

This week at the UK regulators

Thirty second guide: The week in overview

In a week without any publicised enforcement outcomes, the main development at the FCA and the PRA last week was the publication of policy statements outlining new rules on whistleblowing, which will come into effect in 2016. The requirement to appoint a whistleblowing champion will take effect from 7 March 2016 alongside the new Senior Managers Regime, whilst other new whistleblowing requirements will take effect from 7 September 2016. The FCA and PRA have also issued a joint consultation on changes to requirements in relation to regulatory references and the FCA has issued a call for inputs in relation to competition in the mortgage market.

In the criminal sphere, it has been reported that one of the defendants in the FCA's insider dealing prosecution, Operation Tabernula, will no longer stand trial in January.

Insider dealing trial delayed

It has been reported that the trial in Operation Tabernula, the FCA's long-running insider dealing prosecution, has been split. Six defendants had been due to stand trial in January. Mr Richard Baldwin will not now be tried then as a consequence of health concerns.

PRA and FCA announce new rules on whistleblowing

On 6 October, the FCA and the PRA published policy statements (and the PRA published an additional supervisory statement) in relation to whistleblowing, following recommendations made by the Parliamentary Commission on Banking Standards ("PCBS") that banks implement better internal mechanisms in this area.

The new rules will affect UK deposit-takers with assets of £250 million or greater (including banks, building societies and credit unions), PRA-designated investment firms and insurance and reinsurance firms within the scope of Solvency II and to the Society of Lloyd's and managing agents.

In summary, when the rules come into force, relevant firms will be required to appoint a Senior Manager as their whistleblowers' champion and put in place internal whistleblowing arrangements able to handle all types of disclosure from all types of person. They will also be required to put text in settlement agreements explaining that workers have a legal right to blow the whistle, tell UK-based employees about the FCA and PRA whistleblowing services and present a report on whistleblowing to the board at least annually.

The requirement to assign responsibilities to a whistleblowers' champion will take effect on 7 March 2016. The other parts of the rules will come into effect on 7 September 2016.

The FCA has stated its intention to consult soon on the application of these rules to UK branches of overseas banks.

<http://www.fca.org.uk/static/fca/article-type/policy%20statement/ps-15-24.pdf>

<http://www.bankofengland.co.uk/pr/Documents/publications/ps/2015/ps2415.pdf>

<http://www.bankofengland.co.uk/pr/Documents/publications/ss/2015/ss3915.pdf>

FCA and PRA consult on regulatory references

On 6 October, the FCA and the PRA issued consultation papers on regulatory references. The FCA and the PRA have already consulted on regulatory references but delayed formulating more detailed proposed rules in order to reflect on the recommendations of the Fair and Effective Markets Review ("FEMR").

The consultation paper sets out proposals in relation to candidates applying for certain roles falling within the Senior Managers Regime ("SMR"), the Senior Insurance Managers Regime ("SIMR"), the Certification Regime and other FCA insurance controlled functions, notified non-executive director ("NED"), and key function holders within insurers.

The main proposals are requirements for firms to request

regulatory references from former employers going back six years and to include in any reference details of concluded breaches of rules and principles in relation to conduct (both those currently in force under the Statements of Principle and Code of Practice for Approved Persons ("APER") and those which will be in force under the new individual accountability regimes from March 2016). The proposals also include modifications to certain prescribed responsibilities for Senior Managers to include compliance with the regulatory reference rules and a requirement on firms to update previous references given in the past six years, where they become aware of matters that would cause them to draft that reference differently if they were drafting it now.

Responses to the consultation are due by 7 December 2015.

<http://www.fca.org.uk/static/documents/consultation-papers/cp15-31.pdf>

<http://www.bankofengland.co.uk/prd/Documents/publications/cp/2015/cp3615.pdf>

FCA issues call for inputs on competition in the mortgage market

On 7 October the FCA issued a call for inputs on competition in the mortgage sector. This follows the FCA's announcement in its Business Plan 2015 /16 of its intention to review whether barriers to competition exist in the mortgage sector. Responses are requested by 18 December 2015.

<http://www.fca.org.uk/news/fca-launches-call-for-inputs-on-competition-in-the-mortgage-sector>

FCA warnings

Name of firm	Date of warning	Details
Perkins Consultancy Group	8 October 2015	Not authorised http://www.fca.org.uk/news/warnings/perkins-consultancy-group
Belmont Capital New York/ Belmont Capital Holdings	8 October 2015	Not authorised http://www.fca.org.uk/news/warnings/belmont-capital-new-york
Raymond James Investment Services Ltd (clone) & Equerry Investment Management	7 October 2015	Clone firm http://www.fca.org.uk/news/warnings/equerry-investment-management-clone
Able Alternatives UK Ltd	7 October 2015	Not authorised http://www.fca.org.uk/news/warnings/able-alternatives-uk-ltd
South Wales Savings Credit Union	6 October 2015	Clone firm http://www.fca.org.uk/news/warnings/south-wales-savings-credit-union-clone

Policy developments

FCA		PRA		
Proposed developments				
		Deadline for responses		
Consultation papers	<p>On 6 October, the FCA published a consultation paper (CP15/31) setting out proposals in relation to regulatory references under the new individual accountability regimes (see full details above).</p> <p>http://www.fca.org.uk/static/documents/consultation-papers/cp15-31.pdf</p>	7 December 2015	7 December 2015	<p>On 6 October, the PRA published a consultation paper (CP36/15) setting out proposals in relation to regulatory references under the new individual accountability regimes (see full details above).</p> <p>http://www.bankofengland.co.uk/p/ra/Documents/publications/cp/2015/cp3615.pdf</p>
Finalised policy and guidance				
		Implementation date		
Policy Statement	<p>On 6 October, the FCA published a policy statement (PS15/24) on whistleblowing in deposit-takers, PRA-designated investment firms and insurers (see full details above).</p> <p>http://www.fca.org.uk/static/fca/article-type/policy%20statement/ps-15-24.pdf</p>	7 March 2016 and 7 September 2016	7 March 2016 and 7 September 2016	<p>On 6 October, the PRA published a policy statement (PS24/15) and supervisory statement (SS 39/15) on whistleblowing in deposit-takers, PRA-designated investment firms and insurers (see full details above).</p> <p>http://www.bankofengland.co.uk/p/ra/Documents/publications/ps/2015/ps2415.pdf</p> <p>http://www.bankofengland.co.uk/p/ra/Documents/publications/ss/2015/ss3915.pdf</p>

Contacts

Roger Best
Partner

E: roger.best
@cliffordchance.com

Helen Carty
Partner

E: helen.carty
@cliffordchance.com

Carlos Conceicao
Partner

E: carlos.conceicao
@cliffordchance.com

Dorian Drew
Partner

E: dorian.drew
@cliffordchance.com

Jeremy Kosky
Partner

E: jeremy.kosky
@cliffordchance.com

Rae Lindsay
Partner

E: rae.lindsay
@cliffordchance.com

Kelwin Nicholls
Partner

E: kelwin.nicholls
@cliffordchance.com

Martin Saunders
Partner

E: martin.saunders
@cliffordchance.com

Judith Seddon
Partner

E: judith.seddon
@cliffordchance.com

Luke Tolaini
Partner

E: luke.tolaini
@cliffordchance.com

Editors

Chris Stott
Lawyer

E: chris.stott
@cliffordchance.com

Oliver Pegden
Lawyer

E: oliver.pegden
@cliffordchance.com

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www.cliffordchance.com

Clifford Chance, 10 Upper Bank Street, London, E14 5JJ

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