

# Regulatory & Compliance Update

## Routing

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

## Contents

SEC.....	<a href="#">3</a>
FINRA.....	<a href="#">5</a>
MSRB.....	<a href="#">6</a>
NASAA.....	<a href="#">6</a>
NASDAQ/NASDAQ TRADER/OTCBB.....	<a href="#">6</a>
NYSE/EURONEXT/AMEX.....	<a href="#">8</a>
FINCEN.....	<a href="#">9</a>
PRA.....	<a href="#">9</a>
FCA.....	<a href="#">10</a>
Resource Links.....	<a href="#">12</a>
Reader Survey.....	<a href="#">13</a>

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 Final Rule BHCA-9 Prohibitions and Restrictions on Proprietary Trading and Certain Interests In, and Relationships With, Hedge Funds and Private Equity
- SEC Updates Filing Threshold to Rule 17h Reporting Requirements for Broker-Dealers
- SEC Risk Alert: Observations from Examinations of Investment Advisers Managing Private Funds
- SEC Risk Alert: Examination Initiative: LIBOR Transition Preparedness
- SEC Updates FAQs on Form CRS
- SEC Awards Record Payout of Nearly \$50 Million to Whistleblower
- SEC Extends Relief for Virtual Meetings of Fund Boards
- FINRA 20-21 Provides Guidance on Retail Communications Concerning Private Placement Offerings
- FINRA 20-20 Provides Updates on Regulatory Coordination Concerning CAT Reporting Compliance
- FINRA 20-18 Amends Its Suitability, Non-Cash Compensation and Capital Acquisition Broker (CAB) Rules in Response to Regulation Best Interest
- FINRA 20-17 Revises Rule 4530 Problem Codes for Reporting Customer Complaints and for Filing Documents Online
- 2020-13 MSRB Harmonizes Rules with Requirements of Regulation Best Interest
- FinCEN Guidance Regarding Due Diligence Requirements under the Bank Secrecy Act for Hemp-Related Business Customers



### Team Spotlight!

Mitchell Fileto is a Compliance Consultant for Renaissance Regulatory Services. Mitchell has over seven years of experience in the financial industry, banking operations, and providing support services to broker-dealers and investment advisers relative to federal, state, and self-regulatory rules and regulations. In addition, Mr. Fileto is responsible for the management of RRS' Anti-Money Laundering (AML) compliance services, assisting clients with the development, implementation and maintenance of their AML program, including Anti-Money Laundering Customer Identification Program, OFAC compliance and FINCEN Section 314(a) reviews for broker-dealers, ensuring clients meet current AML compliance requirements, ongoing support on AML related matters, conducting AML examinations, providing compliance recommendations, and assisting with training and development. He can be reached through our Boca Raton Office at 561-368-2245 ext. #112 or

[Mitchellfileto@RRScompliance.com](mailto:Mitchellfileto@RRScompliance.com)

# July 2020



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
			SAA Certification Period	SAA Certification Period	SAA Certification Period	
5	6	7	8	9	10	11
	SAA Certification Period	SAA Certification Period	SAA Certification Period	SAA Certification Period	SAA Certification Period	
12	13	14	15	16	17	18
	SAA Certification Period	SAA Certification Period	SAA Certification Period	SAA Certification Period	SAA Certification Period	
19	20	21	22	23	24	25
	<b>SAA Certification Period Ends</b>				Qtrly FOCUS Part II/IIA Filings Due Form Custody Filings Due	
26	27	28	29	30	31	
			SIS Filings Due SSOI Filings Due	<b>Form CRS Delivery Deadline to Existing Retail Investors</b> Annual Reports Due for BDs w/ FYE May 31, 2020	Form OBS 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:

[BHCA-9](#) Prohibitions and Restrictions on Proprietary Trading and Certain Interests in, and Relationships With, Hedge Funds and Private Equity Funds

### SEC No Action Letters:

First Trust Senior Floating Rate Income Fund II - Omission of Shareholder Proposal Submitted by Saba Capital Management, L.P., on behalf of Saba Capital Master Fund, Ltd., June 17, 2020 ([Link](#))

Minnesota Life Insurance Co., June 11, 2020 ([Link](#))

### SEC Upcoming Events:

[July 1, 2020](#) Closed Meeting **canceled**

[July 7, 2020](#) Virtual Discussion - Temporary Conditional Exemptive Order for Municipal Advisor Activities

[July 16, 2020](#) Asset Management Advisory Committee

### SEC Updates Filing Threshold to Rule 17h Reporting Requirements for Broker-Dealers

The Securities and Exchange Commission issued an order to update the filing threshold for broker-dealers' Form 17-H filings made pursuant to Exchange Act Rules 17h-1T and Rule 17h-2T. The threshold, which had not been updated in nearly 30 years, will exempt certain smaller broker-dealers from the reporting requirements of the rules while continuing to provide important information to the Commission on the financial condition of covered broker-dealers and their affiliates. ([Link](#))

### SEC Risk Alert: Observations from Examinations of Investment Advisers Managing Private Funds

The Securities and Exchange Commission issued a Risk Alert on June 23, which provides an overview of certain compliance issues observed by the Office of Compliance Inspections and Examinations ("OCIE") in examinations of registered investment advisers that manage private equity

funds or hedge funds (collectively, "private fund advisers"). ([Link](#))

### SEC Risk Alert: Examination Initiative: LIBOR Transition Preparedness

The Securities and Exchange Commission issued a Risk Alert on June 18 regarding the discontinuation of LIBOR, currently expected to occur after 2021. The Office of Compliance Inspections and Examinations ("OCIE") identified registrant preparedness for the transition away from LIBOR as an exam program priority for FY 2020. ([Link](#))

### SEC Updates FAQs on Form CRS

The Securities and Exchange Commission updated the frequently asked questions on Form CRS on June 26, 2020. ([Link](#))

### Firm to Return \$1.2 Billion to Investors and Pay \$18.5 Million Penalty to Settle SEC Charges

The Securities and Exchange Commission announced that it obtained court approval of settlements with a firm and its wholly owned subsidiary to resolve charges that the firm's unregistered offering of digital tokens called "Grams" violated the federal securities laws. The defendants agreed to return more than \$1.2 billion to investors and to pay an \$18.5 million civil penalty. ([Link](#))

### SEC Charges Issuer, CEO, and Lobbyist with Defrauding Investors in Unregistered ICO

The Securities and Exchange Commission charged an issuer, its Chief Executive Officer, and a political lobbyist with conducting a fraudulent, unregistered offering of a digital asset security the defendants claimed was a new and improved version of bitcoin. ([Link](#))

### SEC Charges a Pharmaceutical Company with FCPA Violations

The Securities and Exchange Commission announced that a global pharmaceutical and healthcare company headquartered in Basel, Switzerland, has agreed to pay over \$112 million to settle charges that it violated the books and records and internal accounting controls

provisions of the Foreign Corrupt Practices Act (FCPA). [\(Link\)](#)

### Financial Regulators Modify Volcker Rule

Five federal regulatory agencies finalized a rule modifying the Volcker rule's prohibition on banking entities investing in or sponsoring hedge funds or private equity funds—known as covered funds. The final rule is broadly similar to the proposed rule from January. [\(Link\)](#)

### Broker-Dealer to Pay \$3.1 Million to Settle Charges of Providing Deficient Blue Sheet Data

The Securities and Exchange Commission announced settled charges against a broker-dealer for failing to provide complete and accurate securities trading information known as "blue sheet data." The broker-dealer agreed to pay a \$1.55 million civil penalty to resolve the SEC's charges and separately agreed to pay \$1.55 million to the Financial Industry Regulatory Authority (FINRA) to resolve parallel charges. [\(Link\)](#)

### SEC Awards \$125,000 to Whistleblower

The Securities and Exchange Commission announced an award of about \$125,000 to a whistleblower whose information and assistance helped both the SEC and another agency bring successful actions against the perpetrator of a fraudulent securities offering. [\(Link\)](#)

### Securities and Exchange Commission and Justice Department's Antitrust Division Sign Historic Memorandum of Understanding

The Securities and Exchange Commission and the Department of Justice's Antitrust Division have signed an interagency Memorandum of Understanding (MOU) to foster cooperation and communication between the agencies with the aim of enhancing competition in the securities industry. Assistant Attorney General Makan Delrahim of the Antitrust Division announced the first-ever MOU between the Antitrust Division and the SEC, which was executed with SEC Chairman Jay Clayton, before a discussion on equity market structure hosted by MIT's Golub Center for Finance and Policy this afternoon. [\(Link\)](#)

### SEC Extends Relief for Virtual Meetings of Fund Boards

Securities and Exchange Commission announced that it is extending conditional relief from the in-person voting requirements for fund boards that it originally provided in March 2020. That relief will now extend at least through

December 31, 2020. The extension is designed to provide flexibility to boards of registered funds and business development companies (funds) that may continue to face challenges meeting in person. [\(Link\)](#)

### SEC Awards Almost \$700,000 to Whistleblower

The Securities and Exchange Commission announced an award of almost \$700,000 to a whistleblower whose significant information helped the agency bring a successful enforcement action that resulted in the return of money to harmed investors. The whistleblower reported the problem internally before contacting the SEC in an effort to remedy the conduct and provided continued assistance throughout the SEC's investigation. [\(Link\)](#)

### SEC Emergency Action Halts Brothers' Cryptocurrency Offering Fraud

The Securities and Exchange Commission announced that it filed an emergency action and obtained a temporary restraining order and asset freeze against two Pennsylvania-based brothers and three entities they control to stop an offering fraud and the misappropriation of investor proceeds. [\(Link\)](#)

### Broker-Dealer Exam Program Leader Robert Sollazzo Retiring from SEC After 38 Years

The Securities and Exchange Commission announced that Robert A. Sollazzo, the longtime leader of the New York Regional Office's Broker-Dealer Examination Program, is planning to retire from the agency in July after more than 38 years of invaluable contributions. [\(Link\)](#)

### Insurance Company and Former CFO Charged with Faulty Loss Reserves Disclosures

The Securities and Exchange Commission charged an international insurance company and its former CFO with failing to disclose material facts about how the company estimated its insurance losses and reserves. They have agreed to pay a combined \$10.5 million to settle the SEC's charges. [\(Link\)](#)

### SEC Names Jennifer S. Leete as Associate Director in Enforcement Division

The Securities and Exchange Commission announced that Jennifer S. Leete has been named Associate Director in the SEC's Division of Enforcement. Ms. Leete succeeds Antonia Chion, who retired from the agency in February 2020. In her new role, she will supervise approximately 50 attorneys, paralegals, and staff responsible for

investigating a wide variety of securities law violations. ([Link](#))

### SEC Announced Speakers for June 18 Small Business Forum: “Access to Capital: More Critical Now than Ever”

The Securities and Exchange Commission released the program with agenda and speakers for the June 18, 2020, virtual Small Business Forum. The full program, with the complete agenda and bios of speakers, is available on the Forum webpage. ([Link](#))

### SEC Charges Broker Who Defrauded Seniors Out of Almost \$1 Million

The U.S. Securities and Exchange Commission announced charges against a Nashville, Tennessee-based securities broker for defrauding two seniors, including a World War II-era veteran, of nearly \$1 million. ([Link](#))

### SEC Charges Microcap Fraud Scheme Participants Attempting to Capitalize on the COVID-19 Pandemic

The Securities and Exchange Commission has filed an emergency action and obtained an asset freeze against five individuals and six offshore entities for an alleged fraudulent scheme that generated more than \$25 million from illegal sales of multiple microcap companies' stock, including four that were the subject of recent SEC trading suspension orders: Sandy Steele Unlimited Inc., WOD Retail Solutions Inc., Bioscience Neutraceuticals, Inc., and Rivex Technology Corp. ([Link](#))

### FinHub to Host Virtual Meet-Ups

The U.S. Securities and Exchange Commission's Strategic Hub for Innovation and Financial Technology (FinHub) announced the launch of virtual peer-to-peer meet-ups (P2Ps). ([Link](#))

### New York Regional Office Hosted Educational Call for Investors on Avoiding COVID-Related Fraud

The Securities and Exchange Commission's New York Regional Office hosted an educational telephone town hall about avoiding scams related to COVID-19 on June 23, 2020, from 5 to 6 p.m. ET. The call is free and open to all investors and those planning for their financial future. Joining the high-ranking SEC officials to share their insights will be the U.S. Attorney for the District of New Jersey and the President of the Financial Industry Regulatory Authority Foundation. ([Link](#))

### SEC Charges California Trader Engaged in Manipulative Trading Scheme Involving COVID-19 Claims

The Securities and Exchange Commission charged a penny stock trader in Santa Cruz, California, with conducting a fraudulent pump-and-dump scheme in the stock of a biotechnology company by making hundreds of misleading statements in an online investment forum, including a false assertion that the company had developed an “approved” COVID-19 blood test. ([Link](#))

### Insurance Company Settles SEC Charges for Failing to Disclose Executive Perks

The Securities and Exchange Commission announced settled charges against Bermuda-based insurance company for failing to fully disclose perquisites and benefits provided to its former chief executive officer. ([Link](#))

### SEC Awards Record Payout of Nearly \$50 Million to Whistleblower

The Securities and Exchange Commission announced a nearly \$50 million whistleblower award to an individual who provided detailed, firsthand observations of misconduct by a company, which resulted in a successful enforcement action that returned a significant amount of money to harmed investors. This is the largest amount ever awarded to one individual under the SEC's whistleblower program. The next largest is a \$39 million award to an individual in 2018. Two individuals also shared a nearly \$50 million whistleblower award that same year. ([Link](#))

## FINRA

### Regulatory Notices:

[20-21](#) FINRA Provides Guidance on Retail Communications Concerning Private Placement Offerings

[20-20](#) FINRA Provides Updates on Regulatory Coordination Concerning CAT Reporting Compliance

[20-19](#) FINRA and ISG Announce the Update of Blue Sheet Data Elements and Repositioning of Exchange Code Field

Effective Date: Updates to Requestor and Exchange Codes are Effective Immediately; Reposition Exchange Code Field by November 30, 2020

[20-18](#) FINRA Amends Its Suitability, Non-Cash Compensation and Capital Acquisition Broker (CAB) Rules in Response to Regulation Best Interest

[20-17](#) FINRA Revises Rule 4530 Problem Codes for Reporting Customer Complaints and for Filing Documents Online. Implementation Date: July 18, 2020

### Information Notices:

[20-25](#) FINRA Gateway – Changes to Form U4 User Interface and Access to Continuing Education

### Trade Reporting Notices:

No updates as of 6/30/20

### Upcoming Events:

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

[2020](#) Virtual Conference Panels

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

## MSRB

### MSRB Information Notices:

[2020-13](#) MSRB Harmonizes Rules with Requirements of Regulation Best Interest

[2020-12](#) MSRB Enhances Transparency of Timing of Issuers' Annual Disclosures on the EMMA Website

### Upcoming Events:

[07/14/20](#) National Association of State Treasurers' (NAST) 2020 Virtual Treasury Management Training Symposium

[07/23/20](#) Using EMMA® to Identify the Timing of Annual Financial Disclosures

### MSRB Moves to Enhance Its Board Governance

Taking a major step in its year-long governance improvement undertaking, the Municipal Securities Rulemaking Board (MSRB) filed proposed changes to its governance rules with the Securities and Exchange Commission (SEC). [\(Link\)](#)

## NASAA

### NASAA Seeks Public Comment on Proposed Model Act to Establish Restitution Fund for Victims of Securities Law Violations

The North American Securities Administrators Association (NASAA) announced that its Board of Directors has approved the release for public comment of a proposed model act to assist states in creating a restitution assistance fund for victims of securities law violations. [\(Link\)](#)

### Guidance Issued for Historical Franchise Performance Representations Reflecting COVID-19 Impacts

The Franchise and Business Opportunities Project Group of the North American Securities Administrators Association (NASAA) issued guidance regarding franchisors using historical financial performance representations in 2020 considering the significant impact the COVID-19 pandemic has had on many franchise businesses. [\(Link\)](#)

### NASAA Updates COVID-19 Enforcement Task Force Actions

The North American Securities Administrators Association (NASAA) updated the status of the work of the COVID-19 Enforcement Task Force, consisting of state and provincial securities regulators, to identify and stop potential threats to investors stemming from the pandemic. [\(Link\)](#)

### NASAA Outlines Strong State Response to COVID-19 Fraud in House Testimony

The North American Securities Administrators Association (NASAA) told Congress that state securities regulators are undertaking decisive action aimed at rooting out and shutting down frauds related to the COVID-19 pandemic. Many of these schemes are targeting vulnerable senior investors who are experiencing unprecedented quarantines to protect against the spread of the novel coronavirus. [\(Link\)](#)

## NASDAQ/NASDAQ TRADER/OTCBB

### Equity Corporate Actions Alert:

[2020-119](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for Altus Midstream Company (ALTM)

[2020-118](#) Information regarding the Holding Company Reorganization & Reverse Split for Office Depot, Inc. (ODP)

[2020-117](#) Information Regarding the Re-Domestication, Change of Name and CUSIP Number for Avita Medical Limited (RCEL)

[2020-116](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for Seenergy Maritime Holdings Corp (SHIP)

[2020-115](#) Information Regarding the Merger of Mobile Mini, Inc. (MINI)

[2020-114](#) Information Regarding the Merger of Adesto Technologies Corporation (IOTS) and Dialog Semiconductor plc.

[2020-113](#) (UPDATED: Merger Closed and Terms Revised) Information Regarding the Business Combination of Act II Global Acquisition Corp. (ACTT/U/W) and Whole Earth Brands, Inc.

[2020-112](#) Information Regarding the Merger of IBERIABANK Corporation (IBKC/N/O/P)

[2020-111](#) Information Regarding the Merger of Portola Pharmaceuticals, Inc. (PTLA)

[2020-110](#) (UPDATED: Ex-date confirmation) Information Regarding the Rights Distribution for T-Mobile US, Inc. (TMUS)

[2020-109](#) (UPDATED: Consideration) Information Regarding the Separation Agreement for IAC/InterActiveCorp (IAC) and Match Group, Inc. (MTCH)

[2020-108](#) Information Regarding the Business Combination of Proficient Alpha Acquisition Corp. (PAAC/R/W/U) and Lion Group Holding Ltd

[2020-107](#) Information Regarding the Merger of Progenics Pharmaceuticals Inc. (PGNX)

[2020-106](#) Information Regarding the Business Combination of Tocagen Inc. (TOCA) and Forte Biosciences, Inc.

[2020-105](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for Energy Focus, Inc. (EFOI)

[2020-104](#) Information Regarding the Business Combination of Nebula Acquisition Corporation (NEBU/U/W) & Open Lending Corporation (LPRO)

[2020-103](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for Groupon, Inc. (GRPN)

[2020-102](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for XpresSpa Group, Inc. (XSPA)

[2020-101](#) Information Regarding the Tender Offer of Stemline Therapeutics, Inc. (STML)

[2020-100](#) Information Regarding the Business Combination of VectoIQ Acquisition Corp. (VTIQ/W/U) and Nikola Corporation

[2020-99](#) (UPDATED: Merger Effective) Information Regarding the Merger of CenterState Bank Corporation (CSFL) and South State Corporation (SSB)

### Equity Trader Alert:

[2020-38](#) UPDATE: Nasdaq and PSX Pricing Updates Effective July 1, 2020

[2020-37](#) Nasdaq to Begin Listing New Siren ETF on Wednesday, July 1, 2020

[2020-36](#) Limit Up/Limit Down Exchange Traded Product Tier 1 List Update

[2020-35](#) Nasdaq to Begin Listing New Global X ETF on Wednesday, June 24, 2020

[2020-34](#) U.S. Market Holiday: Independence Day

[2020-33](#) Nasdaq to Begin Listing 2 New iShares ETFs on Thursday, June 18, 2020

[2020-32](#) FINRA/Nasdaq TRF Retail Participant Program Clarification

[2020-31](#) Nasdaq Prepares for Russell Reconstitution on Friday, June 26, 2020

[2020-30](#) Nasdaq Testing Opportunity: Saturday, June 6, 2020

### Equity Regulatory Alert:

[2020-7](#) The Nasdaq Stock Market, Nasdaq PHLX, Nasdaq BX, Nasdaq ISE, Nasdaq GEMX, and Nasdaq MRX Will Conduct the Annual Election for Member Representative Directors on Friday, June 26, 2020

### Financial Products News:

[2020-25](#) Nasdaq Announces Launch of Three New Indexes Effective Monday, June 29, 2020

[2020-24](#) Nasdaq Will Use New ICB Codes for Its NASDAQ Global Index (NQGI) Family Sector Indexes Effective September 21, 2020

[2020-23](#) Nasdaq Announces Launch of Three New Indexes Effective Wednesday, July 1, 2020

[2020-22](#) Nasdaq Announces Launch of Three New Indexes Effective Friday, June 12, 2020

[2020-21](#) Nasdaq Announces Launch of Three New Indexes Effective Monday, June 15, 2020

[2020-20](#) Nasdaq Announces Launch of Three New Indexes Effective Friday, June 12, 2020

[2020-19](#) Nasdaq Announces Name and Ticker Changes for Third Party Indexes on GIDS, Effective Monday, June 8, 2020

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

[2020-14](#) Nasdaq Will Use New ICB Codes for Its Nordic, Baltic, and VINX Sector Index Families Effective July 13, 2020

### Futures Trader Alert:

[2020-33](#) Notice of Termination of Operations

### Options Trader Alert:

[2020-19](#) Nasdaq ISE, GEMX, and MRX Updated Pricing Effective July 1, 2020

[2020-18](#) Nasdaq ISE Updated Pricing Effective July 1, 2020

[2020-17](#) Nasdaq Announces Changes to the Penny Pilot Program, Effective July 1, 2020

[2020-16](#) Nasdaq BX Announces BX Re-platform Symbol Migration Schedule

[2020-13](#) Update: Nasdaq Phlx to Partially Reopen Phlx Trading Floor

## NYSE Weekly Program-Trading Data Releases:

### Credit Suisse Joins ICE ETF Hub as An Authorized Participant

Intercontinental Exchange, Inc. (NYSE:ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, . announced that

Credit Suisse has joined the ICE ETF Hub as an authorized participant and has become a member of the advisory committee for the platform. ([Link](#))

### Wells Fargo Joins ICE ETF Hub for Enhanced Access to the ETF Primary Market

Intercontinental Exchange, Inc. (NYSE:ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announced that Wells Fargo has become an authorized participant on ICE ETF Hub and has joined the platform's advisory committee. An Authorized Participant is an institutional firm authorized by an ETF issuer to facilitate creations or redemptions of ETF shares. ([Link](#))

### Ossiam Selects ICE Data Services for Carbon Reduction ETF

Intercontinental Exchange, Inc. (NYSE:ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announced that Ossiam has selected the ICE 3-5 Year Euro Government Carbon Reduction Index, administered by ICE Data Indices, LLC, as the benchmark for a new exchange traded fund (ETF), called the Ossiam 3-5 Year Euro Carbon Reduction ETF. Ossiam is a leading smart beta investment management firm and is an affiliate of Natixis Investment Managers. ([Link](#))

### Intercontinental Exchange Appoints Joanne Rowe Corporate Risk Officer

Intercontinental Exchange, Inc. (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announced that Joanne Rowe, currently the Corporate Risk Officer for ICE's North American Exchanges, has been named ICE's Corporate Risk Officer, leading the team that manages the company's global enterprise risk management program and related functions. Rowe succeeds Kevin McClear, who last week was appointed President of ICE Clear U.S. ([Link](#))

### Hester Serafini appointed President of ICE Clear Europe

Intercontinental Exchange, Inc. (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announces that Hester Serafini has been appointed President of ICE Clear Europe, ICE's London-based clearing house. ([Link](#))

### ICE Data Services Launches Real-Time Publication of Key Fixed Income Indices

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



provider of data and listings services, announced that ICE Data Services has launched real-time publication of several of its most popular fixed income indices. These indices will continue to be administered by ICE Data Indices, LLC ("IDI"). [\(Link\)](#)

### ICE Clear Credit Announces Record Quarter and Expands Clearing for Corporate and Sovereign Single Name CDS

Intercontinental Exchange, Inc. (NYSE:ICE), a leading operator of global exchanges and clearing houses and provider of data and listings services, announced it cleared a record amount of notional volume of credit default swaps (CDS) in the first quarter of 2020 and added clearing for 11 new corporate and sovereign single name CDS. [\(Link\)](#)

### Intercontinental Exchange Reports May Statistics

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

## FINCEN

### FinCEN Guidance Regarding Due Diligence Requirements under the Bank Secrecy Act for Hemp-Related Business Customers

The Financial Crimes Enforcement Network (FinCEN) is issuing this guidance to address questions related to Bank Secrecy Act/Anti-Money Laundering (BSA/AML) regulatory requirements for hemp-related business customers. This guidance explains how financial institutions can conduct due diligence for hemp-related businesses and identifies the type of information and documentation financial institutions can collect from hemp-related businesses to comply with BSA regulatory requirements. This clarification is intended to enhance the availability of financial services for, and the financial transparency of, hemp-related businesses in compliance with federal law. This guidance supplements the December 3, 2019 interagency statement on providing financial services to customers engaged in hemp-related businesses (December Hemp Statement). [\(Link\)](#)

## PRA

### Bank of International Settlements selects Bank of England to host an Innovation Hub Centre

This UK centre will support the global central banking and finance community through the development of digital public goods - addressing issues of critical importance for the global financial system. The decision to establish this centre is a reflection on the UK's position as a world leader in innovation and technology in finance, with global leadership evident across the private, government and regulatory sectors. [\(Link\)](#)

### Statement on Bank's commitment to combatting climate change

Andrew Bailey, Governor of the Bank of England, said: "I am grateful to everyone who has been in touch with me this week concerning the climate change implications of the Bank's policies on lending during the Covid Crisis, including the issue of resetting the benchmark for the Bank's purchases of corporate bonds. [\(Link\)](#)

### The Climate Financial Risk Forum publishes its guide to help the financial industry address climate-related financial risks

The Climate Financial Risk Forum (CFRF) has published a guide written by industry for industry to help firms approach and address climate-related financial risks. The guide, the first of its kind, provides practical recommendations to firms of all sizes on disclosure of climate-related financial risks; effective risk management; scenario analysis, and opportunities for innovation in the interest of consumers. [\(Link\)](#)

### Statement in relation to the Bank's historical links to the slave trade

There can be no doubt that the eighteenth and nineteenth century slave trade was an unacceptable part of English history. As an institution, the Bank of England was never itself directly involved in the slave trade but is aware of some inexcusable connections involving former Governors and Directors and apologizes for them. The Bank has commenced a thorough review of its collection of images of former Governors and Directors to ensure none with any such involvement in the slave trade remain on display anywhere in the Bank. The Bank is committed to improving diversity and is actively engaging with staff, particularly with our BAME colleagues, to help us identify and shape concrete steps that can be taken now to progress the Bank's efforts to be as inclusive as possible. [\(Link\)](#)

---

**US dollar liquidity-providing operations from 1 July 2020**

---

In view of the improvements in US dollar funding conditions and the low demand at recent 7-day maturity US dollar liquidity-providing operations, the Bank of England, the Bank of Japan, the European Central Bank and the Swiss National Bank, in consultation with the Federal Reserve, have jointly decided to reduce the frequency of their 7-day operations from daily to three times per week. ([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, Beano and Tes to launch new primary school teaching resource on money and financial wellbeing**

---

The Bank of England is announcing its collaboration with Beano and Tes to develop a new financial education resource for primary schools. Money and Me is a set of 12 lessons that will introduce young people aged 5-11 to the basics of how money and the economy work. ([Link](#))

---

**Monetary Policy Committee reappointment**

---

Andrew Haldane, Executive Director, Monetary Analysis and Statistics, and Chief Economist at the Bank of England, has been reappointed for a further three-year term as a member of the Monetary Policy Committee with effect from 12 June 2020. ([Link](#))

---

**Asset Purchase Facility (APF): Pricing of CBPS eligible securities – Market Notice 5 June 2020**

---

On 4 June, the Bank updated the list of eligible securities for the Corporate Bond Purchase Scheme (CBPS) to include additional bonds with 3 months to maturity par call features. ([Link](#))

---

**Financial Policy Committee dates for 2020 - updated June 2020**

---

The Financial Policy Committee (FPC) met on Friday 22 May to discuss its work plan for the next few months. ([Link](#))

---

**FCA**

---

---

**FCA research reveals 1.1 million spike in cryptoasset buyers**

---

The number marks a 1.1 million increase since the FCA completed a face-to-face survey on the same topic last year. Of the 1.9 million that still hold their cryptoassets – such as Bitcoin, Ripple or Ether – half have more than £260. ([Link](#))

---

**High Court finds against illegal pension introducers and others**

---

The FCA's case concerned the activities of one firm (in liquidation) and a second firm trading as Avacade Future Solutions (AA) and their directors. The FCA alleged the 2 companies provided a pension report service and made misleading statements which induced consumers to transfer their pensions into self-invested personal pensions (SIPPs) and then into alternative investments such as HotPods (office space available for rent), tree plantations and Brazilian property developments. ([Link](#))

---

**The Climate Financial Risk Forum publishes its guide to help the financial industry address climate-related financial risks**

---

The Climate Financial Risk Forum (CFRF) has published a guide written by industry for industry to help firms' approach and address climate-related financial risks. The guide, the first of its kind, provides practical recommendations to firms of all sizes on disclosure of climate-related financial risks; effective risk management; scenario analysis, and opportunities for innovation in the interest of consumers. ([Link](#))

---

**FCA publicly censures a Firm for market abuse**

---

The FCA has issued a public censure to a firm for committing market abuse between 9 November 2015 and 7 November 2016. The firm has agreed to provide compensation to affected investors. ([Link](#))

---

**FCA announces pensions value for money consultation**

---

These proposals aim to make it easier for Independent Governance Committees (IGCs) and Governance Advisory Arrangements (GAAs) to compare the value for money of pension products and services, enabling them to be more effective in assessing value for pension scheme members. ([Link](#))

---

**FCA seeks industry views on a new prudential regime for UK investment firms**

---

The FCA has published a discussion paper on a prudential regime for UK investment firms. This marks the first step in introducing a set of prudential rules for investment firms

to better reflect their business models and the risk of harm they pose to consumers and markets. ([Link](#))

---

### FCA reminds cryptoasset businesses to register before the end of June

---

To ensure that applications are processed on time the FCA requires firms to submit completed applications for registration by 30 June 2020. ([Link](#))

---

### Nikhil Rathi appointed as new Chief Executive of the FCA

---

Nikhil is currently the Chief Executive of London Stock Exchange plc. From September 2009 to April 2014, he was Director, Financial Services Group at HM Treasury. In this role, he led the Treasury's work on the UK's EU and international financial services interests. Nikhil is expected to take up the role in the Autumn. ([Link](#))

---

### FCA announces proposals to further support consumer credit customers

---

The proposals outline the support firms would be expected to provide credit card and other revolving credit (store card and catalogue credit) and personal loan customers coming to an end of a payment freeze, as well as those who are yet to request one. ([Link](#))

---

### FCA to make mini-bond marketing ban permanent

---

The FCA introduced the ban without consultation in January following concerns that speculative mini-bonds were being promoted to retail investors who neither understood the risks involved, nor could afford the potential financial losses. ([Link](#))

---

### FCA bars fines Commerzbank London £37,805,400 over anti-money laundering failures

---

Commerzbank London was aware of these weaknesses and failed to take reasonable and effective steps to fix them despite the FCA raising specific concerns about them in 2012, 2015 and 2017. ([Link](#))

---

### Firms must do more to ensure that they are always giving appropriate equity release advice, FCA review finds

---

Demand for later life lending has grown in recent years. With the option of no monthly payments, equity release is an attractive option for some - allowing consumers to benefit from the stability of a long-term fixed interest rate and unlock wealth from the value of their home which may be their main or only asset. ([Link](#))

---

### FCA fines Lloyds Bank, Bank of Scotland, and The Mortgage Business £64,046,800 for failures in mortgage arrears handling

---

The Financial Conduct Authority (FCA) has fined Lloyds Bank plc, Bank of Scotland plc and The Mortgage Business plc (the banks) £64,046,800 for failures in relation to their handling of mortgage customers in payment difficulties or arrears. The banks have estimated that they will have paid approximately £300 million in redress. The redress programme is nearly complete. ([Link](#))

---

### FCA sets out next steps to improve defined benefit pension transfer market

---

The Financial Conduct Authority (FCA) has set out a package of measures designed to address weaknesses across the defined benefit (DB) transfer market. It includes steps to reduce conflicts of interest by banning contingent charging, as well as help for advisers who want to do the right thing and provide good quality advice to their customers. ([Link](#))

---

### FCA confirms guidance for insurance firms on assessing product value

---

The Financial Conduct Authority (FCA) is confirming guidance for insurance firms to consider the impact of coronavirus (Covid-19) on the value of their insurance products. ([Link](#))

---

### FCA confirms support for customers who are struggling to pay their mortgage due to coronavirus

---

The FCA has confirmed the support firms should give to mortgage customers who are either coming to the end of a payment holiday or who are yet to request one. The FCA is also reminding customers that if they can afford to resume payments, they should. ([Link](#))

**Resource Links**

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

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

**Reader Survey**

**“Find It - Before the Regulators”**

The RRS staff continually strives to ensure that the services and support we provide to our clients is the most up to date and comprehensive available. We can forecast regulatory trends based on our extensive regulatory experience and the information our clients provide regarding new products, services and/or marketing trends. This “Find It - Before the Regulators” insight enables us to develop customized compliance solutions so that our clients can address any regulatory deficiencies before the regulators do. If you have any questions or suggestions, please speak with your account representative or call us at **(561) 368-2245**.

**Reader Survey Fax Response Form**

To: Louis Dempsey  
[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, 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>
--	---