

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 February 25th, 2015
- **DEADLINE:** Monthly SIS Filing Due March 2nd 2015
- **DEADLINE:** SIPC-7 Due March 2nd, 2015 (For Clients with a Calendar Year End)
- **DEADLINE:** Audits Due March 2nd, 2015 (For Clients with a Calendar Year End)
- **FINRA:** Annual Conference May 19-21, Washington, DC
- **FINRA:** Fixed Income Conference – March 10th, 2015
- **FINRA:** FINRA Diversity Summit – March 18th, 2015

ITEMS IN THIS EDITION

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- **FINRA** – FINRA releases 2015 Regulatory and Exam Priorities Letter, Five Challenges Firms should address highlighted in 10th Anniversary of letter – Page 2
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Service Spotlight: AML Program Testing

The USA PATRIOT Act, FINRA and the Bank Secrecy Act (BSA) require an independent testing of a broker dealer's or Investment Company's anti-money laundering (AML) compliance program. RRS' AML compliance testing service offers an in-depth review of your firm's AML program to measure its effectiveness in monitoring and detecting suspicious activity. Our AML compliance testing service includes: OFAC and CIP compliance, review of the firms' written AML policies and procedures, and review of applicable FinCEN requirements. With our experienced personnel and Certified Anti-Money Laundering Specialist (CAMS) we can help you Manage Through Change by meeting your AML independent testing requirement.



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SEC

SEC Announces:

2015 Examination Priorities. ([Link](#))

Members of New Equity Market Structure Advisory Committee. ([Link](#))

Fee Rate Advisory #3 for Fiscal Year 2015 ([Link](#))

Charges Against Attorneys and Auditors in Microcap Scheme Involving Purported Mining. ([Link](#))

Charges Against Standard & Poor's for Fraudulent Ratings Misconduct. ([Link](#))

Investment Management Director to Leave SEC. ([Link](#))

To Hold Roundtable on Proxy Voting. ([Link](#))

Chief Counsel to SEC Chair, to Leave SEC. ([Link](#))

Committee on Small and Emerging Companies to Hold Conference Call Meeting. ([Link](#))

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JohnPinto@RRSCompliance.com

SEC Charges:

Direct Edge Exchanges With Failing to Properly Describe Order Types. ([Link](#))

Canadian Man With Conducting Fraudulent Trading Scheme. ([Link](#))

UBS Subsidiary With Disclosure Violations and Other Regulatory Failures in Operating Dark Pool. ([Link](#))

Investment Adviser and Manager in South Florida-Based Fraud. ([Link](#))

Former Executive at Tampa-Based Engineering Firm with FCPA Violations. ([Link](#))

Oppenheimer With Securities Law Violations Related to Improper Penny Stock Sales. ([Link](#))

Stock-Based Lender with Selling Billions of Penny Stock Shares as Unregistered Broker-Dealer. ([Link](#))

List of No Action Letters:

Investment Advisers Act of 1940. ([Link](#))

SEC Names Walter Jospin as Regional Director of Atlanta Office

The Securities and Exchange Commission named Walter E. Jospin as Regional Director of its Atlanta office, where he will oversee enforcement and examinations in a region covering five states. ([Link](#))

SEC Adopts Rules to Increase Transparency in Security-Based Swap Market

The Securities and Exchange Commission today adopted two new sets of rules that will require security-based swap data repositories (SDRs) to register with the SEC and prescribe reporting and public dissemination requirements for security-based swap transaction data. The SEC also proposed certain additional rules, rule amendments and guidance related to the reporting and public dissemination of security-based swap transaction data. The new rules are designed to increase transparency in the security-based swap market and to ensure that SDRs maintain complete records of security-based swap transactions that can be accessed by regulators. ([Link](#))

SEC Names Erin Schneider as Associate Regional Director in San Francisco Office

The Securities and Exchange Commission announced that Erin E. Schneider has been named the Associate Regional Director for enforcement in the San Francisco office. ([Link](#))

Cybersecurity Examination Sweep Summary

OCIE's National Examination Program staff (the "Staff"), recently examined 57 registered broker-dealers and 49 registered investment advisers to better understand how broker-dealers and advisers address the legal, regulatory, and compliance issues associated with cybersecurity (the "Cybersecurity Examination Initiative" or the "Initiative"). The examined firms were selected to provide perspectives from a cross-section of the financial services industry and to assess various firms' vulnerability to cyber-attacks. ([Link](#))

FINRA

Information Notices:

New Rate for Fees Paid Under Section 31 of the Exchange Act. ([Link](#))

Regulatory Notices:

[15-02](#) SEC Approves Amendments to FINRA Rule 2310 and NASD Rule 2340 to Address Values of Direct Participation Program and Unlisted Real Estate Investment Trust Securities

[15-01](#) Final Renewal Statements for Broker-Dealers, Investment Adviser Firms, Agents and Investment Adviser Representatives, and Branches

FINRA Conferences & Events:

Fixed Income Conference ([Link](#))

FINRA Diversity Summit ([Link](#))

Annual Conference ([Link](#))

FINRA Releases 2015 Regulatory and Exam Priorities Letter, Five Challenges Firms Should Address Highlighted in 10th Anniversary of Letter

The FINRA released its 2015 Regulatory and Examination Priorities letter highlighting significant risks and issues that, if not properly addressed, could adversely affect investors and market integrity. This year's letter, the tenth edition of providing such guidance to firms, focuses on key sales practice, financial and operational, and market integrity matters, and identifies challenges in five key areas that should be addressed to get ahead of the concerns raised in the letter. ([Link](#))

FINRA Hearing Panel Expels 2 individuals for Trading Ahead of Customer Orders, Providing False Testimony and Other Violations; Ordered To Pay \$1,047,288 to Customers

The FINRA announced that a hearing panel has expelled one of the individual, and barred its Chief Executive Officer, from the securities industry for violations in connection with the sale of America West Resources, Inc. common stock, including trading ahead of customers' orders, recordkeeping violations, violating just and equitable principles of trade, and for providing false testimony. The panel also jointly and severally ordered two companies to pay \$1,047,288, plus interest, to customers. Additionally, they were suspended for two years and jointly and severally fined \$100,000, and JTF's Chief Compliance Officer was suspended for one year and fined \$50,000, for harassing and intimidating registered representatives. The panel dismissed charges alleging fraud, best execution violations, failure to follow customer orders, making misrepresentations to customers and failure to supervise. Charges were also dismissed against Regional Managing Director, Branch Office Manager and trader. The ruling resolves charges brought by FINRA's Department of Enforcement in April 2013. ([Link](#))

FINRA Hearing Panel Expels one Firm and Bars CEO for Fraud

The FINRA announced that a FINRA hearing panel has expelled JCI and barred CEO from the securities industry for fraud and suitability violations. The panel found that JCI and CEO recklessly sold shares of stock and promissory notes issued by JCI's parent company using misleading statements and by omitting material facts. A registered representative, was suspended for two years and fined \$10,000 for recommending the stock and promissory notes without a reasonable basis. JCI and CEO were also expelled and barred for manipulating the price of Fibrocell stock. The panel found that JCI and CEO manipulated the price of Fibrocell stock through unfunded purchases of large blocks of the stock and pre-arranged trading accomplished through reported matched limit orders. Head Trader was suspended for 18 months, fined \$5,000 and must re-qualify to enter the securities industry for his role in the manipulation of the Fibrocell stock. The ruling resolves charges brought by FINRA's Department of Enforcement in September 2013. ([Link](#))

FINRA Issues Report on Cybersecurity Practices, Cybersecurity Investor Alert

The Financial Industry Regulatory Authority (FINRA) issued a new report on cybersecurity, which details practices that firms can tailor to their business model as they strengthen their cybersecurity efforts. ([Link](#))

Cybersecurity and Your Brokerage Firm

Information technology (IT) plays a critical role in the securities industry. Unfortunately, cyber threats to the information and computer systems of brokerage firms are increasing, and with these threats comes the risk of potential harm to investors. Dangers include email hack attacks, improper transfer or theft of customer assets, and misuse or even theft of customer data. FINRA is issuing this alert to encourage investors to understand a firm's cybersecurity policies and take personal precautions to safeguard their brokerage accounts and personal financial information. ([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

MSRB

MSRB Regulatory Notices for January 2015:

[2015-01](#) MSRB Seeks Applicants for Board of Directors

[2015-02](#) Amendments to EMMA Continuing Disclosure Service to Add Asset-Backed Securities Disclosures under Securities Exchange Act Rule 15Ga-1 Effective January 9, 2015

[2015-03](#) Bank Loan Disclosure Market Advisory

MSRB Upcoming Events:

Municipal Securities Rulemaking Board and Municipal Advisory Council of Texas Education and Outreach Seminar

The MSRB will host a public education and outreach seminar for municipal market professionals to discuss municipal market structure issues and development of new regulations for professionals that provide financial advice to state and local governments, among other topics. ([Link](#))

MSRB to Begin Accepting Municipal Asset-backed Securities Disclosures on EMMA

The MSRB announced that its Electronic Municipal Market Access service would begin collecting and disseminating disclosures related to municipal asset-backed securities required under SEC Rule 15Ga-1 on January 9, 2015. Read the regulatory notice. ([Link](#))

MSRB Publishes Annual Report and Audited Financial Statements

The MSRB published its 2014 Annual Report, which highlights important advances in municipal advisor regulation, enhancements to market structure and ongoing efforts to maximize regulatory efficiency. The MSRB, created by Congress in 1975, is the principal regulator of the municipal securities market. ([Link](#))

MSRB Urges SEC to Revisit Its Municipal Market Disclosure Rule

The MSRB urged the SEC to conduct an extensive review of the disclosure requirements in the municipal securities market outlined in SEC Rule 15c2-12. The MSRB pledged its support for a thorough review of the rule in a letter submitted to the SEC in response to a request for comment on the collection of information under the rule mandated by the Paperwork Reduction Act. ([Link](#))

MSRB Again Calls for Enhanced Municipal Market Transparency of Undisclosed Debt

The MSRB published its second notice calling for more transparency of undisclosed debt of municipal bond issuers. The MSRB is concerned that investors and other market participants are often unaware of the potential impact of bank loans and other debt-like obligations on the seniority status of existing bondholders and the credit or liquidity profile of an issuer, among other implications. ([Link](#))

NASAA

NASAA Reminds Investors to Discuss Cybersecurity With Their Financial Professionals

With an ever-growing list of financial institutions targeted by organized cyber-attacks, the North American Securities Administrators Association issued an advisory reminding investors of the importance of understanding how their personal information is being protected by financial firms. The advisory is on the NASAA website at www.nasaa.org. ([Link](#))

NASDAQ—NASDAQ-TRADER—

OTCBB

Equity Trader Alert:

[2015 - 3](#) Nasdaq Announces Spin off/Distribution Information for FRP Holdings, Inc

[2015 - 4](#) Nasdaq to Begin Listing First Trust Total US Market AlphaDEX ETF on Friday, January 9, 2015

[2015 - 5](#) Details Concerning the “Plan of Conversion and Reorganization” for Beneficial Mutual Bancorp, Inc.

[2015 - 6](#) Nasdaq U.S. Markets will be closed on Monday, January 19, 2015

[2015 - 7](#) Updated PSX Pricing for January 2015

[2015 - 8](#) Reverse Split, CUSIP & ADR Ratio Change for Genetic Technologies Ltd Sponsored ADR

[2015 - 9](#) Reverse Split Immediately Followed by a Forward Split and CUSIP Change for ModusLink Global Solutions, Inc

[2015 - 10](#) Nasdaq Amends Access Fee Program

[2015 - 11](#) PSX Pricing Updates for February 2015

[2015 - 12](#) Nasdaq to Maintain Normal Market Hours for January 26-27, 2015

[2015 - 13](#) Reverse Split and CUSIP Change Information for Cleveland BioLabs, Inc

Supervisory Controls

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

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

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

[2015 - 14](#) Reverse Split and CUSIP Change for Sonus Networks, Inc

[2015 - 15](#) Updates to Nasdaq and BX Pricing for February 2015

Data Technical News:

[2015 - 1](#) Nasdaq to Introduce New MFQS Footnote Codes

Options Trader Alert:

[2015 - 1](#) BX Options Customer Rebate Pricing Reminder

[2015 - 2](#) NOM Enhanced Opening Process

[2015 - 3](#) PHLX Announces Semi-Annual Position Limits Review for the PHLX Index Options

[2015 - 4](#) PHLX Update Pricing Effective February 2, 2015

Options Regulatory Alert:

[2015 - 1](#) PHLX Announces Margin Levels for the Nasdaq FX Options

[2015 - 2](#) NOM Bid/Ask Differentials for "NDX" and "PCLN" Options Class through February 21, 2015

[2015 - 3](#) PHLX Bid/Ask Differentials for "NDX" and "PCLN" Option Classes through February 21, 2015

[2015 - 4](#) Index Option Exercise Submission Processes

Futures Trader Alert:

[2015-01](#) Nasdaq Futures to Waive Regulatory Fee

UTP Vendor Alert:

[2015 - 1](#) FINRA Alternative Display Facility (ADF) Participant Deactivation

NYSE - EURONEXT – AMEX

Intercontinental Exchange Launches Clearing for Additional Sovereign CDS Instruments

Intercontinental Exchange (NYSE: ICE), the leading global network of exchanges and clearing houses, announced today that ICE Clear Credit and ICE Clear Europe are introducing credit default swap (CDS) clearing for additional sovereign single names. ([Link](#))

ICE Futures Europe to Introduce a Euro-Denominated Cocoa Contract

Intercontinental Exchange, the leading global network of exchanges and clearing houses, today announced that ICE Futures Europe will introduce a new euro currency cocoa contract, which will operate in parallel with the existing London cocoa contract, which is denominated in pound sterling. The euro-denominated cocoa futures and options contracts are expected to be launched in April 2015, with a first maturity of December 2015, subject to completion of relevant regulatory processes. ([Link](#))

Intercontinental Exchange Reports ICE and NYSE Volume for December and Full Year 2014; 18th Consecutive Annual Brent ADV Record

Intercontinental Exchange (NYSE: ICE), the leading global network of exchanges and clearing houses, reported December 2014, fourth quarter 2014 and full year 2014 exchange traded volume. ([Link](#))

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ICE Futures Europe Achieves Consecutive Record Daily Volumes in Low Sulphur Gasoil Related Contracts

Intercontinental Exchange (NYSE: ICE), the leading global network of exchanges and clearing houses, announced that ICE Futures Europe achieved consecutive daily volume records in trade for ICE Low Sulphur Gasoil futures. The new total daily volume records for ICE Low Sulphur Gasoil futures across 'G' and 'ULS' code contracts was set on January 5 and 6, 2015 with 190,385 lots and 254,674 lots traded, respectively. Prior to these records, the previous total daily volume record of 138,590 lots was set December 16, 2014. ([Link](#))

ICE Futures U.S. Announces Launch of Five New Forex Contracts

Intercontinental Exchange (NYSE: ICE), the leading global network of exchanges and clearing houses, announced today it has added five new currency pairs to its line-up of forex contracts. The new contracts are expected to begin trading January 12, 2015 on ICE Futures U.S. ([Link](#))

ICE Futures Europe Completes Successful Transition to Low Sulphur Gasoil Contract

Intercontinental Exchange, the leading global network of exchanges and clearing houses, announced that ICE Futures Europe has successfully completed its transition of the ICE Gasoil futures contract (G) with a low sulphur specification beyond January 2015 contract months. The re-specified ICE Low Sulphur Gasoil futures contract retains the contract code 'G' and runs from the February 2015 contract month onward to the December 2021 contract. ([Link](#))

NYSE Group and MYRA Capital Launch NYSE Dynamic Allocation Indices Family

The New York Stock Exchange, part of the Intercontinental Exchange (NYSE: ICE) global network of exchanges, and MYRA Capital announced the launch of the new NYSE Dynamic Allocation Indices family to fulfill the increasing demand for innovative index solutions combined with an intelligent risk management and dynamic beta-

management. Together, MYRA Capital's experience and specialization in dynamic, forecast-free and risk-controlled quantitative asset allocation strategies, along with the industry-leading indexing capabilities and deep experience of the NYSE Global Index Group, form a unique combination suited to offer solutions for both retail and institutional investors. ([Link](#))

ICE Futures Europe Achieves Daily Volume Record in NBP Natural Gas

Intercontinental Exchange, the leading global network of exchanges and clearing houses, today announced that the ICE Futures Europe NBP Natural Gas futures and options contracts achieved a daily volume record of 148,765 lots (equivalent to 4.48 billion therms) on January 13, 2015. The previous record of 120,145 lots was set on March 3, 2014. ([Link](#))

ICE Futures Europe Sets Daily Volume Record in Three Month Euro Swiss Franc Futures

Intercontinental Exchange, the leading global network of exchanges and clearing houses, announced that ICE Futures Europe reached a daily volume record of 199,692 contracts in Three Month Euro Swiss Franc (Euroswiss) futures on January 15, 2015. The previous record of 194,340 contracts was set on December 4, 2012. ([Link](#))

NYSE Completes Minority Investment in Coinbase

Intercontinental Exchange (NYSE: ICE), the leading global network of exchanges and clearing houses, announced that its wholly-owned subsidiary, The New York Stock Exchange, has made a minority investment in Coinbase, a leading bitcoin wallet and platform with over 2.1 million consumer wallets, 38,000 merchants and 7,000 developers. ([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

ICE Index Sets Daily Volume Record in TTF Natural Gas

Intercontinental Exchange (NYSE: ICE), the leading global network of exchanges and clearing houses, announced that the ICE Index TTF Natural Gas futures and options contracts achieved a daily volume record of 58,335 contracts (42.3 TWh) on January 21, 2015. This record more than doubles the previous TTF daily volume record, which was set on November 25, 2014 with 27,569 contracts (20.1 TWh) traded. ([Link](#))

ICE Benchmark Administration Introduces New Calculation Methodology for ISDAFIX from February 16, 2015

Intercontinental Exchange (NYSE: ICE), the leading global network of exchanges and clearing houses, announced that ICE Benchmark Administration (IBA) will introduce a new calculation methodology for ISDAFIX from February 16, 2015. ([Link](#))

ICE Benchmark Administration Appoints Mary John Miller to its Board of Directors

Intercontinental Exchange (NYSE:ICE), the leading global network of exchanges and clearing houses, announced that ICE Benchmark Administration (IBA) has appointed Mary John Miller, the former Under Secretary for Domestic Finance at the U.S. Treasury, as a Director of IBA. ([Link](#))

FINCEN

Opening Remarks from Treasury and DOJ Officials from MSB Roundtable (January 2015)

Treasury's Offices of Terrorism and Financial Intelligence, International Affairs, and Domestic Finance hosted a Roundtable Discussion on Financial Access for Money Services Businesses on January 13, 2015. This roundtable provided the opportunity for U.S. Government officials to engage directly with industry stakeholders and discuss a variety of issues related to financial access for money services businesses. ([Link](#))

FinCEN Fines a large Broker Firm \$20 Million for Continued Anti-Money Laundering Shortfalls

FinCEN working closely with the U.S. SEC assessed a \$20 million [civil money penalty](#) today against a large broker firm., for willfully violating the BSA. A securities broker-dealer in New York, admitted that it failed to establish and implement an adequate anti-money laundering program, failed to conduct adequate due diligence on a foreign correspondent account, and failed to comply with requirements under Section 311 of the USA PATRIOT Act. ([Link](#))

PRA

Bank of England Court Minutes June 2007 – May 2009

The Bank of England today published, in a special release, the minutes of Court and related meetings from the crisis period of 2007-09, in appropriately redacted form. This follows the Bank's 11 December

2014 announcement of a series of proposals to enhance the transparency and accountability of the Bank. As part of this announcement, the Governor committed to publishing the 2007-2009 Court minutes, as requested by the Treasury Committee. ([Link](#))

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

The Bank of England's Monetary Policy Committee 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](#))

Governor Letter to Chancellor on CPI outturn

Following announcement that CPI inflation in the 12 months to December was 0.5%, the Bank will publish a letter, as required by the monetary policy remit, from the Governor to the Chancellor. This open letter will be published alongside the February Inflation Report. ([Link](#))

Financial stability, the Single Market and Capital Markets Union

In a speech to a conference organized by the City of London Corporation and Open Europe, Jon Cunliffe discusses how the European Union has achieved and should continue to achieve a balance between developing a single market for financial services and the need for financial stability. Jon sets out how the establishment of a Capital Markets Union can help to further the objective of encouraging the free movement of capital in the EU by promoting the development of market-based financing. ([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

What can monetary policy do?

In a speech this morning at the University of Edinburgh, External MPC member Professor David Miles set out the strengths and limitations of monetary policy. He argues that although central banks cannot keep inflation at a specific target at all times, monetary policy is more powerful than assumed by many economic models. But it is more reliant on being consistent with fiscal policy than is often recognized. ([Link](#))

Bank of England Executive Director Appointments

The Court of the Bank of England today approved the appointment of Alex Brazier as Executive Director for Financial Stability Strategy and Risk, effective from 16 March 2015. Alex joined the Bank in 2001 as an economist, and has held a variety of increasingly senior positions over the course of his career, most recently as Private Secretary to the Governor since November 2011. Alex will report to the Deputy Governor for Financial Stability Jon Cunliffe, and following consultation with the Chancellor, will become a member of the FPC effective from 1 April. His appointment fills the vacancy left by the departure of Spencer Dale in August 2014. ([Link](#))

Membership of the Banknote Character Advisory Committee

On 18 December 2013, the Bank of England announced a new process for selecting the historic characters that feature on Bank of England banknotes. Through this process, which better incorporates input from the public and external experts, the Bank aims to celebrate achievement and contribution across a wide range of skills and fields, and to depict characters that cumulatively reflect the diverse nature of British society. Today, the Governor has announced the appointment of Sir David Cannadine, Sandy Nairne and Baroness Lola Young of Hornsey as external members of the Banknote Character Advisory Committee that will help decide both the field and characters for future Bank of England notes. This Committee will be chaired by Ben Broadbent and will also include Victoria Cleland. ([Link](#))

FCA

FCA fines a big firm £231,000 for failings as a sponsor

They failed to tell the FCA's (UKLA) that two thirds of its sponsor team - including the individuals responsible for leading and executing sponsor services - had left between June and November 2013, and continued to market itself as a competent sponsor throughout this period. This is the first use of the FCA's power to fine sponsors, introduced in 2013. ([Link](#))

Unauthorized Forex Investment Fraudster Convicted

Honour Judge Taylor at Southwark Crown Court, he was found guilty by a jury of one count of fraud, having previously admitted a charge of operating a collective investment scheme without authorisation on 23 April 2014. The FCA prosecuted Hope, who ran a scam which claimed to be making large returns for investors from the profits of his forex trading. ([Link](#))

Tribunal upholds the Financial Conduct Authority's decision to censure Arch Financial Products and to fine and ban two of its partners

The judgment was issued by the Tribunal on 19 January 2015 after a hearing during May 2014. It remains open to the parties to appeal this judgment. ([Link](#))

FCA fines £539,800 for listing rule failures

The FCA has fined a Large Firm £539,800 for inadequate systems and controls to monitor share-dealing by its senior executives in its own shares. This contributed to late and incomplete disclosure to the market of share dealings by two senior executives. ([Link](#))

Consumers with cash savings need better information and easier switching says FCA

It should be easier for consumers to compare cash savings accounts and then switch providers if they wish, said the FCA, following a market study that showed competition in the £700bn cash savings market often does not work well for consumers, particularly those with long-standing accounts. ([Link](#))

Two former senior executives of a Firm fined and banned for compliance failings related to LIBOR

The FCA has fined and banned two former senior executives of interdealer broker (UK) for compliance and cultural failings at the firm. This follows previous enforcement action: in 2014 the FCA fined the Firm £630,000 for misconduct relating to the London Interbank Offered Rate (LIBOR). ([Link](#))

FCA introduces additional protection for consumers ahead of pension freedoms

The FCA has written to the CEOs of pension providers to outline plans to introduce additional protection for those accessing their defined contribution (DC) pension pot from April. ([Link](#))

Compensation package agreed for consumers sold card security products

The FCA has reached an agreement with Affinion International Limited ("Affinion") and 11 high street banks and credit card issuers, following voluntary negotiations, that will pave the way for customers to claim compensation if they have concerns about the way that card security products with the following product names were sold to them. ([Link](#))

The Financial Conduct Authority to gather evidence on how the PPI complaints process is working

The FCA is planning to gather evidence on current trends in complaints on Payment Protection Insurance (PPI). ([Link](#))

Sentenced following FCA prosecution

Having been convicted on 9 January 2015 following a trial, he was sentenced at Southwark Crown Court to a total of 7 years' imprisonment for defrauding investors of significant sums and operating a collective investment scheme without authorisation. ([Link](#))

FCA confirms final rules for independent governance committees

The FCA has confirmed the final rules requiring firms to set up and maintain independent governance committees (IGCs). ([Link](#))

RRS Compliance Examinations

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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: January 2015

Fax: (561) 807-5442

LouisDempsey@RRSCompliance.com

FROM: _____

FIRM NAME: _____ IA ___ BD ___ OTHER _____

PHONE: _____ FAX: _____

In order for us to better serve the industry with this publication we ask that you provide feedback on this issue.

Do you read the RCU each month?

What topics interest you the most?

What do you find most useful?

What would you like to see in future editions?

Are you a current client of RRS?

Are you interested in receiving information or a call from our Staff to discuss the products and services offered by RRS?

(Please include your phone number or E-mail address to schedule a conference)

Thank you for your time and effort

Bottom Line - We Want to Know!

We Want to Know How We’re Doing. If You Have Comments, Complaints or Suggestions Please Do Not hesitate to call (561) 368-2245 or email:

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