

# Regulatory & Compliance Update

## November 2019

### Routing

- ✓ Legal & Compliance
- ✓ Senior Management
- ✓ Supervisory Principals
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- ✓ Registered Representatives
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*The Regulatory & Compliance Update is published by Renaissance Regulatory Services for its clients' legal, compliance, senior management, and supervisory personnel.*

*This memorandum is distributed to RRS clients at no charge and includes "hot topics" of focus by regulators and of interest to compliance professionals. The document is intended to provide reminders of regulatory matters that were released or issued during the previous month.*

*The information contained in this publication was compiled from various regulatory releases and is believed to be true and correct as of the date of distribution. Many regulatory issues are subject to interpretations that can change as industry rules and regulations change, and as compliance issues evolve. Readers are cautioned to consider their individual situations and are encouraged to contact RRS staff for guidance on any issues. The information is not intended as legal or accounting advice, which can only be provided by a duly qualified attorney or certified public accountant.*

### HOT TOPICS

#### Items in This Edition

- SEC Disclosure of Certain Financial Conflicts Related to Investment Adviser Compensation FAQs
- SEC Final Rule 33-10699 – Solicitations of Interest Prior to a Registered Public Offering
- SEC Final Rule 33-10695 – Exchange-Traded Funds
- SEC Charges 18 Traders in \$31 Million Stock Manipulation Scheme
- SEC Announces Formation of Asset Management Advisory Committee
- Agencies Finalize Changes to Simplify Volcker Rule
- 2019 Report on FINRA Examination Findings and Observations
- FINRA 19-35 – Broker-Dealer, Investment Adviser Firm Agent and Investment Adviser Representative, and Branch Renewals for 2020
- FINRA 19-34 Annual Compliance Meetings: Retrospective Rule Review Report and Guidance
- MSRB Revises Content Outline for Muni Advisor Principal Qualification Exam
- MSRB to Launch Permanent Series 54 Exam on November 12, 2019
- MSRB Seeks Input and Volunteers for Advisory Groups
- NASAA 2020 Fee Announcement
- 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. As 2019 is around the corner, 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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# November 2019



| Sunday | Monday | Tuesday                                       | Wednesday | Thursday                      | Friday   | Saturday |
|--------|--------|---|-----------|-------------------------------|--|----------|
|        |        |   |           |                               | 1  | 2        |
| 3      | 4      | 5   | 6         | 7                             | 8  | 9        |
| 10     | 11     | 12  | 13        | 14<br>Section 13F Filings Due | 15   | 16       |
| 17     | 18     | 19  | 20        | 21                            | 22   | 23       |
| 24     | 25     | 26<br>FOCUS Part II/IIA Quarterly Filings Due | 27        | 28<br>Happy Thanksgiving      | 29<br>Annual Audit Reports Due based on BD FYE 9/30/19 | 30       |

## SEC

### SEC Final Rules:

33-10709 Adoption of Updated EDGAR Filer Manual ([Link](#))

33-10699 Solicitations of Interest Prior to a Registered Public Offering ([Link](#))

33-10695 Exchange-Traded Funds ([Link](#))

34-87005 Recordkeeping and Reporting Requirements for Security-Based Swap Dealers, Major Security-Based Swap Participants, and Broker-Dealers ([Link](#))

BHCA-7 Revisions to Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds ([Link](#))

### SEC No Action Letters:

Nationwide Life Insurance Company, October 17, 2019. ([Link](#))

Forethought Life Insurance Company, October 17, 2019. ([Link](#))

### SEC Upcoming Events:

[11/01/2019](#) Preventing Community-Based Financial Fraud.

[11/04/2019](#) Fixed Income Market Structure Advisory Committee Meeting

[11/05/2019](#) Open Meeting

[11/07/2019](#) Investor Advisory Committee Meeting

[11/12/2019](#) A Conversation on Financial Readiness with SEC Chairman Jay Clayton and COL James J. Tuite, IV (US Army)

### Disclosure of Certain Financial Conflicts Related to Investment Adviser Compensation FAQs

Compensation that an investment adviser, its affiliates or its associated persons receives in connection with the investments it recommends and related services it provides can result in the investment adviser having interests that conflict with those of its clients. Many investment advisers appear to have recognized these conflicts and responded through practices designed to address them, including through elimination, disclosure or

a combination of disclosure and mitigation. However, SEC examinations staff have observed and enforcement cases have illustrated that, in some instances, investment advisers have not appropriately addressed these conflicts of interest. ([Link](#))

### SEC to Host Veterans Day Program for Active Duty Service Members and Veterans

The program will feature a conversation with SEC Chairman Jay Clayton and Colonel James Tuite of the U.S. Army's "Old Guard" that will focus on financial readiness, including the basics of saving, investing, preparing for retirement and avoiding scams, for an audience of active duty service members and veterans. ([Link](#))

### Natasha Vij Greiner Named Associate Director in SEC's Investment Adviser/Investment Company Examination Program

The Securities and Exchange Commission announced that Natasha Vij Greiner has been named Associate Director in its Office of Compliance Inspections and Examination's (OCIE) investment adviser and investment company examination program. Ms. Greiner will be responsible for leading the Washington, DC-based investment adviser and investment company examination office. This new position was created to oversee and direct the work of the approximately 40 lawyers, accountants, and examiners whose primary responsibility is to conduct examinations of offshore SEC registrants and support National Examination Program initiatives throughout the country. ([Link](#))

### SEC and Fordham University School of Law to Host Conference on Combating Community-Based Financial Fraud

The Securities and Exchange Commission's New York Regional Office and Fordham University School of Law hosted a conference on November 1 on combating community-based financial fraud. The conference will focus on fraudulent and manipulative schemes that target potential victims based on race, ethnicity, religion, gender, age, and other associations. Conference participants from the SEC, Department of Justice, Federal Bureau of Investigation, Financial Industry Regulatory Authority (FINRA), North American Securities Administrators Association (NASAA), and New Jersey Bureau of Securities will discuss effective strategies for detecting, preventing, and combating community-based financial fraud. ([Link](#))



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### U.S. Financial Regulatory Agencies Join the Global Financial Innovation Network

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The Commodity Futures Trading Commission (CFTC), Federal Deposit Insurance Corporation (FDIC), Office of the Comptroller of the Currency (OCC), and the Securities and Exchange Commission (SEC) announced joining the Global Financial Innovation Network (GFIN). ([Link](#))

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### SEC Investor Advisory Committee to Meet on November 7

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The Securities and Exchange Commission's Investor Advisory Committee will hold a public meeting on November 7. The meeting will begin at 9:30 a.m. Eastern Time in the Multipurpose Room at SEC headquarters at 100 F Street, N.E., Washington, D.C. and is open to the public. The meeting will be webcast live and archived on the committee's website for later viewing. ([Link](#))

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### SEC Proposes Amendments to Exemptive Applications Procedures

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The Securities and Exchange Commission announced that it has voted to propose rule amendments to establish an expedited review procedure for applications under the Investment Company Act that are substantially identical to recent precedent, as well as a new informal internal procedure for applications that would not qualify for the new expedited process. The proposed actions are intended to make the application process more efficient as well as to provide additional certainty and transparency to the process. The Commission also announced its intention that the staff of the Division of Investment Management begin publicly disseminating comments on applications and responses to those comments. ([Link](#))

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### SEC and Morehouse College Announce Atlanta Event for Minority Entrepreneurs

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The Securities and Exchange Commission and Morehouse College will co-host a panel discussion on strategies to attract investment capital to minority businesses from 4 - 7 p.m. ET on Thursday, October 24 during homecoming week. The special event, which will be held on the campus of Morehouse College, will feature conversations with minority entrepreneurs and investors who will explore solutions for overcoming barriers and share business successes. ([Link](#))

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### SEC Issues Statement on Market Structure Innovation for Thinly Traded Securities

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The Securities and Exchange Commission issued a statement that invites exchanges and other market participants to submit innovative proposals designed to

improve the secondary market structure for exchange listed equity securities that trade in lower volumes, commonly referred to as "thinly traded securities". ([Link](#))

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### SEC Charges 18 Traders in \$31 Million Stock Manipulation Scheme

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The Securities and Exchange Commission has filed an emergency action and obtained an asset freeze against 18 traders in a scheme to manipulate more than 3,000 U.S.-listed securities for over \$31 million in illicit profits. ([Link](#))

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### SEC Promotes Teacher Investment Outreach

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The Securities and Exchange Commission announced several teacher investment outreach efforts in connection with its Teachers Initiative. These initiatives include the launch of a podcast series for public school educators, nationwide events for teachers, and the RISE 2.0 of California summit in Los Angeles on Oct. 17. The outreach efforts advance the Commission's commitment to protecting America's educators when they invest in the securities markets by informing educators about the importance of savings and investing, researching investment products and financial professionals before investing, and identifying the red flags of investment fraud. ([Link](#))

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### Supervisor Charged for Role in Brokerage Firm's Improper Handling of ADRs

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The Securities and Exchange Commission announced that a former supervisor of the securities lending desk at a bank in China has agreed to settle charges for his supervisory failures involving the improper handling of transactions involving American Depositary Receipts (ADRs). Earlier this year, the bank agreed to pay more than \$42 million to settle the SEC's charges against the firm. ([Link](#))

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### Robert Burson, Associate Regional Director of Chicago Office, to Retire from the SEC After 29 Years of Service

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The Securities and Exchange Commission announced that Robert Burson, an Associate Regional Director of Enforcement in the Chicago Regional Office, is retiring after 29 years at the agency, all in the Chicago office. ([Link](#))

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### SEC Halts Alleged \$1.7 Billion Unregistered Digital Token Offering

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The Securities and Exchange Commission announced that it has filed an emergency action and obtained temporary restraining order against two offshore entities conducting an alleged unregistered, ongoing digital token offering in

the U.S. and overseas that has raised more than \$1.7 billion of investor funds. ([Link](#))

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### SEC Appoints Rebekah Goshorn Jurata to PCAOB; Announces Commissioner Hester Peirce to Lead Commission's Coordination Efforts With PCAOB

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The Securities and Exchange Commission announced the appointment of Rebekah Goshorn Jurata as a Board member of the Public Company Accounting Oversight Board (PCAOB) for a term ending October 24, 2024. ([Link](#))

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### PCAOB Board Member Kathleen Hamm to Complete Term

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The Securities and Exchange Commission announced that Kathleen M. Hamm will leave the Public Company Accounting Oversight Board (PCAOB) after completing her term as a Board member. Ms. Hamm's term began in January 2018 and expires later this month. ([Link](#))

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### SEC Educational Videos Aim to Help Investors Spot and Avoid Fraud

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The SEC's Office of Investor Education and Advocacy and Retail Strategy Task Force this week released new videos and Investor Alerts to help show investors what fraud looks like. Fraudsters will use every gimmick they can think of to get their hands-on investors' hard-earned money. These videos, along with our other investor education materials on [Investor.gov](http://Investor.gov), provide practical information that Main Street investors can use to avoid fraud and become empowered to make the best investment decisions possible for a strong financial future. ([Link](#))

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### SEC Announces the Formation of Asset Management Advisory Committee

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The committee was formed to provide the Commission with diverse perspectives on asset management and related advice and recommendations. Topics the committee may address include trends and developments affecting investors and market participants, the effects of globalization, and changes in the role of technology and service providers. The committee is comprised of a group of outside experts, including individuals representing the views of retail and institutional investors, small and large funds, intermediaries, and other market participants. ([Link](#))

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### Agencies Finalize Changes to Simplify Volcker Rule

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Five federal financial regulatory agencies on Tuesday announced that they finalized revisions to simplify compliance requirements relating to the "Volcker rule." By statute, the Volcker rule generally prohibits banking

entities from engaging in proprietary trading or investing in or sponsoring hedge funds or private equity funds. ([Link](#))

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### SEC Names Katharine E. Zoladz as Associate Regional Director in Los Angeles Office

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The Securities and Exchange Commission announced that Katharine E. Zoladz has been named Associate Regional Director for enforcement in the Los Angeles Regional Office. Ms. Zoladz succeeds John Berry, who left the agency in July 2019. Ms. Zoladz will now oversee the Los Angeles office's enforcement efforts in Southern California, Arizona, Hawaii, and Nevada, along with fellow Associate Regional Director Alka Patel. ([Link](#))

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### SEC Obtains Final Judgments Against a Brokerage Firm and CEO in Layering, Manipulation Case

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On October 1, 2019, a federal court judge entered final judgments against New York-based brokerage firm and Chief Executive Officer, who were charged by the Securities and Exchange Commission with facilitating manipulative U.S. trading by a Ukraine-based firm over a three-year period. ([Link](#))

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### SEC Proposes to Require Proposed NMS Plan Fee Amendments to Follow Public Notice, Comment, and Approval Procedure

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The Securities and Exchange Commission proposed to require an amendment to a national market system plan (NMS plan) that would establish or change a fee or other charge (Proposed Fee Change) to be subject to the standard procedure for NMS plan amendments. The proposal would rescind a rule exception that allows an NMS plan amendment to be effective upon filing if it establishes or changes a fee or other charge. The standard procedure requires publication of the amendment, an opportunity for public comment, and Commission approval by order before the amendment can become effective. ([Link](#))

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### SEC's Message for 2019 World Investor Week: Start Early

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The Securities and Exchange Commission announced that during World Investor Week staff will participate in more than 50 events around the country encouraging individuals to start early to save and invest for their futures. SEC staff will also provide information on how to choose an investment professional and the importance of diversification. ([Link](#))

## FINRA

### 2019 Report on FINRA Examination Findings and Observations

This report reflects key findings and observations identified in recent examinations, and contains effective practices, where noted, that could help firms improve their compliance and risk management programs. Where a matter is rule-based, the applicable regulatory sources ("Regulatory Obligations") are identified under the topic heading. ([Link](#))

## FINRA

### Regulatory Notices:

[19-35](#) Broker-Dealer, Investment Adviser Firm, Agent and Investment Adviser Representative, and Branch Renewals for 2020

[19-34](#) Annual Compliance Meetings: Retrospective Rule Review Report and Guidance

[19-33](#) FINRA and ISG Announce the Update of Blue Sheet Data Elements

[19-32](#) FINRA Amends Rules 2210 and 2241 to Conform to the Fair Access to Investment Research Act of 2017

### Information Notices:

[10/02/19](#) Cybersecurity Alert: Cloud-Based Email Account Takeovers

### Trade Reporting Notices:

None as of 10/31/19

### Upcoming Events:

[11/12/19](#) 2019 Senior Investor Protection Conference

[12/12/19](#) FINRA New York Region Member Forum

[12/18/19](#) 2019 Regulation Best Interest Conference

## MSRB

### MSRB Information Notices:

[10/18/19](#) MSRB Revises Content Outline for the Municipal Advisor Principal Qualification Examination

[10/11/19](#) MSRB to Launch Permanent Series 54 Examination November 12, 2019

[10/10/19](#) MSRB Seeks Input and Volunteers for Advisory Groups

### Upcoming Events:

[11/05/19](#) International Municipal Lawyers Association (IMLA) Disclosure Webinar

[11/14/19](#) International Municipal Lawyers Association (IMLA) Municipal Advisory Webinar

[11/14/19](#) Government Finance Officers Association (GFOA) MiniMuni Training

[11/19/19](#) FINRA Institute at Georgetown University

## NASAA

### NASAA 2020 Fee Announcement

The North American Securities Administrators Association (NASAA) announced the continued waiver of Investment Adviser Registration Depository (IARD) system fees for state-registered investment adviser firms. NASAA also announced \$5 increases in the IARD system fee for state-registered investment adviser representatives and the Electronic Filing Depository (EFD) system use fee for Form D, Rule 506 filings, effective January 1, 2020. ([Link](#))

### NASAA Announces Agenda for Fintech and Cybersecurity Symposium

The North American Securities Administrators Association (NASAA) announced the agenda and speakers for its October 29, 2019 Fintech and Cybersecurity Symposium. ([Link](#))

### NASAA Offers Resources for Millennial Investors

In recognition of World Investor Week (Sept. 30 – Oct. 6), the North American Securities Administrators Association (NASAA) announced the availability of a series of investor resources designed specifically for Millennials, who have surpassed Baby Boomers as the largest generation in the United States and account for nearly one-third of the global population. ([Link](#))

**NASDAQ/NASDAQ  
TRADER/OTCBB**

**Equity Corporate Actions Alert:**

- [2019-223](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for Predictive Oncology Inc. (POAI)
- [2019-222](#) Information Regarding the Merger of Stewardship Financial Corp (SSFN)
- [2019-221](#) Information Regarding the Business Combination of Greenland Acquisition Corporation (GLAC/W/R/U) and Zhongchai Holding
- [2019-220](#) Information Regarding the Merger United Financial Bancorp, Inc. (UBNK)
- [2019-219](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for Cancer Genetics, Inc. (CGIX)
- [2019-218](#) Information Regarding the Merger of Medidata Solutions, Inc. (MDSO)
- [2019-217](#) Information Regarding the Reverse Split, Ratio, and CUSIP Number Changes for Collect Biotechnology Ltd. (APOP)
- [2019-216](#) Information Regarding the Merger of LegacyTexas Financial Group, Inc. (LTXB)
- [2019-215](#) (UPDATED) Information Regarding the Merger of Sears Hometown and Outlet Stores, Inc. (SHOS)
- [2019-214](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for Nano Dimension Ltd. (NNDM)
- [2019-213](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for Capstone Turbine Corporation (CPST)
- [2019-212](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for Kingold Jewelry Inc. (KGJI)
- [2019-211](#) (UPDATED) Information Regarding the Merger of Highpower International Inc. (HPJ)
- [2019-210](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for Lightbridge Corporation (LTBR)

- [2019-209](#) Information Regarding the Reverse Split for Safe-T Group Limited (SFET)
- [2019-208](#) Information Regarding the Tender Offer for the Shares of Alder BioPharmaceuticals, Inc. (ALDR)
- [2019-207](#) (UPDATED) Distribution Information for Spherix Incorporated (SPEX)
- [2019-206](#) Information Regarding the Plan of Conversion and Reorganization for Provident Bancorp, Inc. (PVBC)
- [2019-205](#) (UPDATED) Information Regarding the Merger of International Speedway Corporation (ISCA)
- [2019-204](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for Aethlon Medical, Inc. (AEMD)
- [2019-203](#) (UPDATED) Information Regarding the Merger of Isramco, Inc. (ISRL)
- [2019-202](#) (UPDATED) Information Regarding the Merger of MAM Software Group, Inc. (MAMS)
- [2019-201](#) (UPDATED) Information Regarding the Tender Offer for the Shares of Carbon Black, Inc. (CBLK)
- [2019-200](#) (UPDATED) Information Regarding the Merger of Connecticut Water Service Inc. (CTWS) and SJW Group (NYSE: SJW)
- [2019-199](#) (UPDATED) Information Regarding the Merger of DryShips Inc. (DRYS)
- [2019-198](#) Information Regarding the Merger of Medidata Solutions, Inc. (MDSO)
- [2019-197](#) Information Regarding the Reverse Split, Ratio, and CUSIP Number Changes for Collect Biotechnology Ltd. (APOP)
- [2019-196](#) Information Regarding the Merger of LegacyTexas Financial Group, Inc. (LTXB)
- [2019-195](#) (UPDATED) Information Regarding the Merger of Sears Hometown and Outlet Stores, Inc. (SHOS)
- Equity Trader Alert:**
- [2019-85](#) NASDAQ, BX and PSX to Utilize the SIP for NYSE Chicago
- [2019-84](#) Nasdaq to Begin Listing 3 New Global X ETFs on Tuesday, October 29, 2019

[2019-83](#) Nasdaq Testing Opportunity: Saturday, November 2, 2019

[2019-82](#) FINRA/Nasdaq TRF to Modify Step-in/Step-out Handling to NSCC

[2019-81](#) Update: Nasdaq to Delay New Enhanced Closing Price for ETPs

[2019-80](#) Nasdaq Testing Opportunity: Saturday, October 5, 2019

[2019-79](#) Nasdaq to Introduce New Enhanced Closing Price for ETPs

[2019-78](#) Nasdaq BX Pricing Updates Effective October 1, 2019

#### Equity Regulatory Alert:

[2019-11](#) Relocation of Nasdaq BX Rules

[2019-10](#) Reminder: Nasdaq Announces Regulation SCI BC/DR Test Details

#### Financial Products News:

[2019-30](#) Nasdaq Announces Index Ticker and History Changes for the Fundamental Income Net Lease Real Estate PR, TR and NTR Indexes

[2019-29](#) Nasdaq Begins Dissemination of Nasdaq-100 Volatility Index Final Settlement Price, VOLS, Effective Thursday, October 3, 2019

[2019-28](#) Nasdaq to Begin Dissemination of New Third-Party Indexes on GIDS, Effective Thursday, October 3, 2019

#### Futures Trader Alert:

[2019-26](#) Trading to Resume for NFX Calendar One Time Options on NFX PJM Western Hub Real-Time Peak Calendar Year One Time Financial Futures (PMQ)

[2019-25](#) Notice of Product Suspension for NFX Calendar One Time Options on NFX PJM Western Hub Real-Time Peak Calendar Year One Time Financial Futures (PMQ)

[2019-24](#) NFX Spot Month Position Limits Notice for October 2019

#### Options Trader Alert:

[2019-24](#) Nasdaq ISE and The Nasdaq Options Market Updated Pricing for October 2019

## NYSE/EURONEXT/AMEX

### NYSE Weekly Program-Trading Data Releases:

#### Intercontinental Exchange Approves Fourth Quarter Dividend of \$0.275 per Share

Intercontinental Exchange (NYSE: ICE) is a Fortune 500 company formed in the year 2000 to modernize markets. ICE serves customers by operating the exchanges, clearing houses and information services they rely upon to invest, trade and manage risk across global financial and commodity markets. A leader in market data, ICE Data Services serves the information and connectivity needs across virtually all asset classes. As the parent company of the New York Stock Exchange, the company is the premier venue for raising capital in the world, driving economic growth and transforming markets. ([Link](#))

#### Intercontinental Exchange Reports Third Quarter 2019

Intercontinental Exchange (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of data and listing services, reported financial results for the third quarter of 2019. For the quarter ended September 30, 2019, consolidated net income attributable to ICE was \$529 million on \$1.3 billion of consolidated revenues, less transaction-based expenses. Third quarter GAAP diluted earnings per share (EPS) were \$0.94. Adjusted net income attributable to ICE was \$599 million in the third quarter and adjusted diluted EPS were \$1.06. Please refer to the reconciliation of non-GAAP financial measures included in this press release for more information on our adjusted operating expenses, adjusted operating income, adjusted operating margin, adjusted net income, adjusted diluted EPS and free cash flow. ([Link](#))

#### ICE Benchmark Administration Publishes Third Update Regarding the U.S. Dollar ICE Bank Yield Index

Intercontinental Exchange, Inc. (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announced that ICE Benchmark Administration Limited (IBA) has published its third update regarding the U.S. Dollar ICE Bank Yield Index. ([Link](#))

#### Intercontinental Exchange Completes Acquisition of the Merrill Lynch Option Volatility Estimate (MOVE) Index from Bank of America Merrill Lynch



Intercontinental Exchange, Inc. (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announced it has completed its acquisition of a family of U.S. fixed income volatility indices from Bank of America Merrill Lynch. ([Link](#))

### Intercontinental Exchange Announces New Milestones in TTF and JKM trading

Amid the liberalization of liquefied natural gas and the corresponding globalization of natural gas markets, Intercontinental Exchange (NYSE:ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announced new milestones in the trading of the TTF natural gas and JKM LNG (Platts) contracts. ([Link](#))

### Intercontinental Exchange Announces First Block Trade of Bakkt Bitcoin Futures

Intercontinental Exchange, Inc. (NYSE:ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announced the execution of the first block trade of Bakkt Bitcoin Futures submitted to ICE Futures U.S. ([Link](#))

### Intercontinental Exchange Reports September Statistics

Intercontinental Exchange, Inc. (NYSE:ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, reported September 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 and MSCI Expand Relationship

Intercontinental Exchange, Inc. (NYSE:ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, and MSCI Inc. (NYSE:MSCI), a leading provider of mission-critical decision support tools and services for the global investment community, announced they have expanded their existing relationship. This expansion includes a long-term extension of ICE's existing license agreement for listed futures based on MSCI Indexes. In addition, MSCI will license ESG data to ICE Data Services for index construction, while ICE Data Services' leading fixed income pricing and reference data will be integrated into MSCI's platform. ([Link](#))

### Intercontinental Exchange Provides Statement About New SEC Rule on ETFs

Intercontinental Exchange, Inc. (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, made the following statement in response to passage of Rule 6c-11 by the U.S. Securities and Exchange Commission. This rule was designed to modernize the regulation of Exchange Traded Funds (ETFs), bringing new standards to the ETF industry and opening the door to significantly more participation and innovation. ([Link](#))

## FINCEN

### FinCEN Officials Visit Morehouse and Spelman Colleges

This week, FinCEN Director Kenneth A. Blanco and staff representing several FinCEN technical professions travelled to Atlanta to speak with administrators, professors, and college students at Morehouse and Spelman, both prominent Historically Black Colleges and Universities (HBCU), and to support a career fair at Spelman. The visit was part of FinCEN's continuing outreach to HBCUs to promote careers in government service and the financial sector. ([Link](#))

### Treasury and State Announce New Humanitarian Mechanism to Increase Transparency of Permissible Trade Supporting the Iranian People; FinCEN identifies Iran as jurisdiction of primary money laundering concern

The U.S. Departments of the Treasury and State announced a new humanitarian mechanism to ensure unprecedented transparency into humanitarian trade with Iran. This mechanism will help the international community perform enhanced due diligence on humanitarian trade to ensure that funds associated with permissible trade in support of the Iranian people are not diverted by the Iranian regime to develop ballistic missiles, support terrorism, or finance other malign activities. Concurrently, FinCEN identified Iran as a jurisdiction of primary money laundering concern under Section 311 of the USA PATRIOT Act and issued a new rulemaking to protect the U.S. financial system from malign Iranian financial activities. ([Link](#))

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### Imposition of Fifth Special Measure against the Islamic Republic of Iran as a Jurisdiction of Primary Money Laundering Concern

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FinCEN is issuing this final rule, pursuant to Section 311 of the USA PATRIOT Act, to prohibit the opening or maintaining of correspondent accounts in the United States for, or on behalf of, Iranian financial institutions, and the use of foreign financial institutions' correspondent accounts at covered U.S. financial institutions to process transactions involving Iranian financial institutions. Iran 311 Final Rule\_20191025\_508.pdf ([Link](#))

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### FinCEN to Host Innovation Hours in New York City

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The Financial Crimes Enforcement Network (FinCEN) announced that it will host "Innovation Hours" in New York on November 13-14, 2019. Financial technology (FinTech), and Regulatory technology (RegTech) companies, and financial institutions, will have the opportunity to present their innovative products, services, and approaches designed to enhance anti-money laundering and countering the financing of terrorism (AML/CFT) efforts. ([Link](#))

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### Leaders of CFTC, FinCEN, and SEC Issue Joint Statement on Activities Involving Digital Assets

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The leaders of the U.S. Commodity Futures Trading Commission, the Financial Crimes Enforcement Network, and the U.S. Securities and Exchange Commission (the "Agencies") issued the following joint statement to remind persons engaged in activities involving digital assets of their anti-money laundering and countering the financing of terrorism (AML/CFT) obligations under the Bank Secrecy Act (BSA). ([Link](#))

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### FinCEN Encourages Communication from Financial Institutions Affected by Hurricane Dorian

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FinCEN announced that financial institutions affected by Hurricane Dorian should contact FinCEN and their functional regulator as soon as practicable to discuss any delays in their ability to file required Bank Secrecy Act reports. ([Link](#))

## PRA

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### Inflation Report to become Monetary Policy Report

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Starting on 7 November, the Bank of England Inflation Report is to become the Monetary Policy Report. The Report is also to undergo some changes to its structure and content.

These changes are part of the Bank's ongoing efforts to improve its communications and ensure that those outside the institution have the information they need in order to understand our policy decisions and to hold us to account. ([Link](#))

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### Bank of England stress testing results to be published on 10 December 2019

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On 5 March 2019, we published details of the 2019 annual cyclical scenario (ACS) for the seven major UK banks and building societies. The scenario was agreed by the Financial Policy Committee (FPC) and Prudential Regulation Committee (PRC). ([Link](#))

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### The new £20 note unveiled

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Governor Mark Carney unveiled the design of the new £20 note featuring the artist JMW Turner. It will be issued for the first time on 20 February 2020. The polymer £20 note contains sophisticated security features making it the most secure Bank of England banknote yet. For the first time, the note incorporates two windows and a two-color foil, making it very difficult to counterfeit.. ([Link](#))

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### Bank of England sector resilience exercise

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The exercise, commissioned by the Cross Market Operational Resilience Group jointly chaired by the Bank and UK Finance, explored the sector's resilience to a major cyber incident impacting the UK. The exercise demonstrated that recommendations from the last sector exercise have been implemented and identified further opportunities for improvement. It also successfully rehearsed the Cross-Market Business Continuity Group, an executive level group chaired by the Bank to enable financial authorities (Bank of England, PRA, FCA and HMT) to interact with the sector during times of major operational disruption. ([Link](#))

## FCA

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### FCA urges victims of illegal loan scheme to come forward

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A man was convicted of illegal money lending offences in February 2018 and sentenced to three and a half years in prison. The FCA began confiscation proceedings against the man in order to recover the financial benefit he obtained from his criminality. Money recovered under the confiscation order can then be used to compensate victims. ([Link](#))

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### FCA confirms help for mortgage prisoners

The new rules allow lenders to use a different and more proportionate affordability assessment for customers who meet certain criteria, such as being up to date with payments under their existing mortgage and not looking to move to a new house or borrow more (except to finance certain fees). ([Link](#))

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### FCA seeks compensation for Park First investors

The FCA has started proceedings against Park First Limited, its senior managers, including its chief executive officer and a number of other companies connected to the Park First group. The FCA is seeking compensation orders in favor of investors in respect of losses they have suffered in the Park First scheme. ([Link](#))

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### FCA data show 4.29m complaints for first half of 2019

The Financial Conduct Authority (FCA) has published the complaints figures for regulated firms for the first half of 2019. The data showed an increase in complaints from 3.91m in the second half (H2) of 2018 to 4.29m for the first half (H1) of 2019. ([Link](#))

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### FCA acts to protect those buying motor finance

The Financial Conduct Authority (FCA) has announced plans to ban the way in which some car retailers, and other brokers in the motor finance sector, receive commission. ([Link](#))

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### The FCA fines a Firm £15.4 million

The Financial Conduct Authority (FCA) has fined a firm £15.4 million for failing to conduct its business with due skill, care and diligence, failing to have adequate risk management systems and for failing to be open and cooperative with the FCA. ([Link](#))

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### FCA sets out latest expectations for firms on Brexit

The FCA and regulated firms have been taking steps to prepare in the event the UK leaves the EU on 31 October 2019 without a deal. The FCA has issued an update on steps certain firms need to take. ([Link](#))

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### FCA urges remaining victims of an Unauthorized Scheme to get in touch

The Financial Conduct Authority (FCA) urges members of the public who lost money in an unauthorized scheme called the Churchgate Trading Syndicate and who may be

eligible to receive some of their money back, to get in contact with the FCA. ([Link](#))

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### FCA sets out potential remedies to tackle concerns about general insurance pricing

The FCA has published the interim report of its market study into the pricing of home and motor insurance. The FCA found that competition is not working well for all consumers in these markets. It sets out concerns about how pricing in these markets leads to consumers who do not switch or negotiate with their provider paying high prices for their insurance. ([Link](#))

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### FCA urges victims to come forward after getting confiscation order against three individuals

Southwark Crown Court has made confiscation orders against three individuals following their earlier convictions and prison sentences for running an illegal investment scheme that lost investors over £1.4 million. ([Link](#))

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### FCA fines a Firm £23,875,000 for failures relating to non-advised annuities sales

Between July 2008 and September 2017, a firm's non-advised annuity business focused on selling annuities directly to existing firm pension holders. Firms are required to explain to customers that they may get a better rate if they shop around on the open market and the firm was aware that many customers could get a higher income in retirement by shopping around on the open market. ([Link](#))

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### FCA confirms new rules for certain open-ended funds investing in inherently illiquid assets

The Financial Conduct Authority (FCA) has confirmed new rules which apply to certain types of open-ended fund investing in inherently illiquid assets such as property. The new rules apply to these funds, known as non-UCITS retail schemes (NURSSs), but will not apply to other types of fund, such as UCITS, which are already subject to restrictions relating to such assets. ([Link](#))

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### Further details of Independent Investigation of Connaught Income Fund Series 1 announced

Raj Parker has announced that the independent investigation into the approach to, implementation and oversight of the Connaught Income Fund Series 1 (the Fund) is now up and running and is inviting affected individuals to get in touch. ([Link](#))

## Resource Links

### Government

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

### SRO

- FINRA - [WWW.FINRA.ORG](http://WWW.FINRA.ORG)
- NASDAQ - [WWW.NASDAQ.COM](http://WWW.NASDAQ.COM)
- New York Stock Exchange - [WWW.NYSE.COM](http://WWW.NYSE.COM)
- Municipal Securities Rulemaking Board - [WWW.MSRB.ORG](http://WWW.MSRB.ORG)
- National Futures Association [WWW.NFA.FUTURES.ORG](http://WWW.NFA.FUTURES.ORG)

### Industry

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

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



## Reader Survey

### “Find It - Before the Regulators”

The RRS staff continually strives to ensure that the services and support we provide to our clients 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> |            |               |

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(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:

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