



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

No: 20-08-21

**TEMPORARY ORDER AUTHORIZING REMOTE ON-SITE AUDITS BY BROKER-
DEALERS OF SINGLE AGENT BRANCH OFFICES**

WHEREAS, NMAC 12.11.24(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 12.11.24(A)(2) for the year 2020 by conducting audits of each single agent branch office through remote means, provided that the following conditions are met:
 - a. A broker-dealer who 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.

2. This Order shall remain in effect until December 31, 2020, unless extended or rescinded.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

August 21, 2020
Effective Date