

COMPLIANCE FLASH

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Company Director Settles Charges of Failure to Report Beneficial Ownership

The SEC recently [settled](#) an enforcement proceeding against a director of a public company for failure to file a Form 3 or a Form 5 to disclose his beneficial ownership of securities of the company pursuant to Section 16(a) of the Securities Exchange Act and Rule 16a-3 thereunder. The SEC ordered the director to pay a civil money penalty of \$25,000.

SEC Division of Enforcement Releases Fiscal Year 2017 Annual Report

The SEC's Division of Enforcement recently released its [Annual Report](#) for fiscal year ("FY") 2017. The report discussed the Division's core principles and provided updates on the new Cyber Unit and Retail Strategy Task Force, and enforcement action statistics. Among the notable statistics discussed in the report were a similar number of enforcement actions and a decline in penalties ordered when compared to FY 2016.

Seller of Digital Tokens Charged with Failure to Register Securities

The SEC recently [settled](#) an enforcement proceeding against a company that sold digital tokens to be issued on a blockchain. The SEC concluded that the digital tokens were securities pursuant to Section 2(a)(1) of the Securities Act of 1933 and therefore the company violated Sections 5(a) and 5(c) of the Act by offering and selling these securities without having a registration statement filed or in effect with the SEC or qualifying for exemption from registration with the SEC.

SEC Cyber Unit Announces Emergency Asset Freeze of Initial Coin Offering

The SEC recently announced that it obtained an emergency asset freeze to halt an initial coin offering fraud. The [charges](#) are the first to be filed by the SEC's new Cyber Unit.

CFTC Extends Swap Dealer De Minimis Threshold Phase-In Period by One Year

The CFTC recently [announced](#) that it will delay the end of the phase-in period of the de minimis exception from the definition of the term "swap dealer" from December 31, 2018 to December 31, 2019. During the phase-in period, a person shall not be deemed to be a swap dealer unless its swap dealing activity exceeds an aggregate gross notional amount threshold of \$8 billion. Once the phase-in period expires, that threshold will decrease to \$3 billion.

Key Upcoming Compliance Dates

- Quarterly Form 13H Amendment (January 10)
- TIC Form S (January 15, February 15)
- TIC Form SLT (January 23, February 23)
- Code of Ethics Quarterly Transaction Reports (January 30)
- Form 13F; Form 13H Annual Amendment; Schedule 13G; Form CTA-PR (February 14)

SKRC's 2018 Compliance Calendar is available on our [Online Subscription Service](#).

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