



**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
SECURITIES DIVISION**

No: 20-03-09

**ORDER AUTHORIZING REMOTE AUDITS BY BROKER-DEALERS OF SINGLE
AGENT BRANCH OFFICES FOR 2021 ANNUAL AUDITS**

WHEREAS, NMAC 12.11.2.24(A)(2) requires broker-dealer compliance departments to conduct annual on-site field audits of each single agent branch office which includes, but is not limited to, an examination for compliance with books and records requirements, for evidence of outside business activity, and for evidence that such activity was properly disclosed to and approved by the firm;

WHEREAS, the ongoing COVID-19 pandemic and the measures implemented by government and private entities to reduce its spread may deter or disrupt compliance with NMAC 12.11.24(A)(2);

WHEREAS, a temporary order permitting broker-dealers to conduct audits of single agent branch offices remotely is appropriate, in the public interest and consistent with the purposes intended by the New Mexico Uniform Securities Act.

THEREFORE, in consideration of and specifically regarding the above circumstances, pursuant to NMSA 1978 § 58-13C-605, it is hereby **ORDERED** that:

1. Broker-dealers may satisfy the requirements contained in NMAC 12.11.2.24(A)(2) for the year 2021 by conducting audits of each single agent branch office through remote means, provided that the following conditions are met:
 - a. A broker-dealer that intends to conduct a remote audit shall submit in writing to the Securities Division of the New Mexico Regulation and Licensing Department (the "Division") a proposed procedure detailing the steps that the broker-dealer's compliance department will utilize when conducting such remote audits of its single agent branch offices; and
 - b. The proposed procedure is approved in writing by the director of the Division in advance of such audits taking place; or

- c. A broker-dealer submitted a written proposed procedure to the Division in 2020 that was approved by the interim director of the Division in accordance to the Division's Temporary Order No. 20-08-21; and
 - d. The broker-dealer provides written notice to the Division that the broker-dealer will conduct remote audits of its single agent branch offices in 2021 in accordance to the previously approved procedure.
2. This Order shall remain in effect until December 31, 2021, unless extended or rescinded.

BY ORDER OF THE NEW MEXICO SECURITIES DIVISION:



/s/ Benjamin R. Schrope
Benjamin R. Schrope, Interim Director
New Mexico Securities Division

April 1, 2021
Effective Date