



Regulatory Insights

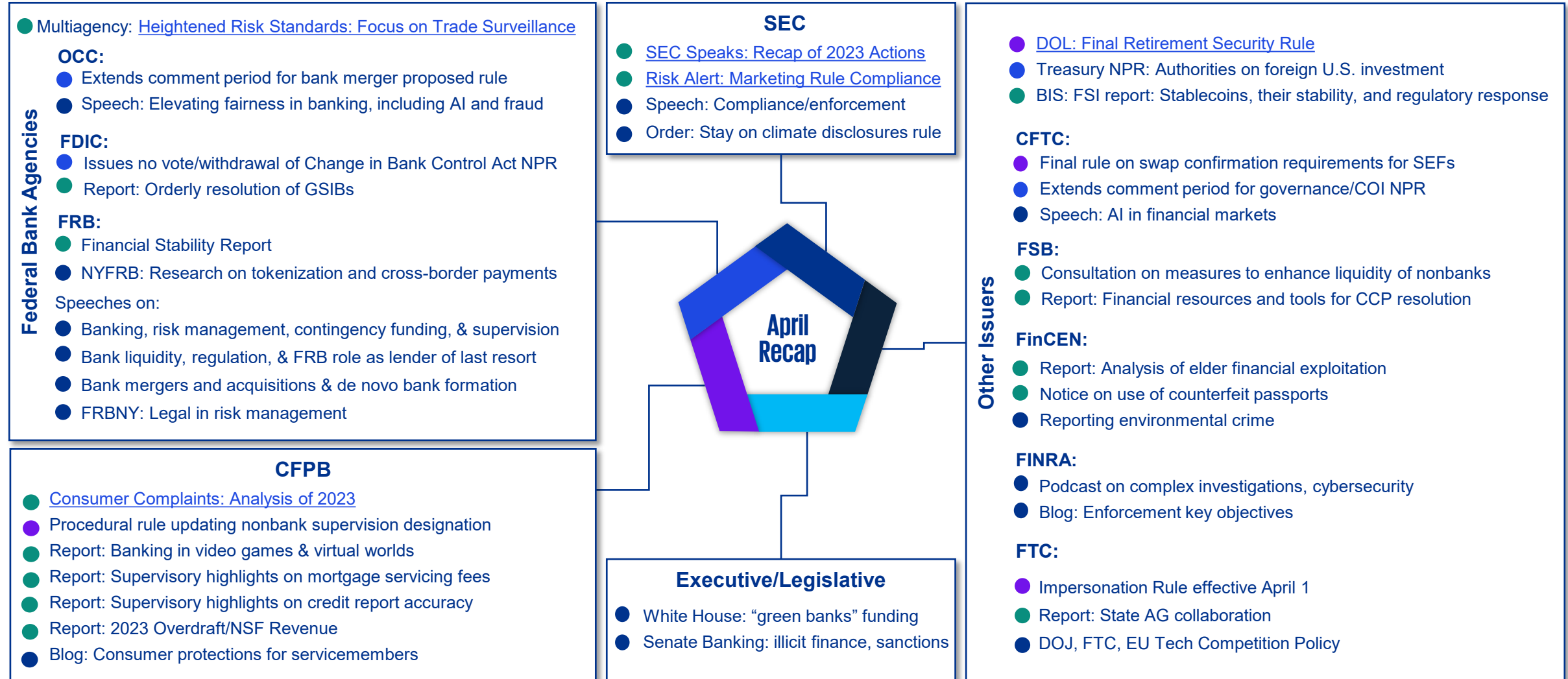
Recap of April 2024

Regulatory Insights: April 2024

Legend

- Final Rule
- Proposed Rule
- Reports/Alerts
- Agenda

April regulatory actions span across regulatory intensity/supervision, governance and risk management, consumer/investor protections and tech/data risks, including:



Key Regulatory Activity: April 2024 ^(1/2)

Key April 2024 regulatory actions include:

Stage	Agency	KPMG Insights	KPMG Regulatory Alert
Final Rulemaking	DOL	<ul style="list-style-type: none"> — Updated Definitions: The final rule modernizes definitions under ERISA, expanding regulatory coverage based on the evolving nature of investment advice, recommendations, and their significance for retirement investors. — Expanding Scope: By widening the scope of who is a fiduciary to not only broker-dealers, but insurance agents and other financial professionals, the rule aims to enhance the protection of retirement investors, ensuring advice on a broad range of investments serves their “best interests”. — Alignment: Aimed to align to the SEC’s Regulation Best Interest (Reg BI). 	Investment Advice Fiduciary: DOL Final Retirement Security Rule
Reports/ Alerts	Multiagency	<ul style="list-style-type: none"> — Supervision/Enforcements Coming: Expect increasing operational risk management expectations to be applied to the trade surveillance program. — Breadth of Surveillance: Ensure a robust program for assessing trading activities across trading venues and platforms, and for varying scenarios of potential market misconduct. — Oversight: Demonstrate effective Board oversight and risk management of the trade surveillance program. — Monitoring: Establish sound routines for data reconciliation/quality, threat detection and ongoing monitoring and testing of trade surveillance and reporting. 	Heightened Risk Standards: Focus on Trade Surveillance
		<ul style="list-style-type: none"> — Scrutiny on Unauthorized Communications: Enforcement trends highlight the critical need for firms to capture and retain all business-related communications, including those on personal devices. — Expanding Scope of Data: The types of data subject to regulatory expectations for retention and deletion continues to expand as technologies evolve. — Tighter Data Controls: Increasing regulatory actions demand stringent protection of customer data; retention and deletion practices should emphasize data minimization, purpose limitation, and enhanced privacy compliance 	Data Retention and Deletion: Devices and E-Comms

Key Regulatory Activity: April 2024 ^(2/2)

Stage	Agency	KPMG Insights	KPMG Regulatory Alert
Reports/ Alerts	CFPB	<ul style="list-style-type: none"> — Consumer Complaints: CFPB receives nearly 1.7 million consumer complaints in 2023; 1.35 million sent to companies for review and response. — Fraud: Consumers raise fraud-related issues across nearly every product, including checking or savings accounts, credit cards, virtual currencies, and prepaid cards. — Rising Reporting Issues: Nearly 80 percent of complaints relate to credit or consumer reporting; in total, this complaints category shows a 34 percent increase in volume over 2022. 	Consumer Complaints: CFPB Analysis of 2023
	SEC	<ul style="list-style-type: none"> — Record Enforcement: A total of 784 enforcement actions representing a 3% increase over the prior fiscal year, and financial remedies of close to \$5 billion. — Whistleblower Power: Highest amount awarded in one year at nearly \$600 million and highest number of whistleblower tips received in one year at more than 18,000 (and 50% higher than the prior record). — Upcoming Exam Focus: Expect increasing focus on Compliance investment, T+1 compliance, execution transparency and fee transparency; Expect more risk alerts and outreach. 	SEC Speaks: Recap of 2023 Actions
		<ul style="list-style-type: none"> — More Exams and Enforcements: Continued Marketing Rule Risk Alerts (coupled with recent enforcement actions) clearly signal heightened supervisory focus. — Beyond a General Policy: Expectations for tailored incorporation of the Marketing Rule into policies and procedures, and that such policies/procedures have been put into practice. — Prove and Disclose: Clear need for clarity in disclosures (Form ADV), as well as the need to maintain copies and documentation to support marketing claims. — True, Fair and Balanced: Avoidance of potentially untrue, unsubstantiated, misleading statements or omissions, etc.—expanding fairness principles across marketing and advertising. 	Risk Alert: SEC Marketing Rule Compliance

Contact



Amy Matsuo
Principal and National Leader
Regulatory Insights
amatsuo@kpmg.com

Connect with us on [LinkedIn](#)

Subscribe today!

Don't miss out on key insights.
Scan the QR code to subscribe
or [click here!](#)



Some or all of the services described herein may not be permissible for KPMG audited entities and their affiliates or related entities.

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.