

NYSE Rule ◀445 ▶. Anti-Money Laundering Compliance Program

Each member organization and each member not associated with a member organization shall develop and implement a written anti-money laundering program reasonably designed to achieve and monitor compliance with the requirements of the Bank Secrecy Act (31 U.S.C. 5311, *et seq.*), and the implementing regulations promulgated thereunder by the Department of Treasury. Each member organization's anti-money laundering program must be approved, in writing, by a member of senior management.

The anti-money laundering programs required by this Rule shall, at a minimum:

- (1) Establish and implement policies and procedures that can be reasonably expected to detect and cause the reporting of transactions required under 31 U.S.C. 5318(g) and the implementing regulations thereunder;
- (2) Establish and implement policies, procedures, and internal controls reasonably designed to achieve compliance with the Bank Secrecy Act and the implementing regulations thereunder;
- (3) Provide for annual (i.e., on a calendar-year basis) independent testing for compliance to be conducted by member or member organization personnel or by a qualified outside party, unless the member or member organization does not conduct a public business (e.g., engages solely in proprietary trading, or conducts business only with other broker-dealers) in which case "independent testing" is required every two years (on a calendar-year basis);
- (4) Designate, and identify to the Exchange (by name, title, mailing address, e-mail address, telephone number, and facsimile number) a person or persons responsible for implementing and monitoring the day-to-day operations and internal controls of the program and provide prompt notification to the Exchange regarding any change in such designation(s). Such person or persons must:
 - (A) be employed by each member or member organization for which they are designated pursuant to this paragraph, or
 - (B) be employed by an entity that directly or indirectly controls, or is controlled by, or is under common control with the member or member organization (i.e., a parent, affiliate, or subsidiary of the member or member organization).
 - (C) Except as provided by Supplementary Material paragraph .30, the prior written approval of the Exchange is required if an arrangement is structured pursuant to section (4)(B) of this rule. Further, each person designated pursuant to section (4)(B) must execute an attestation, acceptable to the Exchange, consenting to the supervision of each member or member organization for which they are designated and to the jurisdiction of the Exchange. In addition, the member or member organization must execute an agreement, acceptable to the Exchange, acknowledging their responsibility to supervise, as an employee for all regulatory purposes, each such person designated by them; and
- (5) Provide ongoing training for appropriate persons.

• • • **Supplementary Material:** -----

.10 All members and member organizations should undertake more frequent testing than required by Rule ◀445 ▶(3) if circumstances warrant.

.20 Independent testing pursuant to Rule ◀445 ▶(3) must be conducted by a designated person with a working knowledge of applicable requirements under the Bank Secrecy Act and its implementing regulations. Independent testing may not be conducted by a person who performs the functions being tested, or by the designated AML compliance officer, or by a person who reports to either.

.30 If a person designated pursuant to an arrangement structured under section 4(B) is to be replaced by another person, and such arrangement has previously been approved by the Exchange pursuant to

section 4(C), then Exchange approval of the designation change is not required if the previously approved arrangement is otherwise substantively unchanged. However, prompt notification to the Exchange of the designation change is still required under section (4), as is the execution of required documents pursuant to section 4(C).

Adopted: April 22, 2002.

Amended: January 25, 2006 (NYSE-2005-36).