

Regulatory & Compliance Update

Routing

- ✓ Legal & Compliance
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- ✓ Supervisory Principals
- ✓ 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.

HOT TOPICS

Items in This Edition

- **Final SEC Rule 34-89372 Exemptions from the Proxy Rules for Proxy Voting Advice**
- **SEC Announces Creation of the Event and Emerging Risk Examination Team**
- **SEC Charges a Financial Firm with Failing to Disclose Payments to Promote Services to Florida Educators**
- **SEC Charges Financial Advisor with Fraud for Stealing Millions from Investors**
- **SEC Proposes Amendments to Update Form 13F for Institutional Investment Managers**
- **FAQs regarding Amendments to Certain Broker-Dealer Financial Responsibility Rules.**
- **FAQs regarding Gifts/Business Entertainment/Non-Cash Compensation**
- **FINRA 20-25 Amends Arbitration Codes to Apply Minimum Fees to Requests for Expungement of Customer Dispute Information**
- **FINRA 20-24 Requests Comment on Proposed Changes to TRACE Reporting Related to Delayed Treasury Spot and Portfolio Trades**
- **FINRA 20-23 Encourages Firms to Notify FINRA if They Engage in Activities Relating to Digital Assets**
- **FINRA 20-22 Announces Updates to the Interpretations of FINRA's Margin Rule Regarding Control and Restricted Securities and Consolidation of Accounts**
- **NASAA Securities Bulletin 2020-2 regarding Form CRS for Rhode Island state registered investment advisers**
- **FinCEN Alerts Financial Institutions to Convertible Virtual Currency Scam**

Team Spotlight!

Sarah Vigneron is a Compliance Consultant for Renaissance Regulatory Services. She has over 30 years of experience in the compliance, client onboarding, risk management, and institutional sales areas. In her previous roles, she assisted the CCO and compliance team to develop, implement, and monitor written supervisory procedures that are designed to prevent, detect, or identify violations of securities laws and regulations related to investment advisory, private placement, and commodities trading activities in the U.S. and overseas including personal securities trade monitoring, gifts and entertainment reporting, annual 206(4)-7 review, service provider due diligence screening, outside affiliations, the solicitation of advisory services for state and federal assets, including pay-to-play policy, state lobbyist registration, and state gift laws. Sarah was also responsible for broker-dealer regulatory requirements including review of marketing materials and electronic communications, annual test of supervisory systems and controls, firm and regulatory element continuing education, OSJ, branch and non-branch inspections. She can be reached through our Boca Raton Office at 561-368-2245 or sarahvigneron@rrscompliance.com.

August 2020



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3	4	5	6	7	8
		Short Interest Reporting Due				
9	10	11	12	13	14	15
	Customer Margin Balance Reporting Due				Form 13FR Filings Due	
16	17	18	19	20	21	22
		Short Interest Reporting Due				
23 / 30	24 / 31	25	26	27	28	29
	8/31 – Annual Reports Due for BDs w/ FYE 6/30/20	FOCUS Part II/IIA Filing Due			SIS Filings Due	

Services Spotlight: Compliance Administrator

RRS provides comprehensive compliance solutions to help broker-dealers and investment advisers fulfill their regulatory and compliance obligations while controlling costs. Working together with your firm's Chief Compliance Officer and Supervisory Principals, RRS will design the support package that best suits your compliance needs from the full range of our Regulatory Consulting, Registration Consulting, and Financial Reporting services. Whether you are with a small firm that is not ready to hire full time compliance staff or a large firm looking for staff augmentation or support to fill technical knowledge gaps, RRS can structure a package of compliance services customized to suit your needs.

SEC

SEC Final Rules:

[34-89394](#) Covered Broker-Dealer Provisions under Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act

[34-89372](#) Exemptions from the Proxy Rules for Proxy Voting Advice

[IC-33921](#) Amendments to Procedures with Respect to Applications Under the Investment Company Act of 1940

SEC No Action Letters:

No updates as of 7 / 31 / 2020

SEC Upcoming Events:

[August 4, 2020](#) Small Business Capital Formation Advisory Committee Meeting

[August 5, 2020](#) Open Meeting

SEC Charges Former Georgia State Legislator with Defrauding Investors in Ponzi Scheme

The Securities and Exchange Commission charged former Georgia state legislator and former member of the Georgia Board of Regents with defrauding at least 100 investors in his now-bankrupt energy development company. ([Link](#))

SEC Charges CEO and Company with Defrauding First Responders and Others Out of Millions

The Securities and Exchange Commission announced charges against a San Antonio-area businessman and his company for running a multimillion-dollar fraudulent scheme that victimized scores of investors, many of them retired San Antonio police officers and other first responders. ([Link](#))

Small Business Capital Formation Advisory Committee Aug. 4 Meeting to Focus on How Capital Markets Are Serving Underrepresented Founders

The Securities and Exchange Commission released the agenda for the Tuesday, Aug. 4 meeting of its Small Business Capital Formation Advisory Committee, which will be hosted via video conference. ([Link](#))

SEC Announces Creation of the Event and Emerging Risk Examination Team in the Office of Compliance Inspections and Examinations and the Appointment of Adam D. Storch as Associate Director

The Securities and Exchange Commission announced the creation of the Event and Emerging Risks Examination Team (EERT) in the Office of Compliance Inspections and Examinations (OCIE). The EERT will proactively engage with financial firms about emerging threats and current market events and quickly mobilize to provide expertise and resources to the SEC's regional offices when critical matters arise. ([Link](#))

SEC Charges a Financial Firm with Failing to Disclose Payments to Promote Services to Florida Educators

The Securities and Exchange Commission charged a Houston-based firm in a pair of actions for failing to disclose to teachers and other investors practices that generated millions of dollars in fees and other financial benefits for the firm. ([Link](#))

Agencies Adopt Final Rule on the Orderly Liquidation of Covered Broker-Dealers under Title II of the Dodd-Frank Act

The Securities and Exchange Commission and the Federal Deposit Insurance Corporation have adopted a final rule required by the Dodd-Frank Act clarifying and implementing provisions relating to the orderly liquidation of certain brokers or dealers (covered broker-dealers) in the event the FDIC is appointed receiver under Title II of the Dodd-Frank Act. The FDIC and SEC developed the final rule in consultation with the Securities Investor Protection Corporation (SIPC). ([Link](#))

SEC Charges an Online Marketplace and Founder in \$18.5 Million Offering Fraud

The Securities and Exchange Commission charged an online marketplace purportedly designed to connect customers to a network of private investigators, and its founder and CEO with fraudulently offering and selling over \$18.5 million of securities to more than 90 corporate and individual investors. ([Link](#))

SEC Adopts Rule Amendments to Provide Investors Using Proxy Voting Advice More Transparent, Accurate and Complete Information

The Securities and Exchange Commission voted to adopt amendments to its rules governing proxy solicitations designed to ensure that clients of proxy voting advice businesses have reasonable and timely access to more transparent, accurate and complete information on which to make voting decisions. The amendments aim to facilitate the ability of those who use proxy voting advice—investors and others who vote on investors' behalf—to make informed voting decisions without imposing undue costs or delays that could adversely affect the timely provision of proxy voting advice. ([Link](#))

SEC Charges Silicon Valley Start-Up and CEO With Defrauding Investors

The Securities and Exchange Commission charged a Mountain View, California-based technology start-up and its chief executive officer with defrauding investors by making false and misleading statements about the company's finances and sources of revenue. ([Link](#))

A Firm to Pay \$10 Million for Violating Rules Which Give Priority to Retail Investors in Municipal Offerings

The Securities and Exchange Commission announced that a financial services firm has agreed to pay more than \$10 million to resolve charges that it circumvented the priority given to retail investors in certain municipal bond offerings. ([Link](#))

SEC Charges Financial Advisor with Fraud for Stealing Millions from Investors

The Securities and Exchange Commission charged a former registered representative and investment adviser with fraud for stealing from brokerage customers and an elderly advisory client. ([Link](#))

SEC Files Fraud Charges Against Co-Founder of RIA

The Securities and Exchange Commission charged the co-founder and chief investment officer of a former registered investment adviser with fraud for his role in a \$60 million Ponzi-like scheme. ([Link](#))

SEC, MSRB, FINRA to Hold Compliance Outreach Program for Municipal Advisors

The Securities and Exchange Commission, Municipal Securities Rulemaking Board (MSRB), and Financial Industry Regulatory Authority (FINRA) announced the opening of registration for a virtual Compliance Outreach Program for Municipal Advisors. The webcast program will be held Thursday, August 13, 2020, from 1 p.m. to 3 p.m. ET. Additional information, including the agenda, is available on SEC.gov. ([Link](#))

SEC Issues \$3.8 Million Whistleblower Award

The Securities and Exchange Commission announced a \$3.8 million award to a whistleblower who provided significant information that helped the SEC disrupt an ongoing fraudulent scheme. The resulting enforcement action returned millions of dollars to harmed investors. ([Link](#))

SEC Charges Wind Turbine Company and Individuals with Defrauding Investors

The Securities and Exchange Commission announced charges against an Arizona-based company claiming to be developing a wind turbine technology, and three individuals for defrauding investors out of more than \$1.9 million in the unregistered offer and sale of stock. ([Link](#))

SEC Charges App Developer for Unregistered Security-Based Swap Transactions

The Securities and Exchange Commission charged a California-based app developer and a related firm in the Philippines for offering and selling security-based swaps to retail investors without registration and for failing to transact those swaps on a registered national exchange. ([Link](#))

SEC Proposes Amendments to Update Form 13F for Institutional Investment Managers; Amend Reporting Threshold to Reflect Equities Markets

The Securities and Exchange Commission announced that it has proposed to amend Form 13F to update the reporting threshold for institutional investment managers and make other targeted changes. The threshold has not

been adjusted since the Commission adopted Form 13F over 40 years ago. ([Link](#))

SEC Held a July 16 Special Meeting of the Asset Management Advisory Committee

The Securities and Exchange Commission held a virtual special meeting of the Asset Management Advisory Committee (AMAC) on July 16. AMAC was formed to provide the Commission with a range of perspectives on asset management and related advice and recommendations. ([Link](#))

SEC Adopts Amendments to Exemptive Applications Procedures

The Securities and Exchange Commission announced that it has voted to adopt rule amendments to establish an expedited review procedure for exemptive and other 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. These actions are intended to make the application process more efficient as well as to provide additional certainty and transparency regarding the process. ([Link](#))

SEC Charges a Pharmaceutical Company with FCPA Violations

The Securities and Exchange Commission announced that a Boston-based pharmaceutical company has agreed to pay more than \$21 million to resolve charges that it violated the books and records and internal accounting controls provisions of the Foreign Corrupt Practices Act (FCPA). ([Link](#))

SEC Held a Staff Roundtable on Emerging Markets

The Securities and Exchange Commission held a staff roundtable on investing in emerging markets, including China on July 0. Further information, including prior statements and actions in this area, are available here. ([Link](#))

FINRA

Regulatory Notices:

[FAQs](#) Amendments to Certain Broker-Dealer Financial Responsibility Rules. Additional information is available at ([Link](#)) and ([Link](#))

[FAQs](#) Gifts/Business Entertainment/Non-Cash Compensation

[20-25](#) FINRA Amends Arbitration Codes to Apply Minimum Fees to Requests for Expungement of Customer Dispute Information

[20-24](#) FINRA Requests Comment on Proposed Changes to TRACE Reporting Relating to Delayed Treasury Spot and Portfolio Trades

[20-23](#) FINRA Encourages Firms to Notify FINRA if They Engage in Activities Related to Digital Assets

[20-22](#) FINRA Announces Updates to the Interpretations of FINRA's Margin Rule Regarding Control and Restricted Securities and Consolidation of Accounts

Information Notices:

[7/17/20](#) Consolidated Audit Trail: Industry Presentation by CMRWG on CAT Compliance Rules

Trade Reporting Notices:

No updates as of 7 / 31 / 2020

Upcoming Events:

[11/11/20](#) 2020 Small Firm Conference **Canceled**

[2020](#) Virtual Conference Panels

[05/18/21](#) 2021 Annual Conference

MSRB

MSRB Information Notices:

No updates as of 7 / 31 / 2020

Upcoming Events:

[08/13/20](#) Compliance Outreach Program for Municipal Advisors

MSRB Board Prioritizes Investing in Technology and Reducing Compliance Burdens

The Board of Directors of the Municipal Securities Rulemaking Board (MSRB) convened virtually on July 29–30, 2020 for its final quarterly meeting of Fiscal Year 2020. The Board adopted an operating budget of \$41.5 million for FY 2021 and approved designating \$10 million of reserves for a multi-year strategic investment to modernize its market transparency systems to leverage the power of the cloud. ([Link](#))

SEC, MSRB, FINRA to Hold Compliance Outreach Program for Municipal Advisors

The Securities and Exchange Commission (SEC), Municipal Securities Rulemaking Board (MSRB), and Financial Industry Regulatory Authority (FINRA) announced the opening of registration for a virtual Compliance Outreach Program for Municipal Advisors. The webcast program will be held Thursday, August 13, 2020, from 1 p.m. to 3 p.m. ET. Additional information, including the agenda, is available on the regulators' websites, including MSRB.org. ([Link](#))

MSRB Publishes Research Findings on Competitive Bidding Activity in the Municipal Securities Primary Offering Market

The Municipal Securities Rulemaking Board (MSRB) published research findings on the pricing benefits of increased competitive bidding activity in the municipal securities market. MSRB Chief Economist Simon Wu will present these findings at the Brookings Institution's 9th Annual Municipal Finance Conference on Monday, July 13 at 3:45 p.m. ET. ([Link](#))

NASAA

Securities Bulletin Number 2020-2

The SEC has implemented the Form CRS as Part 3 of the Form ADV. Pursuant to Section 209(c)(1) of the Rhode Island Uniform Securities Act ("RIUSA") and 230- RICR-50-05-2.7-B of the Post-Licensing Requirements in the Rules and Regulations of the Rhode Island Securities Department and the Administrator of the Department of Securities ("Rules"), entities registering or registered as investment advisers under the Act must file the Form CRS Relationship Summary as a part of the Form ADV filing requirement. The SEC has mandated that investment advisers registered federally must file before June 30, 2020. Rhode Island registered investment advisers (IAs) should meet this same deadline. ([Link](#))

New NASAA Study Examines Issues Related to Financial Professionals and Diminished Capacity

The North American Securities Administrators Association (NASAA) released a report examining issues related to diminished capacity and cognitive impairment that may affect financial professionals. ([Link](#))

NASAA's Electronic Filing Depository to Accept Mutual Fund Filings

The North American Securities Administrators Association (NASAA) announced that its Electronic Filing Depository

(EFD) System soon will accept mutual fund filings through the recently developed Universal Filing Type (UFT) functionality. ([Link](#))

NASDAQ/NASDAQ TRADER/OTCBB

Equity Corporate Actions Alert:

[2020-136](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for Achieve Life Sciences, Inc. (ACHV)

[2020-135](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for Taoping Inc. (TAOP)

[2020-134](#) Information Regarding the Merger of SB One Bancorp (SBBX)

[2020-133](#) Information Regarding the Merger of TerraForm Power, Inc. (TERP)

[2020-132](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for KLX Energy Services Holdings, Inc. (KLXE)

[2020-131](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for Sequential Brands Group, Inc. (SQBG)

[2020-130](#) (UPDATED: Merger Effective) Information Regarding the Tender Offer for the Shares of Finjan Holdings, Inc. (FNJN)

[2020-129](#) (UPDATED-Anticipated Last Trade Date) Information Regarding the Tender Offer of Tetrphase Pharmaceuticals, Inc. (TTPH)

[2020-128](#) Information Regarding the Merger of Caesars Entertainment Corporation (CZR) and Eldorado Resorts, Inc. (ERI)

[2020-127](#) Regarding the Reverse Stock Split and CUSIP Number Change for SCYNEXIS, Inc. (SCYX)

[2020-126](#) Reminder Regarding the Redemption of the Public Warrants of DraftKings Inc

[2020-125](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for JAKKS Pacific, Inc. (JAKK)

[2020-124](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for Sino-Global Shipping America, Ltd. (SINO)

[2020-123](#) (UPDATED) Information Regarding the Merger of MSB Financial Corp. (MSBF)

[2020-122](#) Information Regarding the Redemption of the Public Warrants of DraftKings, Inc. (DKNGW)

[2020-121](#) (UPDATED: Correction to Ticker for ARYA Sciences Acquisition Unit) Information Regarding the Business Combination of ARYA Sciences Acquisition Corp (ARYA/W/U) and Immatics Biotechnologies GmbH

[2020-120](#) (UPDATED: Merger Effective) Information Regarding the Business Combination of Gordon Pointe Acquisition Corp. (GPAQ/U/W) and HOF Village LLC.

Equity Trader Alert:

[2020-45](#) Nasdaq to Begin Listing New Global X ETF on Thursday, July 30, 2020

[2020-44](#) Nasdaq, BX and PSX Introduce New Risk Controls and Updates to Kill Switch

[2020-43](#) Order Functionality Updates on PSX

[2020-42](#) Nasdaq Trading System Performance Upgrade

[2020-41](#) Nasdaq to Begin Listing New iShares ETF on Thursday, July 16, 2020

[2020-40](#) Updated Timing: Nasdaq to Introduce Market-Wide Circuit Breaker Re-Opening Protections

[2020-39](#) Nasdaq to Begin Listing New Global X ETF on Tuesday, July 14, 2020

Equity Regulatory Alert:

[2020-9](#) Industry Presentation by CMRWG on CAT Compliance Rules

[2020-8](#) FINRA CAT Compliance Regulatory Notice 20-20

Financial Products News:

[2020-27](#) Nasdaq Announces Launch of Three New Indexes Effective Friday, July 31, 2020

[2020-26](#) Nasdaq Has Initiated Index Restatements for Cancelled Dividends

[2020-15](#) UPDATE: Nasdaq to Begin Dissemination of New Third Party Indexes on GIDS, Effective Monday, June 22, 2020

Futures Trader Alert:

No updates as of 7 / 31 / 2020

Options Trader Alert:

[2020-20](#) Nasdaq ISE Changes Minimum Quote Size Requirement

NYSE Weekly Program-Trading Data Releases:

Intercontinental Exchange Approves Third Quarter Dividend of \$0.30 per Share

Intercontinental Exchange (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announced a \$0.30 per share dividend for the third quarter of 2020, which is up 9% from the \$0.275 per share dividend paid in the third quarter of 2019. The cash dividend is payable on September 30, 2020 to stockholders of record as of September 16, 2020. The ex-dividend date is September 15, 2020. ([Link](#))

Intercontinental Exchange Reports Strong Second Quarter 2020

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 second quarter of 2020. For the quarter ended June 30, 2020, consolidated net income attributable to ICE was \$523 million on \$1.4 billion of consolidated revenues, less transaction-based expenses. Second quarter GAAP diluted earnings per share (EPS) were \$0.95. Adjusted net income attributable to ICE was \$584 million in the second quarter and adjusted diluted EPS were \$1.07. 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](#))

J.P. Morgan Asset Management Joins ICE ETF Advisory Committee

Intercontinental Exchange, Inc. (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announced that JP Morgan Asset Management has joined the ICE ETF Hub advisory committee as a development partner for the platform. ([Link](#))

ICE ETF Hub Announces Launch of Innovative Custom Basket Negotiation Technology

Intercontinental Exchange, Inc. (NYSE: ICE), a leading operator of global exchanges and clearing houses and

provider of data and listings services, announced that ICE ETF Hub has launched new automated functionality for exchange traded fund (ETF) primary market participants to assemble custom basket proposals. The passage of the Securities and Exchange Commission's Rule 6c-11 last September will now expand the use of custom baskets to all ETFs in-scope of the Rule. The result of this change offers the potential for offering greater tax efficiency, better liquidity and tighter bid-ask spreads for investors. ([Link](#))

Tradeweb Markets and ICE Benchmark Administration introduce Tradeweb ICE CMT Rates for review and comment by market participants

Tradeweb Markets Inc. (Nasdaq: TW), a leading global operator of electronic marketplaces for rates, credit, equities and money markets, and Intercontinental Exchange, Inc. (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announce that Tradeweb and ICE Benchmark Administration Limited (IBA) have published a paper introducing daily Tradeweb ICE Constant Maturity Treasury Rates (Tradeweb ICE CMT Rates) for review and comment by market participants. ([Link](#))

ICE ETF Hub has Record Notional Volume in the Second Quarter

Intercontinental Exchange, Inc. (NYSE:ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announced that ICE ETF Hub had record notional volume of \$148 billion in the second quarter of 2020, compared to \$137 billion in the first quarter, an increase of 9%. ([Link](#))

ICE Benchmark Administration Launches Beta Version of ICE Term SONIA Reference Rates

Intercontinental Exchange, Inc. (NYSE:ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announces that ICE Benchmark Administration Limited (IBA) has launched an initial beta version of its ICE Term SONIA Reference Rates ("ICE TSRR"). The ICE TSRR beta rates are designed to measure average expected (i.e. forward-looking) SONIA rates over one month, three month and six-month tenor periods on a daily basis. ([Link](#))

NYSE Leads in IPO Proceeds for First Half of 2020 as New SPAC Listings Surge

The New York Stock Exchange (NYSE), a wholly-owned subsidiary of Intercontinental Exchange (NYSE: ICE), ranked as the leader in U.S. IPO proceeds for the first half

of 2020, raising \$19.0 billion in new offerings, including a surge of SPAC listings that are increasingly being chosen as an alternative path to the public markets. The NYSE executed 10 of the 15 largest IPOs during the period, including the recent debuts of Albertsons (NYSE: ACI) and Dun & Bradstreet Holdings (NYSE: DNB) on the public markets. ([Link](#))

Intercontinental Exchange Reports June & Q2 Statistics

Intercontinental Exchange, Inc. (NYSE:ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, reported June and second quarter 2020 trading volume and related revenue statistics, which can be viewed on the company's investor relations website at <https://ir.theice.com/ir-resources/supplemental-information> in the Monthly Statistics Tracking spreadsheet. ([Link](#))

ICE's Global Energy Markets Reach Record Open Interest as Participants Navigate Challenging Markets

Intercontinental Exchange (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, continues to attract record levels of open interest across its energy markets. ICE reached record open interest in Total Energy futures of 32.5 million contracts on June 25, 2020, contributing to a year-over-year increase of 19% in Total Energy open interest. Open interest in natural gas, one of the key drivers of these records, stood at a record 16.4 million contracts, including open interest in ICE's U.S. Basis contracts of more than 10.1 million contracts as of June 30, 2020. ([Link](#))

FINCEN

Financial Crimes Enforcement Network Alert Financial Institutions to Convertible Virtual Currency Scam Involving Twitter

The Financial Crimes Enforcement Network (FinCEN) is emphasizing a high-profile scam exploiting Twitter accounts to solicit fraudulent payments denominated in convertible virtual currency (CVC). Cyber threat actors compromised the accounts of public figures, organizations, and financial institutions to solicit payments to CVC accounts, claiming that any CVC sent to a wallet address would be doubled and returned to the sender. It is critical that CVC exchanges and other financial institutions identify and report suspicious transactions associated with this type of activity as quickly as possible. ([Link](#))

FinCEN's "Innovation Hours" Marks One-Year Milestone

The Financial Crimes Enforcement Network (FinCEN) announced that its successful "Innovation Hours Program" marks over a year of providing valuable insight in a series of in-person meetings with industry, which have continued in virtual format since May. FinCEN announced the creation of the Innovation Hours Program in May 2019 as part of a broad initiative to promote responsible anti-money laundering/countering the financing of terrorism (AML/CFT) innovation. ([Link](#))

FinCEN Issues Advisory on Imposter Scams and Money Mule Schemes Related to COVID-19

The Financial Crimes Enforcement Network (FinCEN) issued an advisory to alert financial institutions to potential indicators of imposter scams and money mule schemes, which are two forms of consumer fraud observed during the COVID-19 pandemic. The advisory contains descriptions of these scams and schemes, financial red flag indicators for both, and information on reporting suspicious activity. ([Link](#))

PRA

UK aid and Bank of England help developing countries to manage coronavirus economic shock

Through a scheme funded by the UK Government, Bank of England staff are sharing UK expertise on forecasting, managing and mitigating the economic and financial shock caused by the pandemic. ([Link](#))

The Bank of England appoints Accenture as the Technology Delivery Partner for the Real Time Gross Settlement Service Renewal Programme

This follows a public procurement process which commenced in February 2019. The Bank of England will work with Accenture to develop and build this new world class payments service. ([Link](#))

Learning about money and financial literacy needs jokes and games say children

Only a quarter (27%) of children in the UK enjoy learning about money at school, according to a new survey. The survey of 1,600 children, undertaken by Beano Studios, comes as the Bank of England, Tes Global and Beano launch Money and Me a new primary school teaching resource to help teachers to engage children in money and financial wellbeing. ([Link](#))

Statistical Notice 2020/06

This statistical notice provides guidance to reporters about how interest receivable on loans made under the three government coronavirus loan guarantees should be reported. ([Link](#))

Hanneke Smits steps down from Bank of England Court

Following her appointment as CEO of BNY Mellon Investment Management, effective 1 October 2020, Hanneke Smits has resigned from the Bank's Court of Directors with effect from 30 September. ([Link](#))

FCA

New guidance to help firms do more for vulnerable consumers

More than 24 million people display one or more potential characteristics of vulnerability – which include physical and mental health issues, recent life events such as bereavement, capability and financial resilience. Over a million people received debt advice last year. ([Link](#))

FCA to ban motor finance discretionary commission models

Currently, some car retailers and motor finance brokers receive commission which is linked to the interest rate that customers pay – creating an incentive to sell more expensive credit to some customers. ([Link](#))

FCA launches enhanced Financial Services Register to protect consumers

The redesign aims to help consumers protect themselves from harm and will provide a better experience for the Register's users. ([Link](#))

FCA seeks views on extending the implementation deadlines for the Certification Regime and Conduct Rules

The FCA has published a consultation paper on making changes to its rules following the extension to the deadline by which FCA solo-regulated firms need to have implemented the Certification Regime. ([Link](#))

FCA provides guidance to firms on maintaining access to cash for customers

The FCA has published draft guidance for firms setting out its expectations for banks, building societies and credit

unions when they are considering closing branches or ATMs, or converting a free to use ATM to pay to use.

[\(Link\)](#)

FCA and City Corporation collaborate to help innovative companies drive recovery from coronavirus

The FCA and the City of London Corporation will collaborate on the pilot of a 'digital sandbox' to support innovative firms tackling challenges caused by the coronavirus (Covid-19) pandemic. [\(Link\)](#)

FCA confirms further support for motor finance and high-cost credit customers

The FCA has confirmed the support that will be available for users of motor finance, buy-now pay-later (BNPL), rent-to-own (RTO), pawnbroking and high-cost short-term credit (HCSTC) products, who continue to face payment difficulties due to coronavirus (Covid-19). [\(Link\)](#)

FCA commences civil proceedings in relation to alleged unauthorised regulated mortgage contracts and sale & rent back agreements

The FCA has commenced proceedings in the High Court against two companies and the sole director and shareholder of both companies and his father. [\(Link\)](#)

FCA publishes Decision Notice against former CEO for market misconduct

The Financial Conduct Authority (FCA) has published a Decision Notice in respect of the former Chief Executive Officer of a firm, fining him £658,900 for market abuse and banning him from performing any roles linked to regulated activity. [\(Link\)](#)

FCA announces proposals to further support motor finance and high cost credit customers

The proposals outline the options firms will provide motor finance, buy-now pay-later (BNPL), rent-to-own (RTO) and pawnbroking customers who are coming to the end of a payment freeze, as well as those who are yet to request one. For customers yet to request a payment freeze, the time to apply for one would be extended until 31 October 2020. [\(Link\)](#)

FCA confirms further support for consumer credit customers

The measures outline the options firms will provide credit card and other revolving credit (store card and catalogue credit) and personal loan customers who are coming to the end of a payment freeze and for customers who have agreed an arranged interest-free overdraft of up to £500. Customers yet to request a payment freeze or an arranged interest-free overdraft of up to £500, will have until 31 October 2020 to apply for one. [\(Link\)](#)

Resource Links	
Government <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.ORG.UK • Prudential Regulatory Authority – WWW.BANKOFENGLAND.CO.UK 	SRO <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
Industry <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.FLORIDASECURITIES.COM • Financial Market Association “FMA” – WWW.FMAWEB.ORG • Financial Services Institute “FSI” – WWW.FINANCIALSERVICES.ORG • Investment Adviser Association “IAA” – WWW.INVESTMENTADVISER.ORG • Investment Company Institute “ICI” — WWW.ICI.ORG • Managed Funds Association “MFA” – WWW.MANAGEDFUNDS.ORG • National Society of Compliance Professionals “NSCP” – WWW.NSCP.ORG • Securities Industry and Financial Markets Association “SIFMA” – WWW.SIFMA.ORG 	

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

Reader Survey

"Find It - Before the Regulators"

The RRS staff continually strives to ensure that the services and support we provide to our clients 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
LouisDempsey@RRSCompliance.com

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

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- What do you find most useful?
- What would you like to see in future editions?
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We want to know how we are doing. If you have any comments, complaints, or suggestions, please do not hesitate to call (561) 368-2245 or email:

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