

**Routing**

- Legal & Compliance
- Senior Management
- Supervisory Principals
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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 May 26<sup>th</sup>, 2015
- **DEADLINE:** Monthly SIS Filing Due May 29<sup>th</sup>, 2015
- **MSRB:** MSRB webinar June 11, 2015
- **FINRA:** Annual Conference May 19-21, Washington, DC
- **FINRA:** FINRA Board of Governors Election June 11, 2015

ITEMS IN THIS EDITION

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**Service Spotlight: Compliance Exams**

RRS' comprehensive suite of compliance examination services include:

- SEC compliance examinations for broker-dealers, investment advisers, private funds, investment companies and transfer agents;
- FINRA compliance examinations and supervisory controls testing;
- FINRA OSJ and Branch office examinations;
- FINRA Trading and Market Making examinations;
- MSRB Compliance examinations;
- Anti-money laundering program testing;
- Financial Operations examinations including net capital and customer reserve;
- Focused sales practices and trading investigations.

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:** **John Pinto**  
**(202) 463-6575**  
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Washington, DC

## SEC

### SEC Announces:

Fraud Charges against Former Accounting Executive at Japanese Subsidiary ([Link](#))

Cybersecurity guidance ([Link](#))

Agenda for May 13 Meeting of the Equity Market Structure Advisory Committee ([Link](#))

Million-Dollar Whistleblower Award to Compliance Officer ([Link](#))

Award to Whistleblower in First Retaliation Case ([Link](#))

Compliance Outreach Program Seminars for Investment Adviser and Investment Company Senior Officers ([Link](#))

### SEC Proposes:

Cross-Border Security-Based Swap Rules Regarding Activity in the U.S. ([Link](#))

Rules to Require Companies to Disclose the Relationship between Executive Pay and a Company's Financial Performance ([Link](#))

### SEC Charges:

North Carolina Executive with Fraud ([Link](#))

Friends with Insider Trading on Acquisition of Cooper Tire ([Link](#))

Firms and Individuals for Defrauding Investors in Cellular Licensing Scheme ([Link](#))

A Large Investment Company with Fraud in Sale of Life Settlement Investments ([Link](#))

Oregon-Based Defense Contractor with FCPA Violations ([Link](#))

Financial Advisor with Stealing \$20 Million from Customers ([Link](#))

10 Individuals in Scheme to Sell Stock in Blank Check Companies Secretly Bound for Reverse Mergers ([Link](#))

A Large Investment Firm with Failing to Disclose Conflict of Interest to Clients and Fund Boards ([Link](#))

Issuer for Failing to Make Public Filings ([Link](#))

Hedge Fund Firm, Executives, and Auditor for Improper Expense Allocations ([Link](#))

### SEC Halts:

Microcap Scheme in South Florida ([Link](#))

Investment Scheme Targeting Military Personnel ([Link](#))

### List of No Action Letters:

Harris & Harris Group, Inc. (the "Company") ([Link](#))

Investment Company Act of 1940 — Sections 12(d) (1) (A) and (B) and 17(a) Franklin Templeton Investments ([Link](#))

Securities Exchange Act of 1934 — Rule 14a-8 Opportunity Partners L.P. Shareholder Proposal (Clough Global Equity Fund) ([Link](#))

Investment Company Act of 1940 — Section 6(b), Rule 6b-1 Tudor Employee Investment Fund LLC and Tudor Investment Corporation ([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](mailto:JohnPinto@RRSCompliance.com)

### SEC Final Rules:

Adoption of Updated EDGAR Filer Manual ([Link](#))

### **SEC: Companies Cannot Stifle Whistleblowers in Confidentiality Agreements**

The Securities and Exchange Commission announced its first enforcement action against a company for using improperly restrictive language in confidentiality agreements with the potential to stifle the whistleblowing process. ([Link](#))

### **SEC Obtains Asset Freeze in Ponzi scheme Involving Loans to Professional Athletes**

The Securities and Exchange Commission announced fraud charges against a former professional football player and others, alleging they operated a Ponzi scheme that raised more than \$31 million from investors who were promised profits from loans to professional athletes. ([Link](#))

**OCIE Director Andrew Bowden to Leave SEC**

The Securities and Exchange Commission announced that Andrew Bowden, Director of the OCIE, will leave the agency at the end of April

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to return to the private sector. ([Link](#))

**Gregg E. Berman, Associate Director in the Division of Trading and Markets, to Leave SEC**

The Securities and Exchange Commission announced that Gregg E. Berman, Associate Director of the Office of Analytics and Research in the Division of Trading and Markets, is leaving the agency later this month. ([Link](#))

**SEC Names Marc Wyatt as Acting Director of the Office of Compliance Inspections and Examinations**

The Securities and Exchange Commission announced that Marc Wyatt will serve as Acting Director of the agency's OCIE. He succeeds Andrew Bowden, who announced that he will be leaving the SEC to rejoin the private sector at the end of April. ([Link](#))

**SEC Staff and FINRA Issue Report on National Senior Investor Initiative**

With the Social Security Administration estimating that each day for the next 15 years, an average of 10,000 Americans will turn 65, the staff of the SEC and FINRA issued a report to help broker-dealers assess, craft, or refine their policies and procedures for investors as they prepare for and enter into retirement. ([Link](#))

**Fort Worth Regional Director David Woodcock to Leave SEC**

The Securities and Exchange Commission announced that David Woodcock, Regional Director of the Fort Worth office and leader of the Enforcement Division's nationwide Financial Reporting and Audit Task Force, is leaving the SEC later this spring. ([Link](#))

**FINRA**

**Regulatory Notices:**

[15-11](#) Securities Industry/Regulatory Council on Continuing Education Issues Firm Element Advisory Update

[15-12](#) 2015 GASB Accounting Support Fee to Fund the Governmental Accounting Standards Board

**Information Notices:**

Continuing Education Planning ([Link](#))

**Extension of Current Rate for Fees Paid Under Section 31 of the Exchange Act**

the SEC announced that the Section 31 rate applicable to specified securities transactions on the exchanges and in the over-the counter market will remain at the current rate of \$18.40 per million dollars until September 30, 2015, or 60 days after the enactment of a regular fiscal year 2016 appropriation for the SEC, whichever is later. ([Link](#))

**FINRA Conferences & Events:**

2015 FINRA Annual Conference ([Link](#))

**FINRA Rulebook Consolidation**

Since 2008, FINRA has been in the process of consolidating NASD Conduct Rules into the FINRA Rules. Firms are required to update their written supervisory and control procedures to address the Rule changes as they become effective.

These rule changes have included substantive revisions to existing rules and regulations, as well as new requirements. These significant revisions to industry rules impact all broker-dealers, and firms must stay vigilant in order to stay up-to-date.

RRS can provide planning and support to all aspects of the rule revisions affecting your firm including GAP analysis, project planning, drafting supervisory policies and procedures or training for the new rules.

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

**FINRA Board Approves Changes to Communications with the Public Rules, Trading Activity Fee**

The FINRA announced that its Board of Governors approved proposed changes to FINRA's Communications with the Public Rules, as well as amendments to the Trading Activity Fee for firms with no customers that are engaged solely in proprietary trading activity for their own accounts. ([Link](#))

**FINRA Launches Toll-Free FINRA Securities Helpline for seniors**

The FINRA has launched the toll-free FINRA Securities Helpline for Seniors TM to provide older investors with a supportive place to get assistance from knowledgeable FINRA staff related to concerns they have with their brokerage accounts and investments. ([Link](#))

### **FINRA Orders a Large Investment Bank to Pay Fine and Restitution Totaling More Than \$1.4 Million for Unsuitable Sales of Reverse Convertibles**

FINRA announced that it has ordered a Large Investment Bank to pay a \$1 million fine and approximately \$434,000 in restitution to customers for supervisory failures resulting in sales of unsuitable reverse convertibles. ([Link](#))

### **FINRA Files Cease and Desist Order against a Broker Firm for Fraud against Elderly Investors**

FINRA announced that a Broker Firm, consented to an order halting further fraudulent sales of equity interests in the firm and promissory notes pending a hearing on fraud charges relating to the same offerings. The sales, which occurred from October 2013 to the present, were often to elderly customers of the firm, and the respondents' capital-raising practices were continuing. FINRA obtained the order based on its concern regarding ongoing customer harm and depletion of investor assets prior to the completion of a formal disciplinary proceeding against the firm and these individuals. ([Link](#))

### **FINRA Foundation and First Nations Issue Joint Investor Alert, New Money Coming Into Indian Country: Plan for the Long Term**

FINRA, the FINRA Investor Education Foundation and First Nations have issued a joint Investor Alert called New Money Coming into Indian Country: Plan for the Long Term. Over the past five years, Indian Country lawsuit settlements totaling more than \$3 billion have been reached. ([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](mailto:JohnPinto@RRSCompliance.com)

## **MSRB**

### **MSRB Regulatory Notices for March 2015:**

[2015-06](#) MSRB Files Content Outline for Municipal Advisor Representative Qualification Examination (Series 50)

### **MSRB Upcoming Events:**

Preparing to Take the MSRB's Pilot for the Municipal Advisor Representative Qualification Examination (Series 50) ([Link](#))

### **MSRB Seeks Sec Approval To Implement Cornerstone Conduct Rule For Municipal Advisors**

The MSRB took a significant step toward fulfilling its Congressional mandate to address concerns that a regulatory gap had allowed unaccountable and unqualified individuals to advise state and local governments on multibillion-dollar municipal finance deals. MSRB Rule G-42 would establish core standards of conduct for municipal advisors, provide guidance on the obligations and prohibitions that accompany their federal fiduciary duty to state and local governments, and clarify their duties of care and fair dealing to all clients. ([Link](#))

### **MSRB Releases Content Outline For First Municipal Advisor Professional Qualification Exam**

The MSRB released the content outline for the first qualifying examination for individuals who provide municipal advisory services to state and local governments. The outline includes the topics that will be covered on the exam, sample questions and a list of reference materials to assist municipal advisor professionals in preparing for the Municipal Advisor Representative Qualification Examination, which will be introduced as a pilot later this year. For the first time, municipal advisors will be required by a regulatory organization to demonstrate competence in their field. ([Link](#))

## **NASAA**

### **NASAA Research Shows Investor Confusion over Brokerage Fees**

New research from the NASAA finds investors are confused when it comes to the fees charged by brokerage firms to service and maintain their accounts. "Our research shows that investors are confused and unaware of how much their brokerage firm charges to serve and maintain their investment accounts," said William Beatty, Washington Securities Director and president of NASAA. "Investors tell us fees are important and they want to see improved disclosure." ([Link](#))

### **Speakers Announced for NASAA Public Policy Conference**



The (NASAA announced the final lineup of speakers and panelists for its upcoming Public Policy Conference, scheduled for April 14 in Washington, DC. Chaired by New York Investor Protection Bureau Chief Chad Johnson, this year’s conference brings together securities policy professionals and investor advocates under the theme “Progress through Innovation.” ([Link](#))

### **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](mailto:JohnPinto@RRSCompliance.com)

### **NASAA Advisory Shines Light on Broker-Dealer Fees**

In recognition of Financial Literacy Month, (April 1-30) the North American Securities Administrators Association (NASAA) issued an advisory to help raise investor awareness about fees charged by broker-dealer firms for services and maintenance of investment accounts. “A key component of building financial literacy is understanding what you need to know and where to find it. This is especially important when it comes to understanding what services you are paying for and how much you are paying,” said William Beatty, NASAA President and Washington Securities Director. ([Link](#))

## **NASDAQ—NASDAQ-TRADER—**

### **OTCBB**

### **Equity Trader Alert:**

[2015 – 41](#) NASDAQ Announces Reverse Split and CUSIP Change for Nanosphere Inc.

[2015 – 42](#) NASDAQ Announces Reverse Split and CUSIP Change for Ceres, Inc.

[2015 – 43](#) NASDAQ Changes the Processing of Orders around the Market Close Event

[2015 – 44](#) NASDAQ Simplifies U.S Market Connectivity

[2015 – 45](#) Reverse Split and CUSIP Change for Rock Creek Pharmaceuticals, Inc.

[2015 – 46](#) Ex-Date Announced for Telefon AB L.M.Ericsson American Depositary Shares

[2015 – 47](#) NASDAQ Announces Spin-off, Cash Dividend, and Reverse Split Information for Windstream Holdings, Inc.

[2015 – 48](#) Reverse Split and CUSIP Change for WPCS International, Inc.

[2015 – 49](#) NASDAQ Announces Reverse Split and CUSIP Change for Gevo, Inc.

[2015 – 50](#) NASDAQ to Begin Listing AlphaMark Fund

[2015 – 51](#) Reverse Split and CUSIP Change for China Housing & Land Development, Inc.

[2015 – 52](#) Ex-date, Payment Date, Distribution Type & Rate for Google Inc. Class C Capital Stock

[2015 – 53](#) Updates to PSX Pricing for May 2015

[2015 – 54](#) NASDAQ Announces DR Data Center Migration to Chicago

[2015 – 55](#) NASDAQ to Begin Listing Recon Capital Fund

[2015 – 56](#) NASDAQ to Begin Listing Global X Fund

[2015 – 57](#) NASDAQ Updates Pricing

# COMPREHENSIVE COMPLIANCE SOLUTIONS

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### **Data Technical News:**

[2015 – 7](#) NASDAQ Releases Proprietary Data Feed Specification Updates for Exchange Traded Managed Funds

[2015 – 8](#) NASDAQ Futures, Inc. (NFX) Announces Two New Market Data Feeds

[2015 – 9](#) NASDAQ Announces Disaster Recovery Data Center Migration to Chicago, Illinois

[2015 – 7](#) New Timestamp Definitions for July 2015 Release

### ***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](mailto:Research@RRSCompliance.com)

### **Options Trader Alert:**

[2015 – 8](#) NASDAQ Simplifies U.S Market Connectivity

[2015 – 9](#) PHLX Updates Membership Pricing

[2015 – 10](#) NASDAQ Announces DR Data Center Migration to Chicago

[2015 – 11](#) NOM and BX Options Pricing Updates

### **Options Regulatory Alert:**

[2015 – 11](#) PHLX Announces Margin Levels for the NASDAQ FX Options

[2015 – 12](#) NOM Bid/Ask Differentials for "NDX" and "PCLN" Options Class

[2015 – 13](#) PHLX Bid/Ask Differentials for "NDX" and "PCLN" Option Classes

### **UTP Vendor Alert:**

## **NYSE - EURONEXT – AMEX**

### **ICE Benchmark Administration Completes Transition to New ISDAFIX Calculation Methodology; Benchmark Renamed ICE Swap Rate**

NYSE:ICE, the leading global network of exchanges and clearing houses, announced that (IBA) has completed the transition to a new calculation methodology for ISDAFIX, the global benchmark for interest rate swaps, which has been renamed ICE Swap Rate, effective April 1, 2015. ([Link](#))

### **GoDaddy Celebrates Initial Public Offering and First Day of Trading on the New York Stock Exchange**

GoDaddy Inc. (NYSE: GDDY) opened for trading on the Exchange NYSE under the ticker symbol “GDDY” after its initial public offering on the floor of the NYSE. Barclays is the Designated Market Maker for the company’s stock. ([Link](#))

### **ICE Exend Transitions the UK’s On-the-Day Commodity Market to the ICE Trading Platform**

NYSE: ICE, the leading global network of exchanges and clearing houses, announced that ICE Exend has transitioned the UK’s On-the-Day Commodity Market (“OCM”) to the ICE trading platform on April 1, 2015. Designated by OFGEM and appointed by National Grid Gas, ICE Exend is the market operator of the OCM. ([Link](#))

### **Intercontinental Exchange Reports ICE and NYSE Volume for March 2015; Energy Daily Volume up 16% over Prior March**

NYSE: ICE, the leading global network of exchanges and clearing houses, reported March exchange traded volume. ICE’s March 2015 futures and options average daily volume (ADV) declined 7% compared to March 2014. ([Link](#))

### **ICE Exend Expands Dutch TTF Spot Market; NetConnect Germany to Take up Trading for Balancing Purposes**

(NYSE: ICE), the leading global network of exchanges and clearing houses, announced that ICE Exend has added NetConnect Germany GmbH & Co. KG (NCG), the German market area operator, as a trading participant for the Dutch TTF gas spot market. Operated by ICE Exend, the Dutch TTF gas spot market is currently used by Gasunie Transport Services (GTS) to balance the Dutch gas transmission system. From April 13, 2015, NCG has further diversified the tools it uses to procure balancing gas and services by extending its exchange trading activities to ICE Exend for the procurement of balancing gas for their market area’s low calorific value gas system. ([Link](#))

### **ICE Benchmark Administration Launches Consultation for LBMA Gold Price**

(NYSE:ICE), the leading global network of exchanges and clearing houses, announced that IBA is launching a market consultation on three aspects of the LBMA Gold Price auction process. The three areas covered by the market consultation are: the approach for determining the LBMA gold benchmark price in the event that the minimum number of participants are not present, a review of the long-standing convention to add a 'Seller's Premium' to the benchmark price for settlement purposes, and the usage of gold prices published in currencies other than US Dollars. ([Link](#))

### **ICE Brent Crude Futures Achieves Open Interest Record, Surpasses 2 Million Contracts**

NYSE: ICE, the leading global network of exchanges and clearing houses, announced that ICE Brent Crude futures achieved an open interest record of 2,006,759 contracts on April 15, 2015. The previous open interest record was set on April 2, 2015, with 1,992,780 contracts at ICE Futures Europe. ([Link](#))

### **Party City Celebrates IPO on the New York Stock Exchange**

Party City Holdco Inc. ("Party City") (NYSE:PRTY) opened for trading on the NYSE under the ticker symbol "PRTY" after its initial public offering on the floor of the NYSE. Barclays is the Designated Market Maker for the company's stock. ([Link](#))

### **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](mailto:BartMcDonald@RRSCompliance.com)

## **FINCEN**

### **FinCEN Targets Money Laundering Infrastructure with Geographic Targeting Order in Miami**

The FinCEN issued a GTO to about 700 Miami businesses to shed light on cash transactions that may be tied to trade-based money laundering schemes. These complex schemes are a primary method used by drug

cartels, to launder their illicit proceeds. FinCEN's order is aimed at disrupting the illicit financial infrastructure upon which these drug trafficking organizations rely. ([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.

## **PRA**

### **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 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](#))

### **Publication of the Review of the Code of Conduct for the Authentication of Machine-Dispensed Banknotes**

The Code requires Bank of England banknotes that come out of note-dispensing machines, to have been machine-authenticated prior to being received by members of the public. It applies authentication standards to those businesses that self-fill these machines using banknotes tendered by their customers. This helps to ensure that the public can continue to trust that the banknotes they receive from these machines are genuine, maintaining confidence in the UK's currency. Counterfeit levels are very low, and the Code ensures that the risk of a member of the public receiving a counterfeit from a machine is not increased by the rise of local recycling. ([Link](#))

## **FCA**

### **Large Bank fined £20,678,300 for serious failings in PPI complaint handling**

The FCA has fined a Large Bank £20,678,300 for serious failings in its PPI complaint handling processes between May 2011 and July 2013. This is the largest ever fine imposed by the FCA for failings relating to PPI. ([Link](#))

## **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](mailto:JohnPinto@RRSCompliance.com)

## **FCA fines two Large Banks £126 million for failure to comply with the Custody Rules**

The FCA has fined two Large Bank (together 'the Firms') £126 million for failing to comply with the FCA Client Assets Sourcebook (Custody Rules, or CASS), which applies to safe custody assets and to client money. The Custody Rules are there to protect safe custody assets if a firm becomes insolvent and to ensure those assets can be returned to clients as quickly and easily as possible. Each regulated firm is required to ensure they have adequate systems, controls and records to facilitate this. ([Link](#))

## **Tribunal directs Financial Conduct Authority to ban former insurance broker**

The Tribunal reached this decision because the broker was found to have submitted a forged document in evidence and to have knowingly given untrue evidence before the High Court in another matter. The Tribunal also based its decision on the fact that he had attempted to mislead the FCA as to the full contents of the judgment from the High Court trial. ([Link](#))

## **FCA fines a Large Bank £13.2 million for transaction reporting failures**

The Large Bank has been fined £13,285,900 by the FCA for incorrectly reporting 35,034,810 transactions and failing to report another 121,387 transactions between November 2007 and November 2014. ([Link](#))

## **A broker firm was fined for failures in relation to its telephone sales**

The FCA has fined the broker firm £159,300 for failures in relation to the oversight and control of its telephone sales and in particular the sale of commercial vehicle add-on insurance products during 2012. ([Link](#))

## **A Large Bank fined £227 million by Financial Conduct Authority for LIBOR and EURIBOR failings and for misleading the regulator**

The FCA has handed the Large Bank a £227 million (\$340 million) fine, its largest ever for LIBOR and EURIBOR-related (collectively known as IBOR) misconduct. The fine is so large because the Bank also misled the regulator, which could have hampered its investigation. ([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](mailto:JohnPinto@RRSCompliance.com)

## **A Person Sentenced for Failing to Pay Confiscation Order**

"The FCA welcomes the Court's decision. Individuals should not be able to benefit from their crimes and the outcome should serve as a warning to those considering committing insider dealing." ([Link](#))

## **Three charged with insider dealing**

As part of an investigation by the Financial Conduct all of Southall, Middlesex appeared before Westminster Magistrates' court in respect of offences of insider dealing, contrary to Sections 52(1) and 52(2)(b) of the Criminal Justice Act 1993. ([Link](#))



## Resource Links

### Government

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

### SRO

- FINRA - [WWW.FINRA.ORG](http://WWW.FINRA.ORG)
- NASDAQ - [WWW.NASDAQ.COM](http://WWW.NASDAQ.COM)
- New York Stock Exchange - [WWW.NYSE.COM](http://WWW.NYSE.COM)
- Municipal Securities Rulemaking Board - [WWW.MSRB.ORG](http://WWW.MSRB.ORG)
- National Futures Association [WWW.NFA.FUTURES.ORG](http://WWW.NFA.FUTURES.ORG)

### Industry

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

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

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RE: April 2015

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