

This week at the UK regulators

Thirty second guide: The week in overview

The FCA has this week secured another conviction for insider dealing and in a separate case has issued a fine of more than £17 million for systems and controls failings. It has also published Policy Statements on retirement risk warnings and pension scheme charges, a Consultation Paper on consumer credit rules and guidance and a Discussion Paper calling for evidence on transaction costs disclosure. The PRA has published a Consultation Paper on its interaction with external auditors and actuaries.

Insider dealing guilty plea by former Logica plc executive

Ryan Willmott, formerly Group Reporting and Financial Planning Manager for Logica plc, has pleaded guilty to three instances of insider dealing, involving profits of more than £30,000. Mr Willmott admitted dealing on the basis of inside information he obtained during the course of his employment relating to the takeover of Logica plc by CGI Group, which was publicly announced on 31 May 2012. He set up a trading account in the name of a former girlfriend, without her knowledge, to carry out the trading. He also admitted disclosing inside information to a family friend, who then went on to deal on behalf of Mr Willmott and himself.

<http://www.fca.org.uk/news/former-logica-plc-manager-pleads-guilty-to-insider-dealing>

FCA publishes rules on retirement risk warnings

The FCA has (on 27 February) published Policy Statement PS15/4 titled "Retirement reforms and the guidance guarantee: retirement risk warnings". The Policy Statement addresses the FCA's concerns that, without regulated advice, customers may not have enough information to make important decisions about access to their Defined Contribution pension savings. The rules in respect of those savings change on 6 April 2015, which is the date on which the Policy Statement comes into force. The FCA has said that it plans to consult in summer 2015 on whether to retain, modify or add to these rules, as part of a wider consultation on the rules related to consumers' interaction with providers as they approach retirement.

<http://www.fca.org.uk/your-fca/documents/policy-statements/ps15-04>

FCA publishes final rules for charges in workplace personal pension schemes

The FCA has (on 2 March) published Policy Statement PS15/5 which sets out its final rules for charges in workplace personal pension schemes. The rules implement a charge cap on default funds for automatic enrolment and bans on certain charging practices in schemes regulated by the FCA. The charge cap will apply from 6 April 2015 or from the date from which a scheme becomes a Qualifying Scheme for an employer.

<http://www.fca.org.uk/your-fca/documents/policy-statements/ps15-05>

FCA consults on consumer credit rules and guidance

The FCA has (on 24 February) issued Consultation Paper CP15/6 outlining proposed policy changes to its consumer credit regime. The proposed changes will affect credit broking, guarantor lending, high-cost short-term credit, financial promotions, arrears, default and collection and mortgages. Comments are sought by 6 May 2015.

<http://www.fca.org.uk/your-fca/documents/consultation-papers/cp15-06>

PRA makes proposals on its interaction with external auditors and actuaries

The PRA has (on 27 February) published Consultation Paper CP8/15 on its engagement with external auditors and actuaries. The PRA will require the external auditors of the largest UK-headquartered deposit-taking institutions that are not subsidiaries of UK firms to provide written reports to the PRA as part of the statutory audit cycle. Additionally, HM Treasury has laid regulations to commence the PRA's

disciplinary powers over actuaries and auditors under section 345 of the Financial Services and Markets Act. The Consultation Paper describes how the PRA intends to use those powers. Comments are sought by 27 May 2015.

<http://www.bankofengland.co.uk/pr/ Documents/publications/cp/2015/cp815.pdf>

FCA and DWP call for evidence on transaction costs disclosure

The FCA has (on 2 March) issued Discussion Paper DP15/2 calling jointly with the Department for Work and Pensions for evidence on improving the reporting and disclosure of information about transaction costs in occupational and workplace personal pension schemes. Comments are sought by 4 May 2015 and will lead to proposed rules, which will be the subject of consultation in the autumn.

<http://www.fca.org.uk/your-fca/documents/discussion-papers/dp15-02>

Enforcement and supervisory notices

On 24 February the FCA published a Final Notice fining Aviva Investors Global Services Limited ("Aviva Investors")

£17,607,000 for systems and controls failings. The FCA found that Aviva Investors breached Principle 3 (management and control) of the FCA's Principles for Businesses by failing to exercise adequate and effective control of its side-by-side management of funds, and that it breached Principle 8 (conflicts of interest) by failing to manage fairly inherent conflicts of interest between itself and its customers and between customers and other clients. Aviva Investors qualified for a 30% discount under the FCA's early settlement procedure. Without this discount, the fine would have been £25,152,900.

<http://www.fca.org.uk/your-fca/documents/final-notices/2015/aviva-investors>

FCA Chief Executive speaks at AFME conference

Martin Wheatley, Chief Executive of the FCA, has given a speech titled "From Intellectual Certainty to Debate" at the AFME Annual European Market Liquidity conference

<http://www.fca.org.uk/news/from-intellectual-certainty-to-debate>

FCA warnings

Name of firm	Date of warning	Details
Nano Industry Investments Inc. Limited (NIIL)	26 February 2015	Not authorised http://www.fca.org.uk/news/warnings/nano-industry-investments-inc-limited
FTtradition/ Forex Tradition	25 February 2015	Clone firm http://www.fca.org.uk/news/warnings/fttradition-forex-tradition-clone
True Loans	25 February 2015	Clone firm http://www.fca.org.uk/news/warnings/true-loans-clone-cc
Ikon Group Inc Ltd	25 February 2015	Clone firm http://www.fca.org.uk/news/warnings/ikon-group-inc-ltd-clone

Ikon Finance	24 February 2015	Clone firm http://www.fca.org.uk/news/warnings/ikon-finance-clone
Perfect Loans	23 February 2015	Not authorised http://www.fca.org.uk/news/warnings/perfect-loans

Policy developments

FCA		PRA		
Proposed developments				
		Deadline for responses		
Consultation papers	The FCA has (on 24 February) issued Consultation Paper CP15/6 outlining proposed policy changes to its consumer credit regime. http://www.fca.org.uk/our-fca/documents/consultation-papers/cp15-06	6 May 2015	27 May 2015	The PRA has (on 27 February) published Consultation Paper CP8/15 on its engagement with external auditors and actuaries; http://www.bankofengland.co.uk/pr/Documents/publications/cp/2015/cp815.pdf
Discussion papers	The FCA has (on 2 March) issued Discussion Paper DP15/2 calling jointly with the Department for Work and Pensions for evidence on improving the reporting and disclosure of information about transaction costs in occupational and workplace personal pension schemes. http://www.fca.org.uk/y	4 May 2015		

	our-fca/documents/discussion-papers/dp15-02			
Finalised Policy and Guidance				
		Implementation /effective date		
Policy statement	The FCA has (on 27 February) published a Policy Statement titled "Retirement reforms and the guarantee: retirement risk warnings" http://www.fca.org.uk/our-fca/documents/policy-statements/ps15-04	6 April 2015		
	The FCA has (on 2 March) published Policy Statement PS15/5 which sets out its final rules for charges in workplace personal pension schemes. http://www.fca.org.uk/our-fca/documents/policy-statements/ps15-05	6 April 2015		

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