



# Federal Bar Association

## Securities Law Section



1220 North Fillmore St., Suite 444  
Arlington, VA 22201  
T: (571) 481-9100  
F: (571) 481-9090  
fba@fedbar.org  
www.fedbar.org



## Newsletter

## April 2020

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### SEC Weighs Delay of Reg BI Enforcement

The Securities and Exchange Commission is considering postponing enforcement of Regulation Best Interest, says Pete Driscoll, director of compliance inspections and examinations. The rule has a compliance date of June 30.

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### SEC Files No-Action Letter on Consolidated Audit Trail

To allow firms to maintain focus on operational readiness and reduce operational risk, SEC staff has issued a no-action letter regarding the SROs' enforcement of their CAT compliance rules through May 20, 2020 so that personnel who are working on CAT matters but are important to maintaining critical operations and implementing business continuity plans can focus their attention on those immediate needs.

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### FINRA Bars Ex-Kestra Rep Who Refused to Testify in His Fraud Case

The Financial Industry Regulatory Authority barred an ex-Kestra Investment Services representative from association with any FINRA member in any capacity after he refused to provide testimony as part of the regulator's investigation into "potentially fraudulent and unauthorized transactions in several" of his customers' accounts.

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### Ex-Rep Wins FINRA Arb Case Against Morgan Stanley

A three-person FINRA arbitration panel ordered Morgan Stanley to pay \$70,000 in compensatory damages to a former rep who was terminated by the firm in 2017 and later claimed Morgan Stanley defamed him.

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### The CFTC Just Defined What 'Actual Delivery' of Crypto Should Look Like

The CFTC published its final guidance on "actual delivery for digital assets" Tuesday, seemingly settling a longstanding question on when a cryptocurrency can be "delivered" from one party to another. The CFTC shared a 35-page document stating that in its view, "actual delivery" occurs when a customer has complete control over the asset and the offeror no longer has any control over the asset by the end of 28 days after the transaction. The publication comes following several years of public input from exchanges and other stakeholders.

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