Quote of the Week

"Consumers need to understand their options before making an affirmative decision whether to opt in to debit card and ATM overdraft. Opting in to coverage can be a very expensive way to manage a checking account. And it shows that the vast majority of those who pay the most in overdraft fees are those who can least afford it."

- CFPB Director, Richard Cordray

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Regulatory Watch List

**Bundled** MiFID inducement rules from January 2018 require separate valuation and payments for equity research. Scope also impacts many **US firms**, as fund managers look to **internalize** the cost rather than recharging clients.

**Hold-up** Fed to remove regulatory **exam** findings from director responsibilities, despite further conduct violations. Indices remove companies issuing shares without voting rights, as post-IPO volatility raises question on **research**.
US Banking

OCC Volcker Change Request
On August 2, OCC sought comment on potential changes to the Volcker Rule under Dodd-Frank Act.

- Sought comment on change to the regulations implementing Volcker Rule, not the law itself.
- Comment may address all aspects of Volcker Rule regulations, and their administration.
- Part of joint effort managed by US Treasury, with FSOC meeting to review Volcker Rule.
- Review scope of rule, definition of banking entity, whether to exclude community banks.
- Proprietary trading definition and exemption, especially under the purpose test prong.
- Market making, hedging exemption requiring that the intent of a trader should be assessed.
- Covered fund definition and Super 23A focus on breadth and scope of Volcker provisions.
- Compliance program requirements may be revised so more effective, less burdensome.
- On August 7, 2017, OCC proposal in Federal Register, comment period 45 days to September 21.

Agency Living-will Delay 2017
On August 8, Fed, FDIC issued extended date for 21 firms to file resolution plans with regulators.

- Extension given until December 31, 2018, for 19 foreign banks, and two large domestic BHCs.
- Additional year aims to address supervisory guidance in the next living will submissions.
- For foreign banking organization, resolution plans are focused only on the US operations.
- The US Agencies allowed two smaller foreign firms to file reduced-content resolution plans moving forward.
- The firms have filed prior plans that provide understanding of their limited US operations.
- The reduced-content plans focus on material changes made to the prior resolution plan.
- Action to improve effectiveness of their plan, and to ensure the protection of subsidiaries.
- Should protect from the risks arising on the activities of nonbank subsidiaries of a firm.

Fed Large Bank Governance, Ratings
On August 3, Fed proposed rules on corporate governance and exam ratings for large firms.

- Two separate rule proposals cover governance and exam ratings system for large institutions.
- Corporate governance proposal will enhance the effectiveness of a bank board of directors.
- Focus on core responsibility and oversight of the types and levels of risk a firm may incur.
- Would also reduce unnecessary burdens now applied to boards of smaller bank institution.
- Identify board attributes used to set clear and consistent strategic direction of the firm.
- Fed will use the attributes to evaluate a large firm’s governance and controls processes.
- Separate proposed rule will align the Fed’s rating system with the supervisory program.
- Changes to the rating system will incorporate other changes made by the Fed since 2012.
- On capital, liquidity, effective governance and controls, and compliance with laws and rules.
- Supervisors would assess and assign the confidential ratings in all of the categories.
- New rating system only applies to large firms, US BHC above $50B assets, foreign IHGs.
- Firms below $50B in assets would continue to use their existing entity rating system.

FHFA Stress Testing Scenarios
On August 8, FHFA issued a 2017 report on impact of adverse annual stress tests for GSEs.

- Report severely adverse scenario on range of results, and related FAQ on stress testing.
- GSEs have drawn combined $187.5B from US Treasury, per stock purchase agreement.
- Combined remaining funding commitment under the purchase agreement, was $258B.
- In a severely adverse scenario, incremental Treasury draws are from $34.8B to $99.6B.
- Remaining commitment is $223.2B without valuation given to deferred tax allowances.
- If GSEs establish valuation allowances on tax, the remaining commitment would be $158B.

Fed Joint Payment Accounts
On August 9, 2017, Fed issued final guideline to evaluate request to open joint accounts.

- Joint accounts held for benefit of multiple banks that are managed by single agent.
- Facilitate settlement between banks that are in the same private-sector payment systems.
- Guidelines will become effective, upon the pending publication in the Federal Register.
- On factors to consider in evaluating requests, do not assure any specific cases granted.
US Consumer

CFPB Overdraft Disclosure
On August 4, CFPB proposed templates to disclose the costs and risks of overdraft protection plans.

- Issued report on frequent overdrafters, speech by director Cordray, and a blog on opting-in.
- Know Before You Owe overdraft prototypes aim to improve disclosure in the model forms that banks and credit unions already give clients to help weigh up benefits of overdraft coverage.
- CFPB is testing four prototypes with a simple, one-page design to clarify costs and risks.
- Developed prototypes through interviews of consumers, and are now testing more broadly.

Disclose Cost and Risks
- Aims to make it easier to understand costs of opting in, and evaluate risks from doing so.
- Lay out size of fees, and when they can be charged, to clarify a firm’s overdraft policy.
- Explain that opt-in decision, applies only to one-time debit card and ATM transactions.
- Opt-out does not affect overdraft created by using checks, or other electronic transactions.
- Clarified that card and ATM overdrafts are optional, so consumer not required to opt in.

Study on Opt-in Cost
- Study found frequent overdrafters were also vulnerable as low balances and credit scores.
- People who often overdraw checking account typically paid almost $450 more in fees,
- Vulnerable consumers who opt in incur many fees when using debit cards or ATMs.
- New overdraft disclosure designed to help consumers understand the cost of opting-in.

Overdraft Regulation and Cost
- In 2010, federal regulations required firms to obtain the consent of consumers in advance before charging overdraft fees on most debit card transactions and ATM withdrawal.
- Banks may charge a fee for overdraft service, which is typically around $34 per transaction.
- They may also require that the account deficit be repaid, including from subsequent deposits.
- Consumers who do not opt in to an overdraft will have the card/ATM withdrawals declined with no charge if their account doesn’t have enough funds to cover the original transaction.
- Consumer can also overdraw account by check, online bill payment, or direct debit.
- 2010 rule does not limit bank charges for fees on such ACH wires, and check overdrafts.

Effectiveness of new Forms
- CFPB will make any new Know Before You Owe overdraft form available on website.
- Firms would be able to add their own program information to form and download it for free.
- Approach could help firms use new model form within their existing compliance systems.
- Would make it easier to update their disclosure following future overdraft program changes.
- Until CFPB test the prototype, the model form provided in the 2010 rule continues to apply.
US Securities and Investment Management

DoL Fiduciary FAQ Retirement, Changes
On August 3, DoL issued FAQs on retirement adviser disclosure under the new fiduciary plan rules.
- FAQs focused on defined contribution plans that are provided by retirement plan advisers.
- Clarify fiduciary rule disclosure obligation during the transition period of effectiveness.
- The treatment of fiduciary disclosures that might require an update after June 9, 2017.
- Guidance on recommendations relating to increased plan participation and contribution to DC plans and individual retirement account following change to provider fiduciary status.
- From June 9, rule made fiduciary of thousands of advisers, who had previously not been one.
- Question for those servicing DC plans, due to existing section of ERISA 408(b)(2).
- Service provider compensated by DC plan is required to disclose their fiduciary status.
- Providers, including advisers, do not need to use term "fiduciary" to satisfy requirements.

Compliance Date Extension
- January 1, 2018 is target date of compliance; DoL emphasized no enforcement before that date.
- Encouraging 401(k) plan participants to make plan contributions, is not fiduciary advice.
- On August 9, 2017, DoL in court briefing said had submitted proposed amendment to OMB.
- Extend transition period, delay applicability date from January 1, 2018 until July 1, 2019.
- On August 10, SIFMA issued comments to DoL and submitted a white paper by Deloitte.
- Estimated industry would spend in excess of $4.7B in start-up costs arising from the rule.

SEC Capital, Liquidity Access
On August 8, SEC issued report on trends in access to primary capital and secondary market liquidity.
- Report by SEC Division of Economic and Risk Analysis (DERA) on market trends.
- In primary issuance and secondary liquidity, and relation to impact of post-crisis reforms.
- Report was requested by Congress as part of the 2016 appropriations process.
- Based on analysis of academic literature, and internal analyses from databases and filings.
- Covered issuance of debt, equity, and asset-backed securities, as well as activity and liquidity in Treasuries, corporate bonds, single-name default swaps, and bond funds.
- Identified trends for unregistered offerings, such as those in Reg D and Crowdfunding.
- Reviewed fixed income transactions and quotes, and broker-dealer financial positions.

SEC Cyber Exams Findings
On August 7, SEC OCIE issued observations from second-round of cybersecurity exams, in 2017.
- Followed review of 75 dealers, advisors and funds, on practices to mitigate cybersecurity.
- 2017 exam involved deeper validation and testing of cyber procedures and controls.
- Governance, risk assessment, rights to access and control, data loss prevention, external vendor management, cybersecurity training, response to incidents involving major loss.
- Found wide improvement in firm’s awareness of cyber risks and practices to mitigate.
- Not all funds had plans to notify data breach incidents and communicate with customers.
- SEC observed one or more issues in the vast majority of firms in cybersecurity exams.
- Some firms did not adhere to or enforce policy, nor reflected these in their actual practices.
- Customer protection reviews done less than annually; did not do ongoing security review.
- Acceptable use policies that specified staff obligations when using network of a firm.
- Third-party vendors should provide periodic logs of their activities on a firms’ network.
- Ensure cyber policies and procedures were vetted and approved by senior management.

FINRA TRACE Activity Report
On August 10, SEC approved rule to publish data aggregations in TRACE security activity report.
- FINRA confirmed statistics for top five MPIDs would be expressed as aggregated figures.
- With percentage of total number of trades, by the top five MPIDs for each CUSIP.
- Effective date for reporting is no earlier than February 1, 2018, based on date for October 2017.
- FINRA to provide file layout for report on website, at least 30 days pre-effective date.

FINRA, SIPC Joint Report Filing
On August 1, FINRA and SIPC issued rules on combined reporting on financial condition.
- Follows agreement by FINRA and securities investor protection corporation (SIPC).
- To ease the reporting burden and compliance costs for member firms of broker dealers.
- Help reduce inconsistent or incomplete filings of annual audited financial statement.
- Will benefit firms that currently file annual reports separately with SIPC and FINRA.
- Effective September 1, 2017, firms will only need to file once, using the FINRA reporting portal.
- The portal will provide both the agencies with financial information, based on a single filing.
Canada

IIROC Bond Liquidity Review
On August 1, IIROC issued methodology to assess liquidity of corporate bonds.

- IIROC is designated by CSA, as information processor for debt markets within Canada.
- Provide post-trade transparency on corporate issues, for strengthening of market integrity.
- Implement stronger post-trade transparency of corporate bond trading, within two phases.
- Phase 1 in July 2016 reported retail trades, and institutional trades in a subset of liquid bonds.
- Second phase from July 2017, is reporting all retail and institutional trades for all bonds.

Liquidity Determination
- An asset is liquid if it can be bought or sold quickly, without causing major price change.
- Features low transaction costs, traded easily, settles on time, large trade little price impact.
- Liquid markets also have low transaction cost, including bid-offer spread and tightness.
- With immediacy of trading, depth in prices, breadth in orders, resiliency to imbalances.
- Liquidity cannot be measured by one metric, use multiple factors in determining existence.
- IIROC liquidity determination model uses equally weighted ranking of the key inputs.
- Identified set of input metrics and liquidity indicators from previous work and inputs.
- For each bond compute a Z-scores based on input factor, and sum them for total score.
- The model then is validated using two metrics for bid-offer spread and price impact.
- Evaluate top and bottom 50% of ranked list; liquid bonds have tighter spread, low impact.

CSA Swap Clearing Collateral
On August 3, CSA issued notice on delivery of forms required by NI 94-102, on derivatives collateral.

- Delivery of forms on customer clearing and protection of customer collateral, positions.
- Clearing intermediary and regulated clearing agency should deliver forms to regulators.
- Information on clients in local jurisdiction should be reported to their local regulator.
- Provide guidance on format and delivery of forms, both in Ontario, and other provinces.

CSA Settlement Cycle of T+2
On August 3, CSA issued feedback on consultation on ensuring discipline for T+2 settlement cycle.

- Followed CSA August 2016, consultation on rules in advance of a move to T+2 settlement.
- Revised NI 24-101, gave policy consideration to enhancing settlement discipline under T+2.
- Feedback believe existing discipline regime is adequate in promoting settlement under T+2.
- Will not propose to bring forward additional measures from within original consultation.
International

**IAIS Macro, Reinsurance Principles**
On August 1, IAIS proposed core principle 24 on macro surveillance, and supervision of insurers.

- Consultation follows IAIS September 2015 thematic approach to establishment of new principles.
- Part of a three-year cycle to review approach to systemic risk assessment, concluding in 2019.
- IAIS using an activities-based approach, to systemic risk assessment in insurance sector.
- Will consult at end of 2018; finalize policy measures to cover systemically risky activity.
- Will become part of ICPs and ComFrame and included ICS Version 2.0, adopted in 2019.
- Scheduled background call on September 14, 2017, and comment period will end on October 1, 2017.

**AUS Government Competition**
On August 9, AUS Government proposed revised rules on competition and consumer protection.

- Amending bills will implement significant number of reforms to the competition laws.
- Making consequential amendments, to the Competition and Consumer Regulations 2010.
- Strengthen prohibition against the misuse of market power (under section 46 of the Act).
- Replaced price-signaling provisions, with general prohibition on concerted practice.
- Abolished merger clearance process and provide a merger authorization application.
- Application initially heard by the Australian Competition and Consumer Commission.
- Significantly simplify complex provision in Act governing the authorization process.
- New exemption for conduct the commission stated do not raise concerns for competition.
- Broaden joint venture exemption to cartel prohibitions, and strengthen safeguards.

**APRA Basel Counterparty Risk**
On August 3, APRA proposed counterparty credit risk framework to implement Basel standards.

- Basel rules on counterparty risk capital (SA-CCR), and exposure to central counterparties.
- Revised prudential standard APS 112 capital; include standardized approach to credit risk.
- Prudential standard APS 180 on counterparty credit and new credit risk capital requirement.
- APRA proposed that a bank with approval to use the internal ratings-based approach to credit risk must use SA-CCR to measure its counterparty credit risk exposures.
- All other banks may continue using current exposure method, subject to any recalibration.
- Standards include requirement on movement of margin in non-centrally cleared derivative.

**RBI Basel Liquidity Standards**
On August 2, RBI issued guidelines to implement Basel III liquidity standards in India.

- Amended Level 1 assets of banks that can be included without any limit or haircut.
- Include cash and cash reserves over required CRR, and government securities above SLR.
- For banks in India, reserves held at foreign central banks, in excess of their requirement.
- Where asset assigned a 0% risk weight as per rating by regulatory agency.
- To the extent the balances cover, the banks stressed net cash outflow in that currency.
- Government securities in mandatory SLR requirement, if allowed under main facility.
- Marketable securities issued or guaranteed by foreign sovereigns, if meet stated conditions.
- Where assigned 0% risk weight per Basel II standardized approach for credit risk, and trade in large, deep, active repo or cash markets that has low level of concentration.

**APRA Substituted OTC Margin**

- Standards cover margin and risk mitigation used for non-centrally cleared derivatives.
- Substitute margin requirement with certain foreign bodies instead of Australian rules.
- Only where the entity is directly subject to relevant foreign requirement or provision.
- Or, transacting with covered counterparty subject to the foreign margin requirements.
- APRA included reference to the following seven countries allowed for substituted compliance.
  - Canada OSFI; EU Commission; HKMA; JFSA; Japan METI and Agriculture Ministry.
  - Singapore MAS; Swiss FINMA; US CFTC; FCRA, FDIC, FHFA, Federal Reserve, and OCC.

**Korea FSC Tight Mortgage Limits**
On August 2, Korea FSC raised rules on mortgage speculation where housing prices overheated.

- In Seoul, Busan, other major cities, discourage speculative buying in such areas.
- Tighten loan-to-value, debt-to-income rules to curb speculative housing demand.
- LTV and DTI ratios tightened to 40% for homebuyers in designated regions.
- Ratio of LTV and DTI relaxed to 50% for first-home buyer with lower-income.
- For mortgage by household that own multiple homes, LTV will be tightened.
- By further 10% across country, DTI tightened by 10% for buyers in designated area.
**EU**

**ESMA First MiFID Position Limit**
On August 10, **ESMA** issued first commodity derivatives position limit under MiFID II.
- ESMA agreed with the proposed commodity derivative position limits from French AMF.
- Limits for rapeseed; corn; and milling wheat, were consistent with objectives in MiFID II.
- Reflected the methodology developed for setting the limits applied to liquid contracts.
- From January 3, 2018 and MiFID II application, commodity limits will apply to net positions.
- NCAs will set position limits for commodity derivatives, and then notify ESMA of these.
- MATIF/Euronext contract covers rapeseed of any origin that can be delivered into the EU.
- Spot month definition includes 90 calendar days, with the limit split into two periods.
- AMF set spot month limit of first 78 days at 25,000 lots, (20.2% of deliverable supply).
- In last 12 trade sessions before expiry, limit decreases to 7,000 lots, (or 5.7% of supply).
- Open interest amount 77,800 lots, which are based on daily average of 2016 issued by TR.

**AMF MiFID II Implementation**
On August 9, **AMF** issued statement on regulations, it will adopt for implementation of MiFID II.
- Further amendments to the general regulation will be forthcoming to implement MiFID II.
- Amendments cover safeguarding customers' financial instruments in new Chapter IIIa.
- To implement separation of legal regime for investment firms and asset managers.
- Transpose MiFID/MiFIR exceptions to pre- and post-trade transparency disclosures.
- Repeal existing provisions that are no longer compatible with MiFID II regime.

**Ireland Mortgage Switching Help**
On August 1, **Central Bank of Ireland** proposed measures to help borrowers switch mortgages.
- Measures aimed to help consumers make savings from their mortgage repayments.
- Switching of mortgages will now occur based on statutory and transparent requirements.
- To protect best interests of consumers, and ensures that they have been treated fairly.
- Better protect customers from lenders, and inform them of available mortgage options.
- Help consumers to compare cost of existing mortgages with the other mortgage options.
- Notify consumers on annual basis of whether they can move from loan-to-value (LTV) rate.

**EBA Approaches to Fintech**
On August 4, **EBA** issued discussion paper on their approach to supervision of fintech sector.
- Issued results of first EU FinTech mapping exercise, and proposals for future reviews.
- FinTech has potential to transform finance; EBA is investigating if it needed regulation.
- Step up FinTech work for impact on wider system, level of regulation and supervision.
- Follows EBA spring 2017 launch of the first EU-wide FinTech mapping exercise.
- Received responses from 22 EU and 2 EEA States, contained detail of 282 FinTech firms.
- EBA proposed work in six areas, including provider authorization and sandbox regimes.
- Impact of prudential and operational risk, for banks, e-money and payment providers.
- Subsequently, review impact from FinTech on the business models of these institutions.

**EBA Fraud Reporting for PSD**
On August 2, **EBA** proposed guidelines on fraud reporting under payment services directive (PSD).
- Contribute to PSD2 objective, to strengthen security of EU retail payments infrastructure.
- Requires providers to report data on fraud observed across different types of payment.
- EBA issued guidelines in cooperation with ECB to ensure consistent reporting of fraud.
- Aggregated data provided by authorities to EBA/ECB, should be comparable, reliable.
- First part of guideline covers all providers except for account information services.
- Second part requirements were applicable to all competent authorities in the EU.
- Defined the meaning of fraudulent payment transaction for purpose of reported data.
- Periodic reporting requirements cover both transactions and fraudulent payments.
- Methods for collating and reporting of data, detail level, periods, frequency, deadlines.

**EBA Public Sector Entity Capital**
On August 1, **EBA** updated list of public sector entities that are treated favorably for capital.
- List public sector entities (PSEs) that may be treated as regional governments for capital.
- Used in calculation under the standardized approach (SA) provided reduced risk level.
- Exposures to PSEs in EU list get same risk weight as a respective regional government.
- EBA added Államadósság Kezelo Kozpont/ Government Debt Agency (Hungary).
- As well as Befektető Védelmi Alap/Investor Protection Fund (Hungary).
UK

BoE Lack of Brexit Resources
On August 9, BoE issued warning to UK parliament of strains on regulatory resource caused by Brexit.
- BoE warned that PRA faced a material risk to...meeting its objectives following Brexit.
- Stated that PRA faced difficult prioritization and decisions of regulation of firms’ plans.
- Advised that some form of implementation period would be desirable to help transition.
- Noted risk that business now being conducted in London might become split across EU.
- PRA currently scrutinizing contingency plans of 401 UK firms, in coping with 'hard' Brexit.
- Noted PRA may end up regulating more firms if no deal was reached on passporting in EU.

BoE Conflicts Management
On August 9, BoE published review of approach to managing internal conflicts amongst its officers.
- Followed non-executive director review of BoE approach to manage conflicts of interest.
- BoE plan to designate conflicts officer to have executive responsibility for conflicts.
- Followed BoE March 2017 resignation of new deputy governor Hogg due to family conflict.
- Review examined policies for identifying and managing conflicts of interest at BoE.
- With action to help ensure timely compliance and function of reporting lines and structures.
- Found insufficient practical understanding of how to identify and manage certain conflicts.
- Needed to strengthen conflict checks prior to appointment as part of relevant HR processes.

FCA Advice Insistent Clients
On August 1, UK FCA proposed rules on part II of the Financial Advice Market Review (FAMR).
- New guidance developed by advice unit, for firms with institutional and insistent clients.
- Revised scope of activity covers advising on investment in the regulated activities order.
- Given legal requirements for consumers to receive regulated advice, for any defined benefits (DB), where the value of the funds transferred exceeded £30,000.
- Guidance is to aid consumers make decision without having a personal recommendation.
- FCA advice unit gives feedback to firms that use an automated model of lower-cost advice, or have lower cost discretionary investment management services, to retail investors.
- Guidance includes tools and resource from prior experience of work with member firms.

FCA Platform Best-Buy List
On August 10, FCA issued paper on investment platform buy-lists (aka fund supermarkets).
- Investment platforms offer investors a wide range of different funds to choose between.
- Platforms also make recommendations to their users on funds which are worth buying.
- But may have potential conflicts of interest, due to affiliations with the funds offered.
- Since 2016, platforms in the UK may also receive a share of fees from the fund bought.
- Found that affiliated funds were more likely to be recommended by the funds than others.
- Affiliated funds are significantly more likely to be added to recommendation by platform.
- On average, the recommended funds also exhibited a significantly better performance.

FCA Commodity Limits
On August 4, FCA updated guide on position limits on commodity derivatives under MiFID II.
- Updates FCA webpage on position limits and reporting regime for commodity derivatives.
- Trading venues must notify FCA if total open interest reached specified thresholds.
- Non-financial entity (NFE) can apply to FCA for position limit exemption under RTS 21.
- Position reporting obligations applied to all trading venues in UK that facilitate trading.
- All UK trading venues are required to have appropriate position management controls.
- FCA is responsible under Art 57 and 58 of MiFID II for calculating spot month limits.
- On August 9, FCA issued FAQs on commodity derivatives re ancillary activity notifications.
- On who has responsibility for notifications; plan to publish position limits in Q4 2017.

FCA Tech AML Compliance
On August 2, FCA reported on technology used by firms to assist them in AML compliance.
- Follows survey and report, on emerging technologies that can assist AML work.
- They could also help make the UK a hostile environment for criminal money laundering.
- Based on over 40 interviews with firms, technology providers, and other bodies.
- Key function of new technology relating to AML compliance, and how they can help.
- Challenges firms face in introducing, steps FCA can take to encourage innovation.
- Good practice examples or lessons to firms now considering compliance technology.
- Consider improvements to processes, include initiative to provide Regulatory Sandbox.
AML & Enforcement

OFAC Venezuela Officials Sanctioned
On August 9, Treasury OFAC designated Venezuela government officials for anti-democratic actions.
- Sanctioned eight people involved for support of new Venezuela constituent assembly (CNA).
- New designations apply to seven current and former officials of Venezuelan Government.
- OFAC also designated Venezuela President Maduro on July 31, day after CNA election.
- In May, 2017 US also designated members of Venezuela Supreme Court re constitution role.
- Freezes assets that are within US jurisdiction; and prohibited US persons from dealing with.

Malaysia Warn on Offshore FX
On August 9, Bank of Malaysia warned offshore ringgit currency trading inconsistent with laws.
- Cited trading of ringgit futures at Singapore SGX and Intercontinental Exchange (ICE).
- Inconsistent with Malaysia foreign exchange administration (FEA) policies and rules.
- Bank Negara Malaysia reminded all market participants to observe the existing FEA rules.
- Foreign participants should instead access the onshore ringgit forex market to meet needs.
- Either directly at onshore licensed institution, or using the firm’s appointed overseas office.

UK Sanctions Penalty Process
On August 8, UK OFSI (Office of Financial Sanctions Implementation) issued approach to penalties.
- Guidance on OFSI processes for issuing monetary penalties for sanctions breaches.
- Included: case assessment process; penalty calculation process; and procedural rights.
- On August 4, UK Treasury issued guide to get a license on otherwise sanctioned activities.
- OFSI can issue license on legal grounds and published the list of existing license types.
- Updated guidance on sanctions on the events that businesses should report, and when to do.
- Use suspected breach form to disclose nature of a breach to OFSI, as soon as possible.
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