

## Routing

- Legal & Compliance
- Senior Management
- Supervisory Principals
- Operations
- Internal Audit
- Registered Representatives
- Registration & Licensing
- Training

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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 23<sup>rd</sup>, 2015
- **DEADLINE:** Monthly SIS Filing Due June 26th, 2015
- **MSRB:** MSRB webinar June 11, 2015

### ITEMS IN THIS EDITION

- **SEC** – Announces outreach programs to help firms comply with regulation systems compliance and integrity – Page 2
- **SEC** – Charges four former officers of a large Bank Holding Company with Disclosure Fraud. – Page 2
- **SEC** – Charges a large Bank with misstating financial reports during financial crisis. – Page 2
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- **SEC** – SEC and FINRA to hold national compliance outreach program for Broker-Dealers – Page 2
- **SEC** – SEC sues retirement planners for making false claims to investors – Page 2
- **FINRA** – The NAC revises the sanction guidelines related to misrepresentations and suitability – Page 3
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- **FINRA** – FINRA fines a large bank \$2 million for short interest reporting and short sale rule violations – Page 3
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- **FCA** – FCA fines a large bank £284,432,000 for forex failings – Page 8

## 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 3110 and 3120. 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:

Outreach Programs to Help Firms Comply With Regulation Systems Compliance and Integrity. ([Link](#))

Fraud Charges against an Educational Services. ([Link](#))

Charges against Investment Firm and Two Executives Accused of Defrauding Police and Firefighter Pension Funds. ([Link](#))

Agenda for June 3 Meeting of the Advisory Committee on Small and Emerging Companies. ([Link](#))

Charges against Compliance Director Accused of Defrauding Investors and Stealing Brokerage Firm Assets. ([Link](#))

### SEC Proposes:

Rules to Modernize and Enhance Information Reported by Investment Companies and Investment Advisers. ([Link](#))

### SEC Charges:

Four Former Officers of a large Bank Holding Company with Disclosure Fraud. ([Link](#))

A large insurance Company with Pricing Violations. ([Link](#))

A large investment firm in \$1.1 Million Insider Trading Scheme. ([Link](#))

A large Investment firm with Violating FCPA at Olympic Games. ([Link](#))

Brokerage Firm Co-Owners with Defrauding Investors. ([Link](#))

A large Bank with Misstating Financial Reports during Financial Crisis. ([Link](#))

New York Lawyer and Two Promoters with Market Manipulation. ([Link](#))

Two Stock Promoters with Conducting Market Manipulation Schemes. ([Link](#))

### List of No Action Letters:

Securities Exchange Act of 1934 — Rule 14a-8 Omission of Shareholder Proposal Submitted by Steven N. Harris (Liberty All-Star Equity Fund) ([Link](#))

Investment Advisers Act of 1940 - Rule 206-4(3) JPMorgan Chase & Co. ([Link](#))

Investment Advisers Act of 1940 - Section 206(4) and Rule 206(4)-3 UBS AG ([Link](#))

### SEC Final Rules:

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

### David Grim Named as Director of the Division of Investment Management

The Securities and Exchange Commission announced that David Grim has been named as Director of the Division of Investment Management. Mr. Grim has been the division's acting director since

February, following the departure of former director Norm Champ. ([Link](#))

### SEC and FINRA to Hold National Compliance Outreach Program for Broker-Dealers

The Securities and Exchange Commission and the (FINRA) announced the opening of registration for their 2015 National Compliance Outreach Program for Broker-Dealers. ([Link](#))

### **Compliance Tips**

For check and application way business – go to the issuers that you have selling agreements with and request that they not process applications 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.

### SEC Sues Retirement Planners for Making False Claims to Investors

The Securities and Exchange Commission charged a self-described retirement planning firm and its principals with falsely telling customers that interests in life settlements they offered and sold were “guaranteed,” “safe as CDs,” and “federally insured.” ([Link](#))

### Deputy Chief Accountant Dan Murdock to Leave SEC

The Securities and Exchange Commission announced that Daniel Murdock, a deputy chief accountant overseeing the accounting group in the agency's Office of the Chief Accountant, is leaving at the end of May to return to the private sector. Mr. Murdock started at the SEC in October 2013. ([Link](#))

### SEC Names Wesley R. Bricker as Deputy Chief Accountant

The Securities and Exchange Commission announced the appointment of Wesley R. Bricker as a Deputy Chief Accountant overseeing the accounting group in the agency's Office of the Chief Accountant. ([Link](#))

### Peter J. Curley, Associate Director in the Division of Trading and Markets, to Leave SEC

The Securities and Exchange Commission announced that Peter J. Curley, Associate Director for Clearance and Settlement in the Division of Trading and Markets, is leaving the agency later this month. ([Link](#))

### SEC Chief of Staff Lona Nallengara to Leave Agency

The Securities and Exchange Commission announced that SEC Chief of Staff Lona Nallengara will be leaving the agency at the end of June. ([Link](#))

### SEC Names Jessica Kane Director of Municipal Securities Office

The Securities and Exchange Commission announced that Jessica Kane has been named the director of the agency's Office of Municipal Securities, having served as deputy director since April 2014. Ms. Kane replaces former director John Cross. ([Link](#))

### **RRS COMPLIANCE ASSESSMENTS**

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### **SEC Names Rebecca Olsen Deputy Director of Municipal Securities Office**

The Securities and Exchange Commission announced that Rebecca J. Olsen has been named deputy director in the agency's Office of Municipal Securities, having served as chief counsel since April 2014. Ms. Olsen replaces Jessica Kane who was announced as director of the office. ([Link](#))

### **SEC Names Andrew J. Donohue as Chief of Staff**

The Securities and Exchange Commission announced that Andrew J. "Buddy" Donohue has been named the agency's chief of staff. Mr. Donohue will replace Lona Nallengara who will leave the agency in June. ([Link](#))

## **FINRA**

### **Regulatory Notices:**

[15-13](#) FINRA Requests Comment on Proposed Exemption to the Trading Activity Fee for Proprietary Trading Firms

[15-14](#) SEC Approves Amendments to Require Firms to Identify Transactions with Non-Member Affiliates in TRACE Trade Reports

[15-15](#) the NAC Revises the Sanction Guidelines Related to Misrepresentations and Suitability

[15-16](#) FINRA Requests Comment on Proposed Amendments to Rules Governing Communications with the Public

[15-17](#) Guidance on Rules Governing Communications with the Public

[15-18](#) SEC Approves Amendments to Arbitration Codes to Revise the Definitions of Non-Public and Public Arbitrator

[15-19](#) FINRA Requests Comment on a Proposed Rule to Require Delivery of an Educational Communication to Customers of a Transferring Representative

[15-20](#) FINRA Requests Comment on a Concept Proposal to Restructure the Representative-Level Qualification Examination Program

### **FINRA Conferences & Events:**

FINRA Small Firm Conference ([Link](#))

South Region Compliance Seminar ([Link](#))

### **FINRA Sanctions a large brokerage firm \$11.7 Million for Widespread Supervisory Failures Related to Complex Products Sales, Trade Surveillance and Trade Confirmations Delivery**

FINRA announced that it has censured a large financial firm and fined it \$10 million for broad supervisory failures in a number of key areas, including the sales of non-traditional exchange-traded funds (ETFs), certain variable annuity contracts, non-traded real estate investment trusts (REITs) and other complex products, as well as its failure to monitor and report trades and deliver to customers more than 14 million trade confirmations. ([Link](#))

### **SEC and FINRA to Hold National Compliance Outreach Program for Broker-Dealers**

The SEC and FINRA announced the opening of registration for their 2015 National Compliance Outreach Program for Broker-Dealers. The program is intended to provide an open forum for regulators and industry professionals to discuss compliance practices and exchange ideas on effective compliance structures. ([Link](#))

### **FINRA's NAC Strengthens Sanction Guidelines for Fraudulent Conduct**

FINRA announced that the NAC review of its SANCTION GUIDELINES has resulted in a number of significant revisions. In particular, the NAC is amending the overarching principles that apply to sanctions determinations and is revising the SANCTION GUIDELINES to call for tougher sanctions against those who commit fraud or make unsuitable recommendations to customers. ([Link](#))

### **FINRA Fines a large Bank \$2 Million for Short Interest Reporting and Short Sale Rule Violations**

FINRA announced that it has fined a large Bank \$2 million for short interest reporting and short sale rule violations that spanned a period of more than six years, and for failing to implement a supervisory system reasonably designed to detect and prevent such violations. ([Link](#))

## **MSRB**

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

[2015-07](#) SEC Approves Amendments to MSRB Rule G-14 and Real-Time Transaction Reporting System

### **MSRB Upcoming Events:**

MSRB Webinar: Preparing to Take the Pilot Municipal Advisor Representative Exam, June 11<sup>th</sup>, 2015 ([Link](#))

MSRB and the Municipal Forum of New York Education and Outreach Seminar, July 28<sup>th</sup>, 2015 ([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)

## **MSRB Publishes Updated Report on Timing of Annual Financial Disclosures by Issuers of Municipal Securities**

The MSRB released an update to its 2013 report on how many days after the end of the fiscal year that issuers of municipal securities and other obligated persons make their annual financial information available to the public. ([Link](#))

## **MSRB Publishes First Quarter 2015 Municipal Market Statistics**

The MSRB released municipal market statistics for the first quarter of 2015, showing a sharp decline in trading compared to a year earlier. Municipal securities trading volume fell 13 percent in the first quarter of 2015 to \$618.5 billion, down from \$709.8 billion in the first quarter a year ago. ([Link](#))

## **MSRB to Require Additional Post-Trade Data for Display on EMMA**

The MSRB received approval from the SEC to enhance the transparency of municipal securities transactions by collecting additional post-trade data for display on the MSRB's EMMA website. ([Link](#))

## **SEC Approves Amendments to MSRB Rule G-14 and Real-Time Transaction Reporting System**

The MSRB received approval from the SEC to amend MSRB Rule G-14, on transaction reporting, and the Real-Time Transaction Reporting System (RTRS) information system and subscription service ("RTRS Facility"). The amendments become effective on May 23, 2016. To provide time for brokers, dealers and municipal securities dealers ("dealers") as well as subscribers to undertake programming changes to implement the amendments, and to provide an adequate testing period for dealers and subscribers that interface with RTRS, the MSRB anticipates publishing updated technical specifications reflecting the amendments in early September 2015 and making a test environment of RTRS reflecting the amendments available for testing in the fall of 2015. ([Link](#))

## **NASAA**

### **NASAA Names Joseph Brady as Executive Director**

"We are very pleased that Joey will be remaining at NASAA as our Executive Director. His NASAA experience, coupled with his state regulatory and private practice experience, give him a unique and valuable perspective on the issues facing NASAA. We are confident that he will hit the ground running as he guides the association through the coming years," said William Beatty, NASAA President and Washington Securities Director. ([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)

## **NASAA Statement on Texas Supreme Court Ruling in Life Partners v. Arnold**

NASAA appreciates that the Texas Supreme Court agrees with state securities regulators that the life settlement contracts and viaticals, at issue in Life Partners v. Arnold satisfy the definition of an investment

contact under the Texas Securities Act, making them securities subject to the Texas Securities Act. ([Link](#))

## **NASDAQ—NASDAQ-TRADER—**

### **OTCBB**

#### **Equity Regulatory Alert:**

[2015 – 1](#) Sponsored Access Compliance

#### **Data News:**

[2015 – 1](#) NASDAQ Releases Updated Global Data Policy Document

#### **Equity Trader Alert:**

[2015 – 58](#) NASDAQ Announces Reverse Split, Name Change, Symbol Change, and CUSIP Change for Regado BioSciences, Inc.

[2015 – 59](#) NASDAQ Announces Reverse Split and CUSIP Change for Bridgeline Digital, Inc.

[2015 – 60](#) NASDAQ Announces Reverse Split and CUSIP Change for FreeSeas Inc.

[2015 – 61](#) NASDAQ Announces Reverse Split, CUSIP & ADR Ratio Change for Gravity Co., Ltd American Depositary Shares.

[2015 – 62](#) NASDAQ Announces Ex-Date Ruling for Marlin Midstream Partners, LP.

[2015 – 63](#) NASDAQ Releases Second Access Fee Report.

[2015 – 64](#) NASDAQ Announces Ex-Date Ruling for Sify Technologies Limited.

[2015 – 65](#) Nasdaq U.S. Markets will be closed

[2015 – 66](#) NASDAQ Announces Reverse Split and CUSIP Change for Real Goods Solar, Inc.

[2015 – 67](#) NASDAQ to Begin Listing Two AccuShares Investment Management, LLC Funds

[2015 – 68](#) NASDAQ Announces Information Regarding June 30, 2015 Leap Second Impact.

[2015 – 69](#) Reverse Split and CUSIP Change for China Shengda Packaging Group, Inc. (CPGI)

[2015 – 70](#) NASDAQ Ends Access Fee Experiment

[2015 – 71](#) NASDAQ Files with SEC for Limited Reopening of Member Accommodation Program

[2015 – 72](#) Reverse Split and CUSIP Change for Lexicon Pharmaceuticals, Inc. (LXRX)

[2015 – 73](#) NASDAQ Announces Spin off/Distribution Information for FirstService Corporation

[2015 – 74](#) Blackhawk Network Holdings, Inc. Announces the Conversion of its Class A & B Common Stocks into a Single Common Stock

[2015 – 75](#) Reverse Split and CUSIP Change for Metabolix, Inc. (MBLX)

[2015 – 76](#) NASDAQ to Begin Listing Elkhorn Fund

[2015 – 77](#) NASDAQ to Begin Listing Global X Fund

[2015 – 78](#) Updates to PSX Pricing for June 2015

[2015 – 79](#) Distribution Information for Liberty Global plc

[2015 – 80](#) Updates to BX Pricing for June 2015

[2015 – 81](#) NASDAQ Pricing Updates for June 1, 2015

#### ***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 Rick White at (850) 443-4036 or [rickwhite@rrscompliance.com](mailto:rickwhite@rrscompliance.com)

#### **Data Technical News:**

[2015 – 10](#) NASDAQ to Discontinue Participation Messages for Indexes on GIDS 2.0

[2015 – 11](#) NASDAQ, BX, and PSX Last Sale Offerings to Disseminate Nanoseconds Timestamps

[2015 – 12](#) NASDAQ Announces Testing and Release Dates for Mutual Fund Dissemination Service (MFDS) Message Format Changes

#### **Options Trader Alert:**

[2015 – 12](#) NASDAQ Change to Termination of Letters of Guarantee Process

#### **Options Regulatory Alert:**

[2015 – 14](#) New Harmonized Obvious and Catastrophic Error Rule

[2015 – 15](#) NOM Bid/Ask Differentials for "NDX" and "PCLN" Options Class

[2015 – 16](#) PHLX Bid/Ask Differentials for "NDX" and "PCLN" Option Classes

[2015 – 17](#) Sponsored Access Compliance

[2015 – 18](#) PHLX, NOM, and BX Options Notify Participants of Discrepancy with Order Price Protection Functionality

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### NYSE - EURONEXT – AMEX

#### ICE Benchmark Administration Publishes Feedback Statement on LIBOR Evolution Position Paper

(NYSE: ICE), has published a feedback statement on the responses received to the IBA position paper on the evolution and enhancement of ICE LIBOR. ([Link](#))

#### Intercontinental Exchange Reports Record First Quarter 2015 Results

(NYSE: ICE), the leading global network of exchanges and clearing houses, reported financial results for the first quarter of 2015. For the quarter ended March 31, 2015, consolidated net income attributable to ICE was \$315 million on \$850 million consolidated revenues less transaction-based expenses. On a GAAP basis, diluted EPS in the first quarter were \$2.80. ([Link](#))

#### Intercontinental Exchange Increases Quarterly Dividend 15% to \$0.75 per Share; Adds to Stock Repurchase Authorization

(NYSE: ICE), announced a \$0.75 per share dividend for the second quarter of 2015, representing a 15% increase to the company's past quarterly dividend, which was initiated in December 2013. The dividend will be payable on June 30, 2015 to shareholders of record as of June 16, 2015. The ex-dividend date is June 12, 2015. ([Link](#))

#### Intercontinental Exchange Reports ICE and NYSE Volume for April 2015; Energy Daily Volume up 10%, Ags up 17% over Prior April

(NYSE: ICE), reported April exchange traded volume. ICE's April 2015 futures and options average daily volume (ADV) declined 11% compared to April 2014. ([Link](#))

#### IMC Becomes e-Specialist on NYSE Amex Options

NYSE Amex Options, part of the Intercontinental Exchange (NYSE: ICE) global network of exchanges and clearing houses, announced that IMC Financial Markets (IMC) has become the newest e-Specialist on the exchange. ([Link](#))

#### NYSE Governance Services and FTI Consulting Announce Results of 15th Annual Ranking of Top Corporate Law Firms for 2015

NYSE Governance Services (NYSE:ICE), a leading provider of corporate governance, risk, ethics and compliance services for public and privately held companies along with FTI Consulting, Inc. (NYSE:FCN), the global business advisory firm dedicated to helping organizations protect and enhance their enterprise value, announced the results of the 15<sup>th</sup> 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](#))

#### Intercontinental Exchange Announces 2015 Annual Meeting Results

(NYSE: ICE), announced the result of the company's 2015 Annual Meeting of Stockholders, which was held May 15, 2015. ([Link](#))

#### NYSE Bonds and UBS Announce Strategic Relationship

UBS and the New York Stock Exchange announced a new strategic relationship whereby UBS customers can connect to NYSE Bonds through the UBS Bond Port (formerly named UBS PIN-FI) to access a centralized pool of corporate bond liquidity. ([Link](#))

#### NYSE to Launch NYSE Bitcoin Index, NYXBT

The New York Stock Exchange, part of the Intercontinental Exchange (NYSE:ICE) global network of exchanges and clearing houses, announced the NYSE Bitcoin Index (NYXBT), the first exchange-calculated and disseminated bitcoin index. Launching, the NYXBT Index will represent the U.S. dollar value of one bitcoin unit based upon actual transactions occurring on select bitcoin exchanges which have been evaluated and meet NYSE's quality standards. ([Link](#))

#### Shopify Celebrates Public Debut as "SHOP" on the

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#### New York Stock Exchange

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

**FINCEN****FinCEN Fines a large company in First Civil Enforcement Action against a Virtual Currency Exchanger**

The FinCEN, working in coordination with the U.S. Attorney's Office for the Northern District of California (USAO-NDCA), assessed a \$700,000 civil money penalty against the large company and its wholly-owned subsidiary for BSA violations. ([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)

**FinCEN Recognizes High-Impact Law Enforcement Cases Furthered through Financial Institution Reporting**

The FinCEN presented it's first-ever Law Enforcement Awards in a ceremony at the U.S. Department of the Treasury. These awards are presented to law enforcement agencies that use Bank Secrecy Act (BSA) reporting in their criminal investigations. ([Link](#))

**Jamal El-Hindi Named New FinCEN Deputy Director**

Financial Crimes Enforcement Network (FinCEN) Director Jennifer Shasky Calvery has named Jamal El-Hindi as FinCEN's new Deputy Director. He is a nine-year veteran of FinCEN, previously serving as Associate Director for the Policy Division before becoming acting Deputy Director in January 2015. ([Link](#))

**PRA****Notice of errata - Revision to Bankstats (Monetary & Financial Statistics)**

Due to a clerical error occurring while inputting the February value for non-residents' purchases of gilts, the Bankstats (Monetary & Financial Statistics) publication and Statistical Interactive Database are being revised. ([Link](#))

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

The Bank of England's Monetary Policy Committee at its meeting on 8 May 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](#))

**Launch of public nominations period for the next £20 banknote**

At an event at the Victoria and Albert Museum in London, the Governor of the Bank of England, Mark Carney, announced that the next £20 note will celebrate Britain's achievements in the visual arts and he launched a public nomination period to seek people's views as to who should be recognized on the next £20 note. ([Link](#))

**Bank of England release of historic minutes**

The Bank of England published the minutes of Court from 1976-87 and Committee of Treasury minutes from 1947-87, marking the last substantial publication in a series of historic minute releases. ([Link](#))

**The state of the building society sector and the PRA's approach to governance - speech by Andrew Bailey**

In a speech given at the BSA annual conference in Harrogate, Andrew Bailey discuss two key areas: first, an overview of impressions of the state of the building societies as a whole; and, second, some comments on the PRA's approach to the governance of firms. ([Link](#))

**Telling tales of oil and global inflation - speech by Martin Weale**

In a speech given to the AIECE Conference in London, Martin Weale discusses two key issues for the inflation outlook in the UK: the impact of oil price moves on the UK inflation forecast, and the degree to which international prices feed through into the outlook in this country. ([Link](#))

**Statement by the Bank of England**

Information related to planned confidential Bank work on the potential implications of a renegotiation and national referendum on the UK's membership of the European Union made its way into the public domain, due to an internal email sent inadvertently to an external party. ([Link](#))

**Bank of England Consultation Paper: The Bank of England's power to direct institutions to address impediments to resolvability**

The Bank of England, as the UK resolution authority, is launching a three-month consultation on its proposed approach to exercising its statutory power to direct institutions to address impediments to their resolvability. ([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 Louis Dempsey at (561) 368-2245 or [LouisDempsey@RRSCompliance.com](mailto:LouisDempsey@RRSCompliance.com)

### **The fence and the pendulum - speech by Martin Taylor**

In a speech given at the International Association of Credit Portfolio Managers Conference in London, Martin Taylor discuss about recent regulatory developments in England. ([Link](#))

### **The implementation of ring-fencing: legal structure, governance and the continuity of services and facilities**

The Prudential Regulation Authority is required under the Financial Services and Markets Act 2000 (as amended by the Financial Services (Banking Reform) Act 2013) to make policy to implement the ring-fencing of core UK financial services and activities. ([Link](#))

### **Funding for Lending Scheme – usage and lending data**

The Bank has published data on the use of the Funding for Lending Scheme (FLS) showing, for each group participating in the FLS Extension, the net quarterly flow of lending to UK small and medium-sized enterprises and non-bank credit providers, and the amount borrowed from the Bank in the first quarter of 2015. ([Link](#))

## **FCA**

### **FCA review reveals shortcomings in the provision of premium finance for general insurance**

The FCA thematic review of premium finance focused on the online sale of home and car insurance and followed the customer journey up to the point where purchasers are required to input their payment details. The review included 13 insurers and 30 insurance intermediaries (including four price comparison websites). ([Link](#))

### **FCA bans and fines an approved person £290,344 for misleading and unsuitable advice**

The FCA has fined an approved person £290,344 and banned him from performing any function in relation to regulated activities on the basis that he is not fit and proper because he lacks integrity. ([Link](#))

### **FCA fines a large Bank £284,432,000 for forex failings**

The FCA has imposed a financial penalty of £284,432,000 on a large Bank for failing to control business practices in its foreign exchange (FX) business in London. This is the largest financial penalty ever imposed by the FCA, or its predecessor the FSA. ([Link](#))

### **The Financial Conduct Authority warns clients of three debt management firms to review their debts**

The FCA is warning customers of three debt management firms to check their debt situation with their creditors and find out exactly what they owe. The debt management firms are Sterling Financial Security Limited (Sterling), Haydon Associates Debt Management Consultants Limited (Haydon) and Clear View Finance Limited (Clear View). All three firms are based in Litchfield. ([Link](#))

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[JOHNPINTO@RRSCOMPLIANCE.COM](mailto:JOHNPINTO@RRSCOMPLIANCE.COM)

### **FCA review highlights gap between insurance claims service and SMEs' expectations**

The FCA launched a thematic review into claims handling for small and medium-sized enterprises (SMEs) because of the vital role that small businesses play in the health of the UK economy. While SMEs' insurance needs can be relatively complex the review found that they are also less likely to be sophisticated customers and many have similar knowledge and experience to retail consumers when buying general insurance products. ([Link](#))



**FCA publishes terms of reference for its investment and corporate banking market study**

The Financial Conduct Authority (FCA) has set out the issues it will focus on as part of its market study into competition in investment and corporate banking. The study will focus on choice, transparency, bundling and cross-subsidization in debt and equity capital markets, mergers and acquisitions and acquisition financing. It will also consider links between competition in these primary market services and related activities such as corporate lending and broking, and ancillary services. ([Link](#))

**The FCA has published Decision Notices in respect of three former members of Keydata's senior management**

All three individuals have referred their Decision Notices to the Upper Tribunal (the Tribunal) where they and the FCA will each present their case. The Tribunal will then determine the appropriate action for the FCA to take. The Tribunal may uphold, vary or cancel the FCA's decisions. In the case of the decision to impose a penalty, the Tribunal will determine what (if any) is the appropriate action for the FCA to take, and remit the matter to the FCA with such directions as the Tribunal considers appropriate for giving effect to its determination.

([Link](#))

## 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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**TO: Louis Dempsey**

**RE: May 2015**

**Fax: (561) 807-5442**

[LouisDempsey@RRSCompliance.com](mailto:LouisDempsey@RRSCompliance.com)

**FROM:** \_\_\_\_\_

**FIRM NAME:** \_\_\_\_\_ **IA** \_\_\_ **BD** \_\_\_ **OTHER** \_\_\_\_\_

**PHONE:** \_\_\_\_\_ **FAX:** \_\_\_\_\_

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