

# Regulatory & Compliance Update

December 2016

## ROUTING

- Legal & Compliance
- Senior Management
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- Operations
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- 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:** Quarterly FOCUS filing due January 26<sup>th</sup>, 2017
- **DEADLINE:** Yearly Schedule I due January 26<sup>th</sup>, 2017
- **DEADLINE:** Form Custody due January January 26<sup>th</sup>, 2017
- **DEADLINE:** Quarterly SSOI filing due January 31<sup>st</sup>, 2017
- **DEADLINE:** Monthly SIS filing due January 31<sup>st</sup>, 2017
- **DEADLINE:** SIPC-7 due March 1<sup>st</sup>, 2017 (for clients with Calendar Year End)
- **DEADLINE:** Annual Audit Report due March 1<sup>st</sup>, 2017

### Items in This Edition

- SEC – Three Individuals and Broker-Dealer With Violating Market Structure Rules – Page 2
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### SERVICES SPOTLIGHT: Supervisory Controls

RRS provides a full range of services to assist with your firm's compliance with FINRA Rules 3110, 3120 and 3130, including:

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

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Washington, DC

## SEC

### SEC Announces:

Mutual Fund Fee Structures ([Link](#))

Multi-Branch Adviser Initiative ([Link](#))

### SEC Charges:

Asset Management Fund and Manager ([Link](#))

Gatekeepers in Microcap Frauds ([Link](#))

Three Individuals and Broker-Dealer With Violating Market Structure Rules ([Link](#))

Hedge Fund and Founder With Defrauding Investors ([Link](#))

Financial Services Company With Customer Protection Rule Violations ([Link](#))

Former New York Pension Official and Two Brokers in Pay-to-Play Scheme ([Link](#))

Operators of Fake Day-Trading Firm With Defrauding Inexperienced Investors ([Link](#))

Lawyer With Stealing Investor Money in EB-5 Offerings ([Link](#))

### List of No Action Letters:

Investment Company Act of 1940 — Sections 7(a) and 7(b) ([Link](#))

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

Investment Advisers Act of 1940 — Section 203(a) ([Link](#))

Investment Company Act of 1940 - Section 17(e) ([Link](#))

Investment Company Act of 1940 — Section 15(a) ([Link](#))

### SEC Final Rules:

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

**Technical Correction: Changes to Exchange Act Registration Requirements to Implement Title V and Title VI of the JOBS Act ([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)

### **Investment Management Firm Settles Charges of Misleading Investors About ETF Performance**

The SEC announced an investment management firm agreed to retain an independent compliance consultant and pay nearly \$20 million to settle charges that it misled investors about the performance of one its first actively managed ETFs and failed to accurately value certain fund securities. ([Link](#))

### **Businessman Settles Charges of Fraudulent EB-5 Offering**

The SEC announced that a Florida-based businessman has agreed to settle charges that he misused investor funds intended to create U.S. jobs through the EB-5 Immigrant Investor Program. ([Link](#))

### **SEC Advisory Committee on Small and Emerging Companies to Hold Conference Call Meeting**

The SEC announced that its Advisory Committee on Small and Emerging Companies will hold a public meeting by telephone conference. ([Link](#))

**Airline Settles Charges in Case of Flight Route to Benefit Public Official**

The SEC announced that the parent company of an airline has agreed to pay \$2.4 million to settle charges in a case where shareholders wound up footing the bill so a public official could get more convenient flights. ([Link](#))

**Chief Economist and Division of Economic and Risk Analysis Director Mark Flannery to Leave SEC**

The SEC announced that Chief Economist and Division of Economic and Risk Analysis Director Mark J. Flannery will leave the agency by the end of the month. ([Link](#))

**SEC Awards \$3.5 Million to Whistleblower**

The SEC announced that a whistleblower has been awarded approximately \$3.5 million for coming forward with information that led to an SEC enforcement action. ([Link](#))

**IT Specialist Settles Charges of Insider Trading on Hacked Nonpublic Information**

The SEC announced insider trading charges against a San Francisco-based information technology specialist who allegedly hacked senior executives at an online travel company and illegally traded on company secrets. ([Link](#))

**Firm Settles Charges for Selling Unregistered Swaps Involving Pre-IPO Companies**

The SEC announced that a San Francisco-based firm agreed to settle charges that it violated federal securities laws by failing to register security-based swaps that were offered and sold online to shareholders in pre-IPO companies. ([Link](#))

**Division of Corporation Finance Director Keith Higgins to Leave SEC**

The SEC announced Keith F. Higgins, Director of the SEC's Division of Corporation Finance, plans to leave the SEC in early January. ([Link](#))

**Enforcement Director Andrew J. Ceresney to Leave SEC**

The SEC announced that Enforcement Director Andrew J. Ceresney will leave the agency by the end of the year. ([Link](#))

**SEC Awards Nearly \$1 Million to Whistleblower**

The SEC announced an award of more than \$900,000 to a whistleblower whose tip enabled the SEC to bring multiple enforcement actions against wrongdoers. ([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)

**SEC Files Charges in \$26 Million Stock Manipulation Scheme**

The SEC charged two New Jersey-based traders with manipulating more than 2,000 NYSE- and NASDAQ-traded stocks and reaping more than \$26 million in profits from their successful trades. ([Link](#))

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### **SEC Names Dr. Narahari Phatak Associate Director for Policy in the Division of Economic and Risk Analysis**

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The SEC announced that Dr. Narahari Phatak has been named Associate Director for Policy in the Division of Economic and Risk Analysis. ([Link](#))

**Ask about Our Order Handling and Best Execution Surveillance Solutions**

**Contact John Pinto at  
(202) 463-6575**

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

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### **SEC Approves 2017 PCAOB Budget and Accounting Support Fee**

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The SEC voted to approve the 2017 budget of the Public Company Accounting Oversight Board and the related annual accounting support fee. ([Link](#))

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### **German Bank Settles Charges of Misleading Clients About Order Router**

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The SEC announced a German Bank has agreed to settle charges that it misled clients about the performance of a core feature of its automated order router that primarily sent client orders to dark pools. ([Link](#))

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### **Company Violated Rule Aimed at Protecting Potential Whistleblowers**

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The SEC announced that a technology company has agreed to pay a penalty of \$180,000 to settle charges involving its severance agreements that impeded at least one former employee from communicating information to the SEC. ([Link](#))

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### **Company Settles Charges in Whistleblower Retaliation Case**

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The SEC announced that an oil-and-gas company has agreed to settle charges that it used illegal separation agreements and retaliated against a whistleblower who expressed concerns internally about how its reserves were being calculated. ([Link](#))

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### **Petrochemical Manufacturer to Pay \$957 Million to Settle FCPA Charges**

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The SEC announced that a Brazilian-based petrochemical manufacturer whose stock trades in the U.S. markets has agreed to settle charges that it created false books and records to conceal millions of dollars in illicit bribes paid to Brazilian government officials to win or retain business. ([Link](#))

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### **Sharon Binger, Director of Philadelphia Regional Office, to Leave SEC**

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The SEC announced that Sharon B. Binger, Director of the Philadelphia Regional Office, will leave the agency at the end of the year. ([Link](#))

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### **G. Jeffrey Boujoukos Named Director of Philadelphia Regional Office**

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The SEC announced that G. Jeffrey Boujoukos has been named Director of its Philadelphia Regional Office, where he will oversee enforcement and examinations in the Mid-Atlantic region. ([Link](#))

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### **SEC Issues Annual Staff Reports on Credit Rating Agencies**

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The SEC issued two annual staff reports that demonstrate compliance and competition continue to increase among the credit rating agencies under SEC oversight as nationally recognized statistical rating organizations. ([Link](#))

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### **Pharmaceutical Company Paying \$519 Million to Settle FCPA Charges**

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The SEC announced a Pharmaceutical Company has agreed to pay more than \$519 million to settle parallel civil and criminal charges that it violated the Foreign Corrupt Practices Act by paying bribes to foreign government officials in Russia, Ukraine, and Mexico. ([Link](#))

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### **SEC Names Sara P. Crovitz Deputy Chief Counsel in the Division of Investment Management's Chief Counsel's Office**

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The SEC named Sara P. Crovitz Deputy Chief Counsel and Associate Director in the Division of Investment Management's Chief Counsel's Office. ([Link](#))

**SEC Names Timothy Husson Associate Director in the Division of Investment Management’s Risk and Examinations Office**

The SEC named Timothy Husson Associate Director in the Division of Investment Management’s Risk and Examinations Office. ([Link](#))

**Chinese Traders Charged With Trading on Hacked Nonpublic Information Stolen From Two Law Firms**

The SEC charged three Chinese traders with fraudulently trading on hacked nonpublic market-moving information stolen from two prominent New York-based law firms, racking up almost \$3 million in illegal profits. ([Link](#))

**Wire and Cable Manufacturer Settles FCPA and Accounting Charges**

The SEC announced a Kentucky-based Cable Corporation agreed to pay more than \$75 million to resolve parallel SEC and U.S. Department of Justice investigations related to its violations of the Foreign Corrupt Practices Act. ([Link](#))

**FINRA**

**FINRA Fines:**

Investment Bank \$16.5 Million for Significant Deficiencies in its Anti-Money Laundering Program ([Link](#))

German Bank \$3.25 Million for Deficient Disclosures Concerning the Operation of Its Alternative Trading System ([Link](#))

12 Firms a Total of \$14.4 Million for Failing to Protect Records From Alteration ([Link](#))

**Regulatory Notices:**

**16-44** SEC Approves Amendments to the Customer Code of Arbitration Procedure Regarding Panel Selection in Cases with Three Arbitrators

**Trade Reporting Notices:**

**12/05/16** Reporting of Information Relating to OTC Trades in NMS Stocks

**Did you know? IA AML Obligations...**

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

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

**Information Notices:**

**12/05/16** 2017 and First Quarter of 2018 Report Filing Due Dates

**12/14/16** 2017 Holiday Trade Date, Settlement Date and Margin Extensions Schedule

**FINRA Seeks Information from Former Registered Bank Employees of Wells Fargo**

FINRA has asked former Wells Fargo bank employees whose securities registrations were terminated to contact FINRA if they have concerns about the notice filed by Wells Fargo regarding their termination. ([Link](#))

**FINRA Foundation Publishes In-depth Analysis of U.S. Investors**

The FINRA Foundation announced the results of its Investors in the United States 2016 report, which provides a detailed analysis of 2,000 survey respondents from across the United States who hold investments in non-retirement accounts. ([Link](#))

**FINRA Enforcement Chief Brad Bennett Announces Departure**

FINRA announced that J. Bradley (Brad) Bennett will leave FINRA early next year. ([Link](#))

**MSRB**

**MSRB Regulatory Notices for December 2016:**

[2016-29](#) Interpretive Notice on the Application of MSRB Rules to Transactions in Managed Accounts

**MSRB Upcoming Events:**

The Ravitch Fiscal Reporting Program at the CUNY Graduate School of Journalism ([Link](#))

**MSRB Provides Guidance On Application Of Rules To Transactions In Managed Accounts**

The MSRB provided interpretive guidance for municipal securities dealers to address questions about the application of certain MSRB rules to municipal bond transactions with registered investment advisers having full discretion to purchase or sell municipal securities on behalf of their investor clients. ([Link](#))

**NASAA**

**NASAA Announces 'Start Today and Retire Tomorrow' (STaRT) Initiative**

With retirement security a top worry of many working adults, NASAA announced the launch of a new initiative to deliver investor education at workplaces throughout North America to help workers learn how to plan for and reach their retirement goals. ([Link](#))

**NASDAQ/NASDAQ TRADER/OTCBB**

**Data News:**

Nasdaq Announces Enhanced Display Solution (EDS) Enterprise License Fee Changes for Nasdaq Proprietary Depth Data ([Link](#))

**Equity Trader Alert:**

[2016-307](#) Information Regarding Upcoming Merger of Interactive Intelligence Group, Inc.

[2016-308](#) Information Regarding Merger Transaction between Tessera Technologies, Inc.

**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

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[2016-309](#) Information Regarding Upcoming Merger of AmSurg Corp.

[2016-310](#) Nasdaq to Begin Listing 27 Invesco PowerShares Exchange Traded Funds

[2016-311](#) Information Regarding Upcoming Merger of SunEdison Semiconductor Limited Ordinary Shares

[2016-312](#) FINRA/Nasdaq TRF to Expand Carryover of Match-Compare Trade Reports and Enforcement of Reversal Logic for Match-Compare Trade Reports

[2016-314](#) Reverse Split and CUSIP Number Change for Cowen Group, Inc.

[2016-315](#) Nasdaq to Begin Listing Janus Exchange Traded Fund

[2016-316](#) Reverse Split and CUSIP Number Change for GTx, Inc.

[2016-317](#) Reverse Split and CUSIP Number Change for Fuwei Films Co., Ltd.

[2016-318](#) Reverse Split and CUSIP Number Change for Allied Healthcare Products, Inc.

[2016-319](#) Reverse Split and CUSIP Number Change for Live Ventures Incorporated

[2016-320](#) Nasdaq Announces 2017 Saturday Testing Schedule

**RRS Compliance Examinations**

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**Increase Effectiveness**

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

[2016-321](#) Reverse Split and CUSIP Number Change for bebe stores, inc.

[2016-322](#) Reverse Split and CUSIP Number Change for Xenith Bankshares, Inc.

[2016-323](#) Information Regarding Upcoming Merger of Virgin America Inc.

[2016-324](#) Nasdaq Tick Size Pilot Program Update

[2016-325](#) Nasdaq Test Opportunity

[2016-326](#) Reverse Split and CUSIP Number Change for xG Technology, Inc.

[2016-327](#) Nasdaq to Begin Listing BMO Elkhorn ETN

[2016-328](#) Reverse Split and CUSIP Number Change for Novellion Therapeutics Inc.

[2016-329](#) Reverse Split and CUSIP Number Change for Porter Bancorp, Inc.

[2016-330](#) Information Regarding Merger Transaction between Terrapin 3 Acquisition Corporation and Yatra Online, Inc.

[2016-331](#) U.S. Market Holiday Reminder: Christmas and New Year's

[2016-332](#) Reverse Split and CUSIP Number Change for EnteroMedics Inc.

[2016-333](#) Reverse Split, CUSIP Change, and Ratio Change for Prima BioMed Ltd.

[2016-334](#) Information Regarding Distribution for Diversified Restaurant Holdings, Inc.

[2016-335](#) Nasdaq to Begin Listing Legg Mason ETF

[2016-336](#) Reverse Split and CUSIP Number Change for Interpace Diagnostics Group, Inc.

[2016-337](#) Limit Up/Limit Down Exchange Traded Product Tier 1 List Update

[2016-338](#) Information regarding reverse merger and business combination between Lpath, Inc. & Apollo Endosurgery, Inc.

[2016-339](#) Nasdaq Updates Pricing

[2016-340](#) Reverse Split and CUSIP Number Change for CTI BioPharma Corp.

**Data Technical News:**

[2016-38](#) Imperva, Inc. to Begin Listing and Trading on Nasdaq

[2016-39](#) Nasdaq Announces Additional ISE Market Data Specification Changes

[2016-40](#) Puma Biotechnology, Inc. to Begin Listing and Trading on Nasdaq

**Options Trader Alert:**

[2016-36](#) NASDAQ Announces Changes to the PHLX Oil Service Sector

[2016-37](#) Options Regulatory Fee Announcement

**Options Regulatory Alert:**

[2016-39](#) Nasdaq/ISE Announces Regulation SCI BC/DR Testing

[2016-40](#) NOM and BX Options Bid/Ask Differentials for "PCLN" Options Class

[2016-41](#) PHLX Bid/Ask Differentials for "NDX" and "PCLN" Option Classes

UTP Vendor Alert:

[2016-20](#) 2017 Quarterly Failover Testing Schedule

## NYSE/EURONEXT/AMEX

NYSE Weekly Program-Trading Data Releases:

### ICE Brent Crude Benchmark sets new daily volume record

NYSE:ICE announced that ICE Brent Crude futures achieved a daily volume record of 1,963,147 contracts. ([Link](#))

### BlackRock Solutions Integrates ICE Data Services' Continuous Evaluated Pricing Tool

NYSE:ICE announced that ICE Data Services' CEP has been integrated into BlackRock Solutions' Aladdin risk and enterprise investment system. ([Link](#))

### Intercontinental Exchange reports ICE & NYSE November 2016 statistics

NYSE:ICE reported November 2016 trading volume and related revenue statistics, which can be viewed on the company's investor relations website in the Monthly Statistics Tracking spreadsheet. ([Link](#))

### NYSE Group announces 2018 and 2019 holiday and early closings calendar

NYSE:ICE announced the 2018 and 2019 holiday calendar and early closing dates for its cash equity markets: New York Stock Exchange, NYSE MKT and NYSE Arca Equities. ([Link](#))

### ICE Futures Europe Emissions Auction Result

NYSE:ICE announced that the auction of 3,489,500 EUAs held on behalf of the UK Government's Department for Business, Energy & Industrial Strategy was cancelled as a result of the total volume of bids falling short of the volume of the allowances being auctioned. ([Link](#))

### NYSE Agrees to Acquire National Stock Exchange

NYSE:ICE announced that it has entered into an agreement to acquire NSX. ([Link](#))

### ICE Clear U.S. Recognized as Third-Country Central Counterparty Under EMIR

NYSE:ICE announced that ICE Clear U.S. was recognized by European Securities Markets Authority as a third-country central counterparty in accordance with European Markets Infrastructure Regulation. ([Link](#))

### ICE Benchmark Administration selected for ISDA Credit Determinations Committees Secretary Role

NYSE:ICE announced that the International Swaps and Derivatives Association, Inc. has chosen IBA to be the Secretary to the ISDA Credit Derivatives Determinations Committees. ([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)

### NYSE Extends Global Capital Raising Leadership to Sixth Consecutive Year

NYSE extended its leadership as the premier venue for global capital raising with \$119.4 billion in proceeds from 392 transactions in 2016, more than any other exchange in the world. ([Link](#))



## FINCEN

### FinCEN and International Regulatory Colleagues Meet with Major Money Services Businesses

FinCEN hosted the third annual International Supervisors Forum to address issues pertaining to anti-money laundering and countering the financing of terrorism and other financial crimes, as well as strengthen domestic and international compliance and supervisory regimes. ([Link](#))

### FinCEN Penalizes Bronx Credit Union for Failures to Manage High-Risk International Financial Activity

FinCEN assessed a \$500,000 civil money penalty against a Bronx Credit Union, Bronx for significant violations of anti-money laundering regulations. ([Link](#))

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***Cutting Effectiveness***  
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[JohnPinto@RRSCompliance.com](mailto:JohnPinto@RRSCompliance.com)

### New Due Date for FBARs

The new annual due date for filing Reports of Foreign Bank and Financial Accounts for foreign financial accounts is April 15. ([Link](#))

### FBAR Filing Requirement for Certain Financial Professionals

FinCEN is announcing a further extension of time for certain Report of Foreign Bank and Financial Accounts filings in light of the notice of proposed rulemaking FinCEN issued on March 10, 2016, which proposes to revise the regulations implementing the Bank Secrecy Act (BSA) regarding FBARs. ([Link](#))

### Information on Filing an FBAR

A U.S. person that has a financial interest in or signature authority over foreign financial accounts must file an FBAR if the aggregate value of the

foreign financial accounts exceeds \$10,000 at any time during the calendar year. ([Link](#))

## PRA

### The Bank goes red for World AIDS Day

The LGBT+ and Allies Network are marking the day by raising money for the Terence Higgins Trust and by providing information to staff about World AIDS Day and the work of Terence Higgins Trust. ([Link](#))

### Royal Visit to the Bank of England

The Prince of Wales was welcomed to the Bank of England to meet staff and tour the Threadneedle Street office. ([Link](#))

### Bank of England/TNS Inflation Attitudes Survey

The results of the Bank of England's latest quarterly survey of public attitudes to inflation has been posted. ([Link](#))

### Index-Linked Treasury Stocks

Index-Linked Treasury Stock 2024 ([Link](#))

### Bank Rate held at 0.25%, government bond purchases at £435bn and corporate bond purchases at up to £10bn

The Bank of England's MPC sets monetary policy to meet the 2% inflation target, and in a way that helps to sustain growth and employment. ([Link](#))

### Over £250,000 raised for our Charities of the Year

The Bank of England has raised £258,411.61 for two charities of the year for 2015/16, the Myotubular Trust and The Lily Foundation. ([Link](#))

## FCA

### FCA publishes new data on savings interest rates and announces new rules coming into effect

The FCA has published the third and final 'sunlight remedy' data set, showing the lowest interest rates available from 32 providers of cash savings accounts and easy access cash ISAs. ([Link](#))

**FCA publishes decision notice against former chief executive deciding to ban him and fine him £233,600**

The FCA has published a Decision Notice in respect to former Chief Executive at an independent advice firm. ([Link](#))

**A third of over 75s targeted by investment scams, as FCA urges consumers to take the time to check**

The FCA is urging over 55s to take their time to check that investment 'opportunities' are legitimate before they hand over their money. ([Link](#))

**FCA proposes stricter rules for contract for difference products**

The FCA is proposing stricter rules for firms selling CFD products to retail customers to improve standards across the sector and ensure consumers are appropriately protected. ([Link](#))

**Co-operation Agreement between the Financial Conduct Authority and the Hong Kong Monetary Authority**

The UK's FCA and the Hong Kong Monetary Authority have entered into a Co-operation Agreement to foster collaboration between the two regulatory authorities in promoting financial innovation. ([Link](#))

**FCA publishes interim feedback following a call for input to the post-implementation review of the rules for crowdfunding**

The FCA has given an update on the post-implementation review of the loan-based and investment-based crowdfunding market. ([Link](#))

**FCA publishes finalised guidance for the fair-treatment of closed-book customers**

The FCA has published its finalised guidance providing firms with detailed information on the actions they should be taking in order to treat their closed-book customers fairly. ([Link](#))

**FCA launches market study on competition in the mortgage sector**

The FCA has launched a market study to consider whether competition in the mortgage sector can be improved to benefit consumers. ([Link](#))

**FCA review finds room for improvement when dealing with customers in early arrears**

The FCA has found that many firms are improving the way they deal with customers in early arrears. ([Link](#))

**Pension providers making good progress on reducing fees and charges**

Pension providers have made significant progress towards meeting the recommendations of the Independent Project Board, to reduce cost and charges, according to a new report published by the FCA and the Department for Work and Pensions. ([Link](#))

***BD and IA Services***

RRS provides a full range of services to assist broker-dealers and investment advisers' registration. With renewals ready to begin the first week of November, contact RRS to sign up for our services.

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

**FCA launches consultation on changes to its FSCS rules and invites discussion on future funding of the scheme**

The FCA has announced that it is inviting views on the future funding of the Financial Services Compensation Scheme and has also launched a consultation on a number of specific changes to its scheme rules. ([Link](#))

**Former Equity Portfolio Manager sentenced to 12 months imprisonment for insider dealing**

The FCA has sentenced a former Equity Portfolio Manager at a hedge fund to 18 months reduced with credit to 12 months on two counts of insider dealing. ([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.

**Reader Survey**

**“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**

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

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

Name: \_\_\_\_\_

Firm: \_\_\_\_\_ 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 are doing. If you have any comments, complaints or suggestions then please do not hesitate to call (561) 368-2245 or email:

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