

Are you compliant?

Compliance Officer:
Do you know?

Are you appraised of new
regulatory challenges
affecting your business?

What is at stake?

Region	Title	Type
Americas		
	CFTC Charges Traders at Major US Bank with Manipulating the Precious Metals Futures Markets	Enforcement
	CFTC Orders Merrill Lynch to Pay USD 300k Penalty for Failing to Promptly Produce Audit Trail Data	Enforcement
	CFTC Orders RBC Capital Markets, LLC to Pay \$5 Million for Supervisory Failures Resulting in Illegal Trades and Other Violations	Enforcement
	CFTC Orders Registrant to Pay USD 1.5m for Violations Related to Cyber Breach	Enforcement
	CFTC Orders Six Financial Institutions to Pay Total of More Than USD 6m for Reporting Failures	Enforcement
	CFTC Orders Two Trading Firms, Bank to Pay a Total of \$3 Million for Spoofing	Enforcement
	CFTC Orders Wells Fargo to Pay Over USD 14m for Violating Swap Dealer Business Conduct Standards	Enforcement
	FINRA Fines BNP Paribas USD 15m for AML Program and Supervisory Failures	Enforcement
	FINRA Fines J.P. Morgan Securities LLC USD 1.1m for Failing to Timely Disclose 89 Allegations of Misconduct over a Six-Year Period	Enforcement
	FINRA Fines UBS Financial Services Inc. USD 2m for Continued Failures Relating to Short Positions in Municipal Securities	Enforcement
	FINRA Orders Merrill Lynch, Raymond James & Associates and Raymond James Financial Services to Pay More Than USD 12m in Restitution to	Enforcement
	NYSE submitted an AWC Letter for Alleged Rule Violations to BNP Paribas Securities Corp.: Consented to Censure and Fine of USD 125k	Enforcement
	NYSE submitted an AWC Letter for Alleged Rule Violations to UBS Securities LLC: Consented to Censure and Fine of USD 125k	Enforcement
	OCC Assesses USD 30m Civil Money Penalty Against Citibank for violations related to the holding period of other real estate owned (OREO)	Enforcement
	PCAOB Sanctions Two Firms and Eight Individuals for Violations Including Quality Control Deficiencies and Misleading Inspections Staff, Reco	Enforcement
	SEC and CFTC Fines Options Clearing Corp. USD 20m For Failing to Establish and Maintain Adequate Risk Management Policies	Enforcement
	SEC Charges Hedge Fund Adviser and Top Executives With Fraud	Enforcement
	SEC Charges Prudential Subsidiaries For Misleading Funds They Advised, Generating Tens of Millions in Tax Benefits for Prudential	Enforcement
	SEC Charges PwC LLP With Violating Auditor Independence Rules and Engaging in Improper Professional Conduct	Enforcement
	SEC Fines Brokers USD 4.65m for Providing Deficient Blue Sheet Data	Enforcement
	SEC Fines Two BMO Advisory Firms Pay Over \$37 Million to Harmed Clients for Failing to Disclose Conflicts of Interest	Enforcement
	SEC Orders an Additional 16 Self-Reporting Advisory Firms to Pay Nearly USD 10m to Investors	Enforcement
	SEC Orders Blockchain Company to Pay \$24 Million Penalty for Unregistered ICO	Enforcement
APAC		
	MAS Imposes Civil Penalty of SGD 11.2m on UBS for Deceptive Trades by its Client Advisors	Enforcement

- The financial services industry has historically been one of the most regulated business activities, a trend that has exponentially increased following the financial crisis of 2007/2008(*);
- New regulations have significant impacts on the business model of organizations as well as on their ability to continue doing business with specific clients, products and markets;
- Effective regulatory risk management is often undermined by deficient allocation of process ownership, poor system support based on end-user applications, and late reaction rather than proactive, forward-looking and defined project management view;
- Uncertainty in respect of the actual level of compliance with rules and regulations makes it very difficult for senior management to make informed decisions and to have a complete appreciation of their organization's regulatory risk exposure.

(*) The Boston Consulting Group notes in its report "Global Risk 2017 –Staying the Course in Banking" (March 2017): "The number of individual regulatory changes that banks must track on a global scale has more than tripled since 2011, to an average of 200 revisions per day."

Weekly *Regulatory* Digest

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Week 25/26 – 20 to 26 June 2019

U.S. DEPARTMENT OF THE TREASURY

Resource Center

Amendment of the Reporting, Procedures and Penalties Regulations (RPPR)

6/20/2019

The Department of the Treasury's Office of Foreign Assets Control (OFAC) is amending the Reporting, Procedures and Penalties Regulations, 31 CFR part 501 (RPPR). The RPPR sets forth standard reporting and recordkeeping requirements and license application and other procedures relevant to the economic sanctions programs administered by OFAC.

This rule provides updated instructions and incorporates new requirements for parties filing reports on blocked property, unblocked property, or rejected transactions; revises the licensing procedures section to include information regarding OFAC's electronic license application procedures; and to provide additional instructions regarding applications for the release of blocked funds; and clarifies...

Type	Title	Key	IA	IS
Regulation	ASIC consults on new product intervention power use	Other	No	03.4
Regulation	ASIC consults on proposed market integrity rules for technological and operational resilience	Other	No	03.4
Regulation	CFTC to Seek Comments to Clarify Cross-Border Regulatory Commitments	Other	No	09.2
Regulation	EBA issues 2020 EU-wide stress test methodology for discussion	Other	No	04.1
Regulation	ESMA consults on short-term test methodology for discussion	Other	No	04.1
Regulation	FCA consults on Proxy Advice	Other	No	04.1
Regulation	FSC to introduce electronic	Other	No	04.1
Regulation	OCC published Bulletin on	Other	No	04.1
Regulation	OFAC Amended Reporting, Procedures and Penalties Regulations (RPPR)	Key	Key - Internal	GI
Regulation	PRA consults on amending	Other	No	04.1
Regulation	RBI released Financial Bench	Other	No	04.1
Regulation	RBI released INR Interest R	Other	No	04.1
Regulation	SEC Adopts Capital, Margin	Other	No	04.1
Regulation	SRB updates MREL policy to	Other	No	04.1
Standard	APRA finalized updated guid	Other	No	04.1
Standard	BCBS finalized revisions to I	Other	No	04.1
Standard	EBA publishes an Opinion o	Other	No	04.1
Standard	FATF Published Guidance fo	Other	No	04.1

Keep track of regulatory complexity and market fragmentation!

Exploit **STRATEGICALLY** Regulatory Digest

Followed regulators include: (e.g. Asia)

- China
- Hong Kong
- Korea
- Japan
- Taiwan
- Malaysia
- Singapore
- Australia
- etc.

Followed Standard Setters include:

- Bank for International Settlements
- Basel Committee on Banking Supervision
- International Organization of Securities Commissions
- Financial Stability Board
- Financial Action Task Force
- etc.

Over 100 sites followed, all primary sources!

Where does the Weekly Regulatory Digest fit in your organisation?

The financial industry traditionally applies the "Three Lines of Defense" approach: (i) Business Management (1LoD); (ii) Control Functions (2LoD); and (iii) Internal Audit (3LoD).

While the Regulatory Digest addresses specifically the second and third Lines of Defense, it is a valuable tool for managerial functions of the first Line of Defense.

ROCHAT Advisory provides separate reporting and insight to Senior Management and Board of Directors.

First Line of Defense	Business Management	Risk Ownership
Second Line of Defense	Control Functions	Risk Control
Third Line of Defense	Internal Audit	Risk Assurance