

# This week at the UK regulators

## Thirty second guide: The week in overview

In a week without major enforcement developments, the main announcements from the FCA have concerned the appointments of new Chairs of the Practitioner Panels and the publication of a review into crowdfunding. In policy developments, the FCA has followed up on a number of consultation exercises conducted last year, relating to areas as diverse as the governance of workplace pension schemes and arrangements for transaction reporting under the Markets in Financial Instruments Directive. It has also launched a new consultation exercise on arrangements for the regulation of consumer buy to let mortgage activities.

Further afield, regulators in Hong Kong and Ireland have become the latest to conspicuously commit themselves to enhancing levels of consumer protection, with the launch of separate new codes of practice and standards for financial services firms.

### New FCA Practitioner Panel Chairs announced

The FCA has (on 6 February) announced the new Chairs of the independent Practitioner Panels which it is obliged to maintain (under sections 1N, 1O and 1P of the Financial Services and Markets Act 2000). Alison Brittain, Group Head of Retail at Lloyds Banking Group has been appointed Chair of the FCA Practitioner Panel. Robert Mass, Head of International Compliance and Global Head of Securities Division Compliance has been appointed Chair of the FCA Markets Practitioner Panel. Clinton Askew, Director at Citywide Financial Partners has been appointed Chair of the FCA Smaller Business Practitioner Panel.

The approaches the panels will take under their new chairs will become clear after they take up their appointments on 1 April. Previous notable instances of challenge to the FCA's approach from the Practitioner Panel have included concern expressed in April last year in relation to the FCA's policy on the use of attestations, which led to clarification from the then Director of Supervision (see This week at the UK regulators – 2 September 2014).

<http://www.fca.org.uk/news/new-chairs-of-the-fcas-practitioner-panels-announced-today>

<https://onlineservices.cliffordchance.com/online/freeDownload.action?key=OBWlbFgNhLNomwBl%2B33QzdFhRQAhp8D%2BxrlGRel2crGqLnALtlyZe5gZK%2BzTAncAZkB8ZLj4%2F1Lp%0D%0A5mt12P8Wnx03DzsaBGwsIB3EVF8XihbSpJa3xHNE7tFeHpEbaelf&attachmentsize=140553>

### FCA publishes crowdfunding review

The FCA has (on 3 February) released a review of the regulatory regime for crowdfunding and the promotion of other non-readily realisable securities by other media. The paper sets out the regulatory framework and the growth of this type of activity, both in terms of volume and numbers of applications for regulatory approvals. It sets out its supervisory approach, which has included engagement with senior management and thematic work looking at the content of websites, including those containing comment and making recommendations. The review notes some issues in relation to selective and incomplete material contained on such websites. The review concludes by stating that the FCA does not intend to change its approach to the regulation of crowdfunding and associated activities, but that it may do so in future, particularly if the relevant EU frameworks change.

<http://www.fca.org.uk/static/documents/crowdfunding-review.pdf>

### Payment Strategy Forum takes shape

Further to its indications of its intentions to set up a Payments Strategy Forum in its consultation paper released in November last year, the Payment Systems Regulator has (on 6 February) announced the composition of the working group. The group, composed of representatives of financial services and other firms and payment systems providers and consumer organisations, will discuss and agree strategic priorities for the payment services industry. The Payment Systems Regulator has indicated that more detailed terms of reference will follow the group's first meeting later this month.

<http://www.fca.org.uk/news/psr/payments-strategy-forum>  
<http://www.fca.org.uk/static/documents/psr/psr-cp14-1-cp-a-new-regulatory-framework-for-payment-systems-in-the-uk.pdf>

### Enforcement and supervisory notices

The FCA has (on 5 February) published First and Second Supervisory Notices issued to Andrew Baxter (in his personal capacity, dated 2 October 2014) and a Final Notice (issued to Andrew Baxter trading as Wealth Management, dated 4 February 2015) removing permissions to carry on particular regulated activities and cancelling his permissions based on the FCA's findings that he is no longer fit and proper. The action follows his conviction and the imposition of a sentence of 12 months' imprisonment on him on 2 October 2014.

<http://www.fca.org.uk/static/documents/supervisory-notices/first-supervisory-notice-andrew-baxter.pdf>

<http://www.fca.org.uk/static/documents/supervisory-notices/second-supervisory-notice-andrew-baxter.pdf>

<http://www.fca.org.uk/static/documents/final-notices/andrew-baxter-trading-as-wealth-management.pdf>

The FCA has (on 6 February) published a Final Notice issued to PriceWaterhouseCoopers ("PWC") limiting and restricting the services to which its sponsor approval relates. The notice makes clear that changes were made at PWC's request and have not been made as the result of any disciplinary process.

<http://www.fca.org.uk/static/documents/final-notices/pricewaterhousecoopers-llp.pdf>

### FCA warnings

Name of firm	Date of warning	Details
The Quick Loan Shop	5 February 2015	Clone firm <a href="http://www.fca.org.uk/news/warnings/the-quick-loan-shop-clone-cc">http://www.fca.org.uk/news/warnings/the-quick-loan-shop-clone-cc</a>
360 Capital Management Limited t/a 360 Capital Markets	5 February 2015	Not authorised <a href="http://www.fca.org.uk/news/warnings/360-capital-management-limited">http://www.fca.org.uk/news/warnings/360-capital-management-limited</a>
Nakitrade	4 February 2015	Not authorised <a href="http://www.fca.org.uk/news/warnings/nakitrade">http://www.fca.org.uk/news/warnings/nakitrade</a>
GDPX Assets Ltd	4 February 2015	Not authorised <a href="http://www.fca.org.uk/news/warnings/gdp-x-assets-ltd">http://www.fca.org.uk/news/warnings/gdp-x-assets-ltd</a>
Globus Capital Associates Limited (GCAL)	4 February 2015	Not authorised <a href="http://www.fca.org.uk/news/warnings/globus-capital-associates-limited">http://www.fca.org.uk/news/warnings/globus-capital-associates-limited</a>

## Policy developments

FCA		PRA	
Proposed developments			
		Deadline for responses	
Consultation papers	<p>The FCA has (on 5 February) released a consultation paper (CP 15/3) on its approach to implementing the framework established by the UK government in relation to consumer buy to let mortgages. This follows the government's decision to use an exemption in the EU Mortgage Credit Directive stating that member states are not required to apply its provisions to buy to let activities provided appropriate alternative arrangements are in place to regulate these activities. Under legislation enacted to discharge the requirements of this exemption (the Mortgage Credit Directive Order), the FCA will have powers to register, supervise and, in some circumstances, take enforcement action against providers of consumer buy to let mortgages.</p> <p><a href="http://www.fca.org.uk/static/documents/consultation-papers/cp15-03.pdf">http://www.fca.org.uk/static/documents/consultation-papers/cp15-03.pdf</a></p>	19 March 2015	
Finalised policy and guidance			
		Implementation/effective date	

<b>Policy statement</b>	<p>Further to a consultation paper released in 2014 (CP 14/16), the FCA has (on 4 February) released a policy statement (PS 15/3) setting out final rules requiring providers of workplace pension schemes to set up independent governance committees.</p> <p><a href="http://www.fca.org.uk/static/documents/policy-statements/ps15-03.pdf">http://www.fca.org.uk/static/documents/policy-statements/ps15-03.pdf</a></p> <p><a href="http://www.fca.org.uk/static/documents/consultation-papers/cp14-16.pdf">http://www.fca.org.uk/static/documents/consultation-papers/cp14-16.pdf</a></p>	6 April 2015		
<b>Finalised guidance</b>	<p>Further to a guidance consultation paper released in May 2014 (GC 14/2), the FCA has (on 6 February) published finalised guidance (FG 15/3) on version 3.1 of the Transaction Reporting User Pack ("TRUP").</p> <p>The TRUP provides guidance to firms on their reporting obligations under the Markets in Financial Instruments Directive.</p> <p>In response to feedback received, the version now released contains a number of additions and amendments to the previously released versions.</p> <p><a href="http://www.fca.org.uk/static/documents/finalised-guidance/fg15-03.pdf">http://www.fca.org.uk/static/documents/finalised-guidance/fg15-03.pdf</a></p> <p><a href="http://www.fca.org.uk/static/documents/finalised-guidance/fg15-03-changes.pdf">http://www.fca.org.uk/static/documents/finalised-guidance/fg15-03-changes.pdf</a></p> <p><a href="http://www.fca.org.uk/static/documents/finalised-guidance/fg15-03-feedback.pdf">http://www.fca.org.uk/static/documents/finalised-guidance/fg15-03-feedback.pdf</a></p>	<p>Sections 7.5 (trading capacity), 7.18.2 (use of "internal") and 9.1 (internal transactions): 6 August 2015</p> <p>All remaining sections: 6 February 2015</p>		

## Further Afield

### Regulators worldwide tighten up consumer protection guidelines

In press releases coincidentally both released on 6 February, financial services regulators in Hong Kong and Ireland have become the latest to increase their focus on the way in which banks must deal with their customers.

The Hong Kong Monetary Authority ("HKMA") has welcomed the announcement of a revised code of practice drawn up by representatives of banks and other deposit taking companies. It has widened the ambit of the previously existing code by extending it to cover subsidiaries and affiliated companies, incorporating standards on consumer protection set by the G20, enhancing disclosure and transparency standards through setting out new standardised key facts statements and introducing new protections for credit card customers and requirements to explain the account opening due diligence process to customers. The new code took effect immediately on 6 February. After a period of grace to allow for implementation and adaptation of systems, the HKMA will be monitoring whether institutions are abiding by its terms.

In a parallel development, the Central Bank of Ireland ("CBI") published a report entitled "Getting it right for customers". It aims to set out a framework for the treatment of financial services consumers based on the "five Cs" of "consumer, culture, confidence, challenge and compliance". It echoes the messages sent by the FCA and other regulators on the importance of embedding an appropriate culture, and includes indications that the CBI will be engaging more directly with boards of financial services firms to examine how they are approaching compliance.

<http://www.hkma.gov.hk/eng/key-information/press-releases/2015/20150206-5.shtml>

<http://www.centralbank.ie/publications/Documents/Consumer%20Protection%20Outlook%20Report%202015.pdf>

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