

Regulatory & Compliance Update

September 2016

ROUTING

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

CONTENTS

| | |
|----------------------------|----|
| SEC..... | 2 |
| FINRA..... | 4 |
| MSRB..... | 5 |
| NASAA | 6 |
| NASDAQ/NASDAQ TRADER/OTCBB | 6 |
| NYSE/EURONEXT/AMEX | 8 |
| FINCEN | 9 |
| PRA..... | 9 |
| FCA | 10 |
| Resource Links* | 12 |
| Reader Survey | 13 |

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 October 25th, 2016
- **DEADLINE:** Quarterly form Custody filing due October 25th, 2016
- **DEADLINE:** Quarterly SSOI filing due October 28th, 2016
- **DEADLINE:** Monthly SIS filing due September 28th, 2016
- **DEADLINE:** Quarterly OBS filing due November 1st, 2016

Items in This Edition

- **SEC** – SEC announces examinations of supervision practices at Registered Investment Advisers – Page 2
- **SEC** – SEC charges Hedge Fund Manager with insider trading – Page 2
- **SEC** – Two firms charged with Compliance failures in Wrap Fee Programs – Page 2
- **SEC** – Executives charged with inflating performance of Real Estate Investment Trust – Page 2
- **SEC** – Stock trading whiz kid to pay \$1.5 million to settle stock newsletter fraud charges – Page 2
- **SEC** – Wealth management company charged with trading controls failures that led to mini0flash crashes – Page 3
- **SEC** – SEC to hold forum to discuss Fintech Innovation in the financial services industry – Page 4
- **FINRA** – FINRA fines A financial firm \$850,000 for Failing to Supervise the Transmittal of Funds from Customer Brokerage Accounts – Page 4
- **FINRA** – 16-35 securities industry/regulatory council on continuing education issues firm element advisory update – Page 5
- **FINRA** – FINRA hearing panel sanctions a financial company and Bars former CEO for fraud – Page 5
- **MSRB** – 2016-24 Request for comment on draft provisions to establish a continuing education requirement for Municipal Advisors – Page 5
- **NASAA** – NASAA releases guide to practices and procedures for protecting Senior Investors and vulnerable adults from financial exploitation – Page 6

SERVICES SPOTLIGHT: Form BD/ADV Review & Filing

RRS Registration Services experts can review, update and file your Forms BD/ADV to help ensure that the information remains current and accurate. As the summer sets in, things tend to slow down at most firms and also with the regulators. This provides an excellent opportunity for firms to review their Forms BD/ADV and identify any necessary updates. RRS' staff has extensive experience reviewing Forms BD/ADV for appropriate disclosures. The review includes reviewing Forms BD, BR, and Form ADV, for appropriate disclosures. RRS can also update Form filings, prepare and submit amendments, and help you prepare and process renewals with FINRA and the States.

Contact: **John Pinto (202) 463 - 6575**
JohnPinto@RRSCompliance.com

SEC

SEC Announces:

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

Examinations of Supervision Practices At Registered Investment Advisers ([Link](#))

SEC Proposes:

Rule Amendment to Expedite Process for Settling Securities Transactions

The SEC voted to propose a rule amendment to shorten the standard settlement cycle for most broker-dealer securities transactions from three business days after the trade date (T+3) to two business days after the trade date (T+2). ([Link](#))

SEC Charges:

Alabama Attorney and His Companies in Purported Waste-To-Energy Ventures ([Link](#))

CEO and Paid Promoter with Fraudulently Promoting Stock ([Link](#))

Hedge Fund Manager with Insider Trading ([Link](#))

CEO and Boiler Room Operator with Fraud ([Link](#))

Large brewer company with Violating FCPA and Whistleblower Protection Laws ([Link](#))

Brokerage firm with Supervisory Failures in Sale of Complex Products to Retail Investors ([Link](#))

List of No Action Letters:

Investment Company Act of 1940 – Section 17(f) ([Link](#))

Securities Act of 1933 - Rule 486(b) ([Link](#))

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

Investment Company Act of 1940 – Sections 6(c), 17(b), 12(d)(1)(J) ([Link](#))

SEC Final Rules:

Standards for Covered Clearing Agencies ([Link](#))

SEC Events:

Two Firms Charged with Compliance Failures in Wrap Fee Programs

The SEC announced two investment advisory firms are settling charges related to compliance failures within their wrap fee programs. ([Link](#))

Executives Charged with Inflating Performance of Real Estate Investment Trust

The SEC charged two former accounting executives with overstating the financial performance of a large publicly-traded real estate investment trust (REIT) by purposely inflating a key metric used by analysts and investors to assess the company. ([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

“Stock Trading Whiz Kid” to Pay \$1.5 Million to Settle Stock Newsletter Fraud Charges

The SEC announced a self-proclaimed “stock trading whiz kid” and his stock newsletter company in Los Angeles have agreed to pay nearly \$1.5 million to settle charges that they defrauded subscribers through false statements and misrepresentations. ([Link](#))

Wealth Management company Charged with Trading Controls Failures That Led to Mini-Flash Crashes

The SEC announced that the Wealth Management company has agreed to pay a \$12.5 million penalty for maintaining ineffective trading controls that failed to prevent erroneous orders from being sent to the markets and causing mini-flash crashes. ([Link](#))

Ask about Our Order Handling and Best Execution Surveillance Solutions

Contact John Pinto at
(202) 463-6575

JohnPinto@RRSCompliance.com

Former Partners Charged with Violating Auditor Independence Rules

The SEC announced a public accounting firm has agreed to pay \$9.3 million to settle charges that two of the firm's audit partners got too close to their clients on a personal level and violated rules that ensure firms maintain their objectivity and impartiality during audits. ([Link](#))

SEC to Hold Forum to Discuss Fintech Innovation in the Financial Services Industry

The SEC announced it will host a public forum to discuss financial technology (Fintech) innovation in the financial services industry. ([Link](#))

SEC Names Sarah G. ten Siethoff Deputy Associate Director in the Division of Investment Management's Rulemaking Office

The SEC announced Sarah G. ten Siethoff has been named Deputy Associate Director in the Division of Investment Management's Rulemaking Office. As Deputy Associate Director, Ms. ten Siethoff will develop recommendations for rulemaking and other policy initiatives under the Investment Company and Investment Advisers Acts of 1940. ([Link](#))

Senior Executive Charged with Turning Blind Eye to Investment Scheme

The SEC announced a subsidiary of Oklahoma-based has agreed to pay more than \$1.6 million to settle charges that it concealed numerous problems and

red flags from investors in municipal bond offerings to purchase and renovate senior living facilities. ([Link](#))

SEC: Company Failed to Disclose Credit Risk in Investments

The SEC announced a Portuguese-based telecommunications company has agreed to pay a \$1.25 million penalty for its failure to properly disclose the nature and extent of credit risk involved in its investments in debt instruments issued by companies of Portuguese conglomerate Grupo Espirito Santo. ([Link](#))

Jennifer Marietta-Westberg, Deputy Director and Deputy Chief Economist of the Division of Economic and Risk Analysis, to Leave SEC after Ten Years of Service

The SEC announced Jennifer Marietta-Westberg, Deputy Chief Economist and Deputy Director of the SEC's Division of Economic and Risk Analysis, is planning to leave the agency after 10 years of public service. ([Link](#))

Marijuana-Related Company Charged with Scheming Investors

The SEC announced fraud charges in a scheme involving illegal stock sales and false financial filings of a company that makes containers for growing marijuana. ([Link](#))

SEC Issues \$4 Million Whistleblower Award

The SEC announced an award of more than \$4 million to a whistleblower whose original information alerted the agency to a fraud. ([Link](#))

Blank Check Company Manufacturer Charged with Fraud

The SEC announced fraud charges against a Florida man who was part of a scheme to register and sell stock in blank check companies masked as promising startups to illicitly profit off the investing public. ([Link](#))

"Movie Studio" Executives Charged with Microcap Fraud

The SEC charged three company executives with defrauding investors in a purported project to construct the largest movie studio in North America at a suburban location outside Savannah, Georgia. [\(Link\)](#)

Oil Services Company Paying \$140 Million Penalty for Accounting Fraud

The SEC announced an oil services company has agreed to pay a \$140 million penalty to settle charges that it inflated earnings by using deceptive income tax accounting. [\(Link\)](#)

SEC Files Insider Trading Charges Against Peruvian Traders Using Overseas Accounts

The SEC charged two lawyers and a brokerage firm manager in Peru with insider trading prior to the merger of two mining companies. [\(Link\)](#)

SEC Adopts Rules for Enhanced Regulatory Framework for Securities Clearing Agencies

The SEC voted to adopt new rules to establish enhanced standards for the operation and governance of securities clearing agencies that are deemed systemically important or that are involved in complex transactions, such as security-based swaps. [\(Link\)](#)

Jane Norberg Named Chief of SEC Whistleblower Office

The SEC announced Jane Norberg has been promoted to chief of the SEC's Office of the Whistleblower. [\(Link\)](#)

Large Brokerage firm settles FCPA charges

The SEC announced that the brokerage firm has agreed to pay nearly \$200 million to the SEC to settle civil charges of violating the Foreign Corrupt Practices Act (FCPA). [\(Link\)](#)

Casino-Gaming Company Retaliated Against Whistleblower

The SEC announced that a casino-gaming company has agreed to pay a half-million-dollar penalty for firing an employee with several years of positive performance reviews because he reported to senior

management and the SEC that the company's financial statements might be distorted. [\(Link\)](#)

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

Biotech Employee Charged with Insider Trading Ahead of Company's Announcements About Breast Cancer Drug

The SEC charged the former senior director of regulatory affairs with insider trading ahead of the company's news announcements about its drug to treat breast cancer. [\(Link\)](#)

Fee Rate Advisory #2 for Fiscal Year 2017

When fiscal year 2017 starts on October 1, 2016, the SEC will be operating under a short-term continuing resolution, and thus will not have received a regular appropriation for FY 2017. [\(Link\)](#)

FINRA

FINRA Fines:

A financial firm \$850,000 for Failing to Supervise the Transmittal of Funds from Customer Brokerage Accounts [\(Link\)](#)

Regulatory Notices:

[16-35](#) Securities Industry/Regulatory Council on Continuing Education Issues Firm Element Advisory Update

16-36 SEC Approves Amendments to the Codes of Arbitration Procedure Regarding Award Offsets

FINRA Conference & Events:

2016 FINRA Small Firm Conference ([Link](#))

FINRA Hearing Panel Sanctions a financial company and Bars Former CEO for Fraud

FINRA announced a FINRA hearing panel has sanctioned a financial company, fining the NY-based firm \$229,000 and suspending it for two years from engaging in any self-offerings of securities for misconduct including the fraudulent sales of equity interests in the firm and promissory notes. ([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

One Small-Firm Industry Governor Elected to FINRA Board, Two New Governors Appointed

FINRA announced the results of voting that took place at its 2016 Annual Meeting in Washington, D.C. In accordance with FINRA By-Laws, small firms elected one Governor. FINRA also named two new public Governors to its Board of Governors. ([Link](#))

Victims of "Recovery" Scams Find It Difficult to Recoup Losses

Investors should beware of offers to recover money lost from securities investments for an upfront fee, according to an Investor Alert issued by FINRA. ([Link](#))

MSRB

MSRB Regulatory Notices for September 2016:

2016-22 SEC Approves MSRB Academic Historical Transaction Data Product

2016-23 Second Request for Comment on Draft Provisions on Minimum Denominations

2016-24 Request for Comment on Draft Provisions to Establish a Continuing Education Requirement for Municipal Advisors

MSRB Seeks Mark-Up Disclosure for Municipal Securities Transactions

In an effort to improve investors' ability to assess the cost of transacting in municipal bonds, the MSRB advanced a plan to require dealers to provide retail investors information about compensation dealers receive when buying municipal bonds from, or selling them to, investors. ([Link](#))

MSRB Leverages Learning Technology to Offer Municipal Market Education

Leveraging advances in online learning technology, the MSRB launched MuniEdProSM, a suite of interactive, online courses about municipal market activities and regulations. ([Link](#))

MSRB to Facilitate Municipal Market Research with New Academic Data Product

The MSRB received approval from the SEC to shorten the time frame during which municipal securities dealers must resolve open inter-dealer failed transactions thereby reducing the cost and market risk associated with open transactions. ([Link](#))

MSRB Updates Congress on Completion of Core Regulatory Framework for Municipal Advisors

In a letter to Congress on the implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the MSRB describes the completion of its core regulatory framework for municipal advisors and the complementary education and transparency initiatives aimed at protecting municipal entities. ([Link](#))

MSRB Improves Bank Loan Disclosure on EMMA Website

To facilitate greater transparency of bank loans and other alternative financings used by municipal securities issuers, the MSRB enhanced the bank loan disclosure submission process and the display of these documents on its Electronic Municipal Market Access (EMMA®) website. ([Link](#))

MSRB Seeks Comment on Creating New Rule to Clarify Minimum Denomination Provisions

The MSRB is seeking comment on a draft proposal to clarify regulatory provisions that generally prohibit dealers from buying or selling bonds below the minimum denomination allowed in a bond offering document. ([Link](#))

“Find it – Before the Regulators”

The staff at RRS are continually striving to ensure that the services and support we provide to our clients are the most up to date and comprehensive available. Frequently we are able to forecast regulatory trends based on the information our clients provide to us regarding new products, services or marketing trends. This “Find it – Before the Regulators” insight enables us to develop customized compliance solutions so that our clients can address any potential regulatory deficiencies before the regulators do.

For more information, contact us at (561) 368-2245.

MSRB REQUESTS COMMENT ON ESTABLISHING CONTINUING EDUCATION REQUIREMENTS FOR MUNICIPAL ADVISORS

The MSRB is seeking comment on a draft rule amendment to establish continuing education (CE) requirements for municipal advisors. ([Link](#))

NASAA

NASAA Releases Annual Enforcement Report

NASAA reported that for the first time since it has collected enforcement data, more registered members of the securities industry than nonregistered members were named in enforcement actions. ([Link](#))

NASAA Releases Guide to Practices and Procedures for Protecting Senior Investors and Vulnerable Adults from Financial Exploitation

The NASAA released a guide to assist broker-dealer and investment adviser firms in developing practices and procedures to detect and address instances of diminished capacity in senior and other clients and suspected cases of senior financial exploitation. ([Link](#))

NASAA Coordinated Exams Focus on Broker-Dealer Policies and Procedures for Senior Investors

Preliminary findings of coordinated examinations of broker-dealer firms by state securities regulators show that while improvements have been made in how firms interact with their elderly clients, some firms lack formal written procedures on key areas related to senior investors. ([Link](#))

NASAA Adds Financial Services Module to Senior\$afe Training Program

The NASAA announced that it has expanded its version of the Senior\$afe training program to include specific training for employees of financial institutions, such as banks and credit unions. ([Link](#))

Minnesota’s Mike Rothman Begins Term as NASAA President

Minnesota Commissioner of Commerce Mike Rothman began a one-year term after having been elected president of the North American Securities Administrators Association (NASAA), the oldest international organization devoted to investor protection and responsible capital formation. ([Link](#))

NASDAQ/NASDAQ TRADER/OTCBB

Equity Regulatory Alert:

[2016 – 8](#) NASDAQ Announces Regulation SCI BC/DR Testing Date

Data News:

[2016 – 04](#) Nasdaq Basic Derived Data Distribution via a Hosted Solution Policy Change

Equity Trader Alert:

[2016 – 208](#) Information regarding Interim Dividend and Upcoming Merger of ARM Holdings plc

[2016 – 209](#) Information Regarding Upcoming Merger of Your Community Bankshares, Inc.

[2016 – 210](#) Tick Size Pilot Roll Out Notice and Testing Opportunities

[2016 – 211](#) Information Regarding Upcoming Merger of iDreamSky Technology Limited

[2016 – 212](#) Nasdaq Test Opportunity

[2016 – 213](#) Reverse Split and CUSIP Change for Sunesis Pharmaceuticals, Inc.

[2016 – 214](#) Information Regarding Merger Transaction between TiVo Inc. and Rovi Corporation

[2016 – 215](#) Nasdaq to Observe a Moment of Silence

[2016 – 216](#) Reverse Split and Par Value Change for Aoxin Tianli Group, Inc.

[2016 – 217](#) Update to Nasdaq's Tick Size Pilot Test Group Assignment List

[2016 – 218](#) Information Regarding Upcoming Merger of American Science and Engineering, Inc.

[2016 – 219](#) Reverse Split and CUSIP Change for Nxt-ID, Inc.

[2016 – 220](#) Nasdaq to Begin Listing Three Global X Exchange Traded Funds

[2016 – 221](#) Update to Nasdaq's Tick Size Pilot Test Group Assignment List

[2016 – 78](#) REMINDER: Nasdaq to Eliminate UDP (UFO)

[2016 – 222](#) Reverse Split and Par Value Change for Rada Electronics Industries Limited

[2016 – 223](#) Tick Size Pilot Test Opportunity

[2016 – 224](#) Nasdaq and BX Modify Functionality of Post-Only Orders

[2016 – 225](#) Information Regarding Upcoming Merger of Mattress Firm Holding Corp.

[2016 – 179](#) REMINDER: ACTION REQUIRED: FINRA/Nasdaq TRF to Disable No/Was functionality

[2016 – 226](#) Reverse Split and CUSIP Number Change for Great Basin Scientific, Inc.

[2016 – 227](#) Reverse Split and CUSIP Number Change for Function(X) Inc.

[2016 – 228](#) Update: Tick Size Pilot Roll Out Notice

[2016 – 229](#) REVISED: Nasdaq Tick Size Pilot Testing Opportunities

[2016 – 230](#) Wheeler Real Estate Investment Trust, Inc. to list a new Class D Preferred on Nasdaq using symbol WHLRD

[2016 – 231](#) Nasdaq to Begin Listing Seven First Trust Exchange Traded Funds

Watching the States—Beware the Free Lunch!!

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

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

RRS' staff has extensive experience in dealing with State regulatory matters. RRS preventative compliance services include *review of marketing materials and communications with the public*, branch office examination, regulatory mandates, complaint assessment, and mystery shopping for branch offices and seminars.

For more information, contact us (561) 368-2245 or Research@RRSCompliance.com

[2016 – 232](#) Nasdaq to Begin Listing Elkhorn Exchange Traded Fund

[2016 – 233](#) Nasdaq to Begin Listing Invesco PowerShares Exchange Traded Fund

[2016 – 234](#) Nasdaq to Begin Listing Principal Exchange Traded Fund

[2016 – 235](#) Dividend Information for Viacom Inc.

[2016 – 236](#) Reverse Split and CUSIP Number Change for PhotoMedex, Inc.

[2016 – 237](#) Update to Nasdaq’s Tick Size Pilot Test Group Assignment List

[2016 – 238](#) UPDATED: Information Regarding Merger of Outerwall Inc

[2016 – 239](#) Information Regarding Upcoming Merger of USMD Holdings, Inc.

[2016 – 240](#) Highland Capital Exchange Traded Fund Switches Listing from NYSE Arca to Nasdaq

[2016 – 241](#) Reverse Split and CUSIP Number Change for Professional Diversity Network, Inc.

[2016 – 242](#) Nasdaq to Begin Listing Two First Trust Exchange Traded Funds

[2016 – 243](#) Updated List of Securities Eligible for Small Cap Incentive Pilot

[2016 – 244](#) Tick Size Pilot Test Opportunity

[2016 – 245](#) Reverse Split and CUSIP Number Change for Biocept, Inc.

[2016 – 246](#) Reverse Split and CUSIP Number Change for Pendrell Corporation (PCO)

Data Technical News:

[2016 – 30](#) TiVo Inc. and Rovi Corporation to Merge and Begin Listing on Nasdaq

[2016 – 31](#) FXCM, Inc. to Begin Listing and Trading on Nasdaq

[2016 – 32](#) Cogint, Inc. (formerly IDI, Inc.) to Begin Listing and Trading on Nasdaq

Options Trader Alert:

[2016 – 28](#) Nasdaq to Observe a Moment of Silence

[2016 – 29](#) NOM Refresh – SQF Port Fee Migration Plan

[2016 – 30](#) Member Account Information Required for ISE, ISE GEMINI, and ISE MERCURY

[2016 – 31](#) Symbol Migration Schedule for the Nasdaq Options Market (NOM) Technology Refresh

Options Regulatory Alert:

[2016 – 30](#) NOM and BX Options Bid/Ask Differentials for "PCLN" Options Class

[2016 – 31](#) PHLX Bid/Ask Differentials for "NDX" and "PCLN" Option Classes

UTP Vendor Alert:

[2016 – 15](#) Changes to Administrative Service and Updated Data Policies Released for UTP Level 1

[2016 – 16](#) Two Week Extension of BETA Parallel Data Dissemination period for Binary SIP Release to Provide Data Recipients Additional Time

NYSE/EURONEXT/AMEX

NYSE Weekly Program-Trading Data Releases:

ICE Benchmark Administration Launches Crowdsourcing Facility for ISDA SIMM™

NYSE: ICE announced that ICE Benchmark Administration (IBA) has successfully launched a crowdsourcing facility for the ISDA Standard Initial Margin Model (ISDA SIMM™) ahead of new margin rules for non-cleared derivatives. ([Link](#))

Intercontinental Exchange Reports ICE & NYSE August 2016 Statistics

NYSE: ICE reported August 2016 trading volume and related revenue statistics, which can be viewed on the company’s investor relations website at <http://ir.theice.com/ir-resources/supplemental-information> in the Monthly Statistics Tracking spreadsheet. ([Link](#))

Intercontinental Exchange Integrates SFTI and 7ticks Networks to Expand ICE Data Services’ Global Connectivity Business

NYSE: ICE has integrated its Secure Financial Transaction Infrastructure (SFTI®) and 7ticks network and hosting businesses into a combined best-of-breed offering called Connectivity, a financial

transaction network and foundation infrastructure for ICE Data Services businesses. ([Link](#))

ICE Futures Europe Announces Changes to ICE Robusta Coffee Futures Contract

NYSE: ICE announced proposed changes to the ICE Robusta Coffee futures contract. ([Link](#))

Intercontinental Exchange CFO Scott Hill to Present at Barclays Global Financial Services Conference

NYSE: ICE announced Scott A. Hill, Chief Finance Officer will speak at the Barclays Global Financial Services Conference. ([Link](#))

NYSE Announces Further Enhancements to Exclusive IR Market Data Platform, NYSE Connect

NYSE announced further enhancements to NYSE Connect, a comprehensive market data platform and mobile application designed exclusively for NYSE-listed companies. ([Link](#))

ICE Clear Europe Receives EMIR Authorisation

NYSE: ICE announced that the Bank of England has authorised ICE Clear Europe as a central counterparty (CCP) in accordance with the European Market Infrastructure Regulation (EMIR). ([Link](#))

Intercontinental Exchange announces appointment of Thomas E. Noonan to ICE Board of Directors

NYSE: ICE announced that Thomas E. Noonan has joined the Board of Directors of Intercontinental Exchange. ([Link](#))

Six Exchanges Collectively Fine an investment firm \$3 Million for Violating the SEC's Market Access Rule and the Exchanges' Respective Supervision Rules

The Bats BZX Exchange, Inc., Bats BYX Exchange, Inc., Bats EDGX Exchange, Inc., New York Stock Exchange LLC, NYSE Arca, Inc., and The NASDAQ Stock Market LLC (collectively, the "exchanges") announced, in disciplinary actions initiated by FINRA on their behalf, the exchanges collectively fined an investment firm \$3 million for violating the SEC's

market access rule and the exchanges' respective supervision rules. ([Link](#))

ICE Clear Singapore Announces major bank as a New Clearing Member

NYSE: ICE announced a major bank has been approved as a clearing member for ICE Clear Singapore, effective immediately. ([Link](#))

Intercontinental Exchange Announces Promotion of Hester Serafini to President of ICE Clear U.S. as Tom Hammond Retires

NYSE: ICE, announced that derivatives industry veteran, Thomas Hammond, will retire as President of ICE Clear U.S. Hester Serafini, currently Chief Operating Officer of ICE Clear U.S., will become President. ([Link](#))

ICE Clear Credit Recognized as Third-Country Central Counterparty under EMIR

NYSE: ICE, announced that ICE Clear Credit was recognized as a third-country central counterparty (CCP) for products regulated by the U.S. Commodity Futures Trading Commission (CFTC) in accordance with the European Market Infrastructure Regulation (EMIR). ([Link](#))

FINCEN

FinCEN Issues Advisory to Financial Institutions on E-Mail Compromise Fraud Schemes

FinCEN is issuing an advisory to help financial institutions guard against a growing number of e-mail fraud schemes, in which criminals misappropriate funds by deceiving financial institutions and their customers into conducting wire transfers. ([Link](#))

PRA

Survey of foreign exchange and over-the-counter interest rate derivatives markets

The latest survey results of turnover in the markets for foreign exchange and over-the-counter interest rate derivatives has been released. ([Link](#))

The Future Forum

The Governor and Deputy Governors will be meeting with a wide cross-section of the society we serve. The aim is to listen to feedback and ideas about how to promote the good of the people of the United Kingdom. ([Link](#))

News Release - Bank of England/TNS Inflation Attitudes Survey - August 2016

The news release describes the results of the Bank of England's latest quarterly survey of public attitudes to inflation. ([Link](#))

Deputy Governor Minouche Shafik to leave Bank of England

Minouche Shafik, Deputy Governor for Markets and Banking, will leave the Bank to become the Director of the London School of Economics (LSE). ([Link](#))

Corporate bond purchase scheme: eligibility and sectors

A programme of corporate bond purchases, financed by central bank reserves, via the Asset Purchase Facility (APF). ([Link](#))

The New Fiver has been issued

The Bank of England's first polymer note – the new £5 featuring Sir Winston Churchill – entered circulation. ([Link](#))

Index-Linked Treasury Stocks

In accordance with the terms of the prospectus, the Bank of England announces that the rate of interest payable on the above stock for the interest payment due on 16 April 2017 will be £3.9835 per £100 nominal of stock. ([Link](#))

Monetary Policy Committee announcement dates for 2017 and 2018

Dates for MPC announcements on Bank Rate and publication of MPC meeting minutes and the quarterly Inflation Report are now available. ([Link](#))

A new RTGS service for the United Kingdom: safeguarding stability, enabling innovation

RTGS is not a household name, but it is at the heart of the mission for monetary and financial stability. ([Link](#))

Financial Policy Committee statement from its meeting

The FPC reviewed developments on the United Kingdom's membership of the European Union. ([Link](#))

Strengthening accountability, remuneration rules and whistleblowing

The PRA has published a package of final rules, guidance and proposals on accountability, remuneration and whistleblowing. ([Link](#))

Small is beautiful but big is necessary

The Bank of England's Deputy Governor for Markets and Banking, Minouche Shafik, spoke at Bloomberg's Markets Most Influential Summit, considers the coordination and impact of recent wide-ranging decisions by policy committees, and the outlook for further stimulus. ([Link](#))

PRA issues buy-to-let underwriting standards expectations

The PRA has announced its expectations of firms' underwriting standards to apply to the buy-to-let market. ([Link](#))

FCA

The FCA fines and prohibits financial adviser for failing to act with integrity and for failing to be open and honest with the regulator

The FCA has banned a financial adviser from performing any function in relation to any regulated financial activity and fined £109,400 for lying repeatedly to the regulator when asked about qualification status. ([Link](#))

The FCA publishes Decision Notice for former wealth and investment Chief Operating Officer

The FCA has published a Decision Notice to a former Chief Operating Officer of a wealth and investment firm. ([Link](#))

A payday lending business to pay £34 million redress

A payday lending business has entered into an agreement with the FCA to provide over £34 million of redress to more than 97,000 customers for unfair practices. ([Link](#))

FCA publishes feedback statement on Big Data Call for Input

The FCA published a feedback statement following its Call for Input on Big Data in retail general insurance. ([Link](#))

An investment advisor was sentenced for failing to pay confiscation order

An investment advisor was sentenced to 603 days' imprisonment for failing to pay the full value of a confiscation order made against him. ([Link](#))

FCA proposes new measures to maintain firms' focus on culture

The FCA will mark six months since the implementation of the Senior Managers' and Certification Regime by providing feedback on implementation so far and proposing measures to further strengthen the regime. ([Link](#))

Former Investment Portfolio Manager charged with insider dealing

The FCA has instituted criminal proceedings against a former Investment Portfolio Manager at a global investment firm charged with three counts of insider dealing, contrary to Section 52(1) of the Criminal Justice Act 1993. ([Link](#))

FCA publishes third MiFID II consultation paper

The FCA has published its third consultation paper on the implementation of the revised Markets in Financial Instruments Directive (MiFID II). ([Link](#))

Resource Links*

Government

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

SRO

- FINRA - WWW.FINRA.ORG
- NASDAQ - WWW.NASDAQ.COM
- New York Stock Exchange - WWW.NYSE.COM
- Municipal Securities Rulemaking Board - WWW.MSRB.ORG
- National Futures Association WWW.NFA.FUTURES.ORG

Industry

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

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

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

Name: _____

Firm: _____ IA: _____ BD: _____ Other: _____

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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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