

Routing

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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 November 25th, 2013
- **MSRB:** MSRB and Municipal Advisory Council of Michigan Education and Outreach Seminar, December 5th, 2013

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- **SEC** – Sanctions Three Firms Under Compliance Program Initiative – Page 2
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Service Spotlight: Supervisory Controls

RRS provides a full range of services to help keep your Firm's written supervisory policies and procedures up to date, including:

- Policy and procedure gap analysis
- Review and assessment of supervisory structure
- Comprehensive risk assessment
- Periodic updates
- Compliance with Conduct Rule 3010 and related FINRA/NASD notices
- Compliance program testing
- Training on new rules

With former SEC, FINRA and State examiners, RRS can provide a customized solution to meet your regulatory and compliance needs. For more information or to request a proposal, contact your account representative or call us at (561) 368-2245.

Contact:

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SEC

SEC Announces:

Renewal of Advisory Committee on Small and Emerging Companies ([Link](#))

Two Promotions to Senior Positions in Division of Economic and Risk Analysis ([Link](#))

Date for Annual Government-Business Forum on Small Business Capital Formation ([Link](#))

Fraud Charges against Collateral Manager of CDO ([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

SEC Charges:

Michigan-Based Medical Technology Company with FCPA Violations ([Link](#))

Ohio-based manufacturer of ATMs and Bank Security Systems with FCPA Violations ([Link](#))

Global Financial Services Firm with Violations of Market Access Rule ([Link](#))

Three Firms with Violating Custody Rule ([Link](#))

SEC Halts:

Texas-Based Scheme Targeting Foreign Investors Seeking U.S. Residency through EB-5 Visa Program ([Link](#))

Pyramid Scheme Targeting Asian-American Community ([Link](#))

SEC Issues Proposal on Crowdfunding

SEC voted unanimously to propose rules under the JOBS Act to permit companies to offer and sell securities through crowdfunding. ([Link](#))

SEC Sanctions Three Firms Under Compliance Program Initiative

SEC sanctioned three investment advisory firms for repeatedly ignoring problems with their compliance programs. ([Link](#))

SEC Sanctions Nebraska-Based Investment Adviser for Best Execution Failures in Selecting Mutual Fund Share Classes

SEC sanctioned an Omaha, Neb.-based investment advisory firm and its owner for failing to seek the most beneficial terms reasonably available when investing in mutual fund shares for three funds that they managed. ([Link](#))

SEC Awards More Than \$14 Million to Whistleblower

SEC announced an award of more than \$14 million to a whistleblower whose information led to an SEC enforcement action that recovered substantial investor funds. Payments to whistleblowers are made from a separate fund previously established by the Dodd-Frank Act and do not come from the agency's annual appropriations or reduce amounts paid to harmed investors. ([Link](#))

Salt Lake Regional Office Director Kenneth Israel to Retire From SEC After More Than 38 Years

SEC announced that Kenneth Israel, director of the Salt Lake Regional Office, is retiring after more than 38 years at the agency. ([Link](#))

SEC Names Karen L. Martinez as Director of Salt Lake Regional Office

SEC announced the appointment of Karen L. Martinez as director of the Salt Lake Regional Office. ([Link](#))

SEC Launches Market Structure Data and Analysis Website

SEC unveiled a dynamic new website to provide investors and others with the ability to interactively explore a range of new market metrics and access empirical research and analyses that further inform the broader public debate on market structure. ([Link](#))

Daniel M. Hawke to Step Down as Director of Philadelphia Office

SEC announced that Daniel M. Hawke, the chief of the Enforcement Division's Market Abuse Unit, will step down as director of the Philadelphia Regional Office to concentrate his efforts on leading the nationwide unit. ([Link](#))

Previously Unknown Insider Traders in U.S.-Based Food Company Agree to \$5 Million Settlement

SEC announced that two brothers in Brazil have agreed to pay nearly \$5 million to settle charges that they were behind suspicious trading in call

options for a Company the day before the company publicly announced its acquisition. ([Link](#))

Mark Kronforst Named Chief Accountant In Division Of Corporation Finance

SEC announced that Mark Kronforst has been named chief accountant of its Division of Corporation Finance. ([Link](#))

Daniel Murdock Named SEC Deputy Chief Accountant

SEC announced the appointment of Daniel Murdock as a deputy chief accountant in the agency's Office of the Chief Accountant. ([Link](#))

Financial Regulators Propose Joint Standards for Assessing Diversity Policies and Practices of Regulated Entities

Six federal financial regulatory agencies are proposing joint standards for assessing the diversity policies and practices of the institutions they regulate. The proposed standards are intended to promote transparency and awareness of diversity policies and practices within the institutions. ([Link](#))

SEC Rewards Whistleblower With \$150,000 Payout

SEC announced an award of more than \$150,000 to a whistleblower whose tips helped the agency stop a scheme that was defrauding investors. ([Link](#))

Fee Rate Advisory #2 For Fiscal Year 2014

SEC is operating under a continuing resolution until January 15. Accordingly, the fees paid under Section 31 of the Securities Exchange Act will remain at their current rate until 60 days after the enactment of a regular appropriation for the SEC. ([Link](#))

FINRA

Regulatory Notices:

13-32 SEC Approves Amendments to FINRA Rule 9217 to Include Additional Rule Violations Eligible for Disposition under FINRA's Minor Rule Violation Plan

13-33 Securities Industry/Regulatory Council on Continuing Education Issues Firm Element Advisory Update

13-34 FINRA Requests Comment on Proposed Funding Portal Rules and Related Forms

13-35 SEC Approves Amendments to TRACE Rules and Dissemination Protocols to Disseminate Rule 144A Transactions in TRACE-Eligible Securities and Related Fees

13-36 FINRA Revises the Investment Company and Variable Contracts Products Representative (Series 6) Examination Program

Information Notices:

10/18/13 Continuing Education Planning

10/25/13 Change to Form U4 Regarding the Reporting of Judgment/Lien Events

Watching the States

When a state regulator comes knocking on your door, it's usually NOT a routine event. Unlike the SEC and FINRA, most broker-dealers and investment advisers typically only deal with state agencies for registration, licensing and complaint response purposes, and rarely have to deal with them during examinations. It is for this reason that many firms get tripped up during state regulatory inquiries. The fact is that most state examinations initiate from complaints, tips or sweeps based on your firm's sales practices or advertising materials and their purpose is rarely routine. Recent examples included sweeps on Senior Seminars, Variable Insurance product sales, and Auction Rate Securities sales.

RRS' staff has extensive experience in dealing with State regulatory matters. Whether it's registration and licensing or responding to a state inquiry, RRS staff can help smooth the process. RRS preventative compliance services include branch office examination, regulatory mandates, complaint assessment, and mystery shopping for branch offices and seminars.

For more information contact us (561) 368-2245 or Research@RRSCompliance.com

Statement from Chairman and CEO Richard G. Ketchum on FINRA's Report on Conflicts of Interest

FINRA published a report on conflicts of interest in the broker-dealer industry to highlight effective conflicts management practices that may go beyond current regulatory requirements and identify potential problem areas. In July 2012, FINRA initiated a dialogue with several large firms to review their conflicts management practices to better understand how the industry identifies and manages conflicts. ([Link](#))

FINRA Issues New Investor Alert: Stock Up on Information Before Buying Stock

FINRA issued a new investor alert called Stock Up on Information before Buying Stock to caution investors to carefully research any investment before making a purchase. There are well over 20,000 companies whose shares trade either on a U.S. exchange or over-the-counter. With so many companies and trading symbols, there is ample room for confusion. ([Link](#))

FINRA Issues New Investor Alert: Closed-End Fund Distributions: Where is the Money Coming From?

FINRA issued a new Investor Alert called Closed-End Fund Distributions: Where Is the Money Coming From? To explain what closed-end funds are, how they differ from traditional mutual funds, what a distribution rate is and what to ask before investing. Closed-end funds have become popular investments because some offer high distribution

rates—as high as 6 percent or more. However, investors should be aware that a fund's distribution rate is not the same thing as its return—even if the numbers might look similar. Closed-end funds typically pay distributions to investors on a monthly or quarterly basis, and may increase or decrease the distribution rate from one distribution period to the next. ([Link](#))

FINRA's Statement on PIABA's Expungement Study

PIABA's study underlines and emphasizes serious concerns FINRA shares with respect to the expungement process. As a result of these concerns, FINRA recently provided expanded guidance to assist arbitrators in the proper performance of their responsibilities with respect to expungement, and is enhancing arbitrator training with added emphasis on the importance of the integrity of the information in the CRD system. ([Link](#))

National Center for Victims of Crime, FINRA Foundation Release Taking Action: An Advocate's Guide to Assisting Victims of Financial Fraud

The National Center for Victims of Crime and the FINRA Investor Education Foundation released Taking Action: An Advocate's Guide to Assisting Victims of Financial Fraud to provide those who serve the more than 30 million Americans who are victims of financial fraud every year with an important new tool to aid their clients. This groundbreaking new guide is designed for consumer advocates, lawyers, counselors and other victim service providers. ([Link](#))

Ask about Our Order Handling and Best Execution Surveillance Solutions

Contact John Pinto at

(202) 463-6575

JohnPinto@RRSCompliance.com

MSRB

MSRB Upcoming Events:

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

MSRB Announces Priorities for New Fiscal Year and Seats New Board

MSRB announced its operating objectives for the fiscal year that begins October 1, 2013 and seated the 21-member Board of Directors that establishes regulatory policies and oversees the operations of the MSRB. ([Link](#))

MSRB Publishes First Report on Timing of Municipal Bond Annual Financial Disclosures

MSRB released a report that documents for the first time statistics on the average time after the end of a fiscal year it takes issuers of municipal securities and other obligated persons to make their financial information available to the public. ([Link](#))

MSRB Holds Quarterly Meeting

MSRB held its quarterly meeting October 23-25, 2013 where it established priorities for implementation of a regulatory framework for municipal advisors and agreed to develop and solicit public comment on a "best execution" rule for the municipal market, among other decisions affecting municipal market transparency and integrity. ([Link](#))

NASAA

NASAA Reports Similarities in Deficiencies Among Existing and Switching Investment Advisers

State securities regulators report little difference in the type or frequency of deficiencies between existing state investment and those advisers who switched from federal to state oversight as a result of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the North American Securities Administrators Association (NASAA) said. ([Link](#))

NASAA Expands Annual Top Investor Threat List

NASAA expanded its annual listing of financial products, practices and services that threaten to trap unsuspecting investors to include lurking dangers facing small business owners. ([Link](#))

NASAA Announces IARD System Fee Waiver for Investment Adviser Firms

NASAA announced the waiver of the Investment Adviser Registration Depository (IARD) system fees for investment adviser firms and the continuation of substantially reduced initial set-up and annual system fees paid by investment adviser representatives (IARs). ([Link](#))

Ohio Securities Commissioner Andrea Seidt to Lead NASAA

Ohio Securities Commissioner Andrea Seidt began a one-year term as president of the NASAA, the oldest international organization devoted to investor protection. ([Link](#))

NASAA Encourages Congress to take 'Balanced Approach' to Capital Formation Proposals to Restore Investor Confidence

NASAA urged lawmakers to proceed cautiously when considering additional legislation to reduce impediments to capital formation on the heels of the Jumpstart Our Business Startups (JOBS) Act of 2012. ([Link](#))

NASAA Outlines Plan for Streamlined State Review of JOBS Act-related Multi-State Offerings

NASAA told a Senate panel that state securities regulators are developing a streamlined multi-state review system to ease regulatory compliance costs on small companies attempting to raise capital under a provision of the Jumpstart Our Business Startups (JOBS) Act. ([Link](#))

States Report Increased Withdrawals of Licenses of Unscrupulous Brokers, Investment Advisers

NASAA reported a significant rise in the number of licenses of unscrupulous stockbrokers and investment advisers withdrawn due to state action. ([Link](#))

NASDAQ—NASDAQ-TRADER—

OTCBB

Equity Regulatory Alert:

2013-10 FINRA Eliminates the Ability for ACT "Not Ready" Firms to Send Non-locked-in Trade Submissions for Clearing

Data News:

2013-7 NASDAQ OMX Announces Level 2 Fee Changes as of January 1, 2014

2013 - 8 NASDAQ OMX Announces 2014 Fee Change for External Distribution of Global Index Data Service (GIDS) to Support Expanded Content

2013-8 NASDAQ OMX Announces adoption of new NASDAQ Basic Enterprise License and 2014 Fee Change for Professional Subscribers

Equity Trader Alert:

2013-91 SIFMA Industry-Wide Business Continuity Test to be Held Saturday, October 5, 2013

2013-92 NASDAQ Announces Spin off/Distribution and Reverse Split information for United Online, Inc. (UNTD)

2013-93 NASDAQ announces Spin off/Distribution information for Penn National Gaming, Inc. (PENN)

2013-94 NASDAQ to Begin Listing WisdomTree Trust ETF on Thursday, October 17, 2013

2013-95 Marriott International, Inc. to Begin Listing on NASDAQ on Monday, October 21, 2013

2013-96 NASDAQ Announces Spin off/Distribution Information for Harvard Bioscience, Inc. (HBIO)

2013-97 Limit Up/Limit Down Exchange Traded Product Tier 1 List Update

2013-98 NASDAQ to Begin Listing Robo-Stox Global Robotics and Automation Index ETF on Tuesday, October 22, 2013

2013-99 NASDAQ to Begin Listing First Trust ETF on Wednesday, October 23, 2013

2013-100 Completion of FINRA's Analysis of Submitted Claims Pertaining to Facebook IPO

2013-101 NASDAQ to Begin Listing ETF Series Solutions Fund on Wednesday, October 30, 2013

Trading and Market Making

The evolving market structure and changes to the regulatory framework create unique compliance issues for broker-dealers engaged in trading and market making. RRS provides compliance examinations based on FINRA's TMMS examination that includes:

- Regulation NMS Compliance
- Order handling
- Best execution
- Trade reporting
- Order execution and routing disclosures
- Payment for order flow disclosures
- OATS compliance
- REG SHO
- Trader registration
- Anti-competitive practices
- Written supervisory procedures

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

2013-102 PSX Pricing Changes Effective November 1, 2013

2013-103 Expanded Suffix Symbolology Testing Reminder

2013-04 NASDAQ Pricing Changes Effective November 1, 2013

Data Technical News:

2013-43 Marriott International, Inc. to Begin Listing on NASDAQ on Monday, October 21, 2013

2013-44 Reminder: Daylight Savings Time Ends Soon

2013-45 NASDAQ OMX Updates Release Schedule and Specifications for Enhanced U.S. Proprietary Equity Data Feed Versions

2013-46 Park City Group, Inc. to Begin Listing on NASDAQ on Monday, October 28, 2013

[2013-47](#) Fairchild Semiconductor International, Inc. to Begin Listing on NASDAQ on Thursday, October 31, 2013

[2013-48](#) NASDAQ OMX Now Supports 529 College Savings Plans Registered with MSRB on Mutual Fund Dissemination Service (MFDS)

Options Trader Alert:

[2013-46](#) NASDAQ OMX to Discontinue Network Data Mover (NDM) Protocol for Secure File Transfers

[2013-47](#) PHLX Updates its XL System Settings

[2013-48](#) PHLX XL Eliminates PIXL Differentiation Provision

[2013-49](#) BX Options Updates Execution Algorithm for Certain Symbols

Options Regulatory Alert:

[2013-13](#) PHLX Announces Margin Levels for Select Foreign Currency Options

[2013-14](#) NOM Bid/Ask Differentials for "NDX" Options Class through November 16, 2013

[2013-15](#) NOM to Modify Bid/Ask Differentials for PCLN and GOOG Options Class through November 16, 2013

Financial Products News:

[2013-36](#) NASDAQ OMX Announces Launch of Two New Indexes Effective Monday, October 21, 2013

[2013-37](#) NASDAQ OMX Announces Launch of Fourteen New Indexes in the NASDAQ Newfound Index Family

[2013-38](#) NASDAQ OMX to Begin Dissemination of New Third Party ETF Data on GIDS 2.0 Effective October 21, 2013

[2013-39](#) NASDAQ OMX Announces Launch of Three New Indexes Effective Monday, November 04, 2013

IA Compliance Programs

RRS provides a full range of services to assist with your firm's compliance with SEC Rule 206(4)-7, including:

- Comprehensive risk assessment
- Written policies and procedures assessment
- Document review and forensic testing
- Supervisory controls examinations
- Financial statement review
- Best practices assessment
- Implementation assistance
- Ongoing compliance support

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

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

UTP Vendor Alert:

[2013-11](#) UTP SIP to Postpone New Sale Condition Modifiers and Financial Status Indicator until December 9, 2013

FINRA Updates the OTCBB/OTC Equities High Price Dissemination List

FINRA® is publishing its quarterly OTCBB/OTC Equities High Price Dissemination List, which will be available via a Unit of Trade query of the Daily List. This updated list of OTC Equity Securities eligible for trade report dissemination for trades of fewer than 100 shares will be effective October 21, 2013. All changes can be viewed by going to <http://www.otcbb.com/AllDailyList/>, selecting "Unit of Trade Changes" in the "Search by Date Range" and entering October 18, 2013 as the "From" date. ([Link](#))

NYSE - EURONEXT – AMEX

NYSE EURONEXT Announcements:

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

NYSE MKT to Delist Securities of:

T3 MOTION, INC. ([Link](#))

NYSE MKT Issues Short Interest Report:

Settlement date of September 30, 2013 ([Link](#))

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

NYSE Group, Inc. Issues Short Interest Report:

Settlement date of September 30, 2013 ([Link](#))

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

NYSE Weekly Program-Trading Data Releases:

Averaged 24.7 Percent of NYSE Volume during Sept. 23-27 ([Link](#))

Averaged 30.4 Percent of NYSE Volume during Sept. 30-Oct. 4 ([Link](#))

Averaged 25.6 Percent of NYSE Volume during Oct. 7-11 ([Link](#))

Averaged 28.0 Percent of NYSE Volume during Oct. 14-18 ([Link](#))

Averaged 24.4 Percent of NYSE Volume during Oct. 21-25 ([Link](#))

NYSE Euronext Update on Regulatory Approvals for Acquisition by IntercontinentalExchange

NYSE Euronext (NYSE: NYX) provided the following update in regard to its acquisition by IntercontinentalExchange (NYSE: ICE). ([Link](#))

NYSE Liffe U.S. Expands Record Breaking mini MSCI Futures Complex

NYSE Liffe U.S., the innovative U.S. futures exchange of NYSE Euronext (NYX), announced that it established a series of new volume and Open Interest records in its highly successful mini MSCI futures complex during both the month of September 2013 and Q3 2013. ([Link](#))

Empire State Realty Trust Celebrates IPO on the New York Stock Exchange

Empire State Realty Trust, Inc., a self-administered and self-managed real estate investment trust which owns the iconic Empire State Building opened for trading on the New York Stock Exchange (NYSE) under the ticker symbol "ESRT" after its initial public offering. Empire State Realty opened at \$13.05 after pricing 71,500,000 shares of its Class A common stock at \$13.00 per share. Barclays is the Designated Market Maker for the company's stock. ([Link](#))

New York Stock Exchange Releases Newest Edition of IPO Guide

An Initial Public Offering (IPO) is one of the most significant milestones in the history of any organization. Understanding that the incredibly complex process is challenging to navigate, the New York Stock Exchange (NYSE) has worked to create the latest version of the NYSE IPO Guide. ([Link](#))

RE/MAX Celebrates Initial Public Offering on the New York Stock Exchange

RE/MAX Holdings, Inc. ("RE/MAX" or the "Company"), one of the world's leading franchisors of real estate brokerage services, opened for trading on the New York Stock Exchange (NYSE) under the ticker symbol "RMAX" after its initial public offering. KCG is the Designated Market Maker for the Company's stock. ([Link](#))

NYSE Technologies welcomes Banco Carregosa as its first SuperFeed™ customer in Portugal

NYSE Technologies, the commercial technology division of NYSE Euronext (NYX), welcomed Banco Carregosa, a private bank based in Porto, as its first Portuguese SuperFeed™ customer. To celebrate Banco Carregosa joining NYSE Technologies' Superfeed community, Banco Carregosa rang the Closing Bell for the European markets at the Exchange's Lisbon office. ([Link](#))

NYSE Liffe expands Bclear Universal Stock Futures to Canadian and South African stocks

NYSE Liffe, the European derivatives division of NYSE Euronext (NYX), announced that it has introduced Universal Stock Futures on Canadian and South African stocks on Bclear, the Exchange's trade administration and clearing service. ([Link](#))

BTG Pactual lists on NYSE Euronext Amsterdam

NYSE Euronext welcomed BTG Pactual on NYSE Euronext's regulated market in Amsterdam. BTG Pactual (ticker code: BTGP) was listed on NYSE Euronext Amsterdam through the admission of 198,511,396 European units following a transfer from NYSE Alternext. Each European unit represents one common share and two Series A preferred shares of Banco BTG Pactual S.A. in the form of Global Depositary Shares and one Class A voting common share and two Class B non-voting common shares of BTG Pactual Participations Ltd. ([Link](#))

Did you know? IA AML Obligations...

Investment Advisers (including registered and unregistered hedge funds) should keep in mind that although the Patriot Act does not specifically apply to them, they are responsible if one of their clients is on any of the SDN or OFAC lists. OFAC has jurisdiction over any individual, regardless of citizenship, who is physically located anywhere in the US, and American citizens and permanent resident aliens located anywhere in the world. If a hedge fund opens an account for a person or firm sanctioned by the US or residing in a country sanctioned by the US, the Fund would be violating US laws. Therefore, such firms need to have robust OFAC procedures even though they are not specifically subject to the AML requirements under the Patriot Act (yet).

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

NYSE Euronext Update on Acquisition by IntercontinentalExchange

NYSE Euronext (NYSE: NYX) provided the following statement and timeline for the completion of its pending acquisition by IntercontinentalExchange (NYSE: ICE), a leading operator of global markets and clearing houses. ([Link](#))

NYSE Euronext Welcomes Veeva Systems to the New York Stock Exchange on its First Day as a Publicly-Traded Company

Veeva Systems, a leading provider of industry cloud software solutions for the global life sciences industry, opened for trading on the New York Stock Exchange (NYSE) under the ticker symbol "VEEV" after its initial public offering. Veeva Systems opened at \$38 after pricing 13,045,000 shares at \$20 per share. Barclays is the Designated Market Maker for the company's stock. ([Link](#))

LCH.Clearnet SA and NYSE Euronext enter into long-term agreement for clearing of continental derivatives

LCH.Clearnet SA, the Paris-based clearing house of LCH.Clearnet Group Ltd, and NYSE Euronext announced they have signed a new five-year contract for LCH.Clearnet SA to clear NYSE Euronext's continental listed derivatives until December 2018. It replaces the current clearing services terms and contract, which were due to expire on 31 March 2014. ([Link](#))

Christine Sandler Honored for Excellence in Leadership by Traders Magazine

NYSE Euronext announced that Christine Sandler, Executive Vice President, Global Sales at NYSE Euronext, has been recognized for her Excellence in Leadership by Traders Magazine in the 2013 Wall Street Women Awards. One of two recipients to receive this award, Ms. Sandler was nominated by the industry and selected by an independent advisory committee comprised of women in the financial community with decades of experience. ([Link](#))

NYSE Euronext lists Gold Bullion Securities in Brussels

NYSE Euronext listed Gold Bullion Securities (GBS), the world's first physically-backed gold ETP on its Brussels market. GBS is a product of ETF Securities, one of the world's leading, independent providers of Exchange Traded Products (ETPs). In addition, ETF Securities also passported to the Belgian market a full range of broad, sector and single commodities, and currency investment solutions. ([Link](#))

NYSE to Host Annual Floor Broker Charity Trading Day

NYSE Euronext (NYX) announced the annual New York Stock Exchange (NYSE) Floor Broker Charity Trading Day will take place on Friday, October 25, 2013. All net transaction fees on orders executed by floor brokers in NYSE and NYSE MKT securities on the day will be donated to St. Jude Children's Research Hospital, one of the world's premier centers for the research and treatment of pediatric cancer and other life-threatening childhood diseases. ([Link](#))

NYSE Euronext's U.S. Liquidity Center Wins 'Gold Award' from the Uptime Institute

NYSE Euronext announced that its U.S. Liquidity Center was presented with the Uptime Institute's 'Gold Award' for data centers with three consecutive years of uninterrupted availability. As a Tier IV guided data center designed to support the global trading community with regulated, high-performance access to markets, the U.S. Liquidity Center offers customers significant levels of reliability, redundancy and efficiency with multiple levels of service. ([Link](#))

NYSE Technologies' XDP powers the HKEx OMD Platform

NYSE Technologies, the commercial technology division of NYSE Euronext (NYX), announced that its Exchange Data Publisher (XDP) is the market data engine powering the new Hong Kong Exchanges and Clearing (HKEx) Orion Market Data (OMD) Platform. Selected by HKEx for its industry leading, low-latency performance, XDP enables the HKEx OMD Platform to distribute market data packaged into value-added services tailored to different subscriber groups. ([Link](#))

BNP Paribas launches 39 EasyTRACKERS on NYSE Euronext Paris ETN segment

BNP Paribas and NYSE Euronext Paris have teamed up to facilitate access to Exchange Traded Notes (ETNs) for professional investors by launching 39 EasyTRACKERS. Offering its product line on NYSE Euronext's ETN segment represents a major new stage in BNP Paribas' expansion on the French market, and gives fresh momentum to NYSE Euronext's European ETN offer for qualified investors. ([Link](#))

NYSE Technologies connects SuperFeed™ to the new HKEx Orion Market Data Platform

NYSE Technologies, the commercial technology division of NYSE Euronext (NYX), announced that it is offering consolidated market data from the HKEx Orion Market Data (OMD) Platform via SuperFeed™. This cost effective service, that now includes market information from the HKEx OMD Platform, is available from October 2013. SuperFeed™ in Hong Kong enables colocated and remote proximity market participants to receive direct data feed content and value-added services from NYSE Technologies. ([Link](#))

Infrac launches successful first institutional bond issue on NYSE Euronext

NYSE Euronext (NYX) announced a successful € 250 million institutional bond offering on Euronext Brussels by Infrac, the Belgium-based multi-utility network systems operating Group. ([Link](#))

LISTING Blue Solutions opts for NYSE Euronext to step up growth

NYSE Euronext (NYX) celebrated the listing of Blue Solutions, Bolloré Group's specialised energy storage subsidiary, in compartment B of its regulated market in Paris. ([Link](#))

"Find it – Before the Regulators"

The staff at RRS is 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.

FINCEN

U.S. and Mexican AML/CFT Supervisors Sign First-Ever MOU to Exchange Financial Information to Thwart Drug Crime

To enhance and reinforce coordination with Mexican authorities on a variety of operational and regulatory anti-money laundering initiatives, FinCEN Director Jennifer Shasky Calvery and Mexico's National Banking and Securities Commission (CNBV) President Jaime Gonzalez Aguade have signed an unprecedented Memorandum of Understanding (MOU) that strengthens their ability to fight transnational financial crime. The MOU facilitates the exchange of supervisory information in support of both agency's anti-money laundering and combating terrorist financing (AML/CTF) missions. It also provides for strict controls and safeguards

to ensure that shared information is well protected and used in a confidential and authorized manner for AML/CTF supervision purposes only. ([Link](#))

PRA

The reform of international banking: some remaining challenges - speech by Paul Tucker

In a speech to the Oliver Wyman Institute Conference in London on Tuesday, Paul Tucker discusses three issues that standard setters and regulators will need to address as they complete the reform of international banking. ([Link](#))

A framework for stress testing the UK banking system – discussion paper

A discussion paper published sets out proposals for annual, concurrent stress tests of the UK banking system. Its aim is to elicit feedback from interested parties to help inform FPC and PRA Board decisions over the ultimate design of the stress tests. ([Link](#))

Supervisory Controls

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

Financial markets, monetary policy and credit supply – speech by Paul Fisher

In a speech to Richmond University, Paul Fisher – Executive Director, Markets, and member of the Monetary Policy Committee – reviews developments in financial markets over the past year, including the period of heightened volatility since May and the introduction by the MPC of forward-looking monetary policy guidance. He concludes that the economic and financial outlook is brighter than it was a year ago and, with policy set to be supportive, there are good reasons to expect those improvements to continue. He also assesses the working and impact of the Funding for Lending Scheme (FLS), which he says

continues to support the supply of credit and has become more focussed on encouraging lending to SMEs. ([Link](#))

Bank of England response to the final report by the Parliamentary Commission on Banking Standards (PCBS)

The Bank of England has published its response to the final report by the Parliamentary Commission on Banking Standards (PCBS). The PCBS published its final report in June 2013, making recommendations to the Government, to the regulators and above all to the industry itself, aimed at remedying the shortcomings in standards that it had identified. A number of recommendations were addressed to the Bank, including the Financial Policy Committee and the Prudential Regulation Authority, and this document sets out our response. It also meets a request from the Government to provide an outline of how the Bank would implement the proposed new framework for individuals. ([Link](#))

Bank of England signs the Time to Change mental health anti-stigma pledge

The Bank of England joined the growing number of companies committing to end the stigma and discrimination against people with experience of mental health problems by signing a pledge with Time to Change, which is a programme run by the charities Mind and Rethink Mental Illness. ([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 at its meeting on 9 October 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](#))

Inflation targeting and the MPC's forward guidance - speech by Spencer Dale

In this text, summarising remarks made at the recent International Journal of Central Banking Annual Conference, Spencer Dale asks how the UK's inflation targeting regime has stood up to the extraordinary challenges posed by the recent prolonged period of high inflation, anaemic demand and weak supply. He goes on to explain how the lessons learned informed the design of the MPC's forward guidance. ([Link](#))

The UK economic outlook - speech by Charlie Bean

Speaking at the Society of Business Economists Annual Conference, Charlie Bean – Deputy Governor for Monetary Policy – discusses whether the pickup in UK growth is likely to be sustained, and considers the impact that forward guidance has had on interest rate expectations. ([Link](#))

Developments in the Bank's approach to liquidity insurance

Alongside a speech by the Governor, the Bank of England has announced changes to its approach to providing liquidity insurance to the banking system. ([Link](#))

Central banks announce standing swap arrangements

The Bank of Canada, the Bank of England, the Bank of Japan, the European Central Bank, the Federal Reserve, and the Swiss National Bank announced on Thursday that their existing temporary bilateral liquidity swap arrangements are being converted to standing arrangements, that is, arrangements that will remain in place until further notice. ([Link](#))

FCA

Large unincorporated associations may be eligible for help following 2008 deposit failures – FCA to consult on extending FSCS protection on investments

Large unincorporated associations such as charities, clubs or societies, that were not considered eligible for help over lost deposits following the collapse of Kaupthing Singer and Friedlander Bank (KSF) and Landsbanki Islands hf in 2008, may now be entitled to compensation from the FCA it was confirmed. ([Link](#))

The FCA sets out in detail how it will regulate consumer credit, including payday lending, when it takes over responsibility in April 2014

FCA set out its vision for the regulation of consumer credit when it takes over from the Office of Fair Trading (OFT) on 1 April 2014. ([Link](#))

The FCA censures Catalyst Investment Group Limited for misleading investors and fines former compliance officer

FCA has censured Catalyst Investment Group Limited (Catalyst) for recklessly misleading investors when promoting bonds offered by ARM Asset Backed Securities SA (ARM) between November 2009 and May 2010. Catalyst has been censured as they are unable to pay a fine and are in default – the FCA would otherwise have imposed a £450,000 penalty. ([Link](#))

The FCA decides to ban and fine Timothy Roberts and Andrew Wilkins

FCA has published decision notices against Timothy Roberts, the chief executive, and Andrew Wilkins, a former director of Catalyst Investment Group Limited (Catalyst). The FCA has decided to fine Roberts £450,000 and ban him from the industry; and fine Wilkins £100,000 and prevent him from holding senior roles in future. ([Link](#))

FCA confirms how it will use new power to publicize warning notices

FCA confirmed how it will use its new power to publicize warning notices by publishing information about proposed enforcement action. Previously, the regulator could only publish information about enforcement proceedings at a later stage in the enforcement process, once it had decided to take action. ([Link](#))

Broker-dealer Compliance Support

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- 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

The FCA publishes data on complaints and redress for the first half of 2013

Consumer complaints reported by financial services firms fell by 500,000 between the second half of 2012 and the first half of 2013. Data published by the Financial Conduct Authority (FCA) showed 2.9 million complaints were made in the first half of 2013, compared to 3.4 million consumer complaints reported by firms in the previous six months. ([Link](#))

Two financial advisers banned and fined after investors lose out

Two Surrey-based investments advisers have been fined a total of £885,000 and been banned by the FCA from holding any position at a financial firm. Mark Bentley-Leek and Mustafa Dervish, who were both directors of Bentley Leek Financial Management, were found by the regulator to have lacked integrity and to have misled clients as investments they recommended were affected by the economic downturn. The FCA has also cancelled the permissions of Bentley-Leek Financial Management, which is now in liquidation. ([Link](#))

The Financial Conduct Authority outlines how it will regulate crowdfunding

Consumers who want to invest in small or start-up businesses via crowdfunding platforms will receive clearer information about the business in which they are investing, under proposed new rules

published by the FCA. The changes relate peer-to-peer lending and equity investment based crowdfunding, the two types of crowdfunding that need regulatory oversight. ([Link](#))

The FCA fines a Bank £105 million for serious LIBOR-related misconduct

FCA fined a bank for serious, prolonged and widespread misconduct relating to the London Interbank Offered Rate (LIBOR). The £105 million fine is the third highest ever imposed by the FCA or its predecessor, the Financial Services Authority, and the fifth penalty for LIBOR-related failures. ([Link](#))

Martin Wheatley calls for greater transparency in the asset management sector at the 2013 FCA Asset Management Conference

Martin Wheatley, chief executive of the FCA, calls for greater transparency to boost the reputation of the asset management sector and a frank and open discussion on how and where dealing commission is spent. ([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”

The RRS’ staff continually strives 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 our extensive regulatory experience and the information our clients provide 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 regulatory deficiencies before the regulators do. If you have question or suggestions, please speak with your account representative or call us at (561) 368-2245.

READER SURVEY FAX RESPONSE

TO: Louis Dempsey

RE: October 2013

Fax: (561) 807-5442

LouisDempsey@RRSCompliance.com

FROM: _____

FIRM NAME: _____ IA ___ BD ___ OTHER _____

PHONE: _____ FAX: _____

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What do you find most useful?

What would you like to see in future editions?

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