

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 June 24th
- **SEC:** Investor Advisory Committee, July 10th

ITEMS IN THIS EDITION

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Service Spotlight: Fixed Income Compliance

RRS conducts in-depth examinations of your firm’s corporate, municipal and other fixed income business operations, supervisory procedures and compliance programs including testing of supervisory control procedures. This service may be used to meet FINRA’s annual internal inspection requirements as set forth in NASD Conduct Rules 3010 and 3012. RRS’ team of experts has designed fixed income compliance examinations that are as stringent as the regulators. These compliance services include a comprehensive examination of your firm’s overall fixed income business, or focused reviews covering specific aspects of your business for SEC, FINRA and MSRB rule compliance.

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Washington, DC

SEC

SEC Announces:

Latest Charges in Joint Law Enforcement Effort Uncovering Penny Stock Schemes ([Link](#))

Charges Against Four Former Officials at Clearing Firm for Regulation SHO Violations ([Link](#))

Charges and Asset Freeze Against Hedge Fund Advisory Firm Distributing Falsified Performance Results ([Link](#))

SEC Charges:

Chicago-Based Investment Fund Manager With Stealing Investor Money and Conducting Ponzi Scheme ([Link](#))

Former CFO of Dallas-Based Jewelry and Collectibles Company With Accounting Fraud ([Link](#))

Vitamin Company's Former Board Member and Brothers With Insider Trading ([Link](#))

Sarasota-Based Private Fund Manager With Stealing Investor Money and Conducting Ponzi Scheme ([Link](#))

Former Big 4 Accounting Firm Chief Risk Officer for Violations of Auditor Independence Rules ([Link](#))

Two Clinical Drug Trial Doctors With Insider Trading ([Link](#))

Unregistered Securities Salesman for Selling Millions of Dollars in Oil-and-Gas Investments ([Link](#))

A Broker-Dealer With Illegally Facilitating Trades for Unregistered Firm ([Link](#))

Three Sales Managers With Insider Trading Ahead of Major Acquisition ([Link](#))

Toronto-Based Consultant and Four Others in Reverse Merger Schemes Involving China-Based Companies ([Link](#))

Ohio-Based Investment Adviser and President for Fraudulently Hiding Account Shortfall ([Link](#))

NYSE, NYSE ARCA, and NYSE MKT for Repeated Failures to Operate in Accordance With Exchange Rules ([Link](#))

Compliance Tips

For check and application way business – go to the issuers that you have a selling agreements with and request that they not process application that do not evidence supervisory approval. Some of the larger issuers will do this to assist your compliance function; however, it is your responsibility to adequately review all applications. This would simply be an added back-up if something slipped through as you cannot rely on the issuer to conduct your suitability reviews.

List of No Action Letters:

Barclays PLC ([Link](#))

National Bank of Greece ([Link](#))

SEC Events:

Investor Advisory Committee ([Link](#))

Warns Investors About Marijuana-Related Investments Amid Recent Trading Suspensions

The SEC cautioned investors about the potential for fraud in microcap companies that claim their operations relate to the marijuana industry after the agency suspended trading in the fifth such company within the past two months. ([Link](#))

Three Software Company Founders to Pay \$5.8 Million to Settle Charges of Insider Trading Ahead of Sale

The SEC filed insider trading charges against three software company founders for taking unfair advantage of incorrect media speculation and analyst reports about the company's acquisition. ([Link](#))

SEC Names Stephanie Avakian as Deputy Director of Enforcement

The SEC announced that Stephanie Avakian has been named deputy director of its Division of Enforcement. ([Link](#))

SEC Obtains Asset Freeze to Halt Fraud at Illinois-Based Transfer Agent

The SEC announced fraud charges and an emergency asset freeze against an Illinois-based transfer agent and its owner whose misappropriation scheme was exposed during an SEC examination of the firm. ([Link](#))

Chief Accountant Paul Beswick to Leave SEC

The SEC announced that Chief Accountant Paul A. Beswick is leaving the agency to return to the private sector. He will remain for a transitional period to help ensure continuity in the agency's Office of the Chief Accountant (OCA). ([Link](#))

SEC Names Gina Talamona as Communications Director

The SEC announced that Gina Talamona has been named communications director. Ms. Talamona, who will report to Chair Mary Jo White, will provide strategic advice on a variety of communications issues relating to the SEC's mission to protect investors, facilitate capital formation, and maintain the integrity of the nation's markets. ([Link](#))

Issues Partial Stay of Conflict Minerals Rules

The SEC issued an order staying the effective date for compliance with the portions of Exchange Act Rule 13p-1 and Form SD that would require statements by issuers that the Court of Appeals held would violate the First Amendment (see Nat'l Ass'n of Mfrs. v. SEC, No. 13-5252, D.C. Cir., Apr. 14, 2014). ([Link](#))

Chief Economist and Division of Economic and Risk Analysis Director Craig Lewis to Leave SEC

The SEC announced that Chief Economist and Division of Economic and Risk Analysis (DERA) Director Craig M. Lewis will leave the agency. He will return to his position as the Madison S. Wigginton Professor of Finance at Vanderbilt University's Owen Graduate School of Management. ([Link](#))

FINRA

FINRA Fines:

A Large Financial Services Firm \$5,000,000 for Supervisory Failures Related to Sales of Shares in 83 Initial Public Offerings to Retail Customers ([Link](#))

Regulatory Notices:

14-24 April 2014 Supplement to the Security Futures Risk Disclosure Statement

14-23 FINRA Issues an Interpretation to Clarify the Classification and Trade Reporting of Certain "Hybrid" Securities to FINRA

14-22 SEC Approves Amendments to FINRA Rule 5110 to Permit Termination Fees and Rights of First Refusal

14-21 SEC Approves Amendments to Equity Trade Reporting and OATS Rules

14-20 FINRA Revises the Product and Problem Codes Used for Reporting Customer Complaints and Filing Required Documents Online

FINRA Issues New Investor Alert, High-Yield CDs: Red Flags That Signal a Scam

FINRA issued a new investor alert called High-Yield CDs: Red Flags That Signal a Scam warning investors to be wary of promotions touting certificates of deposit (CDs) that promise interest rates that are substantially higher than current averages. In one instance of suspected email fraud, the pitch appeared to come from a large U.S. bank that supposedly was promoting a CD offered by an international banking partner. At a time when most CDs at U.S. banks and credit unions were offering just over 1 percent for a comparable term, this pitch offered a CD with a 15 percent yield, and contained instructions on how to wire funds. ([Link](#))

FINRA Rule Change to Limit Self-Trading Approved

The FINRA is pleased to announce the SEC's recent approval of a FINRA rule change to limit self-trading. This change to FINRA Rule 5210 requires firms to have policies and procedures in place that are reasonably designed to review their trading activity for, and prevent, a pattern or practice of self-trades resulting from orders originating from a single algorithm or trading desk, or related algorithms or trading desks. ([Link](#))

Watching the States—Beware the Free Lunch!!

State Regulators have increased their emphasis on senior issues, and seminars in particular, in recent months. In fact, the AARP recently announced an initiative with NASAA to send "Monitors" to seminars as apparent undercover agents. The program is in response to last year's sweep examinations focusing on seminars by NASAA, the SEC and FINRA, where the regulators allegedly found after that while many free meal financial seminars were advertised as "educational," or "workshops," 100 percent of the "seminars" were instead sales presentations; 50 percent featured exaggerated or misleading advertising claims; and one-quarter involved possibly unsuitable recommendations to attendees.

This initiative is a reminder that firms must review their policies and procedures relative to seminars and senior marketing efforts. This review should include the seminar approval process, review of sales literature and presentations, and alerting their representatives of the importance that they stick to the approved scripts. Firms should also consider asking the attendees to identify whether they are representing their own interests or that of a third party (i.e. AARP).

RRS' staff has extensive experience in dealing with State regulatory matters. RRS preventative compliance services include *review of marketing materials and communications with the public*, 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

MSRB

MSRB Regulatory Notices for March 2014:

2014-11 MSRB to Consolidate Dealers' Fair-Pricing Obligations into MSRB Rule G-30

2014-10 Guidance on the MSRB Municipal Advisor Registration Process

MSRB PROVIDES GUIDANCE TO MUNICIPAL ADVISORS ON CHANGES TO ITS REGISTRATION PROCESS

The MSRB published guidance to assist municipal advisors with understanding changes to the MSRB's registration process taking effect today. The guidance seeks to clarify that these changes are separate and apart from the Securities and Exchange Commission's transition to a permanent registration regime for municipal advisors. ([Link](#))

MSRB Hires Veteran Securities Attorney

The MSRB announced today that Sharon Zackula has joined the MSRB as Associate General Counsel, adding a veteran securities attorney to the MSRB's market regulation department. ([Link](#))

MSRB Publishes First Quarter 2014 Municipal Market Statistics

The MSRB released municipal market statistics for the first quarter of 2014, 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 TO CONSOLIDATE FAIR-PRICING RULES FOR MUNICIPAL SECURITIES DEALERS

The MSRB has received approval from the SEC to consolidate municipal securities dealers' existing fair-pricing obligations into a single rule, facilitating dealer compliance with a fundamental investor protection regulation. This action is part of a larger, multi-year initiative that the MSRB has underway to review and streamline its Rule Book. ([Link](#))

CALL FOR ENTRIES: MUNICIPAL SECURITIES REGULATION ESSAY COMPETITION

In conjunction with the SEC Historical Society, the MSRB is inviting submissions to a writing competition on municipal securities regulation sponsored by the Society. The winning essay will be part of the Society's Gallery on Municipal Securities Regulation, opening in 2015. ([Link](#))

MSRB HOLDS QUARTERLY MEETING

The Board of Directors of the MSRB held its quarterly meeting April 30 – May 2, 2014, where it advanced several initiatives to improve the structure, efficiency and transparency of the municipal securities market. The Board also continued to develop a regulatory framework for municipal advisors, agreeing to propose extending its landmark pay-to-play rule to municipal advisors, among other actions. ([Link](#))

NASAA

NASAA's Streamlined Multi-State Coordinated Review Program Now Accepting Applications for Regulation A Offerings

The NASAA announced the launch of a coordinated multi-state review program to ease regulatory compliance costs on small businesses attempting to raise capital under Regulation A. ([Link](#))

NASAA Calls for Balanced, Sensible Policy Reforms Reflecting 'Smarter Regulation' That Does Not Scale Back Investor Protection as New Capital Formation Proposals Emerge

The NASAA reminded lawmakers of the importance of balancing the needs of capital formation with investor protection when considering additional legislation to revise or repeal provisions of the Jumpstart Our Business Startups (JOBS) Act of 2012. ([Link](#))

NASDAQ—NASDAQ-TRADER—

OTCBB

Equity Trader Alert:

[2014-35](#) New Features Available for Web Link ACT 3.0 Beta and Expanded Historical Data

[2014-36](#) NASDAQ to Begin Listing First Trust ETF on Thursday, May 15, 2014

[2014-37](#) NASDAQ announces Spin-off/Distribution information for Theravance, Inc.

[2014-38](#) NASDAQ Announces Spin-off/Distribution Information for The Ensign Group, Inc.

[2014-39](#) NASDAQ to Begin Listing PowerShares ETF on Thursday, May 29, 2014

[2014-40](#) Modifications to BX Pricing Effective June 2, 2014

Data Technical News:

[2014-2](#) PHLX Updates FIX and CTI Specifications to Support JBO Origin Code

[2014-9](#) Phase 2 Limit Up Limit Down Implementation, May 12, 2014

[2014-15](#) NASDAQ to Implement Closing Price Override and Test

[2014-14](#) NASDAQ OMX to Modify Mutual Fund Dissemination Service (MFDS) and MFQS Daily List to Support Test Symbols in Third Quarter 2014

Options Trader Alert:

[2014-10](#) PHLX Announces Margin Levels for the NASDAQ OMX FX Options

[2014-11](#) BX Options Market Sets Maximum Iterations of Acceptable Trade Range

[2014-12](#) Modifications to PHLX Transaction Fees in Multiply Listed Options Effective June 2, 2014

Options Regulatory Alert:

[2014-13](#) PHLX Bid/Ask Differentials for "NDX" and "PCLN" Option Classes through June 21, 2014

[2014-14](#) NOM Bid/Ask Differentials for "NDX" and "PCLN" Options Class through June 21, 2014

[2014-15](#) NOM and BX Options Notification of Rule Change Impacting Margin Rules

Financial Products News:

[2014-30](#) NASDAQ OMX to Discontinue Dissemination of the Diversified Trends Indicator Indexes Effective After the Close of Business Friday, May 23, 2014

[2014-27](#) NASDAQ OMX Announces Launch of Two New Indexes Effective May 19, 2014

NYSE - EURONEXT – AMEX

NYSE to Suspend Trading in:

American Depositary Shares of Ambow Education Holding Ltd. and Commence Delisting Proceedings ([Link](#))

Desarrolladora Homex, S.A.B. de C.V. and Commence Delisting Proceedings ([Link](#))

NYSE EURONEXT Announcements:

A second Pan-European Investor conference at the New York Stock Exchange Amsterdam, Brussels, Lisbon, Paris. ([Link](#))

NYSE MKT Issues Short Interest Report:

Settlement date of May 15, 2014 ([Link](#))

Settlement date of April 30, 2014 ([Link](#))

NYSE Group, Inc. Issues Short Interest Report:

Settlement date of May 15, 2014 ([Link](#))

Settlement date of April 30, 2014 ([Link](#))

Euronext celebrates the city of Namur's first bond listing on Euronext Brussels

Euronext Group N.V., a wholly owned subsidiary of NYSE: ICE, announced the successful bond listing by the city of Namur on its Brussels regulated market (Euronext Brussels). ([Link](#))

Euronext and Flandersbio celebrate the 10th edition of Knowledge for Growth

FlandersBio organized the 10th edition of its annual life sciences conference Knowledge for Growth in Ghent. Over 1,100 participants and more than 130 companies rallied behind the theme of Knowledge for Growth 2014: Biotech for society 2024: what will be the key societal challenges in 2024 and how will the life sciences sector help to address them? ([Link](#))

EnterNext congratulates Réalités on listing on Alternext in Paris

EnterNext, the Euronext subsidiary designed to promote and grow the market for SMEs[1], today announced the listing of Réalités, a major contender in the new construction market in Western France, on the Alternext market in Paris. ([Link](#))

Euronext Lisbon signs protocols of cooperation with NERA and ACRAL

Euronext Lisbon will sign new protocols of cooperation with two associations from the Algarve region, NERA –Entrepreneurial Association of the Algarve Region, and ACRAL – Business and Services Association of the Algarve Region. The agreements aim to contribute to the development and promotion of the capital markets, particularly the Alternext market, by combining the efforts, means, experience and knowledge needed to that end. ([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

FINOP Support Services

RRS provides multiple levels of **FINOP support** for your financial reporting obligations. From preparation of full books and records to net capital reviews and FOCUS filing with **FINRA** and the **NFA**, RRS professional staff can help.

RRS services include:

- General Ledger and trial balance preparation.
- Net capital computation with supporting schedules.
- Monthly or quarterly FOCUS filings.
- Net capital interpretive guidance.

For more information contact Bart McDonald at (561) 368-2245 or BartMcDonald@RRSCompliance.com

America's Top Corporate Law Firms for 2014

NYSE Governance Services, publisher of Corporate Board Member magazine, and NYSE: FCN, the global business advisory firm dedicated to helping organizations protect and enhance their enterprise value, today announced the results of the 14th annual America's Best Corporate Law Firms study, a comprehensive ranking by U.S. corporate directors and general counsel of the top 25 corporate law firms. ([Link](#))

GDF SUEZ opens trading on Euronext's market with record-breaking Green Bond

Euronext, the wholly-owned subsidiary of NYSE: ICE announced the successful issue of GDF SUEZ's €2.5 billion Green Bond. The issue represents nearly one-quarter of all corporate green bonds issued worldwide in 2013. ([Link](#))

Jean-Paul Huchon, President of the Île-de-France Regional Council, opens trading on Euronext's European market to celebrate Green Bond

Euronext, the wholly-owned subsidiary of NYSE: ICE has congratulated the Île-de-France Regional Council on the success of its €600 million Green Bond. ([Link](#))

Semapa lists €150 million Bond on Euronext Lisbon

NYSE: ICE announced that Semapa listed its EUR 150 million bond issuing on Euronext Lisbon (ISIN PTSEMFOE0003), increasing the initial offering by 50%. ([Link](#))

EnterNext and Midcap Partners host Forum for Paris Region software publishers

EnterNext, the Euronext subsidiary designed to promote and grow the market for SMEs[1], hosted a forum for software publishers from the Paris region. The event — the first of its kind — led to 54 investor meetings for seven software companies listed on Euronext. ([Link](#))

IMC Financial Markets to Become Designated Market Maker on the NYSE

NYSE and IMC Financial Markets (IMC), a global market making firm, announced IMC Chicago LLC is expected to become a Designated Market Maker (DMM) by acquiring the Goldman Sachs DMM trading rights. Upon completion of the transaction, IMC will be the DMM for over 630 securities and approximately 400 operating companies, including many U.S. and international blue chip corporations. The transaction is expected to close in the third quarter. Financial terms of the transaction were not disclosed. ([Link](#))

NYSE MKT Reviewing the Continued Listing of the Common Stock of Provectus Biopharmaceuticals, Inc.

NYSE MKT announced that the staff of NYSE Regulation, Inc. will continue to review and monitor the listing status of the Common Stock of Provectus Biopharmaceuticals, Inc. Ticker symbol PVCT - on the NYSE MKT. ([Link](#))

FTI Consulting and NYSE Governance Services Study Identifies Key Legal Risks for Companies in 2014

NYSE: FCN, the global business advisory firm dedicated to helping organizations protect and enhance their enterprise value, and NYSE Governance Services, publisher of Corporate Board Member magazine, released new findings from the 14th annual Law in the Boardroom Study. This year's data revealed that emerging issues, including cyber threats, social media and shareholder engagement, are of increasing concern. ([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

PRA**Appointment of new Directors**

The Bank is announcing the appointment of new Directors. ([Link](#))

Bank of England/European Central Bank Discussion Paper on Securitization and Bank of England Discussion Paper on Credit Data

The Bank is today publishing two Discussion Papers, one in conjunction with the European Central Bank on the securitization market, and the second on improving the availability of credit data. Both of the Discussion Papers we are putting out today – in different, though complementary ways – aim to explore ways through which we can improve the diversity and robustness of credit supply in practice, in line with the Financial Policy Committee’s medium-term priority to improve the diversity and robustness of market-based finance and credit in the United Kingdom. ([Link](#))

Bank of England and HM Treasury Funding for Lending Scheme – 2014 Q1 Usage and Lending data

The Bank has today published data on the use of the Funding for Lending Scheme (FLS) showing, for each group participating in the FLS Extension, the net quarterly flows of lending to UK businesses¹ in the first quarter of 2014 and the amount borrowed from the Bank during February and March. ([Link](#))

The future of monetary policy

Charlie Bean, Deputy Governor of the Bank of England, and member of both the Monetary Policy Committee and Financial Policy Committee, retires from the Bank after almost fourteen years on 30 June. Today, at the London School of Economics, he gives his final speech as a policy maker. ([Link](#))

Ending Too Big to Fail – progress to date and remaining issues

In a speech on Tuesday, Jon Cunliffe reviews the progress made by regulators in addressing the issue of Too Big to Fail and sets out some remaining issues. He describes the two-pronged approach taken by regulators: first, to reduce, but not eliminate, the probability of failure by increasing the resilience of financial institutions; second, managing the impact of failure via the resolution framework and by making investors bear losses. ([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 today voted to maintain Bank Rate at 0.5%. The Committee also voted to maintain the stock of purchased assets financed by the issuance of central bank reserves at £375 billion. ([Link](#))

Momentum in the housing market: affordability, indebtedness and risks

Speaking to the Worshipful Company of International Bankers, Sir John Cunliffe noted that UK house prices grew by 10% in the year to March and have returned to the levels they reached in late 2006. Growth has

not been limited to London – house prices rose by more than 5% in 10 out of 12 UK regions across that year. ([Link](#))

COMPREHENSIVE COMPLIANCE SOLUTIONS

[WWW.RRSCOMPLIANCE.COM](http://www.rrscompliance.com)

FCA

Tribunal upholds decision of Financial Conduct Authority to find Ian Hannam guilty of market abuse

The Upper Tribunal (Tribunal) has upheld the decision of the FCA that Ian Hannam engaged in two instances of market abuse. ([Link](#))

FCA calls on insurance intermediaries to better manage conflicts of interest when dealing with small business clients

Inherent conflicts within insurance intermediaries are not being properly managed, a review by the FCA has found. After looking at seven of the largest intermediaries who serve small business clients, the FCA has concluded that in some firms, control frameworks and management information have not developed at the same pace as business models. ([Link](#))

English Bank fined £26m for failings surrounding the London Gold Fixing and former trader banned and fined for inappropriate conduct

An English Bank £26,033,500 for failing to adequately manage conflicts of interest between itself and its customers as well as systems and controls failings, in relation to the Gold Fixing. These failures continued from 2004 to 2013. ([Link](#))

Important information for debt management customers of Debt Help & Advice Ltd, First Step Finance Ltd or Primary Business Solutions Ltd

People who have a debt management plan with Debt Help & Advice Ltd should cease making payments to the company immediately, the FCA has warned. ([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

FCA sets out expectations for investment managers on dealing commission

Investment managers should only use client dealing commission to pay for substantive research or costs related to executing trades, the FCA said today as it published a policy statement on forthcoming changes to dealing commission rules. ([Link](#))

FCA Independent Directors Publish Protocol and Updated Terms of Reference

The FCA's Non-Executive Directors appointed Simon Davis of Clifford Chance to conduct an independent inquiry into the handling of the FCA's announcement of proposed supervisory work on the fair treatment of long standing customers in life insurance. ([Link](#))

Former Financial global trader banned for failings related to \$2.3 billion unauthorized trading losses

The FCA has banned a former financial trader from performing any function in relation to any regulated activity in the financial services industry for failings related to US\$2.3 billion unauthorized trading losses by another trader. ([Link](#))

Consumer credit firms must raise advertising standards says FCA

Credit firms need to do more to ensure their adverts and promotions do not mislead potential customers. The findings come as FCA statistics show that one in five adverts from consumer credit firms, for products including payday loans, fell short of the FCA's financial promotion expectations - although most firms were quick to make changes once the shortcomings were pointed out. ([Link](#))

An Interdealer broker is fined £630,000 for significant failings in relation to LIBOR

The FCA has fined an interdealer broker £630,000 for misconduct relating to LIBOR. The broker would have been fined £3,600,000 but for the fact that the firm was able to show that it could not pay a penalty of this amount in addition to the other regulatory fines that the broker faces in relation to LIBOR ([Link](#))

Payment Systems Regulator appoints Ofgem's Hannah Nixon as Managing Director

The newly created Payment Systems Regulator appointed Hannah Nixon as its first Managing Director. ([Link](#))

Cheque Centre stops selling single repayment payday loans and agrees to change business model to meet FCA's tougher consumer protection requirements

A major UK payday lender has exited the single instalment payday loan market (i.e. loans that must be repaid in one lump sum) and promised to change the way it offers loans and treats customers struggling to repay their debts, following an agreement with the FCA. ([Link](#))

FCA reviews how fund charges are set out

The FCA publishes the findings from its review of how fund charges are presented. ([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: May 2014

Fax: (561) 807-5442

LouisDempsey@RRSCompliance.com

FROM: _____

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

PHONE: _____ **FAX:** _____

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