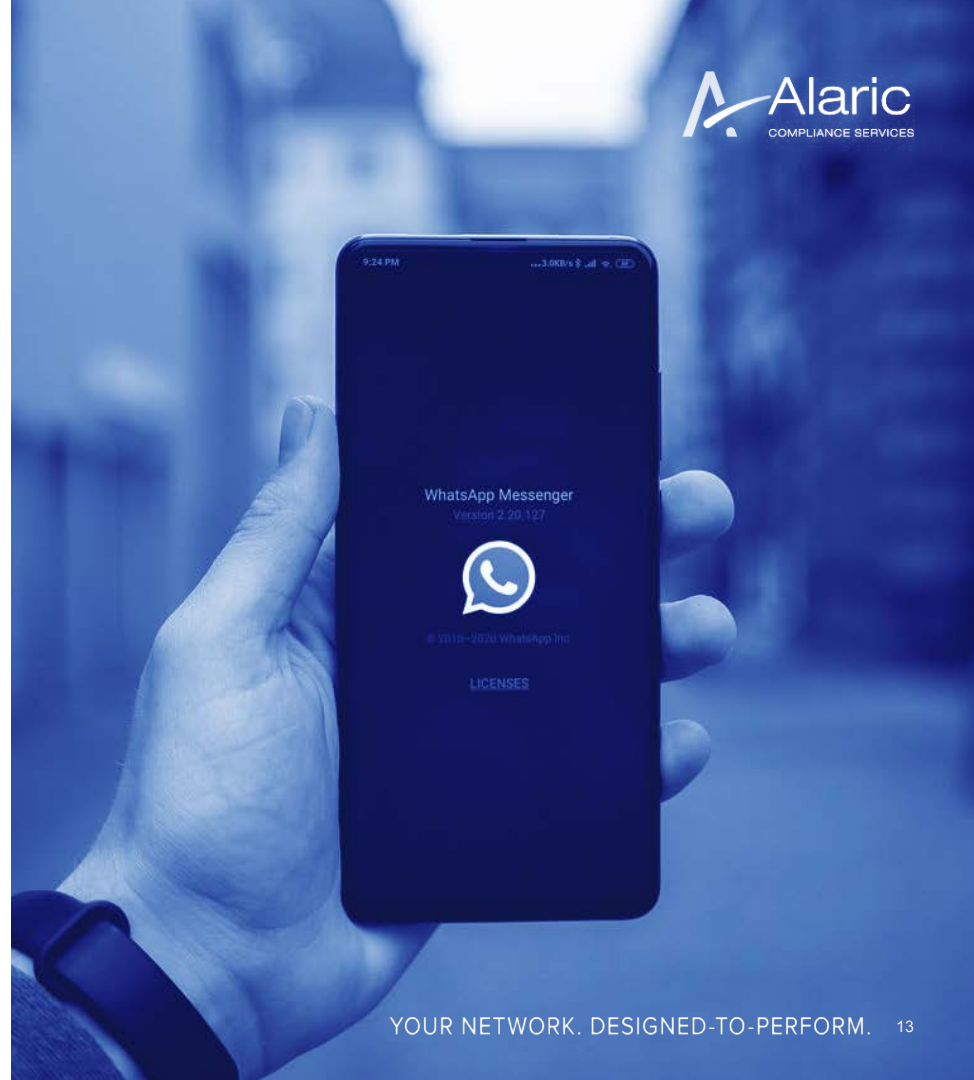


Trading Supervision

WhatsApp

Communications

- FINRA recently fined a broker using WhatsApp messenger to conduct securities-related business with customers
- Firm was not able to capture the communications broker sent and received through WhatsApp
- Firms procedures dictated that electronic business communications accessed and transmitted only through firms sponsored systems so the firm can review, monitor and audit communications-only use firm issued mobile devices
- Broker violated FINRA rules 4511 and 2010 governing standards of commercial honor and principles of trade-even if you are not FINRA regulated good case for guidance on key points



Trade Compliance Matters

- Firms are required to make and preserve books and records
- Rules apply to all electronic communications such as email, instant messages, collaboration tools, text messages, social media and messaging platforms
- Every firm that intends to communicate or permit trading through remote applications must ensure it can retain records of those communication
- Need for an encryption protocol to protect messages from being intercepted



Trade Compliance Matters

Remote Supervision of Traders

- Use of supervisory checklist
- Surveillance tools
- Incident trackers
- Email review
- Trade Exception reports
- Protect MNPI maintain confidentiality obligations
- Escalation potential issues
- Regular meetings and check ins



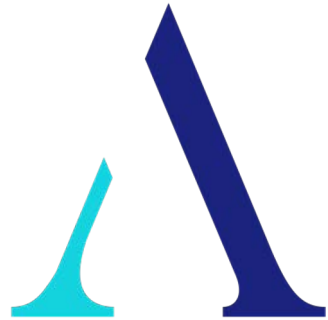
Web-Based Video and Audio Conferencing Security, Privacy and Compliance Risks

Schulte Roth & Zabel issued an Alert on April 10, 2020 on the topic of video conferencing which is summarized below.

Run the latest version of web-based software **Configure the software with robust security controls**

- Use unique meeting ID's
- Require passwords
- Use multifactor authentications
- Use meeting access controls
- Turn off screen sharing
- Turn off recording
- Turn off chat
- Make sure there are sufficient security features





AQUABLUE

THANK YOU

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