

Regulatory & Compliance Update

January 2019

Routing

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

Contents

SEC.....	3
FINRA.....	5
MSRB.....	6
NASAA.....	6
NASDAQ/NASDAQ TRADER/OTCBB.....	6
NYSE/EURONEXT/AMEX.....	8
FINCEN.....	8
PRA.....	9
FCA.....	9
Resource Links.....	11
Reader Survey.....	12

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

Items in This Edition

- SEC Top OCIE Priorities for 2019
- SEC Adopts Final Rules for Disclosure of Hedging Policies
- SEC OCIE Risk Alert – Electronic Messaging
- FINRA 4517 Member Filing and Contact Information Requirements
- FINRA 2018 Exam Findings
- FINRA Report on Selected Cybersecurity Practices – 2018
- Three Broker-Dealers to Pay More than \$6 Million in Penalties for Deficient Blue Sheet Data
- MSRB 2018-33 – MSRB Files Content Outline for the Municipal Advisor Principal Qualification Exam (Series 54)
- FINCEN Assesses \$14.5 Million Penalty Against a Financial Services Company for AML Failures
- FINRA 4517 Member Filing and Contact Information Requirements
- Printable Important Compliance Dates Calendar (Page 2)

Services Spotlight: Planning for 2019

RRS Regulatory experts can conduct Supervisory Controls Testing, Written Supervisory Procedures Assessments and comprehensive compliance examinations. Now that 2019 is here, please let us know when you would like to schedule our assistance with your projects. 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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Happy New Year

January 2019

Important Compliance Dates



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2	3	4	5
		Web CRD & IARD are unavailable		Short Interest Reporting Due		
6	7	8	9	10	11	12
			Customer Margin Balance Due			
13	14	15	16	17	18	19
		4530 Customer Complaints Filings Due				
20	21	22	23	24	25	26
	Deadline for receipt of Final Statements				Focus Filings Due Form Custody Filings Due Last Day to Comply with FINRA Rule 4517	
27	28	29	30	31		
		Annual Audit Reports Due	SSOI Filings Due SIS Filings Due			

SEC

SEC Final Rules:

[33-10580](#) Covered Investment Fund Research Reports

[34-84858](#) Applications by Security-Based Swap Dealers or Major Security-Based Swap Participants for Statutorily Disqualified Associate Persons

[33-10591](#) Amendments to Regulation A

[34-84875](#) Transaction Fee Pilot for NMS Stocks

[33-10593](#) Disclosure for Hedging by Employees, Officers and Directors

SEC No Action Letters:

Staff Letter No-Action relief under Section 206(4) and Rule 206(4) under the Investment Advisor Act of 1940. ([Link](#))

SEC Upcoming Events:

[01/15/19](#) Oral Argument – Digital Brand Media & Marketing Group, Inc.

[01/24/19](#) Hearing – Administrative Proceeding File No. [3-18414](#).

Aaron Lipson, Associate Regional Director of Atlanta Office, to Leave Agency After 14 Years of Service

The Securities and Exchange Commission announced that Aaron Lipson, Associate Regional Director for enforcement matters in the Atlanta Regional Office, is leaving the agency this month after 14 years of service. ([Link](#))

Shira Pavis Minton, Ethics Counsel, to Retire from the SEC After 20 Years of Federal Service

The Securities and Exchange Commission announced that Shira Pavis Minton, Ethics Counsel and Designated Agency Ethics Official, will be retiring from the agency this month after more than 20 years of federal service and nearly 10 years with the SEC. ([Link](#))

SEC Advisory Committee Met on December 13th

The committee held panel discussions with outside speakers on two topics: a morning discussion on Sustainability and Environmental, Social, and Governance disclosures and an afternoon session on unpaid arbitration awards. ([Link](#))

SEC Halted Alleged Insider Trading Ring Spanning Three Countries

The Securities and Exchange Commission has filed insider trading charges against an IT contractor and two others he illegally tipped with confidential client information he stole while working in the Singapore branch of an investment bank. ([Link](#))

Three Broker-Dealers to Pay More Than \$6 Million in Penalties for Providing Deficient Blue Sheet Data

The Securities and Exchange Commission announced that three broker-dealers have agreed to pay more than \$6 million to settle charges for providing the SEC with incomplete and inaccurate securities trading information in required SEC productions known as “blue sheet data,” which the SEC uses to carry out its enforcement and regulatory obligations, including the investigation of insider trading and other fraudulent activity. ([Link](#))

SEC Charged a Corporation and Executive Chairman with Fraud

A multinational agricultural company has agreed to pay \$3 million to settle charges that it concealed substantial losses from investors through fraudulent accounting in connection with its divestiture of its primary operating entity. In a related action, the company’s executive chairman, settled charges that he manipulated the company’s share price. ([Link](#))

SEC OCIE Risk Alert – Electronic Messaging

Investment advisers need to enhance procedures and surveillance for electronic messaging including texts, IM, and personal email. OCIE advises firms to employ software to monitor social media and websites and regularly run internet searches to identify employees engaging in unauthorized online activity. ([Link](#))

SEC Charged a Food Company with Internal Controls Failure

The Securities and Exchange Commission announced settled charges against a natural and organic food company stemming from weaknesses in the company’s internal controls related to end-of-quarter sales practices that were designed to help the company meet its internal sales targets. ([Link](#))

SEC Named Danae M. Serrano Acting Ethics Counsel and Designated Agency Ethics Official

Ms. Serrano joined the SEC in 2010 as an Assistant Ethics Counsel and has served as the Deputy Ethics Counsel and Alternate Designated Agency Ethics Official since 2013. Ms. Serrano also

served as the Agency's Acting Chief Compliance Officer until August 2018. ([Link](#))

Three Developers Settled Charges of Fraudulent EB-5 Offering

The Securities and Exchange Commission announced that three Houston-area developers have agreed to settle charges that they misused investor funds raised from 90 Chinese investors under the EB-5 Immigrant Investor Program on unrelated projects. ([Link](#))

Executives Settled ICO Scam Charges

Two former executives behind an allegedly fraudulent initial coin offering (ICO) that was stopped by the Securities and Exchange Commission earlier this year have been ordered in federal court to pay nearly \$2.7 million and prohibited from serving as officers or directors of public companies or participating in future offerings of digital securities. ([Link](#))

Jeffrey Minton, Office of the Chief Accountant Chief Counsel, to Retire from the SEC After 20 Years of Service

Mr. Minton has directed OCA's enforcement liaison program, providing insightful analytical guidance and assistance to the Division of Enforcement on many enforcement actions and Commission on accountant suspension and reinstatement orders. ([Link](#))

SEC, MSRB, FINRA Held Compliance Outreach Program for Municipal Advisors

Topics of discussion included the duties and standards of conduct for solicitor and non-solicitor municipal advisors under MSRB Rule G-42 and the Securities Exchange Act of 1934, and municipal advisor compliance with new MSRB rules. ([Link](#))

SEC Charged Former New York Investment Advisor and Daughter with Conducting a Ponzi Scheme

The Securities and Exchange Commission charged a former Rockland County, New York-based investment adviser and his daughter with conducting a multi-million dollar Ponzi scheme that defrauded local community members as well as members of their family and close friends. ([Link](#))

Jeffrey S. Mooney Named Associate Director in the Office of Clearance and Settlement

The Securities and Exchange Commission announced that Jeffrey S. Mooney has been named Associate Director of the Office of Clearance and Settlement in the agency's Division of Trading and Markets. ([Link](#))

New York Bank Will Pay More Than \$54 Million for Improper Handling of ADRs

The Securities and Exchange Commission announced that a New York bank will pay more than \$54 million to settle charges of improper handling of "pre-released" American Depositary Receipts (ADRs). ([Link](#))

Scott W. Bauguess, Deputy Director of the Division of Economic and Risk Analysis, to Leave the Agency After a Decade of Service

Dr. Bauguess joined the division in 2007 as a financial economist, assumed leadership of DERA's Office of Corporate Finance in 2011, and was appointed Deputy Director in 2013. In 2017, Dr. Bauguess served as the agency's Acting Director of DERA and its Acting Chief Economist. ([Link](#))

SEC Solicited Public Comment on Earnings Releases and Quarterly Reports

The Securities and Exchange Commission published a request for comment soliciting input on the nature, content, and timing of earnings releases and quarterly reports made by reporting companies. ([Link](#))

Daniel Kahl Named Deputy Director of the Office of Compliance Inspections and Examinations

Mr. Kahl has been with the SEC for over 17 years, serving as OCIE's Chief Counsel since February 2016. He will continue to serve as Chief Counsel while also assuming this additional leadership role in OCIE. ([Link](#))

SEC Published Two Reports on Credit Rating Agencies Showing Continued Focus on Compliance and Completion

Credit rating agencies registered with the SEC continue to promote compliance by enhancing their policies, procedures, and internal controls in response to Commission rules and staff examinations. ([Link](#))

SEC Charged Two Former Executives

The Securities and Exchange Commission charged two former senior executives with knowingly violating the books and records and internal accounting controls provisions of the federal securities laws and causing similar violations by the parent company. ([Link](#))

SEC Adopted Final Rules for Disclosure of Hedging Policies

The Securities and Exchange Commission approved final rules to require companies to disclose in proxy or information statements for the election of directors any practices or policies regarding the ability of employees or directors to engage in certain hedging transactions with respect to company equity securities. ([Link](#))

SEC Approved 2019 PCAOB Budget and Accounting Support Fee

The 2019 PCAOB budget totals \$273.7 million. The accounting support fee totals \$262.9 million, of which \$228.5 million will be assessed on public companies and \$34.4 million will be assessed on broker-dealers. ([Link](#))

SEC Adopted Rule of Practice 194

In general, this rule creates a transparent, efficient, and comprehensive process for a registered security-based swap dealer or major security-based swap participant, collectively known as SBS Entities, to apply to the Commission for relief from the statutory disqualification prohibition found in Exchange Act Section 15F(b)(6). ([Link](#))

SEC Proposed Risk Mitigation Techniques for Uncleared Security Based Swaps

The Securities and Exchange Commission voted to propose rules requiring the application of risk mitigation techniques to portfolios of uncleared security-based swaps. Proposed Rules 15Fi-3 through 15Fi-5 would establish requirements for registered security-based swap dealers and major security-based swap participants (SBS Entities) with respect to: reconciling outstanding security-based swaps with applicable counterparties on a periodic basis; engaging in certain forms of portfolio compression exercises, as applicable; and executing written security-based swap trading relationship documentation with each of its counterparties prior to, or contemporaneously with, executing a security-based swap transaction. ([Link](#))

SEC Proposed New Rule Changes for Fund of Funds Arrangements

The Securities and Exchange Commission voted to propose a new rule and related amendments designed to streamline and enhance the regulatory framework for fund of funds arrangements. ([Link](#))

SEC Charged Additional 13 Unregistered Brokers Who Sold Securities to Retail Investors

The Securities and Exchange Commission announced charges against an additional 13 individuals and 10 companies for unlawfully selling securities to retail investors. ([Link](#))

SEC Adopted Final Rules to Allow Exchange Act Reporting Companies to Use Regulation A

The amendments, mandated by the Economic Growth, Regulatory Relief, and Consumer Protection Act, will enable companies that are subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934 to use Regulation A. ([Link](#))

SEC Adopted A Transaction Fee Pilot for NMS Stocks

The Securities and Exchange Commission announced that it has voted to adopt new Rule 610T of Regulation NMS to conduct a Transaction Fee Pilot in NMS stocks. ([Link](#))

SEC Office of Compliance Inspections and Examinations Announced 2019 Examination Priorities

OCIE publishes its exam priorities annually to promote transparency of its examination program and provide insights into the areas it believes present potentially heightened risk to investors or the integrity of the U.S. capital markets ([Link](#))

FINRA

Regulatory Notices:

[18 – 39](#) Unexpected Close of Securities Markets

[18 – 40](#) SEC Approves Amendments to the Codes of Arbitration Procedure to Establish a \$200 Honorarium for Contested Subpoenas or Orders

[18 – 41](#) Optional One-Day Extension for Customer and PAB Reserve Formula Computations and Required Deposits Around the December 2018 Month-End Holidays

[18 – 42](#) FINRA Announces Updates of the Interpretations of Financial and Operational Rules

Information Notices:

[12/04/18](#) Changes to Contrary Exercise Advise Cut-Off Timer for National Day of Mourning

FINRA Upcoming Events:

[01/17/19](#) 2019 RegTech Conference

FINRA Published 2018 Report on Examination Findings

FINRA published its [2018 Report on FINRA Examination Findings](#), its second annual report detailing observations from recent exams of firms. The report is the latest resource FINRA makes available to firms because of its ongoing organizational improvement initiative, FINRA360. ([Link](#))

FINRA 4517 Member Filing and Contact Information Requirements

As a reminder, FINRA Rule 4517 requires firms to complete an annual verification of their FINRA Contact System (FCS) contact information within the first 17 business days of each calendar year. Please log in to the FCS and perform your annual review. This year's deadline is Friday, January 25, 2019. ([Link](#))

FINRA Fined a Company \$5 Million for Significant Deficiencies in Anti-Money Laundering Programs

FINRA announced that it has fined a company \$4.5 million and a sub-company \$500,000 for failing to establish and implement anti-money laundering (AML) programs reasonably designed to monitor certain high-risk transactions in customer accounts. ([Link](#))

FINRA Published Report on Selected Cybersecurity Practices – 2018

FINRA published its [Report on Selected Cybersecurity Practices - 2018](#), a detailed review of effective information-security controls at securities firms. The report represents the newest initiative in FINRA’s ongoing effort to help broker-dealers – including small firms – further develop their cybersecurity programs. ([Link](#))

FINRA Sanctioned a Company \$6 Million for Selling IPOs to Industry Insiders

FINRA announced that it has fined a company for improperly selling shares in initial public offerings (IPOs) to industry insiders, including its employees’ immediate family members and customers who were brokers at other brokerage firms. Merrill Lynch will pay a \$5.5 million fine and disgorge \$490,530 it earned as revenue from the sales. ([Link](#))

Report from FINRA Board of Governors Meeting – December 2018

FINRA’s Board of Governors met on Dec. 12-13 at FINRA’s offices in New York, where it approved two rule proposals—both related to the dispute resolution forum—and approved the organization’s 2019 budget. ([Link](#))

MSRB

MSRB Regulatory Notices for August 2018:

[2018 – 31](#) SEC Approves Amendments to MSRB Form G-45 to Modify and Clarify Certain Data Elements Submitted about 529 Saving Plans and ABLE Programs

[2018 – 32](#) MSRB Provides Compliance Resource on Application of Content Standards to Advertisements by Municipal Advisors under MSRB Rule G-40

[2018 – 33](#) MSRB Files Content Outline for the Municipal Advisor Principal Qualification Examination (Series 54)

This Month’s Events:

[01/17/19](#) Webinar on Amended SEC Rule 15c2-12 and EMMA®

[01/18/19](#) Webinar on New Price Variance Feature on RTRS Web

[01/24/19](#) Webinar on the Municipal Advisor Principal Qualification Examination (Series 54)

[01/29/19](#) The Bond Buyer’s National Outlook Conference

MSRB Announced Upcoming Changes to EMMA Website and Webinar about SEC Rule 15c2-12 Amendments

As of February 27, 2019, municipal bond issuers will be able to use the EMMA website to comply with the additional obligation. These obligations will require issuers to disclose the incurrence of, or amendment to, financial obligations, if material and the occurrence of certain events reflecting financial difficulties related to an existing financial obligation. ([Link](#))

MSRB Established Formal Academic Program to Further Support Market Research

The program includes a new Visiting Scholar position and the ongoing provision of multiple municipal market data sets to universities and other research institutions looking to conduct research about the municipal securities market. ([Link](#))

MSRB Released Content Outline for New Municipal Advisor Principal Qualification Examination

The Municipal Securities Rulemaking Board (MSRB) released the content outline for its qualifying examination for municipal advisor principals — those individuals directly engaged in the management, direction or supervision of the municipal advisory activities of a municipal advisor firm and its associated persons. ([Link](#))

NASAA

No updates as of 12/31

NASDAQ/NASDAQ TRADER/OTCBB

Equity Corporate Actions Alert:

[2018 – 216](#) (UPDATED) Information Regarding the Merger of RadiSays Corporation (RSYS)

[2018 – 217](#) (UPDATED) Information Regarding the Merger of SodaStream International Ltd.

[2018 – 218](#) (UPDATED) Information Regarding the Merger of Poage Bankshares, Inc.

[2018 – 219](#) (UPDATED) Information Regarding the Tender Offer of JetPay Corporation

[2018 – 220](#) (UPDATED) Information Regarding the Merger of American Railcar Industries, Inc.

[2018 – 221](#) (UPDATED) Spin-Off/Distribution Information for NETGEAR, Inc.

[2018 – 222](#) Information Regarding the Tender Offer of iPass, Inc.

[2018 – 223](#) Information Regarding the Business Combination of Industrea Acquisition Corp

[2018 – 224](#) Information Regarding the Tender Offer for the Shares of Datawatch Corporation

[2018 – 225](#) Information Regarding the Business Combination of OvaScience Inc. (OVAS) and Millendo Therapeutics Inc.

[2018 – 226](#) Dividend information for Wright Medical Group N.V. Contingent Value Right

[2018 – 227](#) (UPDATED) Spin-Off/Distribution Information for Select Income REIT

[2018 – 228](#) Information Regarding the Merger of Select Income REIT (SIR) and Government Properties Income Trust

[2018 – 229](#) Information Regarding the Merger of Keryx Biopharmaceuticals, Inc.

[2018 – 230](#) (UPDATED) Information Regarding the Merger of Mazor Robotics Ltd.

[2018 – 231](#) Information Regarding the Merger of Green Bancorp, Inc. (GNBC) and Veritex Holdings, Inc.

[2018 – 232](#) Reverse Split and CUSIP Number Change for Diffusion Pharmaceuticals Inc.

[2018 – 233](#) (UPDATED) Information Regarding the Merger of Cambium Learning Group, Inc.

[2018 – 234](#) Information regarding Ratio Change for Sundance Energy Australia Limited ADR

[2018 – 235](#) Information Regarding the Business Combination of Avista Healthcare Public Acquisition Corp.

[2018 – 236](#) Information Regarding the Merger of Shire plc ADR and Takeda Pharmaceutical Company Limited

[2018 – 237](#) (UPDATED) Information Regarding the Merger of Endocyte, Inc.

[2018 – 238](#) (UPDATED) Information Regarding the Tender Offer for the Shares of Black Box Corporation

[2018 – 239](#) Information Regarding the Tender Offer for the Shares of ConvergeOne Holdings, Inc.

[2018 – 240](#) Information Regarding the Merger of Randgold Resources Limited

[2018 – 241](#) (UPDATED CUSIP Number Change Effective 12/21/2018) Information Regarding the Business Combination of Draper Oakwood Technology Acquisition, Inc. and Reebonz Holding Limited

[2018 – 242](#) Information Regarding the Merger of Hortonworks, Inc. and Cloudera, Inc.

[2018 – 243](#) Information Regarding the Merger of State Bank Financial Corporation (STBZ) and Cadence Bancorporation

Equity Trader Alert:

[2018 – 97](#) Nasdaq to Hold a Moment of Silence for President George H.W. Bush

[2018 – 98](#) U.S. Markets will be Closed for a National Day of Mourning in Honor of the Late President George H.W. Bush

[2018 – 99](#) Trade Settlement and EX dates for Wednesday, December 5, 2018

[2018 – 100](#) FINRA/Nasdaq Trade Reporting Facility Retail Participant Pricing Update

[2018 – 101](#) Nasdaq to Introduce Midpoint Trade Now Functionality

[2018 – 102](#) U.S. Market Holiday Reminder: Christmas and New Year's

Futures Trader Alert:

[2018 – 36](#) NFX Trading Hours for Wednesday, December 5, 2018

[2018 – 37](#) NFX Spot Month Position Limits Notice for December 2018

[2018 – 38](#) Nasdaq Futures Lowers Block Minimum Threshold Requirements for Futures & Options Contracts Effective December 6, 2018

[2018 – 39](#) Initial Listing & Margin Notice for Ferrous Futures for Trade Date December 14, 2018

[2018 – 40](#) NFX Automatic Exercise Update for NFX Calendar One Time Options on NFX PJM Western Hub Real-Time Peak Calendar Year One Time Financial Futures

Options Trader Alert:

[2018 – 44](#) Nasdaq Options Exchanges to Observe National Day of Mourning on December 5, 2018

[2018 – 45](#) MRX to Introduce Complex Order Handling

[2018 – 46](#) Options Regulatory Fee Announcement, Effective February 1, 2019

[2018 – 47](#) PHLX Decommissions Professional Customer AON Orders

Options Regulatory Alert:

[2018 – 38](#) PHLX, NOM, BX, ISE, GEMX and MRX - Bid/Ask Differentials for "MKL", "NDX" and "BKN" Option Classes through March 15, 2019

[2018 – 39](#) PHLX, NOM, BX, ISE, GEMX and MRX - Quarterly Quote Spread Parameter Relief through March 15, 2019

[2018 – 40](#) ISE, GEMX and MRX Amends Primary Market Maker Allowance for Trading in Non-Appointed Options Classes

UTP Vendor Alert:

[2018 – 15](#) U.S. Markets will be Closed for a National Day of Mourning in Honor of the Late President George H.W. Bush

[2018 – 16](#) 2019 Failover and Market Wide Circuit Breaker Testing Schedule

[2018 – 17](#) UTP SIP Market Holiday Reminder: Christmas and New Year

NYSE/EURONEXT/AMEX

NYSE Weekly Program-Trading Data Releases:

New York Stock Exchange Honored President George H. W. Bush

The New York Stock Exchange, NYSE American, NYSE National, NYSE Arca, and the Chicago Stock Exchange, part of the Intercontinental Exchange (NYSE: ICE) global network of exchanges, closed on Wednesday, December 5, 2018 in observance of the National Day of Mourning for President George H. W. Bush. ([Link](#))

ICE Data Services Selected as the New Benchmark Provider for a Preferred Stock

Intercontinental Exchange, Inc. (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announced that ICE Data Services has been selected as the new benchmark provider for Preferred Stock ETF (PFF), which currently represents \$14.7 billion in assets under management. ([Link](#))

ICE Benchmark Administration Launched Survey on the Use of LIBOR

The purpose of the survey is to identify the LIBOR settings that are most widely used. IBA will use the results of the survey to inform its work in seeking the support of globally active banks for the publication of certain LIBOR settings after year-end 2021. ([Link](#))

Company Selected ICE Liquidity Indicators for Investment Management, Risk Management, and Regulatory Compliance

Intercontinental Exchange, Inc. (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announced that a company has selected ICE Data Services' ICE Liquidity Indicators™ service to help support with its investment management, liquidity risk management and regulatory compliance obligations. ([Link](#))

NYSE Group Announced 2019, 2020 and 2021 Holiday and Early Closings Calendar

NYSE Group announced the 2021 holiday calendar and early closing dates for its cash equity markets: New York Stock Exchange, NYSE American, NYSE Arca Equities, NYSE National, and Chicago Stock Exchange, as well as the NYSE American Options, NYSE Arca Options and NYSE Bonds markets. ([Link](#))

Intercontinental Exchange Reported November 2018 Statistics

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

Intercontinental Exchange Announced Record Trading in Futures Contracts

Intercontinental Exchange (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announced record trading in the TTF Natural Gas and JKM LNG (Platts) futures contracts. ([Link](#))

ICE Credit Received Recognized Clearing House Status from the Monetary Authority of Singapore

Intercontinental Exchange, Inc. (NYSE:ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announced that ICE Clear Credit, ICE's U.S.-based credit default swap (CDS) clearing house, has been granted Recognized Clearing House status from the Monetary Authority of Singapore with effect from December 7, 2018 ([Link](#))

Intercontinental Exchange Announced Launch of Marine Fuel Contracts in Advance of IMO 2020

Intercontinental Exchange, Inc. (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announced plans to launch new Marine Fuel 0.5% futures contracts in advance of the implementation of the 0.5% Sulphur cap by the International Maritime Organization (IMO) in 2020. ([Link](#))

FINCEN

Joint Statement on Innovative Efforts to Combat Money Laundering and Terrorist Financing

The Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, FinCEN, the National Credit Union Administration, and the Office of the Comptroller of the Currency issued a joint statement to encourage banks to consider, evaluate, and, where appropriate, responsibly implement innovative approaches to meet their Bank Secrecy Act/anti-money laundering (BSA/AML) compliance obligations, in order to further strengthen the financial system against illicit financial activity. ([Link](#))

Treasury's FinCEN and Federal Banking Agencies Issued Joint Statement Encouraging Innovative Industry Approaches to AML Compliance

As a result of a working group established by the U.S. Department of the Treasury's Office of Terrorism and Financial Intelligence and the Federal depository institutions regulators, the Financial Crimes Enforcement Network (FinCEN) and its regulatory partners issued a joint statement to encourage banks and credit unions to take innovative approaches to combating money laundering, terrorist financing, and other illicit financial threats. ([Link](#))

FinCEN Assessed \$14.5 Million Penalty Against a Financial Services Company for Anti-Money Laundering Failures

FinCEN assessed a \$14.5 million civil money penalty, of which \$5 million will be paid to the U.S. Department of the Treasury and the remainder will be concurrent with penalties for similar or related conduct imposed by the Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA). ([Link](#))

PRA

Financial Policy Committee Dates for 2019

Dates for the 2019 Financial Policy Committee (FPC) meetings and publications ([Link](#))

Don Robert to Step Down from Bank of England's Court of Directors

Following his appointment as Chairman of London Stock Exchange Group with effect from 1 May 2019, Don Robert is to step down as a non-executive director at the Court of the Bank of England from that date. ([Link](#))

Bank of England Consultations on Resolvability Assessment Framework

The Bank of England and Prudential Regulation Authority have published proposals to further protect the economy and taxpayers from bank failure by putting in place the final major piece in the UK's resolution regime for banks. ([Link](#))

Bank of England Statement Press Statement on NAO Report

The NAO acknowledges the Bank's ongoing efforts to transform its provision of central services. The Central Services Transformation is a series of programs initiated last year and was borne out of the Bank's recognition that it could provide central services more efficiently. ([Link](#))

Index Linked Treasury Stocks

Index-linked treasury stocks are gilts issued by the UK Government. They pay out twice a year, with the amount indexed to the Retail Prices Index. ([Link](#))

Bank of England Statement on Equivalence of the Future UK Legal and Supervisory Framework for Central Counterparties and Central Securities Depositories

The Bank of England welcomes the adoption of temporary equivalence decisions by the European Commission on the future UK legal and supervisory framework for CCPs and CSDs. ([Link](#))

FCA

Website Prompted Tens of Thousands of Pensions Holders to Seek Information

Victims of pension scams last year lost an average of £91,000 each to fraudsters. They reported receiving cold-calls, offers of free pension reviews and promises that they would get high rates of return – all of which are key warning signs of scams. ([Link](#))

FCA Published Decision Notice Against Former Bank CEO for AML Failings

The Financial Conduct Authority (FCA) has published a Decision Notice in respect of the former Chief Executive Officer of a bank, fining him £76,400. ([Link](#))

FCA Published Findings on Long-Term Mortgage Arrears

The FCA had previously identified that there was a trend of increasing long-term arrears cases, whilst the number of homes being repossessed had been falling. As a result of this widening trend, the FCA set out in its Business Plan 2017/18 to examine whether customers with long-term mortgage arrears were experiencing harm from extended forbearance. ([Link](#))

Man Pleaded Guilty to Illegally Operating an Investment Scheme and Fraud

In a case brought by the Financial Conduct Authority (FCA), a man has pleaded guilty at Southwark Crown Court to four charges

encompassing illegal operation of an unauthorized investment scheme, misleading consumers, and two related counts of fraud and will be sentenced at a date to be confirmed in due course. ([Link](#))

[FCA Proposed Permanent Measures for Retail CFDs and Binary Options](#)

The Financial Conduct Authority (FCA) is proposing rules to address harm to retail consumers from the sale of certain complex derivative products with the publication of two consultation papers. ([Link](#))

[FCA Proposed Changes to Facilitate Investment in Patient Capital](#)

These proposals follow the 2018 Budget when the Chancellor announced a package of measures designed to increase investment in patient capital, a term for a broad range of alternative investment assets intended to deliver long-term returns; for example, infrastructure, real estate, private equity/debt, and venture capital. ([Link](#))

[FCA and PSR Boards Appointed New Members to Decision Making Committees](#)

The Financial Conduct Authority (FCA) and Payment Systems Regulator (PSR) Boards have appointed new members to three decision-making committees: the FCA's Competition Decisions Committee (CDC) and the PSR's Competition Decisions Committee and Enforcement Decisions Committee (EDC). ([Link](#))

[FCA Banned Investment Professional from Acting as a Non-Executive Director and Fines her for her Failure to Declare Conflicts of Interest](#)

The Financial Conduct Authority (FCA) has banned an investment advisor professional from acting as a non-executive director (NED) and fined her £20,000 for failing to act with integrity at two mutual societies. ([Link](#))

[FCA Introduced New Rules on Handling Complaints About Authorized Push Payment Fraud](#)

In the case of APP fraud, the PSP is often a bank which holds the accounts of either the victim or fraudster. Currently, the sending PSP, but not the receiving PSP, must handle these complaints in line with existing complaints handling rules in the FCA Handbook. ([Link](#))

[New Rules for Claims Management Companies to boost Consumer Protection and Professionalism](#)

The Financial Conduct Authority (FCA) published new rules and fees that will apply to all claims management companies (CMCs) from April 2019. That's when the FCA takes over responsibility for regulating the firms, which help thousands of people every year. ([Link](#))

[FCA Announced Proposals to Fundamentally Reform the Way Banks Charge for Overdrafts and Extends Protections for the Other High-Cost Credit Products](#)

The Financial Conduct Authority (FCA) has announced the next package of measures forming part of its high-cost credit review. It has announced proposals to change how banks charge for overdrafts, which would bring to an end to banks charging higher prices for unarranged overdrafts. Alongside this the FCA has published the results of its review into the retail banking market. ([Link](#))

[Company was Fined £32.8 Million for Serious Failings in its Probate and Bereavement Process](#)

Company did not transfer funds totaling over £183m to beneficiaries when it should have done. 40,428 customers were directly affected. The firm also failed to disclose information relating to the issues with the probate and bereavement process to the FCA after it became aware of them. ([Link](#))

[Company Director is Banned from Working in the Financial Services Sector](#)

The Financial Conduct Authority (FCA) has banned ex-company director from working in the financial services sector. The FCA discovered he used customers' money for the purchase of the debt management firm, First Step Finance Limited. This showed a serious lack of honesty and integrity. The FCA has decided that he is not a fit and proper person. ([Link](#))

Resource Links	
<p style="text-align: center;">Government</p> <ul style="list-style-type: none"> • 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 	<p style="text-align: center;">SRO</p> <ul style="list-style-type: none"> • 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
<p>Industry</p> <ul style="list-style-type: none"> • Alternative Investment Management Association “AIMA” – WWW.AIMA.ORG • Bank Insurance & Securities Association “BISA” – WWW.BISANET.ORG • Florida Securities Dealers Association “FSDA” – WWW.FLORIDASECURIITIES.COM • Financial Market Association “FMA” – WWW.FMAWEB.ORG • Financial Services Institute “FSI” – WWW.FINANCIALSERVICES.ORG • Investment Adviser Association “IAA” – WWW.INVESTMENTADVISER.ORG • Investment Company Institute “ICI” – WWW.ICI.ORG • Managed Funds Association “MFA” – WWW.MANAGEDFUNDS.ORG • National Society of Compliance Professionals “NSCP” – WWW.NSCP.ORG • Securities Industry and Financial Markets Association “SIFMA” – WWW.SIFMA.ORG 	

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

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Reader Survey Fax Response Form

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 Fax: (561) 807-5442
LouisDempsey@RRSCompliance.com

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