

# JOINT AUDIT COMMITTEE

## \*\* REGULATORY UPDATE \*\*

To: FCM Chief Financial Officers  
FCM Compliance Officers

Update: 9904

Date: June 21, 1999

Re: CFTC Year 2000 Contingency Planning for Commission Registrants

Please be advised that the Commodity Futures Trading Commission ("CFTC") has recently issued Advisory #24-99 which addresses Y2K contingency planning requirements for all Commission registrants.

Accordingly, each registered FCM, IB, CPO, and CTA must prepare a WRITTEN Y2K contingency plan no later than September 1, 1999. This written plan must be available at that time for review by the CFTC and/or the firm's self-regulator. The plan DOES NOT have to be submitted.

The Advisory highlights the following issues, which should be included within the contingency plan:

- preservation of accurate books and records;
- position transfer arrangements;
- establishing a "Command Center" during the millennium transition period;
- identification of "key" personnel authorized to act on behalf of the firm;
- establishing a notification chain;
- designation of customer liaison;
- course of action for third party deficiencies;
- validating the plan (ie. testing plan, training staff)

The Joint Audit Committee ("JAC") has taken an active role in preparing for the new millennium. If you would like to discuss this Advisory, please contact your applicable DSRO representative. A contact list is attached along with a copy of the Advisory.

The Joint Audit Committee ("JAC") is a representative committee of U.S. futures exchanges and regulatory organizations including the ACC, CBOT, CME, COMEX, CSC, KCBOT, MGE, NYCE, NYFE, NYMEX, PBOT, and the NFA. Regulatory Updates such as this are periodically distributed to keep the FCM community apprised of regulatory issues.

# **JOINT AUDIT COMMITTEE**

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