

SDDco Group Client Update

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Dear SDDco Clients and Colleagues:

Our July 2017 Client Update includes industry news and guidance, regulatory rule info, important deadlines, and other timely matters impacting brokers, advisers, fintech firms, taxpayers, investors, and their service professionals.

SDDCO Client Update posts are made available on our website throughout the month at <http://sddco.com/resources/client-updates/>

ADVISERS

[Certified Financial Planner ~ Proposed Code of Ethics and Standards of Conduct](#)

The Certified Financial Planner Board of Standards seeks feedback on its new, 17 page draft proposal entitled Code of Ethics and Standards of Conduct. If approved, it would require Certified Financial Planner professionals (“CFP® pros”) to act as fiduciaries—put a client’s interest first—at all times. It would also update the standards related specifically to financial planning...

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[New FAQs on Form ADV for Investment Advisers](#)

September of 2016, the Securities and Exchange Commission (“SEC”) adopted amendments to rules impacting Form ADV Part 1A. This form is used by investment advisers to register and remain compliant with the rules of the SEC and their state securities authorities. The amended form becomes effective on October 1, 2017 On June 12, 2017, “Staff” of the...

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BROKER-DEALERS

[Phishing Like FINRA](#)

FINRA reports that some broker-dealer members recently received phishing emails pretending to be linked to FINRA. The subject line read “New Policy Update,” a document was attached, and no it wasn’t from FINRA. To avoid responding to phishing scams, do pay attention to: email address irregularities, even minor ones strange URLs attachments with general names...

[Read more >](#)

[New Broker-Dealer Compliance Calendar](#)

FINRA recently made available a new compliance calendar to help member broker-dealers meet their ongoing regulatory requirements. Other helpful tools are detailed below and accessible on the FINRA website. The Compliance Calendar FINRA's 2017 compliance calendar provides firms with a calendar view of upcoming required filings, a schedule of live educational opportunities and events, and...

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[New FINRA Customer Complaint Codes](#)

FINRA Rule 4530 (Reporting Requirements) requires broker-dealer firms to file electronically through the FINRA Firm Gateway the following: Written customer complaints alleging theft or misappropriation of funds or securities or forgery Quarterly statistical and summary information regarding written customer complaints. Copies of specified criminal and civil actions FINRA revised the Rule 4530 filing form and...

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[PCAOB Brief Results ~ 2016 Inspections of Auditors of BDs](#)

The Public Company Accounting Oversight Board (PCAOB) published a staff inspection brief that previews the results of its 2016 inspections of the auditors of broker-dealers to help auditors as they plan and perform future audits. The 2016 inspections were conducted under the interim inspection program. Expect the full details in the upcoming "Annual Report on the Interim..."

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[FINRA's May 2017 Podcast for Broker-Dealers](#)

FINRA's May 2017 podcast covers these timely FINRA related topics of interest to broker-dealers. Request for Comment: 1) FINRA's retrospective review of the rules governing outside business activities and private securities transactions. See Regulatory Notice 17-20. 2) FINRA's new initiative to evaluate various aspects of its operations and programs to identify opportunities to more effectively further...

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[MSRB Files Proposed Amendments to Municipal Fund Security Advertising Reqs](#)

The Municipal Securities Rulemaking Board (MSRB) filed with the SEC proposed amendments to MSRB Rule G-21(e) related to municipal fund security product advertisements to address regulatory developments and to enhance protections for investors. "The proposed amendments reflect changes to SEC rules governing money market fund advertisements and improve regulatory consistency of disclosure requirements for those municipal..."

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[New MSRB Guide for Complaint Problem and Product Codes](#)

The Municipal Securities Rulemaking Board (MSRB) reminds brokers-dealers, municipal securities dealers, and municipal advisors of the October 13, 2017 effective date for amendments to rules related to customer and municipal advisory client complaints. Amendments to MSRB Rules G-10, G-8 and G-9 require that "regulated entities keep an electronic complaint log of all written complaints of..."

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COMMODITY BROKERS

[CTAs Seeking CFTC Third-Party Recordkeeping Relief](#)

Per the CFTC's Division of Swap Dealer and Intermediary Oversight Exemptive Letter No. 17-24 of April 20, 2017, registered commodity trading advisors (CTA) can be relieved from keeping the books and records at the main business office. Any CTA using a third-party recordkeeper must file a notice of claim with the CFTC following the procedures...

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STARTUPS

[Key Accounting Steps for Startups](#)

The financial health of your startup is essential. But implementing a well thought out accounting plan is often overlooked by new business owners whose strategies are aimed elsewhere. Let someone handle the finances in a business large or small. Somebody's got to manage the books and that person needs to know every detail about the...

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TAXPAYERS

Our Featured Tax Articles for July 2017

[Hobby or Business? Why It Matters](#)

Millions of Americans have hobbies, but when that hobby starts to turn a profit, it might just be considered a business by the IRS. Learn more about the tax implications of a hobby versus a business.

[Minimizing Tax on Mutual Fund Activities](#)

Learn how a basic knowledge of mutual fund taxation and careful record-keeping can help you cut the tax bite on your mutual fund investments.

[Tax Implications of Crowdfunding](#)

Crowdfunding websites such as Kickstarter and GoFundMe have become increasingly popular for both individual fundraising and small business owners. The upside is that it's often possible to raise the cash you need. The downside is that the IRS might consider that money taxable income. Here's what you need to know.

[Tax Breaks for Hiring New Employees](#)

If you're thinking about hiring new employees this year, you won't want to miss out on these tax breaks.

[Defer Capital Gains using Like-Kind Exchanges](#)

If real estate's your game, did you know that it's possible to defer capital gains by taking advantage of a Section 1031 exchange that allows you to swap investment property on a tax-deferred basis?

Tax Tips

[Phone Scam Alert: Fake Certified Letters](#)

[Injured or Innocent Spouse Tax Relief: The Facts](#)

[Tax Tips for Legally Married Same-Sex Couples](#)

[The Simplified Option for Home Office Deduction](#)

[Small Business Tax Tips: Payroll Expenses](#)

Tax Due Dates

July 10

Employees Who Work for Tips - If you received \$20 or more in tips during June, report them to your employer. You can use Form 4070.

July 17

Employers - Nonpayroll withholding. If the monthly deposit rule applies, deposit the tax for payments in June.

Employers - Social Security, Medicare, and withheld income tax. If the monthly deposit rule applies, deposit the tax for payments in June.

July 31

Employers - Social Security, Medicare, and withheld income tax. File Form 941 for the second quarter of 2017. Deposit any undeposited tax. (If your tax liability is less than \$2,500, you can pay it in full with a timely filed return.) If you deposited the tax for the quarter in full and on time, you have until August 10 to file the return.

Employers - Federal unemployment tax. Deposit the tax owed through June if more than \$500.

Employers - If you maintain an employee benefit plan, such as a pension, profit-sharing, or stock bonus plan, file Form 5500 or 5500-EZ for calendar-year 2016. If you use a fiscal year as your plan year, file the form by the last day of the seventh month after the plan year ends.

Certain Small Employers - Deposit any undeposited tax if your tax liability is \$2,500 or more for 2017 but less than \$2,500 for the second quarter.

[Click here](#) to read the rest of the newsletter.

Please call us at (212) 751-4422 if you have any questions.

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Any accounting, business or tax advice contained in this communication, including attachments and enclosures, is not intended as a thorough, in-depth analysis of specific issues, nor a substitute for a formal opinion, nor is it sufficient to avoid tax-related penalties. If desired, we would be pleased to perform the requisite research and provide you with a detailed written analysis. Such an engagement may be the subject of a separate engagement letter that would define the scope and limits of the desired consultation services.



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