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The Regulatory & Compliance Update is published by Renaissance Regulatory Services for its clients' legal, compliance, senior management, and supervisory personnel.

This memorandum is distributed to RRS clients at no charge and includes "hot topics" of focus by regulators and of interest to compliance professionals. The document is intended to provide reminders of regulatory matters that were released or issued during the previous month.

The information contained in this publication was compiled from various regulatory releases and is believed to be true and correct as of the date of distribution. Many regulatory issues are subject to interpretations that can change as industry rules and regulations change, and as compliance issues evolve. Readers are cautioned to consider their individual situations and are encouraged to contact RRS staff for guidance on any issues. The information is not intended as legal or accounting advice, which can only be provided by a duly qualified attorney or certified public accountant.

Hot Topics

EVENTS

- **DEADLINE:** Monthly FOCUS Filing Due December 24th, 2013
- **MSRB:** MSRB Education and Outreach Seminar, January 28, 2014 in Atlanta, GA

ITEMS IN THIS EDITION

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Service Spotlight: Supervisory Controls

RRS provides a full range of services to assist with your firm's compliance with FINRA Rules 3010, 3012 and 3013, including:

- Comprehensive Risk Assessment
- Review of Supervisory Structure
- Written Policies and Procedures Gap Analysis
- Report Preparation
- Draft CEO Certification
- Annual Compliance Meetings
- Compliance Program Testing Training
- Ongoing Compliance Support

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SEC

SEC Announces:

First Deferred Prosecution Agreement With Individual ([Link](#))

Agenda and Panelists for Small Business Forum ([Link](#))

Fraud Charges Against Two Florida-Based Investment Advisers ([Link](#))

Charges Against Two Houston-Based Firms for Engaging in Thousands of Undisclosed Principal Transactions ([Link](#))

Fraud Charges Against Detroit-Based Money Market Fund Manager ([Link](#))

Agenda, Panelists For Roundtable On Proxy Advisory Services ([Link](#))

“Find it – Before the Regulators”

The staff at RRS are continually striving to ensure that the services and support we provide to our clients are the most up to date and comprehensive available. Frequently we are able to forecast regulatory trends based on the information our clients provide to us regarding new products, services or marketing trends. This “Find it – Before the Regulators” insight enables us to develop customized compliance solutions so that our clients can address any potential regulatory deficiencies before the regulators do.

For more information contact us at (561) 368-2245.

SEC Charges:

Municipal Issuer in Washington’s Wenatchee Valley Region for Misleading Investors ([Link](#))

New York-Based Audit Firm and Four Accountants for Failures in Audits of China-Based Companies ([Link](#))

Bank Subsidiary with Misleading Investors in Subprime RMBS Offering ([Link](#))

Hedge Fund Trader With Insider Trading in Carter’s Stock ([Link](#))

Another Tipper in Galleon Insider Trading Scheme ([Link](#))

Colorado Man in Scheme Targeting Elderly Investors ([Link](#))

Swiss-based Oilfield Service Company With FCPA Violations ([Link](#))

SEC Halts:

Ponzi Scheme Involving New Zealand Companies ([Link](#))

List of No Action Letters:

New Mountain Finance Corporation ([Link](#))

Robert Van Grover, Esq., Seward & Kissel LLP ([Link](#))

Main Street Capital Corporation ([Link](#))

ABA Retirement Funds ([Link](#))

RBS Securities, Inc. ([Link](#))

Computershare Investor Services (Jersey) Limited and Computershare Trust Company, N .A., ([Link](#))

SEC Events:

SEC To Hold Roundtable On Proxy Advisory Services ([Link](#))

SEC Obtains Asset Freeze in California-Based Real Estate Investment Scheme

SEC announced fraud charges and an emergency asset freeze against a group of Pasadena, Calif.-based companies at the center of an ongoing real estate investment scheme. ([Link](#))

SEC Names David Glockner as Director of Chicago Regional Office

SEC announced the appointment of David A. Glockner as director of the Chicago Regional Office. ([Link](#))

SEC Names LeeAnn Gaunt as Chief of Municipal Securities and Public Pensions Unit

SEC announced the appointment of LeeAnn Ghazil Gaunt as chief of the Enforcement Division’s Municipal Securities and Public Pensions Unit. ([Link](#))

Kevin W. Goodman Named Head Of SEC’s Broker-Dealer Examination Program

SEC announced that Kevin W. Goodman has been named as the national associate director of the broker-dealer examination program in the Office of Compliance Inspections and Examinations (OCIE). He will oversee a staff of approximately 300 lawyers, accountants, and examiners responsible for inspections of U.S.-registered broker-dealers. ([Link](#))

SEC Names Julie Lutz as Director of Denver Regional Office

SEC announced the appointment of Julie K. Lutz as director of the Denver Regional Office, where she will oversee enforcement and examinations in a seven-state region. ([Link](#))

Did you Know?

A helpful reminder for investment advisers of certain periodic obligations that may be applicable under either state or federal laws and regulations:

- **Delivery of Privacy Policy** – Privacy regulations require “financial institutions”, including investment advisers, to distribute their privacy policy to existing clients on an annual basis. Advisers should be sure to distribute a copy of their privacy policy, even if there were no changes and document delivery of the privacy notice. Documentation can be achieved simply by retaining a copy of the privacy notice with a copy of the mailing list used to distribute the Policy.
- **Update of Form ADV** – The Investment Advisers Act of 1940 (“Advisers Act”), and most state regulations, require that a registered investment advisers Form ADV (both Part 1 and Part II) be updated within 90 days of the adviser’s fiscal year end.
- **Brochure Rule** – The Advisers Act, and most state regulations, require that a registered investment adviser provide, or offer to provide at no charge, their clients with a copy of Part II of their Form ADV or the equivalent “brochure” statement in lieu of Part II of the Form ADV, on an annual basis.
- **Review of Compliance Procedures** – Advisers Act Rule 206(4)-7 requires SEC registered investment advisers to “Review, no less frequently than annually, the adequacy of the policies and procedures established pursuant to this section and the effectiveness of their implementation”. Written evidence of this review should be maintained. Several states have also adopted similar rules in their statutes for State registered investment advisers.
- **Hedge Fund Audited Financial Statements** – For investment advisers that manage hedge funds, audited financial statements, prepared in accordance with generally accepted accounting principles, must be provided to investors of the hedge fund(s) within 120 days of the fund’s fiscal year end, in order to qualify for exemptions under the Advisers Act custody rules.

RRS offers the *Compliance Administrator* program, which is designed to provide a support mechanism to investment adviser and broker-dealer CCOs, to help meet their regulatory and compliance requirements through the delivery of a standard suite of products and services designed to emulate a compliance back-office. The service integrates RRS’ registration, financial reporting and consulting services to deliver broad based support to your compliance program. Please call us at (561) 368-2245 for more information on how RRS can help support your compliance program.

Penny Stock Financier Agrees to Pay \$1.4 Million to Settle SEC Charges

SEC charged a New York-based penny stock financier and his firms with violating the federal securities laws when they purchased billions of shares in a pair of microcap companies and failed to register them before they were re-sold to investors for sizeable profits. ([Link](#))

FINRA**FINRA Fines:**

A clearing firm and a Broker-dealer a Total of \$1.8 Million for Required Options Positions Reporting and Supervisory Violations ([Link](#))

Regulatory Notices:

[13-37](#) Broker-Dealer, Investment Adviser Firm, Agent and Investment Adviser Representative, and Branch Renewals for 2014

[13-38](#) FINRA and ISG Extend Effective Date for Certain Electronic Blue Sheet Data Elements

[13-39](#) SEC Approves Amendments to FINRA Rule 2360 (Options) and FINRA Rule 4210 (Margin Requirements) in Connection With Over-the-Counter Options Cleared by the OCC

[13-40](#) SEC Approves Amendments to Discovery Guide Used in Customer Arbitration Proceedings to Address Electronic Discovery, Product Cases and Affirmations

Information Notices:

[11/12/13](#) Extension of Current Rate for Fees Paid Under Section 31 of the Exchange Act

[11/26/13](#) FINRA Reminds Firms of Exercise Cut-Off Time for Weekly Options Expiring on the Friday After Thanksgiving

FINRA Releases Enhanced Version of BrokerCheck

FINRA announced that it has released an enhanced version of BrokerCheck that allows investors to more quickly access and more intuitively understand the professional background of investment professionals. ([Link](#))

Self-Regulatory Organizations Response to SEC for Strengthening Critical Market Infrastructure

Self-regulatory organizations (SROs) for the equities and options markets have been working with the SEC staff on their collective plans to strengthen the resilience, performance, disaster recovery capability and governance of the critical infrastructure of the US capital markets, including the Securities Information Processors (UTP, CTA and OPRA). ([Link](#))

FINRA Names Mike Rufino Head of Member Regulation – Sales Practice, and Bill Wollman Head of Member Regulation – Risk Oversight and Operational Regulation (ROOR)

FINRA announced that Mike Rufino will become Head of Member Regulation – Sales Practice, and Bill Wollman will become Head of Member Regulation – Risk Oversight and Operational Regulation (ROOR). ([Link](#))

MSRB

MSRB Upcoming Events:

MSRB and Municipal Advisory Council of Michigan Education and Outreach Seminar, December 5, 2013 ([Link](#))

EMMA® Webinar for Municipal Advisors, December 9, 2013 ([Link](#))

MSRB Education and Outreach Seminar, January 28, 2014 in Atlanta, GA. Details will be forthcoming.

MSRB Announces Expanded State Outreach

MSRB announced a national, multi-year campaign to increase its outreach to state and local governments that issue municipal securities. The effort aims to share with municipal entities how the MSRB's Electronic Municipal Market Access (EMMA®) website is a resource for evaluating municipal finance options, complying with disclosure requirements and communicating with investors. ([Link](#))

MSRB Publishes Third Quarter 2013 Municipal Market Statistics

MSRB released municipal market statistics for the third quarter of 2013, including data on trading patterns, interest rate resets and continuing disclosure submissions made to the MSRB for the \$3.7 trillion municipal bond market. The MSRB, which regulates the municipal market, is an independent source of market data and operates the Electronic Municipal Market Access (EMMA®) website. ([Link](#))

MSRB Honored with a 2013 Award of Excellence for Visual Media

MSRB is pleased to announce that it is the recipient of a 2013 Award of Excellence from the Society for New Communications Research "Excellence in New Communications Awards." The MSRB was recognized in the visual media category, nonprofit division for its series of educational videos on the municipal market and the Electronic Municipal Market Access (EMMA®) website. The prestigious awards program honors individuals and organizations for the exemplary use of digital, mobile and social media. ([Link](#))

New MSRB Video Addresses Roles in a Municipal Bond Issuance

MSRB released a short video that explains the roles of key participants involved when a state or local government borrows money from the investing public by issuing a bond. The Issuance Process seeks to clarify

for state and local government issuers the distinct roles of underwriters and municipal advisors so that they can understand the nature of their relationships with each of these entities throughout the issuance process. The video continues the MSRB's award-winning multimedia strategy to provide municipal market education to state and local governments and investors. ([Link](#))

MSRB Provides Education for Issuers on Disclosure of Bond Ballot Campaign Contributions

MSRB prepared a new educational resource to assist state and local governments in understanding the information that will be made public regarding municipal securities dealers' contributions to bond ballot campaigns and any resulting municipal securities underwriting business. The MSRB began requiring additional disclosures in July 2013 to promote greater transparency surrounding dealers' involvement in bond ballot campaigns, which secure voter approval for taxpayer-funded public projects. ([Link](#))

Broker-dealer Compliance Support

RRS' regulatory and compliance consulting and support solutions for broker-dealers' includes:

- SEC/FINRA compliance examinations
- AML program development and reviews
- Annual compliance meetings
- Written supervisory policies and procedures
- Regulatory mandates
- Compliance programs and training
- Code of ethics

For more information contact John Pinto at (202) 463-6575 or JohnPinto@RRSCompliance.com

NASAA

NASAA Statement on SEC Investor Advisory Committee's Support for Fiduciary Duty for Broker-Dealers

The following is a statement from Andrea Seidt, president of the North American Securities Administrators Association (NASAA) and Ohio Securities Commissioner, regarding the recommendation approved by the Securities and Exchange Commission's Investor Advisory Committee (IAC) supporting the extension of a fiduciary duty to broker-dealers when they provide personalized investment advice to retail investors. ([Link](#))

NASAA Statement on SEC Investor Advisory Committee's Recommendation Regarding SEC Investment Adviser Exam Funding

The following is a statement from Andrea Seidt, president of the North American Securities Administrators Association (NASAA) and Ohio Securities Commissioner, regarding the recommendation approved by the Securities and Exchange Commission's Investor Advisory Committee (IAC) calling for legislation to fund investment adviser examinations. ([Link](#))

NASDAQ—NASDAQ-TRADER—

OTCBB

Equity Regulatory Alert:

[2013-11](#) FINRA Introduces Intended Markets NASDAQ and FINRA/OTC as Matching Criteria for Trade Reports

Data News:

[2013-10](#) NASDAQ OMX Announces 2014 Market Holiday Schedule

[2013-11](#) NASDAQ OMX Introduces New Managed Data Solution Fee Structure for PHLX Orders

Equity Trader Alert:

[2013-105](#) NASDAQ to Begin Listing WisdomTree Trust ETF on Thursday, November 7, 2013

[2013-106](#) NASDAQ OMX Announces New Weblink ACT 3.0 Beta

[2013-107](#) Caesars Acquisition Company Class A Common Stock to list on NASDAQ effective November 19, 2013 (CACQ)

[2013-108](#) NASDAQ to Begin Listing VelocityShares ETNs on Monday, December 2, 2013

[2013-109](#) NASDAQ OMX U.S. Markets will be Closed on Thursday, November 28, 2013, and will Close Early on Friday, November 29, 2013

[2013-110](#) NASDAQ and BX Pricing Changes Effective December 2013

Data Technical News:

[2013-49](#) UPDATED 11/20/2013: NASDAQ OMX PHLX Announces PHLX Market Data Feed Updates

[2013-50](#) FINRA Data Feeds Early Close Schedule for Friday, November 29, 2013

[2013-51](#) NASDAQ OMX U.S. Proprietary Data Feed Schedules for Friday, November 29, 2013

[2013-52](#) Caesars Acquisition Company to Begin Listing on NASDAQ on Tuesday, November 19, 2013

Options Trader Alert:

[2013-51](#) NOM to Open Under Normal Operating Procedure on Monday, November 4th

[2013-52](#) PHLX XL Amends PIXL Auction Notification (PAN) Message

[2013-53](#) PHLX Modifies Customer Rebate Program Effective Immediately

[2013-54](#) PHLX Updates Customer Rebate and Certain Transaction Fees

Options Regulatory Alert:

[2013-16](#) NOM Bid/Ask Differentials for "NDX", "GOOG" & "PCLN" Options Class Through December 21, 2013

UTP Vendor Alert:

[2013-12](#) UTP SIP Early Close Schedule for Friday, November 29, 2013

Ask about Our Order Handling and Best Execution Surveillance Solutions

Contact John Pinto at

(202) 463-6575

JohnPinto@RRSCompliance.com

Market Wide Quotation and Trading Resume for All OTC Equity Securities

On Thursday, November 7, 2013, the Financial Industry Regulatory Authority, Inc. ("FINRA") halted quoting and trading in all OTC Equity Securities pursuant to FINRA Rule 6440(a)(3). See UPC Notice # 47-13. FINRA determined to impose the temporary halt because of a lack of current quotation information for OTC Equity Securities. Members are hereby advised that FINRA is lifting the market-wide quoting and trading halt in all OTC Equity Securities effective Thursday, November 7, 2013 at 15:00:00 p.m. E.T. Members are permitted to display "closed" quotations for a quote-only period beginning at 14:45:00 p.m. E.T. on Thursday, November 7, 2013. ([Link](#))

Market Wide Quotation and Trading Halt for All OTC Equity Securities

On Thursday, November 7, 2013, the Financial Industry Regulatory Authority, Inc. ("FINRA") halted trading in all OTC Equity Securities pursuant to FINRA Rule 6440(a)(3). FINRA determined to impose a temporary halt because of a lack of current quotation information. Therefore, FINRA has determined that halting quoting and trading in all OTC Equity Securities is appropriate to protect investors and ensure a fair and orderly marketplace. The trading and quotation halt began on Thursday, November 7, 2013, at 11:25:00 a.m. E.T. FINRA will notify the market when trading may resume. ([Link](#))

FINOP and Financial Reporting Services

RRS provides a full range of services to assist broker-dealers and investment advisers with financial statement preparation.

For Broker-dealers, our support services include:

- Net capital computation and FOCUS Filing
- Full financial statement preparation - trial balance, balance sheet, income statement and general ledger Chart of accounts
- Schedule of non-allowable assets
- Schedule of aggregate indebtedness
- Haircuts, undue concentration, and blockage tests
- Riskless principal trade assessment
- Account reconciliations
- Journal entries
- Year-end audit adjustments
- Intra-month capital surveillance and early warning alerts
- SEC Rule 15c3-3 exemption testing for proper handling of customer funds and securities
- Written supervisory policies and procedures
- Audit support
- Research services

For Investment Advisers, our support services include:

- Full financial statement preparation - trial balance, balance sheet, income statement and general ledger
- Chart of accounts
- Account reconciliations
- Journal entries
- Year-end audit adjustments
- Written supervisory policies and procedures
- Audit support
- Research services

For more information contact Harry Chaffee at (561) 368-2245 or HarryChaffee@RRSCompliance.com

Update: Quotation and Trading Halt for OTC Equity Securities

FINRA is invoking its clearly erroneous trade break authority under FINRA Rule 11893 to break all trades in OTC Equity Securities on Thursday, November 7, 2013, after 11:25:00 a.m. ET up and until the resumption of permitted trading at 3:00 p.m. ET for all OTC Equity Securities. FINRA member firms are instructed to cancel all related trades executed during that time period that were reported to FINRA's OTC Reporting Facility (ORF). In making this determination, FINRA has also determined that the number of the affected transactions is such that immediate finality is necessary to maintain a fair and orderly market and to protect investors and the public interest. Consequently, these determinations may not be appealed. ([Link](#))

NYSE - EURONEXT – AMEX**NYSE to Suspend Trading in:**

American Depositary Shares of Suntech Power Holdings Co., Ltd. and Commence Delisting Proceedings ([Link](#))

NYSE EURONEXT Announcements:

NYSE Euronext Announces Third Quarter 2013 Financial Results ([Link](#))

NYSE Euronext Announces Trading Volumes for October 2013 ([Link](#))

NYSE Euronext Announces Trading Volumes for October 2013 Global Derivatives ADV Up Year-over-Year but Down Sequentially European Cash Equities ADV Up Year-over-Year and Up Sequentially U.S. Cash ADV Down Year-over-Year and Down Sequentially ([Link](#))

NYSE Euronext Announces Timeline for Completing Acquisition by IntercontinentalExchange ([Link](#))

NYSE MKT to Delist Securities of:

CARDERO RESOURCES CORP. ([Link](#))

NYSE MKT Issues Short Interest Report:

Settlement date of October 31, 2013 ([Link](#))

Settlement date of November 15, 2013 ([Link](#))

NYSE Group, Inc. Issues Short Interest Report:

Settlement date of October 31, 2013 ([Link](#))

Settlement date of November 15, 2013 ([Link](#))

NYSE Weekly Program-Trading Data Releases:

Averaged 23.3 Percent of NYSE Volume during Nov. 4-8 ([Link](#))

Averaged 26.4 Percent of NYSE Volume during Nov. 11-15 ([Link](#))

Averaged 24.1 Percent of NYSE Volume during Nov. 18-22 ([Link](#))

NYSE Euronext and IntercontinentalExchange Announce Preliminary Results of Proration Calculations

IntercontinentalExchange (NYSE: ICE), a leading operator of global markets and clearing houses, and NYSE Euronext (NYSE: NYX), announced the preliminary results of the proration calculations performed by Computershare Inc., the exchange agent for ICE's pending acquisition of NYX. ([Link](#))

NYSE Euronext and IntercontinentalExchange Announce Preliminary Shareholder Merger Consideration Election Results

IntercontinentalExchange (NYSE: ICE), a leading operator of global markets and clearing houses, and NYSE Euronext (NYSE: NYX), announced the preliminary results of the elections made by shareholders of NYX regarding their preference as to the form of merger consideration they will receive in connection with ICE's pending acquisition of NYX, which is currently expected to be effective within two business days after receipt of the final regulatory approvals, which ICE and NYX expect to receive in the coming days. ([Link](#))

Twitter Celebrates Initial Public Offering and First Day of Trading on the New York Stock Exchange

Twitter opened for trading on the New York Stock Exchange (NYSE) under the ticker symbol "TWTR" after its initial public offering (IPO). Barclays is the Designated Market Maker for the company's stock. ([Link](#))

Numericable Group listing a resounding success IPO IS THE LARGEST IN PARIS SINCE 2009

Numericable Group, France's leading cable broadband and fibre optics service provider, celebrated its listing on NYSE Euronext in Paris under ticker code "NUM". The move raised €652.2 million, making it the largest listing on NYSE Euronext in Paris since 2009. ([Link](#))

NYSE Euronext U.S. Options Exchanges to Begin Trading Options on TWTR Friday, November 15

NYSE Euronext U.S. Options announced that its NYSE Amex and NYSE Arca options exchanges intend to begin trading options on Twitter (NYSE: TWTR) at the market open on Friday, November 15. Pending regulatory approval, NYSE Amex Options also intends to select TWTR for the listing of Short Term Option Series, with series expiring on the next five consecutive Fridays. ([Link](#))

Self-Regulatory Organizations Response to SEC for Strengthening Critical Market Infrastructure

Self-regulatory organizations (SROs) for the equities and options markets have been working with Securities and Exchange Commission (SEC) staff on their collective plans to strengthen the resilience, performance, disaster recovery capability and governance of the critical infrastructure of the US capital markets, including the Securities Information Processors (UTP, CTA and OPRA). ([Link](#))

BD and IA Services

RRS provides a full range of services to assist broker-dealers and investment advisers' registration. With renewals ready to begin the first week of November, contact RRS to sign up for our services.

For more information contact John Pinto at (202) 463-6575 or JohnPinto@RRSCompliance.com

EnterNext congratulates RocTool on listing on NYSE Alternext

EnterNext, the NYSE Euronext subsidiary dedicated to promoting and developing the SME market, congratulated composite and plastic injection molding specialist RocTool on its transfer from the Free Market to NYSE Alternext in Paris. ([Link](#))

New York Stock Exchange to host 2013 NYSE Russia Day on Monday, November 18, 2013

Event Gathers Leading Russian Business Executives, Investors and Government Officials to Discuss the Opportunities for Doing Business and Investing in Russia. ([Link](#))

India's leading Bollywood studio, Eros International, Celebrates Initial Public Offering on the New York Stock Exchange

India's, Eros International Plc, a global player within the Indian media and entertainment arena, opened for trading on the New York Stock Exchange (NYSE) under the ticker symbol "EROS" after an initial public offering of ordinary shares. Barclays is the Designated Market Maker (DMM) for the company's stock. ([Link](#))

NYSE Member Firms Report Third-Quarter 2013 Results

New York Stock Exchange member firms that conduct business with the public reported a third-quarter 2013 after-tax profit of \$2.2 billion and revenues of approximately \$37.7 billion, compared with a \$2.2 billion after-tax profit on revenues of about \$39.5 billion in the second-quarter of 2013. ([Link](#))

Vince Celebrates Public Debut on the New York Stock Exchange

New York City-based Vince Holding Corp. opened for trading on the New York Stock Exchange (NYSE) under the ticker symbol "VNCE" after its initial public offering. Vince Holding Corp. is the parent company of Vince, a leading contemporary apparel brand known for modern effortless style and everyday luxury essentials. Vince Holding opened at \$29.50 after pricing 10,000,000 shares of common stock at a price of \$20.00 per share. Barclays is the Designated Market Maker for the company's stock. ([Link](#))

Tarkett celebrates successful listing on Euronext

Tarkett, one of the global leaders in flooring solutions and sports surfaces, celebrated its listing in Paris on Euronext N.V., a wholly owned subsidiary of IntercontinentalExchange Group, Inc. (NYSE: ICE). ([Link](#))

Euronext Brussels welcomes Viohalco on its market

Viohalco SA/NV, the holding company of a large metals group, celebrated its listing in Brussels on Euronext N.V., a wholly owned subsidiary of IntercontinentalExchange Group, Inc. (NYSE: ICE). This happened in the context of the mergers by absorption by Viohalco SA/NV of the Greek company Viohalco Hellenic Copper and Aluminium Industry SA and the Belgian company Cofidin SA. ([Link](#))

Municipal Securities

The RRS solutions for Municipal Securities Broker-Dealers include a wide range of preventative compliance services designed to reduce the potential for deficiencies during regulatory examinations. MSRB compliance services include examination, testing and support in the following critical areas:

- Trade Reporting (RTRS)
- Political contributions
- Underwriting activities
- Section 529 sales practices
- Official Statement Delivery
- Books and records
- Pricing
- Order Handling and Execution
- Customer confirmations
- Trade comparison and confirmation
- Supervisory Controls
- Written supervisory procedures

For more information contact John Pinto at (202) 463-6575 or JohnPinto@RRSCompliance.com

EnterNext congratulates IMPLANET on Euronext listing

EnterNext, the Euronext subsidiary dedicated to promoting and growing its SME market, saluted the successful listing of IMPLANET, a medical technology company producing state-of-the-art implants used in orthopaedic surgery. IMPLANET has joined compartment C of

Euronext N.V., a wholly owned subsidiary of IntercontinentalExchange Group, Inc. (NYSE: ICE), in Paris. ([Link](#))

Medtech lists on Euronext

Medtech, a world-class player in surgical robotics used in central nervous system procedures, celebrated its listing in compartment C of the Paris market operated by Euronext N.V. EnterNext, the NYSE Euronext subsidiary dedicated to promoting and growing the SME market, welcomed the new company, which will now benefit from its products and services. ([Link](#))

IntercontinentalExchange Group and DTCC Announce Plans for Interest Rate Futures Listed on NYSE Liffe U.S.

IntercontinentalExchange Group (NYSE: ICE) and The Depository Trust & Clearing Corporation (DTCC) announced plans to transition the clearing of interest rate futures listed on NYSE Liffe U.S. from New York Portfolio Clearing (NYPC) to ICE Clear Europe centralizing the trading and clearing of ICE's global interest rate product portfolio. NYPC's operations will be wound down and open interest transferred by the third quarter of 2014, subject to regulatory approval. ([Link](#))

PRA**Appointment of Chief Information Security Officer**

The Bank of England has appointed Don Randall as its Chief Information Security Officer. ([Link](#))

Bank of England statement following announcements by HM Treasury and Royal Bank of Scotland (RBS)

"The Bank of England, as prudential supervisor of RBS, welcomes the development of a more focused strategy for RBS and the commitments of the Board to specific actions that will bolster its capital position in the next three years. These actions should create a more resilient institution that is better able to support the real economy without any expectation of further support. Given these developments, the Bank of England fully supports the conclusions of the Review published by HM Treasury." ([Link](#))

Appointment of Head of Conjunctural Assessment and Projections Division

We are pleased to announce that Simon Hayes, currently Chief UK economist at Barclays Bank, has agreed to return to the Bank of England to succeed Robert Woods as Head of Conjunctural Assessment and Projections Division. Robert is due to return to HM Treasury at the end of his secondment in the spring of next year. Prior to joining Barclays, Simon worked at the Bank for 8 years in a variety of positions. ([Link](#))

The UK payments landscape – remarks by Chris Salmon

In some remarks delivered to the C D Howe Institute, Toronto, Canada, on 4 November 2013, Chris Salmon, Executive Director for Banking Services and Chief Cashier, outlines a number of changes that have

occurred in the UK payments system – as well as priorities for future reform – as the Bank works to further strengthen this critical infrastructure. ([Link](#))

The interactions of macroprudential and monetary policies: a view from the Bank of England's Financial Policy Committee - speech by Donald Kohn

In a speech to the Oxford Institute for Economic Policy on Wednesday, Donald Kohn explains how the policy actions of the Financial Policy Committee can complement those of the Monetary Policy Committee. ([Link](#))

Bank of England maintains Bank Rate at 0.5% and the size of the Asset Purchase Programme at £375 billion

The Bank of England's Monetary Policy Committee voted to maintain the official Bank Rate paid on commercial bank reserves at 0.5%. The Committee also voted to maintain the stock of asset purchases financed by the issuance of central bank reserves at £375 billion. ([Link](#))

Target 2.0 - Students in the Driving Seat of the Economy

The fourteenth annual Bank of England and The Times Interest Rate Challenge begins next week. More than one thousand students will be participating in the Challenge's forthcoming regional heats. Like the Bank's Monetary Policy Committee, they will have to consider many conflicting indicators in order to set monetary policy to meet the inflation target. Prospects for the UK economy remain at the centre of public debate with enormous interest shown in the Committee and its monthly decisions. The recent introduction of forward guidance means

the teams will have more to consider than ever before. ([Link](#))

Housing, Leverage and Stability in the Wider Economy – Speech by David Miles

In a speech given at the Dallas Federal Reserve, David Miles, member of the Monetary Policy Committee, argues that greater use of outside equity in financing house purchases may help counteract some of the macroeconomic problems created by excessive leverage in housing markets. ([Link](#))

Monetary Policy-Making and Forward Guidance – Speech by Martin Weale

In a speech given to A-Level students at Quintin Kynaston Community Academy in London, Martin Weale, Member of the Monetary Policy Committee (MPC), outlines the modern history of monetary policy in the UK – from the 1970s to the present day. ([Link](#))

Regional Heat Results from Cardiff on 18 November 2013

The fourteenth annual Target Two Point Zero – Bank of England and The Times Interest Rate Challenge is now underway, with 302 teams across the United Kingdom competing for the Challenge Trophy and £10,000 for their school or college. ([Link](#))

Executive Director Appointments

The Bank of England has appointed three new Executive Directors. They will join the Executive Directors Committee, the management committee of the Bank that makes decisions on its key operational issues. ([Link](#))

Statement Regarding the Co-operative Bank

The Prudential Regulation Authority welcomes HM Treasury's announcement that an investigation will take place into the affairs of the Co-operative Bank and the actions of all relevant authorities. This investigation will take place under section 77 of the Financial Services Act 2012. ([Link](#))

Lord Kingsdown

The Bank of England mourns the passing of its former Governor, Lord Kingsdown, who died on November 24, 2013. ([Link](#))

Financial Policy Committee to Conduct Review into Leverage Ratio

The Chancellor of the Exchequer, George Osborne, has requested that the Financial Policy Committee conducts a review into the role for the leverage ratio within the capital framework for UK banks. ([Link](#))

Adjustments to PRA's Capital Regime for UK Banks and Building Societies

PRA announced that it will extend the capital offset for corporate lending which accompanies the Funding for Lending scheme (FLS). It will not extend the capital offset for household lending, which will end on 31 December 2013. ([Link](#))

Anti-money Laundering Programs

RRS provides a comprehensive suite of services to aid in AML compliance, AML Program development, testing, training and surveillance for broker-dealers, investment advisers and other financial institutions.

- Program Development
- Customer Identification
- Enhanced Due Diligence
- OFAC Compliance
- BSA Compliance
- Suspicious Activity Surveillance
- SAR/CTR Reporting
- Program Testing
- Training Plans and Presentations

For more information contact John Pinto at (202) 463-6575 or JohnPinto@RRSCompliance.com

Bank of England and HM Treasury re-focus the Funding for Lending Scheme to support business lending in 2014

The Bank of England and HM Treasury are announcing changes to the terms of the Funding for Lending Scheme (FLS) extension to re-focus the incentives in the scheme towards supporting business lending in 2014. The first phase of the FLS, which ends on 31 January 2014, is unaffected by this announcement. ([Link](#))

The Prudential Regulation Authority sets out key decisions on capital standards

PRA is announcing key decisions on capital standards ahead of the introduction of a new European capital regime next year. These decisions will enhance the stability of the financial sector and strengthen the capital regime in the UK. ([Link](#))

FCA

The FCA Strengthens The Listing Rules To Enhance Protection For Shareholders

FCA has strengthened its listing rules to protect minority shareholders. The new rules will give shareholders in premium listed companies additional voting rights and greater influence over key decisions. ([Link](#))

FCA Acts Quickly To Stop Suspected Boiler Room From Taking More Money

A suspected boiler room has had an unlimited worldwide asset freezing order placed upon it by the Financial Conduct Authority (FCA) after a High Court judge agreed that First Capital Wealth Limited (FCW) posed a serious risk to consumers. The hearing took place at the High Court on Friday 15 November 2013. ([Link](#))

The FCA Launches Review Into Price Comparison Websites

Price comparison websites (PCWs) are a valuable tool for shopping around, but consumers may not be getting the best deal if they focus solely on price instead of the level of insurance cover. ([Link](#))

FCA Proposes New Rules On Dealing Commission For Investment Managers

FCA proposed improvements to the rules and new guidance over investment managers' use of client commissions. These changes will ensure that charges paid by consumers for executing trades and related services – known as dealing commission - are fairer and more transparent. ([Link](#))

FCA Fines An Investment Group £900,200 For Client Money Breaches

FCA fined an Investment Group for failings in relation to its protection of client money. It's a provider of asset management and wealth management services. ([Link](#))

Tribunal Upholds FCA Fine On Firm For Misselling Complex Investments

The Upper Tribunal (Tribunal) has upheld the decision of the Financial Conduct Authority (FCA) to fine Scottish firm Westwood Independent Financial Planners (Westwood) £100,000 for communications and suitability failings in relation to geared traded endowment policies (GTEPs). ([Link](#))

Statement Regarding Royal Bank of Scotland

FCA has now considered the reports published this week by Sir Andrew Large into lending practices at the Royal Bank of Scotland (RBS) and, separately, by Dr Lawrence Tomlinson into banks' treatment of customers in financial difficulty. The FCA has been kept informed by RBS during this period. ([Link](#))

Resource Links

Government

- U.S. Securities & Exchange Commission – WWW.SEC.GOV
- North American Securities Administrators Association - WWW.NASAA.ORG
- FINCEN - WWW.FINCEN.GOV
- Commodity Futures Trading Commission – WWW.CFTC.GOV
- Financial Conduct Authority - WWW.FCA.GOV.UK
- Prudential Regulatory Authority – WWW.BANKOFENGLAND.CO.UK

SRO

- FINRA - WWW.FINRA.ORG
- NASDAQ - WWW.NASDAQ.COM
- New York Stock Exchange - WWW.NYSE.COM
- Municipal Securities Rulemaking Board - WWW.MSRB.ORG
- National Futures Association WWW.NFA.FUTURES.ORG

Industry

- Alternative Investment Management Association “AIMA” – WWW.AIMA.ORG
- Bank Insurance & Securities Association “BISA” – WWW.BISANET.ORG
- Complinet – WWW.COMPLINET.COM
- Florida Securities Dealers Association “FSDA” – WWW.FLORIDASECURITIES.COM
- Financial Market Association “FMA” – WWW.FMAWEB.ORG
- Financial Services Institute “FSI” – WWW.FINANCIALSERVICES.ORG
- Investment Adviser Association “IAA” – WWW.INVESTMENTADVISER.ORG
- Investment Company Institute “ICI” – WWW.ICI.ORG
- Managed Funds Association “MFA” – WWW.MANAGEDFUNDS.ORG
- National Society of Compliance Professionals “NSCP” – WWW.NSCP.ORG
- Securities Industry and Financial Markets Association “SIFMA” – WWW.SIFMA.ORG

*This list is provided for information purposes only. RRS does not specifically endorse any group noted.

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“Find It - Before the Regulators”

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READER SURVEY FAX RESPONSE

TO: Louis Dempsey

RE: November 2013

Fax: (561) 807-5442

LouisDempsey@RRSCompliance.com

FROM: _____

FIRM NAME: _____ **IA** ___ **BD** ___ **OTHER** _____

PHONE: _____ **FAX:** _____

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