

Recently Published Regulatory Notices

16 – 30 November 2016



Prepared by Jane Young

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Date	SRO	Document	Description	Important To	
1	11/16/16	CBOE	SR-CBOE-2016-078 Proposal to Amend Rule 6.18	CBOE proposes several enhancements to its Rule 6.18 Disaster Recovery to further strengthen its response to such an event.	Options Trading Business Continuity Operations Technology
2	11/18/16	CBOE	CBOE Regulatory Circular 16-179 Participation Entitlement Applicable to Crossing Orders in Open Outcry	CBOE announces revisions, effective November 21, 2016, to the open outcry crossing participation entitlements after satisfying customer orders in its book.	Options Trading Operations Compliance Technology
3	11/22/16	CBOE	SR-CBOE-2016-082 Proposal Regarding Priority and Trade-Throughs	CBOE files proposal to amend its rule regarding responsibilities for ensuring compliance with open outcry priority and allocation requirements as well as Trade-Through prohibitions.	Options Trading Operations Compliance Technology
4	11/23/16	CBOE	CBOE Regulatory Circular 16-182 Call/Put Price Checks for Quotes and Orders / Quote NBBO Inversion Check	CBOE announces enhancements to the Buy Call/Buy Put order and quote price checks and quote NBBO tick inversion checks starting on November 28, 2016.	Options Trading Operations Compliance Technology
5	11/23/16	CBOE	CBOE Regulatory Circular 16-183 Limit Order Price Reasonability Checks	CBOE will roll out Business Cluster enhancements to the simple limit order price reasonability checks starting on November 28, 2016.	Options Trading Operations Compliance Technology
6	11/23/16	CBOE	SR-CBOE-2016-083 Proposal to Extend Penny Pilot	CBOE proposes to extend the Penny Pilot Program through June 30, 2017.	Options Trading Operations Compliance Technology

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7	11/21/16	DTC	DTC Important Notice 4649-16 Important Tax Information Production Pilot of 305(c) & 871(m) Announcements	DTC updates Participants on its plans to begin announcing certain 305(c) deemed distributions on December 2, 2016 with 871(m) announcements beginning in 2017.	Operations Corporate Actions Technology
8	11/28/16	DTC	DTC Important Notice 4674-16 New Fields Displaying on PSOP – Rights Offering Detail Screen	DTC advises Participants that beginning December 2, 2016, it will display Price Basis, DTC Multiply/Divide Indicator, Fractional Security Rule and Rounding Factor fields on its PTS/PBS Rights Subscriptions Rights Offering Information screen	Operations Corporate Actions Technology
9	11/16/16	FICC	FICC Important Notice MBS281-16 Update Regarding Proposed Rule Filing (SR-FICC-2016-007) and Advance Notice Filing (SR-FICC-2016-801) Relating to MBSD’s VaR Methodology	FICC advises participants that the SEC has rejected its Rule Filing to amend the Mortgage-Backed Securities Divisions Clearing Fund methodology.	Mortgage-Backed Bond Trading Operations Risk Technology
10	11/21/16	FICC	FICC Important Notice GOV191-16 GSD CCLF Pre-Implementation Impact Analysis	FICC announces it will perform a pre-implementation impact analysis related to the GSD Capped Contingent Liquidity Facility program during the period December 1, 2016 through January 31, 2017.	Government Bond Trading Operations Risk Cashiering Technology

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11	11/23/16	FICC	FICC Important Notice MBS283-16 Submission of Rule Filing (SR-FICC-2016-007) and Advance Notice Filing (SR-FICC-2016-801) Relating to MBS's VaR Methodology	FICC files rule change to amend its MBS Division's Clearing Fund methodology.	Fixed Income Trading Operations Cashiering Risk Technology
12	11/23/16	FICC	SR-FICC-2016-007 The Purpose of this Filing is to Amend the MBS's Clearing Fund Methodology	FICC proposes to change the methodology that FICC uses in the MBS's value-at-risk ("VaR") model from one that employs a full revaluation approach to one that would employ a sensitivity approach.	Fixed Income Clearing Operations Risk Cashiering Technology
13	11/15/16	FINRA	SR-FINRA-2016-043 Proposed Rule Change to Provide a Process for an Expedited Proceeding and Adopt a Rule to Prohibit Disruptive Quoting and Trading Activity	FINRA proposes to add new Supplementary Material to its Rule 5210 addressing two specific types of disruptive quoting and trading activity and amend Rule 9800 to permit expedited proceedings for prompt actions addressing violations.	Equity Trading Operations Compliance Legal Technology
14	11/16/16	FINRA	FINRA Regulatory Notice 16-43 SEC Approves Rule Amendment to Create a New Academic Corporate Bond TRACE Data Product	FINRA announces effective February 27, 2017, the Academic Corporate Bond TRACE Data product will be available for a fee.	Fixed Income Trading Compliance Legal Technology

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15 11/17/16	FINRA	FINRA News Release FINRA Sanctions Oppenheimer & Co. \$3.4 Million for Reporting Violations, Failing to Comply With Discovery Obligations in Arbitrations, and Other Supervisory Failures	FINRA fines Oppenheimer \$1.575 million and orders restitution to customers in the amount of \$1.85 million for failures in providing information to FINRA and customers during arbitration.	Compliance Legal
16 11/23/16	FINRA	SR-FINRA-2016-044 Proposed Rule Change to Extend the Tier Size Pilot of Rule 6433 (Minimum Quotation Size Requirements for OTC Equity Securities)	FINRA proposes to amend its rules related to minimum quotation size requirements for OTC equity securities to extend the Tier Size Pilot until June 9, 2017.	Equity Trading Operations Compliance Technology
17 11/28/16	FINRA	FINRA Press Release FINRA Fines VALIC Financial Advisors, Inc. \$1.75 Million for Failure to Prevent Conflicts of Interest in its Compensation Policy and for Other Supervisory Failures Related to Variable Annuity Sales	FINRA announces fines against VALIC Financial Advisors \$1.75 million for failure to identify and address conflicts of interest in the firm's compensation policy and certain failure to supervise violations.	Compliance Legal
18 11/30/16	FINRA	FINRA Press Release FINRA Sanctions Merrill Lynch \$7 Million for Inadequate Supervision of Securities-Backed Leverage in Customer Brokerage Accounts	FINRA announces it has fined Merrill Lynch \$6.25 million and require customer restitution for inadequate supervision of its Loan Management accounts and their client's use of the leverage in their brokerage accounts.	Legal Compliance

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19 11/16/16	MSRB	MSRB Regulatory Notice 2016-26 MSRB Announces the Effective Date of the Academic Historical Transaction Data Product	MSRB announces the effective date February 27, 2017 of its RTRS Academic Data Product.	Municipal Bond Trading Compliance Legal Technology
20 11/22/16	MSRB	MSRB Regulatory Notice 2016-27 Interpretive Notice Regarding Rule G-47, on Time of Trade Disclosure	MSRB issues interpretative guidance related to the time of trade disclosures required under its Rule G-47 includes a requirement to disclose that when a municipal securities bears a “market discount”.	Municipal Bond Trading Compliance Sales Legal Technology
21 11/29/16	MSRB	MSRB Regulatory Notice 2016-28 New Disclosure Requirements Under MSRB Rule G-15 and Prevailing Market Price Guidance Pursuant to Rule G-30 Effective May 14, 2018	MSRB announces the effective date of May 14, 2018 for the new pricing disclosure requirements for customer confirmations.	Municipal Bond Trading Operations Compliance Technology
22 11/16/16	Nasdaq	SR-Nasdaq-2016-160 A Proposal to Amend Chapter VI, Section 5 (Minimum Increments) of the Rules of the NASDAQ Options Market to Extend the Penny Pilot Program	Nasdaq proposes to extend the Penny Pilot program through June 30, 2017 or the date of permanent approval, if earlier.	Options Trading Operations Compliance Technology

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23	11/17/16	Nasdaq	SR-Nasdaq-2016-161 Proposal to Adopt a New Extended Life Priority Order Attribute under Rule 4703, and to Make Related Changes to Rules 4702, 4752, 4753, 4754, and 4757.	Nasdaq proposes a new 'Extended Life Priority Order' attribute to allow displayed orders committed to a one-second or longer resting period to receive higher priority than other displayed orders of the same price on its order book.	Equity Trading Operations Compliance Technology
24	11/17/16	NSCC	NSCC Important Notice 8292 DTCC Limit Monitoring Elimination of End-of-Day Participant Position MRO File	DTCC announces as of December 1st, 2016, it will decommission the 'DTCC Limit Monitoring - End of Day Participant Position MRO File 02181085 both in the Production and PSE environments.	Operations Risk Technology
25	11/22/16	NSCC	NSCC Important Notice 8295 Consolidated Trade Summary (CTS) Re-write Testing	NSCC announces details of its testing plans and program for the Consolidated Trade Summary Re-Write initiative. Testing starts December 12, 2016.	Operations Clearance Settlements Technology
26	11/29/16	NSCC	NSCC Important Notice 8297 Settlement Cycle Modifications to Facilitate Industry Move to T+2	NSCC updates Participants on its plans related to the move to T+2 settlement as it pertains to its systemically updating the Fund/SERV system for specific securities to the T+2 settlement cycle effective September 5, 2017.	Mutual Funds Operations T+2 Committee Technology
27	11/17/16	SEC	SEC Press Release 2016-241 JPMorgan Chase Paying \$264 Million to Settle FCPA Charges	SEC announces settlement with JPMorgan Chase for charges that JP Morgan Chase won business from clients and corruption with government official in the Asia-Pacific region in violation of the Foreign Corrupt Practices Act.	Compliance Legal

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28 11/17/16	SEC	<u>SEC Release #34-79346 Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, Relating to FINRA Rule 2232 (Customer Confirmations) to Require Members to Disclose Additional Pricing Information on Retail Customer Confirmations Relating to Transactions in Certain Fixed Income Securities</u>	SEC approves FINRA rule proposal to require members to disclose pricing information on customer confirmations in certain fixed-income transactions.	Fixed Income Trading Compliance Legal Operations Technology
29 11/17/16	SEC	<u>SEC Release #34-79347 Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, to MSRB Rules G-15 and G-30 to Require Disclosure of Mark-ups and Mark-Downs to Retail Customers on Certain Principal Transactions and to Provide Guidance on Prevailing Market Price</u>	SEC approves MSRB rule proposal to require members to disclose mark ups and mark downs on principal transactions with retail customers.	Fixed Income Trading Compliance Legal Operations Technology