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Newsletter

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No Extension for You - June 30 Compliance Date for Regulation Best Interest Confirmed by SEC

Jay Clayton, the Chairman of the U.S. Securities and Exchange Commission (“SEC”) re-confirmed there will be no delay in the compliance date for Regulation Best Interest and Form CRS.[1] In the statement, Chairman Clayton noted the SEC staff had been in discussions with broker-dealers, investment advisers, retail investors, other market participants, and FINRA over the past twelve months regarding the implementation of the regulation and Form CRS.

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Labor Dept. proposes fiduciary exemption

The Labor Department has proposed an exemption to the Employee Retirement Income Security Act that would let investment-advice fiduciaries be compensated for advice given to clients, including advice on rollovers from employee benefit plans to products such as IRAs. Welcoming the proposal, SIFMA President and CEO Kenneth E. Bentsen, Jr., says, “The standards of conduct under the proposed DOL exemption will be aligned with the standards required by [Regulation Best Interest], offering compliance efficiencies.”

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SEC risk alert provides compliance roadmap for investment advisors

A risk alert issued by the SEC focuses on disclosure deficiencies related to conflicts of interest, fees and expenses, and policies related to the handling of material non-public information. Compiled by the SEC’s Office of Compliance Inspections and Examinations, the report’s findings “have resulted in a range of actions, including no comment letters, deficiency letters and, where appropriate, referrals to the Division of Enforcement.” Many advisors modified their practices to address issues brought to their attention by the OCIE, the report said.

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Deutsche Bank to pay over \$10 million to settle two CFTC casesk

Deutsche agreed to pay a \$1.25 million penalty to settle the allegations that two of the bank’s traders engaged in numerous instances of a type of market manipulation called “spoofing” in Treasury futures and Eurodollar futures contracts on CME, the bank said in a statement.

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Former Wells Broker Seeks to Vacate Order to Repay \$256000 Loan Balance

In another example of brokers attempting the formidable challenge of vacating an arbitration award, a Michigan man has asked a court to set aside a decision requiring him to pay Wells Fargo Advisors \$235,000 for promissory notes that became due when he left Wells in May 2019, plus interest and lawyers’ fees.

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