

# Regulatory & Compliance Update

## January 2020

### Routing

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

### HOT TOPICS

#### Items in This Edition

- SEC Charges Recidivist Investment Adviser with Defrauding Retirees
- Firm to Pay \$10 Million for Longstanding Internal Control Failures
- SEC Approves 2020 PCAOB Budget and Accounting Support Fee
- SEC Proposes to Update Accredited Investor Definition to Increase Access to Investments
- FINRA Notice 20-01 Final Statements for Broker-Dealers, Investment Adviser Firms, Agents and Investment Adviser Representatives, and Branches
- FINRA Notice 19-37 SEC Approves Amendments to FINRA Rules 5130 and 5131 Relating to Equity IPOs
- MSRB Notice 12/20/19 MSRB Establishes a Compliance Date of 11/30/2020 for Amendments to Form G-32
- NASAA Announces Top Investor Threats for 2020
- NASAA Statement on the SEC’s Proposed Rule Amendment Regarding the “Accredited Investor” Definition
- Printable Important Compliance Dates Calendar (Page 2)

### Contents

SEC.....	<a href="#">3</a>
FINRA.....	<a href="#">6</a>
MSRB.....	<a href="#">6</a>
NASAA.....	<a href="#">6</a>
NASDAQ/NASDAQ TRADER/OTCBB.....	<a href="#">7</a>
NYSE/EURONEXT/AMEX.....	<a href="#">8</a>
FINCEN.....	<a href="#">9</a>
PRA.....	<a href="#">10</a>
FCA.....	<a href="#">11</a>
Resource Links.....	<a href="#">12</a>
Reader Survey.....	<a href="#">13</a>

#### Services Spotlight: Planning for 2020

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.

**Contact:** John Pinto (202) 463 – 6575 [JohnPinto@RRSCompliance.com](mailto:JohnPinto@RRSCompliance.com)

*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.*



# January 2020



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17 Final Deadline for Renewal Payments Due	18
19	20	21	22	23	24	25
26	27 FOCUS Part II/IIA – Quarterly Filings Due FOCUS Schedule I Filings Due Form Custody Filings Due	28	29 Annual Audit Reports Due based on BD FYE 11/30/19	30 SIS Filings Due SSOI Filings Due	31	

## SEC

### SEC Final Rules:

[34-87782](#) Risk Mitigation Techniques for Uncleared Security-Based Swaps

[34-87780](#) Rule Amendments and Guidance Addressing Cross-Border Application of Certain Security-Based Swap Requirements

### SEC No Action Letters:

Eaton Vance Tax-Advantaged Dividend Income Fund, et al., December 16, 2019 ([Link](#))

Gladstone Investment Corporation, December 5, 2019 ([Link](#))

Robert Van Grover, Esq., Seward & Kissel LLP, December 11, 2019 ([Link](#))

### SEC Upcoming Events:

[01/14/2020](#) Asset Management Advisory Committee

### SEC Proposes to Codify Certain Consultations and Modernize Auditor Independence Rules

The Securities and Exchange Commission announced that it is proposing amendments to codify certain staff consultations and modernize certain aspects of its auditor independence framework. The proposed amendments would update select aspects of the nearly two-decade-old auditor independence rule set to more effectively structure the independence rules and analysis so that relationships and services that would not pose threats to an auditor's objectivity and impartiality do not trigger non-substantive rule breaches or potentially time consuming audit committee review of non-substantive matters. ([Link](#))

### Susan Nash, Associate Director in Division of Investment Management, to Leave SEC After 30 Years of Public Service

The Securities and Exchange Commission announced that Susan Nash, Associate Director and Senior Policy Advisor to the Director, Division of Investment Management, will retire from the SEC at the end of this month after 30 years of public service. ([Link](#))

### SEC Charges Recidivist Investment Adviser With Defrauding Retirees

The Securities and Exchange Commission charged a Sacramento, California-based investment adviser firm and owner with defrauding hundreds of retail clients, most of them in or close to retirement. ([Link](#))

### SEC Announces Robert A. Marchman as Senior Policy Advisor on Diversity and Inclusion

The Securities and Exchange Commission announced the appointment of Robert A. Marchman as Senior Policy Advisor on Diversity and Inclusion. In this newly created role within the SEC's Office of Minority and Women Inclusion (OMWI), Mr. Marchman will focus on working with Commission divisions, offices, and advisory committees to develop and implement strategies to promote diversity and inclusion, both within the SEC and through external engagement with agency partners and market participants. Mr. Marchman will also assist the agency's ongoing efforts to promote financial literacy and inclusion in underserved portions of the investor community. ([Link](#))

### Small Business Advocate Releases First Annual Report

The Securities and Exchange Commission's Office of the Advocate for Small Business Capital Formation released its inaugural Annual Report for Fiscal Year 2019. The report is available for download here. ([Link](#))

### SEC Files Charges in Ponzi Scheme Targeting Hispanic Community

The Securities and Exchange Commission announced charges against a man from Wayne, New Jersey, and his company in connection with an alleged \$5 million Ponzi scheme that defrauded at least 90 investors, many of whom were members of the Hispanic community. ([Link](#))

### SEC Names David Bottom as Chief Information Officer

The Securities and Exchange Commission announced that David Bottom has been appointed as the agency's Chief Information Officer (CIO). In this role, Mr. Bottom will be responsible for overseeing the security and overall functions of the agency's information technology systems. He will officially join the agency in January 2020. ([Link](#))

---

### **Firm to Pay \$10 Million for Longstanding Internal Control Failures**

The Securities and Exchange Commission charged a firm with violating the books and records and internal accounting controls provisions of the federal securities laws relating to two errors in its accounting for reserves associated with its annuities businesses. The firm has agreed to pay \$10 million to settle the charges. ([Link](#))

---

### **SEC Charges Broker-Dealers With Illicitly Profiting in Partial Tender Offer**

The Securities and Exchange Commission announced settled charges against two registered broker-dealers for violating the so-called “short tender rule” and enriching themselves at the expense of other participants in a partial tender offer. ([Link](#))

---

### **Issuer Settles Unregistered ICO Charges, Agrees to Return Funds and Register Tokens**

The Securities and Exchange Commission announced settled charges against a blockchain technology company for conducting an unregistered initial coin offering (ICO) of digital tokens. ([Link](#))

---

### **SEC Approves 2020 PCAOB Budget and Accounting Support Fee**

The Securities and Exchange Commission voted to approve the 2020 budget of the Public Company Accounting Oversight Board (PCAOB) and the related annual accounting support fee. ([Link](#))

---

### **SEC Proposes to Update Accredited Investor Definition to Increase Access to Investments**

The Securities and Exchange Commission voted to propose amendments to the definition of accredited investor, one of the principal tests for who is eligible to participate in our private capital markets. The proposal seeks to update and improve the definition to more effectively identify institutional and individual investors that have the knowledge and expertise to participate in our private capital markets. ([Link](#))

---

### **SEC Proposes Rules to Implement the Statutory Mandate to Adopt Resource Extraction Disclosure Rules**

Following a series of Commission actions, court proceedings and Congressional action, the Securities and

Exchange Commission voted to propose rules that would require resource extraction issuers to disclose payments made to foreign governments or the U.S. federal government for the commercial development of oil, natural gas, or minerals. ([Link](#))

---

### **SEC Adopts Actions to Stand Up Security-Based Swap Regulatory Regime**

The Securities and Exchange Commission adopted a package of rule amendments, guidance, and a related order to expand and improve the framework for regulating cross-border security-based swaps, including single-name credit default swaps. The adoption of this package also stands up the Commission’s broad security-based swap regulatory regime as it triggers the compliance date for security-based swap entities to register with the Commission and the implementation period for previously adopted rules under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act. These rules establish a coherent approach to the regulation of margin, capital, segregation, recordkeeping and reporting and business conduct for security-based swaps. ([Link](#))

---

### **SEC Adopts Risk Mitigation Techniques for Uncleared Security-Based Swaps**

The Securities and Exchange Commission voted to adopt rules requiring the application of risk mitigation techniques to portfolios of uncleared security-based swaps. New Rules 15Fi-3, 15Fi-4, and 15Fi-5 establish requirements for registered security-based swap dealers ([Link](#))

---

### **Silicon Valley IT Administrator and Friends Charged in Multimillion Dollar Insider Trading Ring**

The Securities and Exchange Commission announced insider trading charges against five friends who repeatedly traded on confidential earnings information about a Silicon Valley cloud-computing company, reaping millions of dollars in trading profits. ([Link](#))

---

### **SEC Charges Former Executive With FCPA Violations**

The Securities and Exchange Commission announced charges against a former executive for engaging in a corruption scheme, by which he obtained millions of dollars by paying unlawful bribes to various government officials to secure lucrative contracts for the firm. The former executive has agreed to a settlement of the alleged violations of the Foreign Corrupt Practices Act (FCPA) that includes a permanent bar from the securities industry. ([Link](#))

---

### SEC Charges Founder, Digital-Asset Issuer With Fraudulent ICO

---

The Securities and Exchange Commission charged a digital-asset entrepreneur and his company with defrauding investors in an initial coin offering (ICO) that raised more than \$42 million from hundreds of investors. ([Link](#))

---

### SEC Obtains Asset Freeze to Halt Alleged Offering Fraud

---

The Securities and Exchange Commission announced that it has obtained a temporary restraining order and asset freeze against a California solar panel company and three executives who allegedly defrauded more than 100 investors. ([Link](#))

---

### Former Congressman and Two Others Settle Insider Trading Charges

---

The Securities and Exchange Commission announced settlements with a former U.S. Representative, his son, and another man, all of whom were charged with insider trading and pleaded guilty to related criminal charges. The settlements, which are subject to court approval, bar the former U.S. Representative from serving as an officer or director of a public company and require his son and the other man to disgorge the losses they avoided as a result of their insider trading. ([Link](#))

---

### Broker-Dealer to Pay Nearly \$4 Million for Improper Handling of ADRs

---

The Securities and Exchange Commission announced that a broker-dealer firm will pay nearly \$4 million to settle charges of improper handling of “pre-released” American Depositary Receipts (ADRs). ([Link](#))

---

### SEC Obtains Touting and Fraud Judgment Against Colorado Cannabis Stock Promoter

---

A Colorado stock promoter and two of his companies agreed to pay \$4.2 million to settle the U.S. Securities and Exchange Commission's charges for fraudulently promoting and trading a cannabis stock. On Dec. 5, 2019, the U.S. District Court for the District of Colorado entered the final judgment. ([Link](#))

---

### SEC Charges Multinational Telecommunications Company With FCPA Violations

---

The Securities and Exchange Commission announced that a Sweden-based telecommunications company was charged with engaging in a large-scale bribery scheme

involving the use of sham consultants to secretly funnel money to government officials in multiple countries. The bribes netted the company hundreds of millions in profits. To resolve these alleged violations of the Foreign Corrupt Practice Act (FCPA) and charges from a parallel criminal investigation, the company has agreed to pay more than \$1 billion to the SEC and the U.S. Department of Justice and to install an independent compliance monitor. ([Link](#))

---

### SEC Charges Trucking Executives With Accounting Fraud

---

The Securities and Exchange Commission charged two former top executives of Indiana-based trucking company for their participation in an accounting fraud that inflated the company's income and earnings per share. The company previously agreed to settle accounting fraud charges brought by the SEC in April. ([Link](#))

---

### SEC Releases Report on 38th Annual Small Business Forum

---

The Securities and Exchange Commission released a report on the 38th Annual Government-Business Forum on Small Business Capital Formation. The Forum is a unique event attended by SEC Commissioners and staff in which members of the public and private sectors gather to craft suggestions for securities policy impacting emerging businesses and their investors. The 2019 Forum was hosted in partnership with the Heider College of Business at Creighton University in Omaha, Nebraska, on Aug. 14, 2019, and marks the first year that the Forum was organized by the SEC's new Office of the Advocate for Small Business Capital Formation. ([Link](#))

---

### SEC Charges Company and Former Top Executives With Accounting Fraud

---

The Securities and Exchange Commission charged brand-management company and three of its former top executives with fraud. The company and two of its former executives have agreed to settle. The SEC's litigation is proceeding against the company's former CEO. ([Link](#))

---

### SEC Issues Agenda for Dec. 11 Meeting of Small Business Capital Formation Advisory Committee

---

The Securities and Exchange Commission released the agenda for a Dec. 11 telephonic meeting of its Small Business Capital Formation Advisory Committee. The committee provides the Commission with advice and recommendations on Commission rules, regulations and policy matters relating to small businesses, from privately held emerging companies to smaller public companies.

Additional information on the committee, including its members, is available on the committee webpage. ([Link](#))

### SEC Names Paul Munter as Deputy Chief Accountant

The Securities and Exchange Commission announced the appointment of Paul Munter as a Deputy Chief Accountant (International) in the agency's Office of the Chief Accountant. ([Link](#))

### SEC Names John Vanosdall as Deputy Chief Accountant

The Securities and Exchange Commission announced the appointment of John Vanosdall as a Deputy Chief Accountant (Accounting Group) in the agency's Office of the Chief Accountant. ([Link](#))

### Kristina Littman Named Chief of the Cyber Unit

The Securities and Exchange Commission announced that Kristina Littman has been named Chief of the Division of Enforcement's Cyber Unit, a national, specialized unit that focuses on protecting investors and markets from cyber-related misconduct. Ms. Littman succeeds Robert Cohen, who left the Commission in August 2019. ([Link](#))

## FINRA

### Regulatory Notices:

[20-01](#) Final Statements for Broker-Dealers, Investment Adviser Firms, Agents and Investment Adviser Representatives, and Branches

[19-37](#) SEC Approves Amendments to FINRA Rules 5130 and 5131 Relating to Equity IPOs

### Information Notices:

[12/09/19](#) 2020 Holiday Margin Extensions Schedule

### Trade Reporting Notices:

None as of 12/31/19

### Upcoming Events:

[01/14/20](#) 2020 FINRA Cybersecurity Conference

[01/23/20](#) South Region Member Forum

## MSRB

### MSRB Information Notices:

[12/20/19](#) MSRB Establishes a Compliance Date of November 30, 2020, for Amendments to Form G-32

### Upcoming Events:

None as of 12/31/19

## NASAA

### NASAA Announces Top Investor Threats for 2020

The North American Securities Administrators Association (NASAA) announced the top five products or schemes likely to trap investors in the coming year and recommended steps investors can take to protect themselves from fraud. ([Link](#))

### NASAA Statement on the SEC's Proposed Rule Amendment Regarding the "Accredited Investor" Definition

The following is a statement from Christopher W. Gerold, President of the North American Securities Administrators Association (NASAA) and Chief of the New Jersey Bureau of Securities, regarding a rule amendment proposed by the U.S. Securities and Exchange Commission related to the "accredited investor" definition. This definition helps determine whether investors have the financial wherewithal and understanding to be sold high-risk and unregistered private securities offerings. ([Link](#))

### Broker-Dealer E&O Insurance Could Provide Relief for Investors with Unpaid Arbitration Awards

In a report released, the North American Securities Administrators Association (NASAA) encourages broker-dealers to use errors and omissions (E&O) insurance as a resource to help meet their potential obligations to pay arbitration awards to their customers. ([Link](#))

**NASDAQ/NASDAQ  
TRADER/OTCBB**

**Equity Corporate Actions Alert:**

[2019-299](#) Spin-Off/Distribution Information for Emmis Communications Corporation (EMMS)

[2019-298](#) Information Regarding the Business Combination of Gemphire Therapeutics Inc. (GEMP)

[2019-297](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for Recon Technology, Ltd. (RCON)

[2019-296](#) Information Regarding the Tender Offer of The Medicines Company (MDCO)

[2019-295](#) Information Regarding the Merger of Ecology and Environment, Inc. (EEI)

[2019-294](#) Information Regarding the Merger of Entegra Financial Corp. (ENFC) and First Citizens Bancshares, Inc. (FCNCA)

[2019-293](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for QuickLogic Corporation (QUIK)

[2019-292](#) Information Regarding the Business Combination of Twelve Seas Investment Company (BROG/W/R/U) and Brooge Petroleum and Gas Investment Company

[2019-291](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for Nova Lifestyle, Inc. (NVFY)

[2019-290](#) Information Regarding the Tender Offer by Open Text Corporation (OTEX) for the Shares of Carbonite, Inc. (CARB)

[2019-289](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for Naked Brand Group Limited (NAKD)

[2019-288](#) Information Regarding the Merger of Carolina Trust BancShares, Inc. (CART) and Carolina Financial Corporation (CARO)

[2019-287](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for Ascena Retail Group, Inc. (ASNA)

[2019-286](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for Euroseas Ltd. (ESEA)

[2019-285](#) (UPDATED) Information Regarding the Business Combination of Health Sciences Acquisitions Corporation (HSAC/W/U) and Immunovant Sciences Ltd.

[2019-284](#) (UPDATED - Merger Effective) Information Regarding the Merger of Arotech Corporation (ARTX)

[2019-283](#) (UPDATED) Information Regarding the Tender Offer of Spark Therapeutics, Inc. (ONCE)

[2019-282](#) (UPDATED - Correction to Merger Terms) Information Regarding the Merger of Carrizo Oil & Gas, Inc. (CRZO) and Callon Petroleum Company (NYSE: CPE)

[2019-281](#) Information Regarding the Merger of OHA Investment Corporation (OHAI)

[2019-280](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for ShiftPixy, Inc. (PIXY)

[2019-279](#) Distribution Information for Senior Housing Properties Trust (SNH)

[2019-278](#) Information Regarding the Merger of Two River Bancorp (TRCB)

[2019-277](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for iMedia Brands, Inc. (IMBI)

[2019-276](#) Information Regarding the Merger of Fibrocell Science, Inc. (FCSC)

[2019-275](#) (UPDATE) Information Regarding the Merger of Presidio, Inc. (PSDO)

[2019-274](#) Information Regarding the Reverse Split and Ratio Change for Forward Pharma A/S (FWP)

[2019-273](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for Nemaura Medical, Inc. (NMRD)

**Equity Trader Alert:**

[2019-99](#) Limit Up/Limit Down Exchange Traded Product Tier 1 List Update

[2019-98](#) FINRA/Nasdaq TRF Transaction Credits Update Effective January 1, 2020

[2019-97](#) Nasdaq to Begin Listing 22 New Invesco BulletShares ETFs on Tuesday, December 31, 2019

[2019-96](#) Nasdaq Pricing Updates Effective January 2, 2020

[2019-95](#) Nasdaq to Begin Listing 3 New AdvisorShares ETFs on Friday, December 27, 2019

[2019-94](#) Nasdaq Report HQ Migration Required for FINRA/Nasdaq TRF and Nasdaq Reports

[2019-93](#) U.S. Market Holiday Reminder: Christmas and New Year's

[2019-92](#) Nasdaq to Begin Listing Van Eck ETFs on Wednesday, December 11, 2019

[2019-91](#) Nasdaq to Begin Listing Procure ETF on Monday, December 9, 2019

[2019-90](#) Testing Opportunity: Nasdaq, BX and PSX Market-Wide Circuit Breaker on Saturday, December 7, 2019

#### Equity Regulatory Alert:

[2019-12](#) Relocation of The Nasdaq Stock Market LLC Rules

#### Financial Products News:

[2019-33](#) Nasdaq to Terminate Three Indexes Effective After the Close of Business on Tuesday, December 31, 2019

[2019-32](#) **\*\*Updated\*\*** Nasdaq Announces Termination of Indexes After Close of Business on Thursday, March 05, 2020

#### Futures Trader Alert:

[2019-37](#) Notice for NFX Dry Freight Matching Sessions

[2019-36](#) Notice of Risk Limit Adjustments for December 12th Freight Matching Session

[2019-35](#) Notice of NFX/EEX Dry Freight Matching Sessions

#### Options Trader Alert:

[2019-27](#) Nasdaq Announces Changes to the Penny Pilot Program, Effective January 3, 2020

[2019-26](#) Nasdaq ISE Exclusion of Trading Day from Tier Calculations

## NYSE/EURONEXT/AMEX

### NYSE Weekly Program-Trading Data Releases:

#### Intercontinental Exchange Appoints Mike Blandina as CEO of Bakkt and Adam White as President of Bakkt

Intercontinental Exchange, Inc. (NYSE:ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, has appointed Mike Blandina as CEO of Bakkt, the digital assets trading and payments platform that is majority-owned by ICE. Adam White will serve as President of the company. The appointments took effect December 20, following the departure of founding CEO Kelly Loeffler, who has been appointed to the United States Senate to fill the seat of retiring Sen. Johnny Isakson. ([Link](#))

#### Intercontinental Exchange Reaches Open Interest Records in Brent Crude Oil Futures and TTF Natural Gas

Intercontinental Exchange, Inc. (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announced record open interest of 2.71 million contracts in Brent Crude Oil futures and 2.21 million contracts in TTF futures and options. As of December 17, and on a year-over-year basis, Brent Crude Oil futures open interest is up 22% versus the prior year, while open interest across TTF futures and options is up 73%. ([Link](#))

#### Simplifile Adds 51 New Counties in 17 States to E-Recording Network.

Intercontinental Exchange, Inc. (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announced that with the addition of 51 recording jurisdictions in 17 states, Simplifile's e-recording network now contains more than 2,000 jurisdictions. ([Link](#))

#### NYSE Ranks Once Again as the Global Leader in Capital Raised

The New York Stock Exchange (NYSE), a wholly-owned subsidiary of Intercontinental Exchange (NYSE: ICE), ranked first once again as the global leader in capital raising in 2019 with \$111.6 billion in proceeds raised in IPOs and follow-on offerings, which include some of the world's highest-profile new listings. ([Link](#))



---

### Trades Completed in the First US Regulated Bitcoin Options on ICE Futures U.S.

---

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

---

### NYSE Group Announces 2020, 2021 and 2022 Holiday and Early Closings Calendar

---

NEW YORK, December 9, 2019 -- NYSE Group announced the 2022 holiday calendar and early closing dates for its cash equity markets: New York Stock Exchange, NYSE American, NYSE Arca Equities, NYSE Chicago, and NYSE National, as well as the NYSE American Options, NYSE Arca Options and NYSE Bonds markets. ([Link](#))

---

### Intercontinental Exchange Congratulates Longtime Company Executive Kelly Loeffler on Her Appointment to the United States Senate

---

Intercontinental Exchange, Inc. (NYSE:ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, congratulates longtime executive Kelly L. Loeffler on her announced appointment to the United States Senate to fill the seat of Sen. Johnny Isakson, who is retiring at the end of 2019. ([Link](#))

---

### Intercontinental Exchange Reports November Statistics

---

Intercontinental Exchange, Inc. (NYSE:ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, reported November trading volume and related revenue statistics. ([Link](#))

---

### Intercontinental Exchange Chairman & CEO Jeffrey C. Sprecher to Present at the Goldman Sachs U.S. Financial Services Conference on December 11

---

Intercontinental Exchange, Inc. (NYSE:ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announced that Jeffrey C. Sprecher, Chairman and CEO, will present at the Goldman Sachs U.S. Financial Services Conference. The presentation will take place on Wednesday, December 11 at 10:00 a.m. ET. ([Link](#))

---

### Intercontinental Exchange Announces Record Daily Trading Volume for New York Harbor Heating Oil Futures

---

Intercontinental Exchange, Inc. (NYSE:ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announced record trading volume for ICE New York Harbor Heating Oil Futures of 113,770 contracts yesterday. This was a 35 percent increase over the previous trading volume record of 84,294 lots on October 17, 2019. ([Link](#))

---

### Intercontinental Exchange Adds Fixed Income Capabilities to ICE ETF Hub

---

Intercontinental Exchange, Inc. (NYSE:ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announced it has added new functionality to ICE ETF Hub to support US-listed fixed income exchange traded funds (ETFs). Since launching last week, fixed income primary trades for 17 funds, including the iShares Core U.S. Aggregate Bond ETF (AGG) and the iShares iBoxx \$ Investment Grade Corporate Bond ETF (LQD), have passed through the system. ([Link](#))

## FINCEN

---

### FinCEN Officials Speak at the ABA/ABA Financial Crimes Enforcement Conference

---

Kenneth A. Blanco, Director of the Financial Crimes Enforcement Network (FinCEN), spoke at the American Bankers Association/American Bar Association (ABA/ABA) Financial Crimes Enforcement Conference on December 10, 2019. He addressed how FinCEN uses Bank Secrecy Act (BSA) data, particularly as it relates to filings involving convertible virtual currency; the status of FinCEN's BSA Value Project; the importance of beneficial ownership information; FinCEN's ongoing federal banking agency working group efforts; and some significant organizational changes within FinCEN. ([Link](#))

---

### Treasury News Release: Treasury Sanctions Evil Corp, the Russia-Based Cybercriminal Group Behind Dridex Malware

---

The U.S. Treasury Department's Office of Foreign Assets Control (OFAC) took action against Evil Corp, the Russia-based cybercriminal organization responsible for the development and distribution of the Dridex malware. Evil Corp has used the Dridex malware to infect computers and harvest login credentials from hundreds of banks and

financial institutions in over 40 countries, causing more than \$100 million in theft. This malicious software has caused millions of dollars of damage to U.S. and international financial institutions and their customers. Concurrent with OFAC's action, the Department of Justice charged two of Evil Corp's members with criminal violations, and the Department of State announced a reward for information up to \$5 million leading to the capture or conviction of Evil Corp's leader. These U.S. actions were carried out in close coordination with the United Kingdom's National Crime Agency (NCA). Additionally, based on information obtained by the Treasury Department's Financial Crimes Enforcement Network (FinCEN), the Treasury Department's Office of Cybersecurity and Critical Infrastructure Protection (OCCIP) released previously unreported indicators of compromise associated with the Dridex malware and its use against the financial services sector. ([Link](#))

### FinCEN Analysis: Bank Secrecy Act Reports Filed by Financial Institutions Help Protect Elders from Fraud and Theft of Their Assets

The Financial Crimes Enforcement Network (FinCEN) released a new strategic analysis of Bank Secrecy Act (BSA) reporting, indicating that elders face an increased threat to their financial security by both domestic and foreign actors. Elder financial exploitation Suspicious Activity Report (SAR) filings increased dramatically over the six-year study period, from about 2,000 filings per month in 2013 to reaching a peak of nearly 7,500 filings per month in August 2019. The yearly dollar amount of suspicious activity reported for elder financial exploitation also rose. Financial institutions, including banks, credit unions, brokerages, and money services businesses (MSBs) are generally required to file SARs when they know or suspect that illegal activity is occurring in their transactions. ([Link](#))

### Agencies Clarify Requirements for Providing Financial Services to Hemp-Related Businesses

Four federal agencies in conjunction with the state bank regulators issued a statement clarifying the legal status of hemp growth and production and the relevant requirements under the Bank Secrecy Act (BSA) for banks providing services to hemp-related businesses. ([Link](#))

## PRA

### PRA announces special requirements regarding whistleblowing systems and controls at the Society of Lloyd's

Following the Society of Lloyd's ('the firm') self-identification and disclosure to the PRA that aspects of its internal whistleblowing systems and controls had been ineffective for a period of time, the PRA has concluded that these arrangements require enhanced monitoring and scrutiny. ([Link](#))

### Monetary Policy Committee dates for 2021

2021 provisional dates. ([Link](#))

### Bank Rate maintained at 0.75% - December 2019

Our MPC voted by a majority of 7-2 to maintain Bank Rate at 0.75%. The committee also voted unanimously to maintain the stock of corporate bond purchases and UK government bond purchases. ([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 consults on its proposals for stress testing the financial stability implications of climate change

The objective of the BES is to test the resilience of the largest banks and insurers ('firms') to the physical and transition risks associated with different possible climate scenarios, and the financial system's exposure more broadly to climate-related risk. ([Link](#))

### Financial Conduct Authority and Bank of England statement on joint review of open-ended funds

In its Financial Stability Report, published, the Financial Policy Committee has set out initial findings of a joint review by the Financial Conduct Authority and the Bank of England on open-ended investment funds and the risks posed by their liquidity mismatch. ([Link](#))

---

### Mark Carney named United Nations Special Envoy for Climate Action and Finance

The Governor will support the Secretary-General's climate strategy by galvanizing climate action and transforming climate finance for the 26th Conference of the Parties (COP) meeting in Glasgow in November 2020. A key focus will be on shifting the financial system towards mobilizing private finance to the levels needed to achieve the 1.5°C goal of the Paris Agreement. This will include building the frameworks for financial reporting, risk management and returns to bring the impacts of climate change to the mainstream of private financial decision making and to support the transition to a net zero carbon economy. [\(Link\)](#)

---

### Building operational resilience: impact tolerances for important business services

The Bank of England (the Bank), Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) have published a shared policy summary and coordinated consultation papers (CPs) on new requirements to strengthen operational resilience in the financial services sector. [\(Link\)](#)

## FCA

---

### FCA fines former managing director £45,000 for failure to notify personal trades

The FCA has fined a former Managing Director at a shipping services firm £45,000 for failure to notify personal trades. [\(Link\)](#)

---

### FCA secures confiscation order totaling over £170,000 against convicted fraudster

This follows an FCA prosecution in which a man was sentenced to a 2-year prison sentence suspended for 2 years for defrauding investors of over £600,000. The conviction related to misleading consumers, fraud and the illegal operation of an unauthorized investment scheme worth over half a million pounds. The effect of the confiscation order is to confiscate all the man's criminal proceeds. [\(Link\)](#)

---

### Announcement from John Swift QC inviting submissions from interested parties

The independent review into the Financial Services Authority ('FSA')/Financial Conduct Authority ('FCA')'s supervisory intervention on Interest Rate Hedging

Products is currently underway. The Review will provide an assessment of the former FSA and now FCA's actions relating to their Interest Rate Hedging Product Redress Scheme and set out the lessons that should be learned from the Review. [\(Link\)](#)

---

### First-tier Tribunal upholds decision to fine a firm for data breaches and unauthorized copying of client signatures

First-tier Tribunal upholds decision to fine a firm for data breaches and unauthorized copying of client signatures. [\(Link\)](#)

---

### FCA asks for proposals on how open finance could transform financial services

The Financial Conduct Authority (FCA) has launched a Call for Input on the opportunities presented by so-called 'open finance'. Open finance builds on the principles of open banking – the sharing of data which provides new ways for customers and businesses to make the most of their money. Open finance would extend those principles to a wider range of products. [\(Link\)](#)

---

### FCA fines a firm for misleading consumers and banks in first CMC case closed by the regulator

The Financial Conduct Authority (FCA) has fined a firm £70,000 for misleading consumers through its websites and printed materials. [\(Link\)](#)

---

### FCA secures confiscation order totaling £5 million against illegal money lender

On 11 December 2019, Southwark Crown Court made a confiscation order against a man in the sum of £5,118,018.72. The effect of the order is to confiscate all his criminal proceeds as an illegal money lender. He was also ordered to pay almost £230,000 in compensation to consumers. [\(Link\)](#)

---

### Building operational resilience: impact tolerances for important business services

The Bank of England (the Bank), Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) have published a shared policy summary and coordinated consultation papers (CPs) on new requirements to strengthen operational resilience in the financial services sector. [\(Link\)](#)

## 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.ORG.UK](http://WWW.FCA.ORG.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.FLORIDASECURIITIES.COM](http://WWW.FLORIDASECURIITIES.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

*Renaissance Regulatory Services*

1515 South Federal Highway • Suite 306 • Boca Raton, FL 33432 • (561) 368-2245

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

regulatory experience and the information our clients provide regarding new products, services and/or marketing trends. This “Find It - Before the Regulators” insight enables us to develop customized compliance solutions so that our clients can address any regulatory deficiencies before the regulators do. If you have any questions or suggestions, please speak with your account representative or call us at (561) 368-2245.

**Reader Survey Fax Response Form**

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

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

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

- Do you read the RCU each month?
- What topics interest you the most?
- What do you find most useful?
- What would you like to see in future editions?
- Are you a current client of RRS?
- Are you interested in receiving information or a call from our Staff to discuss the products and services offered by RRS?

(Please include your phone number or E-mail address to schedule a meeting)

**Thank you for your time and effort!**

Bottom line - we want to know!  
We want to know how we are doing. If you have any comments, complaints or suggestions then please do not hesitate to call (561) 368-2245 or email:

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