

Regulatory & Compliance Update

Routing

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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

- Statement at the SEC's Staff Roundtable on Regulation Best Interest and Form CRS
- SEC Joint Statement Regarding New FAQs for Form CRS
- SEC and CFTC Approve Final Rule on Security Futures Margin and Request for Comment on Portfolio Margining
- SEC Updates Auditor Independence Rules
- SEC to Hold National Compliance Outreach Seminar for Investment Companies and Investment Advisers Virtually
- SEC Proposes Conditional Exemption for Finders Assisting Small Businesses with Capital Raising
- SEC Updates Regulatory Framework for Fund of Funds Arrangements
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- FINRA Reg Notice 20-37: FINRA Requests Comment on a Concept Proposal Regarding the Application of FINRA Rules to Security-Based Swaps
- FINRA Reg Notice 20-35: FINRA Alerts Firms to Phishing Email Requesting Them to Respond to Fraudulent FINRA Survey
- FINRA Reg Notice 20-34: Proposed Amendments to FINRA Rule 2165 and Retrospective Rule Review Report
- FINRA Information Notice 10/15/20: Cybersecurity Background: Authentication Methods
- MSRB Information Notice 10/27/20: MSRB Seeks Input and Volunteers for Advisory Groups
- NASAA Comment Letter to the SEC regarding FINRA's 2020-030 Expungement Proposal

Team Spotlight!

Bart McDonald is the Executive Vice President and Chief Operating Officer of Renaissance Regulatory Services. Bart is responsible for RRS's investment advisory practice and has over twenty years of public/private sector regulatory compliance experience. This experience includes a unique combination of advising and auditing investment advisers, private funds, broker-dealers, investment companies and business development companies relative to federal, state, and self-regulatory rules and regulations. Earlier in his career, Bart was a Branch Chief and Compliance Examiner with the SEC's Southeast Regional Office. He can be reached via phone at (561) 368-2245 or BartMcDonald@RRSCompliance.com.

November 2020



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
	Form OBS Filings Due	Short Interest Reporting Due				
8	9	10	11	12	13	14
	Customer Margin Balance Reporting Due	Short Interest Reporting Due				
15	16	17	18	19	20	21
	13F-HR Filings Due					
22	23	24	25	26	27	28
			FOCUS Monthly Part II/IIA Filings Due	Thanksgiving!		
29	30	December 1				
	Annual Reports Due for B/Ds with FYE 9/30/20					

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:

[34-90244](#) Customer Margin Rules Relating to Security Futures

[33-10876](#) Qualifications of Accountants

[33-10871](#) Fund of Funds Arrangements

SEC No Action Letters:

None as of 10/29/20

SEC Upcoming Events:

[Nov. 2, 2020](#) Open Meeting

[Nov. 5, 2020](#) Asset Management Advisory Committee Meeting

Statement at the SEC's Staff Roundtable on Regulation Best Interest and Form CRS

Chairman Clayton welcomed participants to the SEC's Staff Roundtable on Regulation Best Interest and Form CRS and hopes that this event provides useful information to broker-dealers and investment advisers in complying with these key regulatory enhancements. Staff from the Commission's Division of Trading and Markets, Division of Investment Management and Office of Compliance Inspections and Examinations, together with staff from FINRA, will present some insights and feedback as we approach the four-month anniversary of the June 30 compliance date. ([Link](#))

SEC Joint Statement Regarding New FAQs for Form CRS

Chairman Jay Clayton, Director Dalia Blass, and Director, Brett Redfearn issued a joint statement regarding new FAQs

for Form CRS. The FAQs specifically focus on the requirement to disclose reportable disciplinary history on Form CRS. ([Link](#))

SEC Updates Form CRS Frequently Asked Questions

The staff of the Division of Investment Management and the Division of Trading and Markets updated the FAQs for Form CRS regarding reportable disciplinary history. ([Link](#))

Division of Corporation Finance Director Bill Hinman Announces Intention to Conclude His Tenure Later This Year

The Securities and Exchange Commission announced that William H. Hinman, Director of the SEC's Division of Corporation Finance, plans to leave the SEC later this year. ([Link](#))

SEC Charges Day-Trading Education Firm for Unregistered Security-Based Swap Transactions

The Securities and Exchange Commission charged an Israeli company for offering and selling security-based swaps to over 5,000 retail investors without registration and for failing to transact its swaps on a registered national exchange. ([Link](#))

SEC Issues Record \$114 Million Whistleblower Award

The Securities and Exchange Commission announced an award of over \$114 million to a whistleblower whose information and assistance led to the successful enforcement of SEC and related actions. ([Link](#))

SEC Charges a Firm with FCPA Violations

The Securities and Exchange Commission announced charges against a firm for violations of the Foreign Corrupt Practices Act (FCPA) in connection with the 1Malaysia Development

Berhad (1MDB) bribe scheme, and as part of coordinated resolutions, it has agreed to pay more than \$2.9 billion, which includes more than \$1 billion to settle the SEC's charges. [\(Link\)](#)

At Joint Open Meeting, SEC and CFTC Approve Final Rule on Security Futures Margin and Request for Comment on Portfolio Margining

The Securities and Exchange Commission and the Commodity Futures Trading Commission, at their first joint open meeting to vote on rulemaking initiatives approved: (1) a joint final rule to harmonize the minimum margin level for security futures held in a futures account with the minimum margin level for security futures held in a securities portfolio margin account, and (2) the issuance of a joint request for comment on the portfolio margining of uncleared swaps and non-cleared security-based swaps. [\(Link\)](#)

SEC Held Panel with Women Entrepreneurs of Color on Oct. 28

The Securities and Exchange Commission hosted a virtual forum on October 28 featuring women entrepreneurs and investors of color from Los Angeles and Atlanta discussing their business experiences and ways to improve access to capital for minorities and women. [\(Link\)](#)

SEC Obtains Final Judgment Against a Firm for Unregistered Offering

The Securities and Exchange Commission announced that a federal district court has entered a final judgment on consent against a firm to resolve the SEC's charges that the firm's unregistered offering of digital tokens in 2017 violated the federal securities laws. [\(Link\)](#)

SEC Updates Auditor Independence Rules

The Securities and Exchange Commission announced that it adopted final amendments to certain auditor independence requirements in Rule 2-01 of Regulation S-X. Informed by decades of staff experience applying the auditor independence framework, the final amendments modernize the rules and more effectively focus the analysis on

relationships and services that may pose threats to an auditor's objectivity and impartiality. [\(Link\)](#)

SEC Released Agenda for October 26 Roundtable on Regulation Best Interest and Form CRS

The Securities and Exchange Commission announced the agenda and panelists for the October 26, 2020, roundtable where Commission staff and FINRA discussed initial observations on Regulation Best Interest and Form CRS implementation. [\(Link\)](#)

SEC and CFTC Held a Joint Open Meeting on October 22

The U.S. Securities and Exchange Commission and the Commodity Futures Trading Commission held a joint open meeting on Thursday, Oct. 22, 2020, at 10:00 a.m. (EDT). The meeting was held virtually. [\(Link\)](#)

SEC Charges a Firm for Inadequate Controls Around Authorization of Stock Buyback Plan

The Securities and Exchange Commission announced settled charges against a firm for controls violations relating to a stock buyback plan it implemented while it was in discussions to be acquired by another energy company in 2018. The firm agreed to pay a \$20 million penalty to settle the charges. [\(Link\)](#)

Board Member James G. Kaiser to Retire From the PCAOB; Contributed Substantially to PCAOB Strategic Plan and the Use of Technology to Enhance Audit Quality

The Securities and Exchange Commission announced that James (Jim) G. Kaiser will leave the Public Company Accounting Oversight Board (PCAOB) after completing his term as a Board member. Mr. Kaiser was appointed to the Board in December 2017 and his term expires in October 2020. Mr. Kaiser was eligible for reappointment to the 2020-2025 term but elected not to stand for reappointment. Mr. Kaiser has agreed to continue his service as a member of the PCAOB Board past the expiration of his term on October 24, 2020, until such time as Megan

Zietsman is able to transition into her new role as a Board member later this year. ([Link](#))

SEC Appoints PCAOB Chief Auditor Megan Zietsman to PCAOB Board

The Securities and Exchange Commission announced the appointment of Megan Zietsman as a Board member of the Public Company Accounting Oversight Board (PCAOB) for a term ending in October 2025. Ms. Zietsman has been the Chief Auditor and Director of Professional Standards of the PCAOB since February 2019. ([Link](#))

SEC Awards \$800,000 to Whistleblower

The Securities and Exchange Commission announced an award of more than \$800,000 to a whistleblower whose information caused the staff to open an investigation that led to two successful SEC enforcement actions. ([Link](#))

SEC Charges Brazilian Meat Producers with FCPA Violations

The Securities and Exchange Commission announced that two Brazilian nationals and their companies, a global meat and protein producer, have agreed to pay nearly \$27 million to resolve charges arising out of an extensive bribery scheme that took place over multiple years. ([Link](#))

Tamara Brightwell Named Deputy Director of Division of Corporation Finance's Disclosure Review Program

The Securities and Exchange Commission announced that Tamara M. Brightwell has been named Deputy Director of the Division of Corporation Finance's Disclosure Review Program. ([Link](#))

Jessica Kane Named Director of Division of Corporation Finance's Disclosure Review Program

The Securities and Exchange Commission announced that Jessica S. Kane has been named Director of the Division of Corporation Finance's Disclosure Review Program. ([Link](#))

SEC Charges a Company, Former Executives With \$100 Million Accounting Fraud

The Securities and Exchange Commission charged a Houston-based seismic data company and four former executives for a multi-year accounting fraud that falsely inflated the company's revenue by approximately \$100 million and concealed the theft of millions of dollars by the executives. The company issued restated financial statements in February and declared bankruptcy in August. ([Link](#))

SEC Names Nichola L. Timmons Chief of New Office of Bankruptcy, Collections, Distributions, and Receiverships

The Securities and Exchange Commission announced that Nichola L. Timmons has been named Chief of the newly formed Office of Bankruptcy, Collections, Distributions, and Receiverships in the Division of Enforcement. ([Link](#))

SEC to Hold National Compliance Outreach Seminar for Investment Companies and Investment Advisers Virtually

The Securities and Exchange Commission announced that it has rescheduled its compliance outreach program's national seminar for investment companies and investment advisers to Nov. 19, 2020. This program is intended to help CCOs and other senior personnel at investment companies and investment advisory firms enhance their compliance programs for the protection of investors. The November program will be offered as a live webcast. All live webcast attendees may view the program real-time, access presentation materials, and submit questions to the speakers during the presentation. Questions for the panels may also be submitted prior to the event to ComplianceOutreach@sec.gov. ([Link](#))

SEC Proposes Conditional Exemption for Finders Assisting Small Businesses with Capital Raising

The Securities and Exchange Commission voted to propose a new limited, conditional exemption from broker registration requirements for "finders" who assist issuers with raising capital in private markets from accredited investors. If adopted, the proposed exemption would permit natural persons to engage in certain limited activities involving

accredited investors without registering with the Commission as brokers. The proposed exemption seeks to assist small businesses to raise capital and to provide regulatory clarity to investors, issuers, and the finders who assist them. [\(Link\)](#)

SEC Updates Regulatory Framework for Fund of Funds Arrangements

The Securities and Exchange Commission voted to adopt a new rule and related amendments designed to put in place a comprehensive regulatory framework for fund of funds arrangements. The rule also reflects the Commission's decades of experience with fund of funds arrangements and will create a consistent and efficient rules-based regime for the formation and oversight of funds of funds. [\(Link\)](#)

SEC Charges a Businessman with Fraudulently Touting ICOs

The Securities and Exchange Commission charged businessman and computer programmer for promoting investments in initial coin offerings (ICOs) to his Twitter followers without disclosing that he was paid to do so. His bodyguard was also charged for his role in the alleged scheme. [\(Link\)](#)

SEC Staff Releases Report on U.S. Credit Market Interconnectedness and the Effects of the COVID-19 Economic Shock

The Securities and Exchange Commission published a staff report titled U.S. Credit Markets: Interconnectedness and the Effects of the COVID-19 Economic Shock, which focuses on the origination, distribution, and secondary market flow of credit across U.S. credit markets. The staff report also addresses how the related interconnections in our credit markets operated as the effects of the COVID-19 pandemic took hold. In addition, staff hosted a Roundtable on Interconnectedness and Risk in U.S. Credit Markets to discuss the issues raised in the report on the afternoon of Oct.14. [\(Link\)](#)

SEC's Messages for World Investor Week 2020

As World Investor Week (WIW) 2020 kicks off, the Securities and Exchange Commission announced that staff will engage with Main Street investors to emphasize the importance of two particularly relevant investing topics

-planning for life's unexpected challenges and investing for the long term in times of uncertainty and market volatility. [\(Link\)](#)

SEC Issued Agenda for Oct. 5 Meeting of the Fixed Income Market Structure Advisory Committee

The Securities and Exchange Commission released the agenda for the Oct. 5 meeting of the Fixed Income Market Structure Advisory Committee (FIMSAC). The meeting focused on discussions regarding recent market volatility and the impact of COVID-19 on the corporate bond market, the bond fund and ETF market, the technology and e-trading market, and the municipal securities market. The committee also considered a recommendation concerning the definition of electronic trading for regulatory purposes, and the meeting included member observations of the fixed income markets and the Committee's work. The Commission established the FIMSAC to provide advice and recommendations on fixed income market structure issues. [\(Link\)](#)

FINRA

Regulatory Notices:

[20-38](#) FINRA Adopts Rule to Limit a Registered Person from Being Named a Customer's Beneficiary or Holding a Position of Trust for or on Behalf of a Customer

[20-37](#) The National Adjudicatory Council (NAC) Revises the Sanction Guidelines

[20-36](#) FINRA Requests Comment on a Concept Proposal Regarding the Application of FINRA Rules to Security-Based Swaps

[20-35](#) FINRA Alerts Firms to Phishing Email Requesting Them to Respond to Fraudulent FINRA Survey

[20-34](#) Proposed Amendments to FINRA Rule 2165 and Retrospective Rule Review Report

Information Notices:

[10/15/20](#) Cybersecurity Background: Authentication Methods

Trade Reporting Notices:

No updates as of 10 / 28 / 2020

Upcoming Events:

[2020](#) Virtual Conference Panels

[2020](#) Virtual Compliance Boot Camps

[11/09/20](#) 2020 FINRA Artificial Intelligence (AI) Virtual Conference and FinTech Office Hours

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

MSRB

MSRB Information Notices:

[10/27/20](#) MSRB Seeks Input and Volunteers for Advisory Groups

Upcoming Events:

[11/6/20](#) MSRB CEO Mark Kim will provide an update on the MSRB's priorities during a fireside chat.

[11/10/20](#) MSRB CIO Adam Cusson will speak on a panel titled "Regulations at the Speed of Technology."

MSRB Seeks Volunteers for Board Advisory Groups

The Municipal Securities Rulemaking Board (MSRB) today announced that it is seeking volunteers for two Board advisory groups for FY 2021: The Compliance Advisory Group (CAG) and the Municipal Fund Securities Advisory Group (MFSAG). In addition, the MSRB is requesting input on potential topics for these advisory groups to take up in FY 2021. [\(Link\)](#)

MSRB Holds First Quarterly Board Meeting of FY 2021

The Board of Directors of the Municipal Securities Rulemaking Board (MSRB) met virtually on October 21-22, 2020 for its first meeting of Fiscal Year 2021, where it discussed a transparent and inclusive approach to long-term strategic planning, next steps in its retrospective rule review and other market topics. [\(Link\)](#)

MSRB FY 2021 Budget Reflects Priorities of Modernizing EMMA® and Reducing Compliance Burdens

The Municipal Securities Rulemaking Board (MSRB) published its annual budget reflecting the organization's strategic priorities for safeguarding the integrity of the critical market that enables cities and towns around the country to invest in schools, hospitals, roads and other essential infrastructure. For FY 2021, the MSRB budget demonstrates continued investments in data and technology to advance market transparency, as well as sustained pursuit of regulatory initiatives that reduce compliance burdens and costs for regulated entities. [\(Link\)](#)

NASAA

NASAA Comment Letter to the SEC regarding FINRA's 2020-030 Expungement Proposal

The NASAA sent a comment letter to the SEC stating their position that expungement is an extraordinary remedy that should be granted solely in limited circumstances. [\(Link\)](#)

NASAA Announced Agenda for Fintech and Cybersecurity Symposium

The North American Securities Administrators Association (NASAA) announced the agenda and speakers for its October 27, 2020 Fintech and Cybersecurity Symposium. The online symposium will be held from 1 p.m. to 5 p.m. Registration information is available on NASAA's website, [www.nasaa.org](#). [\(Link\)](#)

NASDAQ/NASDAQ TRADER/OTCBB

Equity Corporate Actions Alert:

[2020-198](#) Information Regarding the Business Combination of ARYA Sciences Acquisition Corp. II (ARYB/W/U) and Cerevel Therapeutics Holdings, Inc.

[2020-197](#) (UPDATED: Anticipated effective date) Information Regarding the Merger of Livongo Health, Inc. (LVGO)

[2020-196](#) Information Regarding the Reverse Stock Split, CUSIP Number Change and Par Value Change for Lianluo Smart Limited (LLIT)

[2020-195](#) Information Regarding the Business Combination of DiamondPeak Holding Corp. (DPHC/W/U) and Lordstown Motors Corp.

[2020-194](#) Information Regarding the Merger of Garrison Capital Inc. (GARS) and Portman Ridge Finance Corporation (PTMN)

[2020-193](#) Information Regarding the Reverse Stock Split, CUSIP Number Change and Ratio Change for TuanChe Limited (TC)

[2020-192](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for Globus Maritime Limited (GLBS)

[2020-191](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for Abraxas Petroleum Corporation (AXAS)

[2020-190](#) Information Regarding the Reverse Stock Split, CUSIP Number Change and Ratio Change for The9 Limited (NCTY)

[2020-189](#) Information Regarding the Business Combination of FinTech Acquisition Corp. III (FTAC/W/U) and GTCR-Ultra Holdings, LLC

[2020-188](#) Information Regarding the Reverse Stock Split for CHF Solutions, Inc. (CHFS)

[2020-187](#) Information Regarding the Tender Offer of Immunomedics, Inc. (IMMU)

[2020-186](#) Information Regarding the Business Combination of Forum Merger II Corporation (FMCI/W/U) and Myjojo, Inc.

[2020-185](#) Information Regarding the Business Combination of Software Acquisition Group Inc. (SAQN/W/U) and Curiosity Stream Inc.

[2020-184](#) Information Regarding the Business Combination of Insurance Acquisition Corp. (INSU/W/U) and Shift Technologies, Inc.

[2020-183](#) (UPDATED: Merger Effective) Information Regarding the Merger of Central European Media Enterprises Ltd. (CETV).

[2020-182](#) (UPDATED: Merger Effective) Information Regarding the Tender Offer for the Shares of Akcea Therapeutics, Inc. (AKCA)

[2020-181](#) (UPDATED: Merger Effective) Information Regarding the Tender Offer for the Shares of Aimmune Therapeutics, Inc. (AIMT)

[2020-180](#) Information Regarding the Business Combination of Aduro Biotech, Inc. (ADRO) and Chinook Therapeutics, Inc.

[2020-179](#) (UPDATED: Merger closed) Information Regarding the Merger of Noble Energy Inc. (NBL)

[2020-178](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for Novus Therapeutics, Inc. (NVUS)

[2020-174](#) (UPDATED: Merger Effective) Information Regarding the Merger of E*TRADE Financial Corporation (ETFC) and Morgan Stanley (NYSE: MS)

[2020-175](#) (Merger effective as of 12:02AM on 10/6/20) Information Regarding the Merger of TD Ameritrade Holding Corporation (AMTD)

[2020-177](#) Information Regarding the Reverse Stock Split and CUSIP Number Change for Aduro Biotech, Inc. (ADRO)

[2020-176](#) Reverse Split Immediately Followed by a Forward Split and CUSIP Change for Westell Technologies, Inc. (WSTL)

[2020-173](#) Information Regarding the Business Combination of 8i Enterprises Acquisition Corp. (JFK/JFKKR/W/U) and Digital Innovative Limited

Equity Trader Alert:

[2020-68](#) REMINDER: Nasdaq PSX exchange to operate from Chicago data site October 26-30th

[2020-67](#) Reminder: Nasdaq Announces Regulation SCI BCP/DR Testing

[2020-66](#) Nasdaq to Begin Listing 2 New Invesco ETFs on Tuesday, October 13th, 2020

[2020-65](#) Nasdaq to Begin Listing New iShares ETF on Thursday, October 8, 2020

[2020-64](#) Nasdaq Pricing Updates Effective October 1, 2020

Equity Regulatory Alert:

No updates as of 10 / 28 / 2020

Financial Products News:

[2020-35](#) Nasdaq Announces Launch of 24 New Indexes Effective Monday, November 2, 2020

[2020-34](#) Nasdaq Announces Launch of 21 New Indexes Effective Monday, October 19, 2020

[2020-33](#) Nasdaq Announces Launch of New Index Effective Monday, October 12, 2020

Futures Trader Alert:

No updates as of 10 / 28 / 2020

Options Trader Alert:

[2020-29](#) Reminder: Nasdaq Announces Regulation SCI BCP/DR Testing

[2020-28](#) Nasdaq MRX Updated Pricing Schedule Effective November 1, 2020

[2020-27](#) Nasdaq Announces Changes to the Penny Interval Program, Effective October 2, 2020

[2020-26](#) Nasdaq NOM Decommissions WAIT Order

[2020-25](#) Nasdaq Announces Regulation SCI BCP/DR Testing

NYSE Weekly Program-Trading Data Releases:

ICE ETF Hub Expands Custom Basket Pilot Program

Intercontinental Exchange, Inc. (NYSE:ICE), a leading operator of global exchanges and clearing houses and provider of mortgage technology, data and listings services, today announced that four new market makers have joined the ICE ETF Hub pilot program. In addition, several enhancements have been made to the platform. ([Link](#))

ICE Data Services and RepRisk to Increase Access to ESG Risk Data

Intercontinental Exchange (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of mortgage technology, data and listing services, today announced that ICE Data Services is integrating ESG risk data from RepRisk into its ESG Reference Data service. ([Link](#))

Datto Makes Public Debut on the New York Stock Exchange

The New York Stock Exchange (NYSE), a wholly-owned subsidiary of Intercontinental Exchange (NYSE: ICE), welcomed Datto Holding Corp. to the NYSE after it opened for trading under the ticker symbol "MSP," following its initial public offering. Datto is a leading global provider of cloud-based software and technology solutions purpose-built for delivery by managed service providers (MSPs). ([Link](#))

Demand for Electronic Solutions and Strong Origination Volumes Drive Record Registrations on the MERS® eRegistry

MERSCORP Holdings, Inc. (“MERSCORP”), now ICE Mortgage Technology, a division of Intercontinental Exchange (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of mortgage technology, data and listings services, announced record registrations for the MERS® eRegistry. This activity is being driven by a number of factors, including strong industry-wide origination volumes and a movement by lenders and originators to adopt digital mortgage solutions that include eNotes. [\(Link\)](#)

Intercontinental Exchange Provides Update on Plans to Launch ICE Futures Abu Dhabi and World’s First Murban Crude Futures Contracts

Intercontinental Exchange, Inc. (NYSE:ICE), a leading operator of global exchanges and clearing houses and provider of mortgage technology, data and listings services, provides an update on its plans to launch ICE Futures Abu Dhabi (IFAD) and the world’s first futures contracts based on Murban crude oil. [\(Link\)](#)

Intercontinental Exchange Reports September and Third Quarter Statistics

Intercontinental Exchange, Inc. (NYSE: ICE), a leading operator of global exchanges and clearing houses and provider of mortgage technology, data and listings services, reported September and third 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 Benchmark Administration Launches Beta Version of GBP SONIA ICE Swap Rate®

Intercontinental Exchange, Inc. (NYSE:ICE), a leading operator of global exchanges and clearing houses and provider of mortgage technology, data and listings services, announces that ICE Benchmark Administration Limited (IBA) has launched an initial, ‘Beta’, version of its GBP ICE Swap Rate® for SONIA swaps. [\(Link\)](#)

FINCEN

Agencies Invite Comment on Proposed Rule under Bank Secrecy Act

The Financial Crimes Enforcement Network (FinCEN) and the Federal Reserve Board invited comment on a proposed rule that would amend the recordkeeping and travel rule regulations under the Bank Secrecy Act. FinCEN and the Board, pursuant to their shared authority, are proposing amendments to the recordkeeping rule jointly, while FinCEN, pursuant to its sole authority, is proposing amendments to the travel rule. [\(Link\)](#)

First Bitcoin “Mixer” Penalized by FinCEN for Violating Anti-Money Laundering Laws

The Financial Crimes Enforcement Network (FinCEN) has assessed a \$60 million civil money penalty against Larry Dean Harmon, the founder, administrator, and primary operator of Helix and Coin Ninja, convertible virtual currency “mixers,” or “tumblers,” for violations of the Bank Secrecy Act (BSA) and its implementing regulations. [\(Link\)](#)

Supplemental Advisory on Identifying and Reporting Human Trafficking and Related Activity

The Financial Crimes Enforcement Network (FinCEN) is issuing this advisory to help save lives, and to protect the most vulnerable in our society from predators and cowards who prey on the innocent and defenseless for money and greed. This advisory supplement the 2014 FinCEN Guidance on Recognizing Activity that May be Associated with Human Smuggling and Human Trafficking –Financial Red Flags (“2014 Advisory”).1 [\(Link\)](#)

FinCEN Selects Felicia Swindells to Lead the Bureau’s Policy Division

The Financial Crimes Enforcement Network (FinCEN) is proud to announce that Felicia Swindells will serve as Associate Director of the bureau’s Policy Division. Ms. Swindells will oversee the development and administration of policy and regulatory programs implementing the Bank Secrecy Act (BSA), a critical part of the nation’s comprehensive legal architecture in the fight against money laundering and its related crimes, including the financing of terrorism. [\(Link\)](#)

Advisory on Unemployment Insurance Fraud During the COVID-19 Pandemic

The Financial Crimes Enforcement Network (FinCEN) is issuing this advisory to alert financial institutions to unemployment insurance (UI) fraud observed during the COVID-19 pandemic. Many illicit actors are engaged in fraudulent schemes that exploit vulnerabilities created by the pandemic. This advisory contains descriptions of COVID-19-related UI fraud, associated financial red flag indicators, and information on reporting suspicious activity. This advisory is based on FinCEN's analysis of COVID-19-related information obtained from Bank Secrecy Act (BSA) data, open source reporting, and law enforcement partners. ([Link](#))

FinCEN Announces Jimmy Kirby to Lead Its Intelligence Division

The Financial Crimes Enforcement Network (FinCEN) announced Jimmy Kirby was selected as the new Associate Director to head the bureau's Intelligence Division. As Associate Director of the Intelligence Division, Mr. Kirby will oversee FinCEN's collection, analysis, and dissemination of financial intelligence, and a Division whose mission is critical to protecting our national security, safeguarding the economy, and protecting our communities from harm. ([Link](#))

Federal Banking Agencies and FinCEN Announce Exemption from Customer Identification Program Requirements for Premium Finance Loans

Order granting an exemption from customer identification program requirements implementing section 326 of the USA PATRIOT Act, 31 U.S.C. § 5318(l), for loans extended by banks (and their subsidiaries) subject to the jurisdiction of the Federal Banking Agencies to all customers to facilitate purchases of property and casualty insurance policies. ([Link](#))

Treasury Issues Ransomware Advisories to Increase Awareness and Thwart Attacks

The U.S. Department of the Treasury issued a pair of advisories to assist U.S. individuals and businesses in efforts to combat ransomware scams and attacks, which continue to increase in size and scope. The Financial Crimes Enforcement Network (FinCEN) advisory, entitled Advisory on Ransomware and the Use of the Financial System to Facilitate Ransom Payments, provides information on the role of financial intermediaries in payments, ransomware trends and typologies, and related financial red flags. It also provides

information on effectively reporting and sharing information related to ransomware attacks. The Office of Foreign Assets Control (OFAC) advisory, entitled Advisory on Potential Sanctions Risks for Facilitating Ransomware Payments, highlights the sanctions risks associated with facilitating ransomware payments on behalf of victims targeted by malicious cyber-enabled activities. ([Link](#))

Treasury News Release: Treasury Department Issues Ransomware Advisories to Increase Awareness and Thwart Attacks

The U.S. Department of the Treasury's Office of Terrorism and Financial Intelligence issued a pair of advisories to assist U.S. individuals and businesses in efforts to combat ransomware scams and attacks, which continue to increase in size and scope. Anti-money laundering and sanctions regulations implemented and enforced by Treasury's Office of Terrorism and Financial Intelligence may have implications for persons involved in facilitating ransomware payments. Efforts to detect and report ransomware payments are vital to prevent and deter cyber actors from deploying malicious software to extort individuals and businesses, and to hold ransomware attackers accountable for their crimes. ([Link](#))

PRA

Bank of England signs up to ISDA's IBOR Fallbacks Protocol

Consistent with its leading role in supporting transition away from LIBOR by the end of 2021, the Bank of England (the Bank), has signed up to the International Swaps and Derivatives Association's (ISDA) 'IBOR Fallbacks Protocol' (the Protocol) in respect of its own activities as a market participant. ISDA launched the Protocol and confirmation that the Bank has signed up is available on ISDA's website. This will apply both to transactions the Bank undertakes on its own behalf, and those it enters into as agent for HM Treasury and other entities. ([Link](#))

FCA and PRA fine a Firm £96.6 million for risk management failures in connection with 1MDB

The Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA) have fined a firm a total of £96.6 million (US\$126 million) for risk management failures

connected to 1Malaysia Development Berhad (1MDB) and its role in three fund raising transactions for 1MDB. ([Link](#))

Central banks and BIS publish first central bank digital currency (CBDC) report laying out key requirements

A group of seven central banks together with the Bank for International Settlements (BIS) published a report identifying the foundational principles necessary for any publicly available CBDCs to help central banks meet their public policy objectives. ([Link](#))

FCA

FCA charges a Man with conspiracy to pervert the course of justice

The FCA has commenced criminal proceedings against a man following an investigation. The man appeared today by video link at Westminster Magistrates Court in relation to a charge of conspiring to pervert the course of justice. ([Link](#))

FCA censures a Company for listing and transparency rules breach

The announcement on 8 March 2018 (the Announcement) concerned the company's preliminary year-end results. The FCA's investigation into breaches of the Listing Rules and Transparency Rules found that the Announcement was reasonably capable of giving the impression that the company intended to take action to cancel at par value certain preference shares (which had been described at the time of issue in the early 1990s as "irredeemable"). ([Link](#))

FCA confirms measures to support closed book and interest-only / part-and-part mortgage borrowers

The FCA has confirmed the introduction of measures to support some closed book mortgage borrowers, some of whom may be mortgage prisoners. ([Link](#))

FCA highlights continued support for consumers struggling with payments

The Financial Conduct Authority is urging consumers struggling to make repayments due to the impact of coronavirus (Covid-19), to speak to their lenders about

options available to them. The FCA has put in place a package of support for people in difficulty to ensure help is available after 31 October 2020. ([Link](#))

FCA and PRA fine a Firm £96.6m for risk management failures in connection with 1MDB

The FCA and the Prudential Regulation Authority (PRA) have fined a firm a total of £96.6 million (US\$126 million) for risk management failures connected to 1Malaysia Development Berhad (1MDB) and its role in three fund raising transactions for 1MDB. The FCA and PRA fines are part of a US\$2.9 billion globally coordinated resolution reached with the firm and its subsidiaries. ([Link](#))

FCA fines a For, £873,118 for breaches of short selling disclosure rules

The Financial Conduct Authority (FCA) has fined a firm £873,118 over transparency failures. The firm failed to notify the FCA and disclose to the public its net short position in Premier Oil Plc built between February 2017 and July 2019. ([Link](#))

FCA bans IFA directors who provided false and misleading SIPP declarations

The FCA has banned two directors from performing any regulated activity because of their roles in the submission of false and misleading information about customers' high net worth status. ([Link](#))

FCA urges unauthorized land banking scheme victims to get in touch to return funds

Between late 2009 and May 2011, members of the public invested approximately £3m in an unauthorized collective investment scheme established and operated by Synergy Land Group Limited and its director trading as Synergy Land Group. ([Link](#))

FCA bans the sale of crypto derivatives to retail consumers

The FCA has published final rules banning the sale of derivatives and exchange traded notes (ETNs) that reference certain types of crypto assets to retail consumers. ([Link](#))

FCA assists innovative companies in tackling coronavirus challenges

Application windows for Cohort 7 of the Regulatory Sandbox and the pilot of a new Digital Sandbox initiative have opened with an emphasis on supporting products and solutions that will assist consumers and firms affected by the pandemic.

[\(Link\)](#)

FCA secures £1.6m confiscation order against a Man

The confiscation order was made in the man's absence after he absconded from justice during his trial and conviction for money laundering in 2017. He was previously sentenced to a total of 5 years and 8 months' imprisonment for the offence as well as separate contempt's of court which he admitted in 2015. [\(Link\)](#)

FCA publishes rules that will apply at the end of the transition period

The TTP gives the FCA flexibility as to how and when changes to its rules apply following the end of the transition period, allowing firms to transition to the new regime. Where it applies, the TTP means that firms and other regulated persons can continue to comply with their existing requirements for a limited period. [\(Link\)](#)

Resource Links

Government

- 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

- 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

- 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

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Louis Dempsey, President
LouisDempsey@RRSCompliance.com

Bart McDonald, Executive Vice President
BartMcDonald@RRSCompliance.com