

# Regulatory & Compliance Update

## August 2018

### Routing

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

### HOT TOPICS

#### Items in This Edition

- **SEC** – SEC No-Action Letter: Investment Advisers Act of 1940 – Rule 206(4)-3
- **SEC** – SEC Bars Perpetrator of Initial Coin Offering Fraud
- **SEC** – SEC Charges Company for Failing to Safeguard Client Assets
- **SEC** – SEC Adopts Amendments to Simplify and Update Disclosure Requirements
- **SEC** – SEC Charges Unregistered Brokers Who Sold Securities to Main St. Investors
- **SEC** – Company Settles SEC Charges of Undisclosed Conflict in Advisory Decision
- **SEC** – SEC Charges Company’s Former CEO with Defrauding Retail Investors
- **FINRA** – Reg. Notice 18-25: Obligations to Supervise Activity on ATS Platforms
- **FINRA** – Company Fined for Regulation SHO Violations and Supervisory Failures

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#### Services Spotlight: Regulatory Review Deadlines

RRS Regulatory experts can conduct Supervisory Controls Testing, Written Supervisory Procedures Assessments and comprehensive compliance examinations. As the fourth quarter approaches, please let us know if RRS can assist with any outstanding projects your firm needs to complete before December 31<sup>st</sup>. Broker-dealers and investment advisers are increasingly under pressure to conduct comprehensive reviews and assessments of their operations policies, procedures and internal controls and to document those reviews. RRS tailors its audit programs to meet your firm’s needs and the requirements of the SEC, FINRA/NASD and NYSE Rules. In fact, RRS provides multiple levels of service designed to meet or exceed regulatory requirements for the periodic review of a firm’s operations.

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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.*

#### Events

- **DEADLINE:** Short Interest Reporting due September 5th and 18th, 2018
- **DEADLINE:** Monthly FOCUS filing due September 26th, 2018



## SEC

### SEC Final Rules:

[33-10532](#) Disclosure Update and Simplification

[34-83885](#) Amendments to Municipal Securities Disclosure

[33-10537](#) Delegation of Authority to General Counsel of the Commission

### SEC No Action Letters:

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

### SEC Upcoming Events:

[\(09/13/18\)](#) Investor Advisory Committee Meeting

[\(09/20/18\)](#) Investor Roundtable

### SEC Updates List of Firms Using Inaccurate Information to Solicit Investors

The Securities and Exchange Commission today announced that it has updated its list of unregistered firms that use misleading information to primarily solicit non-U.S. investors, adding 16 soliciting entities, four impersonators of genuine firms, and nine bogus regulators. ([Link](#))

### SEC Charges Cloud Communications Company and Two Senior Executives with Misleading Revenue Projections

The Securities and Exchange Commission today charged a cloud communications company and two executives with providing misleading quarterly revenue estimates. The company and executives agreed to pay over \$1.9 million in penalties to settle the SEC's charges. ([Link](#))

### SEC Charges U.S. Congressman and Others with Insider Trading

The Securities and Exchange Commission today announced the filing of insider trading charges against the Congressman, the U.S. Representative for New York's 27th Congressional District, his son, and a third individual. In a parallel action, the U.S. Attorney's Office for the Southern District of New York today announced related criminal charges. ([Link](#))

### SEC Bars Perpetrator of Initial Coin Offering Fraud

The Securities and Exchange Commission today obtained permanent officer-and-director and penny stock bars against the founder of a company who perpetrated a fraudulent initial coin offering (ICO) to fund oil exploration and drilling in California. ([Link](#))

### SEC Files Charges in Municipal Bond "Flipping" and Kickback Schemes

The Securities and Exchange Commission today announced settlements with two former senior executives of a company, which the SEC charged hid its true financial condition from investors. This resolution successfully concludes the SEC's case, which was scheduled to begin trial on July 9. ([Link](#))

### SEC Charges a Company for Failing to Safeguard Client Assets

The Securities and Exchange Commission today announced that a company will pay \$4.5 million to settle charges that it failed to safeguard retail investor assets from theft by its representatives. ([Link](#))

### SEC Charges a Company to Pay More Than \$10 Million for Books and Records Violations and Inadequate Controls

The Securities and Exchange Commission today announced that a company has agreed to pay \$10.5 million in penalties to settle two enforcement actions involving its books and records, internal accounting controls, and trader supervision. The charges stem from \$81 million of losses due to trader mismarking and unauthorized proprietary trading and \$475 million of losses due to fraudulently-induced loans made by a Mexican subsidiary. ([Link](#))

### SEC Adopts Amendments to Simplify and Update Disclosure Requirements

The Securities and Exchange Commission today announced that it has voted to adopt amendments to certain disclosure requirements that have become duplicative, overlapping, or outdated in light of other Commission disclosure requirements, U.S. Generally Accepted Accounting Principles (GAAP), or changes in the information environment. ([Link](#))

### SEC Charges Unregistered Brokers Who Sold Securities to Main Street Investors

The Securities and Exchange Commission today charged five individuals and four companies for unlawfully selling securities of to retail investors. The Company collapsed into bankruptcy in December 2017 and the SEC previously charged the company, its owner, and others with operating a massive \$1.2 billion Ponzi scheme. ([Link](#))

### SEC Adopts Rule Amendments to Improve Municipal Securities Disclosure

The Securities and Exchange Commission adopted amendments to enhance transparency in the municipal securities market. The adopted amendments to Rule 15c2-12 of the Securities Exchange Act will focus on material financial obligations that could impact an

issuer's liquidity, overall creditworthiness, or an existing security holder's rights. ([Link](#))

### Company Settles SEC Charges of Undisclosed Conflict in Advisory Decision

The Securities and Exchange Commission today announced that a company has agreed to pay approximately \$8.9 million to settle charges that it failed to disclose a conflict of interest arising out of its own business interests in deciding whether to continue to offer clients products managed by an outside third-party advisory firm. ([Link](#))

### SEC Charges Technology Fund Adviser, Founder in Fraudulent Scheme

The Securities and Exchange Commission today charged the founder of San Francisco-based venture capital funds and his investment advisory firm with overcharging investors to fund personal projects, including sending millions of dollars to his own virtual reality production company. ([Link](#))

### SEC Charges Former Online Marketing Company Executives with Inflating Operating Metrics

The Securities and Exchange Commission today announced settled charges with two former top officers of a company for overstating the company's subscriber base and charged a former executive of another company, for making similar misrepresentations. ([Link](#))

### SEC Clayton Announces Additional Investor Roundtable in Baltimore for main Street Investors to 'Tell Us' About Their Investor Experience

Securities and Exchange Commission Chairman Jay Clayton announced today that an additional investor roundtable to discuss the Commission's recently proposed rules regarding the obligations of financial professionals to investors will be held in Baltimore on the evening of Sept. 20, 2018. ([Link](#))

### Barry Miller, Associate Director in Division of Investment Management, to Leave SEC After More Than 40 Years of Public Service

The Securities and Exchange Commission today announced that Barry D. Miller, Associate Director of Disclosure Review and Accounting in the Division of Investment Management, will retire from the SEC at the end of this month after more than 40 years of public service, including more than 30 years of service at the SEC. ([Link](#))

### SEC Names Matthew S. Jacques as Chief Accountant in Enforcement Division

Mr. Jacques, who for six years served as a senior enforcement accountant in the SEC's Boston Regional Office, rejoins the SEC

enforcement staff from AlixPartners, where he has been a managing director since 2013. ([Link](#))

### Free Rate Advisory #1 for Fiscal Year 2019

The Securities and Exchange Commission today announced that in fiscal year 2019 the fees that public companies and other issuers pay to register their securities with the Commission will be set at \$121.20 per million dollars. ([Link](#))

### SEC Announces Agenda for Sept. 13 Investor Advisory Committee Meeting

The Securities and Exchange Commission today announced the agenda for the Sept. 13 meeting of its Investor Advisory Committee (IAC). The meeting will begin at 9:00 a.m. in the Multipurpose Room at SEC headquarters at 100 F Street, NE, Washington, D.C., and is open to the public. ([Link](#))

### Company to Pay \$97 Million to Investors Relating to Errors in Quantitative Investment Models

The Securities and Exchange Commission today announced charges against four company entities for misconduct involving faulty investment models and ordered the entities to refund \$97 million to misled retail investors. ([Link](#))



### Company Charged with Violating the FCPA

The Securities and Exchange Commission today announced that a company will pay over \$34 million to resolve an SEC charge that the company violated the Foreign Corrupt Practices Act (FCPA) in a scheme to bribe Libyan government officials. ([Link](#))

### SEC Charges a Company with Internal Controls Failures and Ratings Symbols Deficiencies

The Securities and Exchange Commission today announced that a company, one of the nation's largest credit ratings agencies, has agreed to pay a total of \$16.25 million in penalties to settle charges involving internal control failures and failing to clearly define and consistently apply credit rating symbols. ([Link](#))

### SEC Charges NFL Player and Former Investment Banker with Insider Trading

The Securities and Exchange Commission today charged a professional football player and a former investment banker with insider trading in advance of corporate acquisitions facilitated through coded text messages and FaceTime conversations. ([Link](#))

### SEC Charges a Company's Former CEO with Defrauding Retail Investors

The Securities and Exchange Commission today announced charges a company and its former chief executive officer for allegedly defrauding at least 3,400 retail investors, more than one-third of whom invested their retirement funds. ([Link](#))

### SEC Charges a Company with Fraud Relating Association with Barred Adviser

The Securities and Exchange Commission today filed charges against a Buffalo, New York, investment advisory firm and its owner for misleading firm clients about its association with a barred investment adviser, who is also being charged for violating the bar. ([Link](#))

## FINRA

### Election Notices:

FINRA Announces Nomination Process to Fill Upcoming Small Firm Vacancy on the National Adjudicatory Council ([Link](#))

Call for Candidates in the Upcoming FINRA Small Firm Advisory Committee Election ([Link](#))

Call for Candidates for Upcoming Election to Fill FINRA Regional Committee Vacancies ([Link](#))

### Regulatory Notices:

[18 – 24](#) Update to Security Futures Risk Disclosure Statement and Supplement

[18 – 25](#) FINRA Reminds Alternative Trading Systems of Their Obligations to Supervise Activity on Their Platforms

### SEC Upcoming Events:

2018 Fixed Income Conference ([Link](#))

### Military Spouses Receive Fellowships to Conduct Financial Counseling

Fifty military spouses living in the United States and abroad will have an opportunity to earn the Accredited Financial Counselor® (AFC®) designation to offer one-on-one financial and group counseling and education to service members and their families. ([Link](#))

### FINRA Publishes First Annual Industry Snapshot

FINRA today published the *FINRA Industry Snapshot 2018*, its first annual statistical report on the brokerage firms, registered individuals and market activity that FINRA regulates. ([Link](#))

### FINRA Fines a Company \$5.5 Million for Regulation SHO Violations and Supervisory Failures

FINRA announced today that it has fined a company \$5.5 million for Regulation SHO violations and supervisory failures spanning a period of at least three years. ([Link](#))

### FINRA Announces Governor Elections

FINRA announced today the election of three Governors to its Board of Governors: Timothy C. Scheve, Brian J. Kovack, and Paige W. Pierce. The newly elected Governors join CalSTRS Chief Executive Officer Jack Ehnes as the newest members on the FINRA Board. ([Link](#))

## MSRB

### MSRB Regulatory Notices for August 2018:

[2018 – 17](#) Compliance Advisory for Brokers, Dealers and Municipal Securities Dealers

[2018 – 18](#) Compliance Advisory for Municipal Advisors

[2018 – 19](#) Request for Comment on Draft Frequently Asked Question Regarding Use of Social Media Under MSRB Advertising Rules

[2018 – 20](#) Request for Information on the Accessibility, Methodology and Utility of Indices, Yield Curves and Other Benchmarks

### This Month's Events:

National Association of Health and Educational Facilities Finance Authorities (NAHEFFA) Annual Conference ([Link](#))

Society for Financial Education and Professional Development (SFE&PD) Annual Financial Literacy Leadership Conference ([Link](#))

Compliance Workshop on MSRB Rule G-37: Completing Form G-37 ([Link](#))

Michigan Government Finance Officers Association's (MGFOA) Fall Training Institute ([Link](#))

Strategic Insight 529 Conference ([Link](#))

National Association of Bond Lawyers (NABL) Bond Attorney Workshop ([Link](#))

### MSRB Announces New Board Members for Fiscal Year 2019

The Municipal Securities Rulemaking Board (MSRB) today announced five new members of its Board of Directors to serve on

the governing board of the municipal securities regulator. The 21-member MSRB Board consists of four “classes” with staggered terms, and annually elects a class in accordance with MSRB rules. [\(Link\)](#)

### MSRB Seeks Input of Draft FAQs on Use of Social Media in Advertising

The Municipal Securities Rulemaking Board (MSRB) today sought comment from regulated entities and other stakeholders about draft answers to frequently asked questions (FAQs) addressing the use of social media in advertising by municipal advisors and municipal securities dealers and their associated persons. [\(Link\)](#)

## 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)

### MSRB Supports SEC Decision Regarding Bank Loan Disclosure

The Municipal Securities Rulemaking Board (MSRB) today said it supports a decision by the Securities and Exchange Commission (SEC) that will result in issuers of municipal securities and obligated persons publicly disclosing additional information about bank loans

and other material financial obligations, certain material terms in connection with financial obligations, and specified events that reflect financial difficulties. [\(Link\)](#)

### MSRB Requests Information on Municipal Market Indicators

The Municipal Securities Rulemaking Board (MSRB) today published a request for information on the accessibility, methodology and utility of the yield curves and other benchmarks currently available in the municipal market. [\(Link\)](#)

## NASAA

### NASAA Comments on SEC’s Regulation Best Interest and Related Rule Proposals

The North American Securities Administrators Association (NASAA) submitted a comment letter to the U.S. Securities and Exchange Commission (SEC) expressing support for the agency’s work to raise the standard of care for broker-dealers. [\(Link\)](#)

### NASAA Updates Coordinated Crypto Crackdown

The North American Securities Administrators Association (NASAA) today announced that more than 200 active investigations of Initial Coin Offerings (ICOs) and cryptocurrency-related investment products are currently underway by state and provincial securities regulators in the United States and Canada as part of NASAA’s ongoing initiative “Operation Cryptosweep”. [\(Link\)](#)

## NASDAQ/NASDAQ TRADER/OTCBB

### Equity Corporate Actions Alert:

[2018 – 131](#) Reverse split and CUSIP number change for a company.

[2018 – 133](#) Information regarding the tender offer of a company.

[2018 – 134](#) (Updated) Information regarding the merger of two banks.

[2018 – 135](#) (Updated) Information regarding the merger of two banks.

[2018 – 136](#) (Updated) Information regarding the merger of two pharmaceutical/insurance companies.

[2018 – 137](#) Reverse split and CUSIP number change for a company.

[2018 – 139](#) Reverse split and CUSIP number change for a company.

[2018 – 142](#) Spin-off/distribution information for a company.

[2018 – 143](#) (Updated) Information regarding the merger of two companies.

[2018 – 144](#) (Updated) Information regarding the merger of a company.

[2018 – 145](#) Spin-off/distribution information for a company.

#### Equity Trader Alert:

[2018 – 57](#) Industry Update on the Consolidated Audit Trail.

[2018 – 58](#) Nasdaq to Begin Listing new Loncar ETF on Wednesday, August 15, 2018

[2018 – 59](#) System Updates for FINRA/Nasdaq TRF Short Sale Reporting.

[2018 – 60](#) U.S. Market Holiday Reminder - Labor Day Holiday.

[2018 – 61](#) REVISED: Nasdaq to Update the Closing Cross Cutoff Times and NOII Dissemination Frequency.

[2018 – 63](#) FINRA/Nasdaq TRF Product and Pricing Updates Effective September 2018.

[2018 – 64](#) FINRA/Nasdaq TRF to Expand Carryover of Match/Compare Trade Reports and Application of Reversal Logic for Match/Compare Trade Reports.

[2018 – 65](#) Nasdaq and BX Pricing Updates Effective September 4, 2018.

#### Futures Trader Alert:

[2018 – 16](#) A Company Extends Tenors for Natural Gas and Power Futures Contracts

#### Options Trader Alert:

[2018 – 33](#) Industry Update on the Consolidated Audit Trail.

[2018 – 34](#) Nasdaq ISE Charge Update.

[2018 – 36](#) Nasdaq ISE Updated Pricing Effective September 4, 2018.

#### Options Regulatory Alert:

[2018 – 24](#) Update: ISE, GEMX and MRX Disciplinary Rules - Public Notification of Rule Changes.

#### UTP Vendor Alert:

[2018 – 11](#) Sub Market Center ID values updated.

## NYSE/EURONEXT/AMEX

### NYSE Weekly Program-Trading Data Releases:

#### Intercontinental Exchange Announces October 1 Launch of ICE One and Three Month SOFR Futures

Intercontinental Exchange (NYSE:ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, today announced that subject to relevant regulatory approvals, ICE Futures Europe plans to launch one month and three month, cash-settled futures contracts based on the Secured Overnight Financing Rate (SOFR) on October 1, 2018. ([Link](#))

#### Intercontinental Exchange Reports Second Quarter 2018

Intercontinental Exchange (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of data and listing services, today reported financial results for the second quarter of 2018. For the quarter ended June 30, 2018, consolidated net income attributable to ICE was \$455 million on \$1.2 billion of consolidated revenues less transaction-based expenses. ([Link](#))

#### Intercontinental Exchange Approves Third Quarter Dividend of \$0.24 Per Share

Intercontinental Exchange (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announced today a \$0.24 per share dividend for the third quarter of 2018. The cash dividend is payable on September 28, 2018 to stockholders of record as of September 13, 2018. The ex-dividend date is September 12, 2018. ([Link](#))

#### Intercontinental Exchange to Create Platform to Standardize ETF Primary Market Trading

Intercontinental Exchange, Inc. (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, today announced its intention to launch a new open-architecture, centralized industry platform to facilitate creation and redemption orders for exchange-traded funds (ETFs). ([Link](#))

#### Intercontinental Exchange Announces Bakkt, A Global Platform and Ecosystem for Digital Assets

The new company is working with a marquee group of organizations including BCG, Microsoft, Starbucks, and others, to create an integrated platform that enables consumers and institutions to buy, sell, store and spend digital assets on a seamless global network. ([Link](#))

#### Intercontinental Exchange Reports July 2018 Statistics

Intercontinental Exchange, Inc. (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, today reported July 2018 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](#))

### ICE Data Services Selected as the New Benchmark for Four of a Company's Fixed Income ETFs

Intercontinental Exchange, Inc. (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, today announced that ICE Data Services has been selected as the new benchmark provider for four of BlackRock's iShares® U.S. bond exchange traded funds (ETFs), and the transition was completed on August 1. ([Link](#))

### Intercontinental Exchange Prices \$2,250,000,000 in Senior Notes and Issues Notice of Redemption of 2.50% Senior Notes Due 2018

Intercontinental Exchange (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announced today that it priced an underwritten public offering of \$2.25 billion in new senior notes. ([Link](#))

### ICE Data Indices, LLC Successfully Completes Independent Assurance Review on Its Implementation of the IOSCO Principles for Financial Benchmarks

Intercontinental Exchange, Inc. (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, today announced that ICE Data Indices, LLC, has successfully completed an assurance engagement on its implementation of the IOSCO Principles for Financial Benchmarks. ICE engaged PricewaterhouseCoopers LLP (PwC) to perform the assurance engagement. ([Link](#))

## FINCEN

### Extension of Limited Exception from Beneficial Ownership Requirements for Legal Entity Customers of Certain Financial Products and Services with Rollovers and Renewals

On May 16, 2018, the Financial Crimes Enforcement Network (FinCEN) issued a 90-day limited exceptive relief to covered financial institutions from the obligations of the Beneficial Ownership Rule for Legal Entity Customers (Beneficial Ownership Rule)<sup>1</sup> for certain financial products and services (i.e., certificate of deposit or loan accounts) that were established before the Beneficial Ownership Rule's Applicability Date, May 11, 2018. ([Link](#))

## PRA

### Appointment of Members of the Enforcement Decision Making Committee

Bradley Fried, the Chair of the Court of the Bank of England, said: "I am delighted to welcome the members of the Bank of England's

new Enforcement Decision Making Committee. The Committee – which is functionally independent from the Bank's investigation teams and other Bank staff – will take decisions on any contested enforcement actions in future. ([Link](#))

## FCA

### Register for FCA's Annual Public Meeting 2018

The meeting will discuss our 2017/18 Annual Report, how we have delivered against our strategic objective to make markets work well, and our three operational objectives of securing an appropriate degree of protection for consumers, protecting and enhancing the integrity of the UK financial system and promoting effective competition in the interests of consumers. ([Link](#))

### FCA Commences Criminal Prosecution Against Someone in Relation to an Unauthorized Investment Scheme

The Financial Conduct Authority (FCA) has commenced a criminal prosecution against a person from Farnham, Surrey, for three offences relating to unauthorized investment schemes alleged to have been operated between 1 August 2008 and 25 April 2017. ([Link](#))

## Comprehensive Compliance Solutions

[www.RRSCompliance.com](http://www.RRSCompliance.com)

### Making it Easier to Use and Compare Current Accounts

From today, following action by the FCA and the Competition and Markets Authority (CMA), consumers and small businesses will have better information about the services offered by current account providers. This should help them to find the right service for them, to get the most out of it, and to get help if things go wrong. ([Link](#))

### Regulators Warn Public of Pension Scammer Tactics as Victims Report Losing an Average of £91,000 in 2017

The Financial Conduct Authority (FCA) and The Pensions Regulator (TPR) have joined forces to urge the public to be on their guard when receiving unexpected offers about their pension and to check who they are dealing with. The two regulators have launched a new ScamSmart advertising campaign targeting pension holders aged 45-65, the group most at risk of pension scams. ([Link](#))

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**FCA Collaborates on New Consultation to Explore the Opportunities of a Global Financial Innovation Network**

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The Financial Conduct Authority (FCA) has, in collaboration with 11 financial regulators and related organizations, today announced the creation of the Global Financial Innovation Network (GFIN), building on the FCA's proposal earlier this year to create a 'global sandbox'. [\(Link\)](#)

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**FCA Consults on Rules and Guidance to Improve Conduct and Communications in Payment Services and E-Money Firms**

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The Consultation Paper proposes to extend the application of the Principles for Businesses and certain specific rules about promotions and communications so that they cover wider categories of

businesses that we regulate (including businesses authorized or registered under the Payment Services Regulations or the Electronic Money Regulations). [\(Link\)](#)

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**Upper Tribunal Upholds FCA Decision to Fine and Ban CEO**

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On 31 July 2018, the Upper Tribunal upheld the Financial Conduct Authority's (FCA) decision to prohibit the CEO of a company from performing any FCA significant influence or senior management function, based on his fundamental lack of competence and capability to perform such functions. [\(Link\)](#)

Resource Links	
<p style="text-align: center;"><b>Government</b></p> <ul style="list-style-type: none"> <li>• U.S. Securities &amp; Exchange Commission – <a href="http://WWW.SEC.GOV">WWW.SEC.GOV</a></li> <li>• North American Securities Administrators Association - <a href="http://WWW.NASAA.ORG">WWW.NASAA.ORG</a></li> <li>• FINCEN - <a href="http://WWW.FINCEN.GOV">WWW.FINCEN.GOV</a></li> <li>• Commodity Futures Trading Commission – <a href="http://WWW.CFTC.GOV">WWW.CFTC.GOV</a></li> <li>• Financial Conduct Authority - <a href="http://WWW.FCA.GOV.UK">WWW.FCA.GOV.UK</a></li> <li>• Prudential Regulatory Authority – <a href="http://WWW.BANKOFENGLAND.CO.UK">WWW.BANKOFENGLAND.CO.UK</a></li> </ul>	<p style="text-align: center;"><b>SRO</b></p> <ul style="list-style-type: none"> <li>• FINRA - <a href="http://WWW.FINRA.ORG">WWW.FINRA.ORG</a></li> <li>• NASDAQ - <a href="http://WWW.NASDAQ.COM">WWW.NASDAQ.COM</a></li> <li>• New York Stock Exchange - <a href="http://WWW.NYSE.COM">WWW.NYSE.COM</a></li> <li>• Municipal Securities Rulemaking Board - <a href="http://WWW.MSRB.ORG">WWW.MSRB.ORG</a></li> <li>• National Futures Association <a href="http://WWW.NFA.FUTURES.ORG">WWW.NFA.FUTURES.ORG</a></li> </ul>
<p><b>Industry</b></p> <ul style="list-style-type: none"> <li>• Alternative Investment Management Association “AIMA” – <a href="http://WWW.AIMA.ORG">WWW.AIMA.ORG</a></li> <li>• Bank Insurance &amp; Securities Association “BISA” – <a href="http://WWW.BISANET.ORG">WWW.BISANET.ORG</a></li> <li>• Complinet – <a href="http://WWW.COMPLINET.COM">WWW.COMPLINET.COM</a></li> <li>• Florida Securities Dealers Association “FSDA” – <a href="http://WWW.FLORIDASECURITIES.COM">WWW.FLORIDASECURITIES.COM</a></li> <li>• Financial Market Association “FMA” – <a href="http://WWW.FMAWEB.ORG">WWW.FMAWEB.ORG</a></li> <li>• Financial Services Institute “FSI” – <a href="http://WWW.FINANCIALSERVICES.ORG">WWW.FINANCIALSERVICES.ORG</a></li> <li>• Investment Adviser Association “IAA” – <a href="http://WWW.INVESTMENTADVISER.ORG">WWW.INVESTMENTADVISER.ORG</a></li> <li>• Investment Company Institute “ICI” – <a href="http://WWW.ICI.ORG">WWW.ICI.ORG</a></li> <li>• Managed Funds Association “MFA” – <a href="http://WWW.MANAGEDFUNDS.ORG">WWW.MANAGEDFUNDS.ORG</a></li> <li>• National Society of Compliance Professionals “NSCP” – <a href="http://WWW.NSCP.ORG">WWW.NSCP.ORG</a></li> <li>• Securities Industry and Financial Markets Association “SIFMA” – <a href="http://WWW.SIFMA.ORG">WWW.SIFMA.ORG</a></li> </ul>	

\*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 is the most up to date and comprehensive available. We can forecast regulatory trends based on our extensive regulatory experience and the information our clients provide regarding new products, services and/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 any questions or suggestions, please speak with your account representative or call us at (561) 368-2245.

### Reader Survey Fax Response Form

To: Louis Dempsey  
 Fax: (561) 807-5442  
[LouisDempsey@RRSCompliance.com](mailto:LouisDempsey@RRSCompliance.com)

<b>Name:</b>				
<b>Firm:</b>		<b>IA:</b>	<b>BD:</b>	<b>Other:</b>
<b>Phone:</b>		<b>Fax:</b>		

For us to improve this publication, we ask that you please provide us with feedback by answering the following questions:

- 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 meeting)

**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:

Louis Dempsey, President <a href="mailto:LouisDempsey@RRSCompliance.com" style="color: white;">LouisDempsey@RRSCompliance.com</a>	Bart McDonald, Executive Vice President <a href="mailto:BartMcDonald@RRSCompliance.com" style="color: white;">BartMcDonald@RRSCompliance.com</a>
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