

This week at the UK regulators

Thirty second guide: The week in overview

Prosecutions continue for insider dealing, while a sentence of ten years' imprisonment has been handed down to a defendant described by the judge as running a "classic Ponzi scheme". The FCA has fined the Bank of Beirut (UK) Ltd over the provision of misleading information. It has also published a Consultation Paper on proposed changes to pension transfer rules, and a Thematic Review of structured products.

FCA secures conviction for insider dealing

The FCA has secured its 27th criminal conviction for insider dealing with a guilty plea by Paul Coyle, former Group Treasurer and Head of Tax at Wm Morrison plc to two counts of the offence. Mr Coyle was sentenced to 12 months' imprisonment, ordered to pay £15,000 towards prosecution costs and also received a Confiscation Order for £203,324.

<http://www.fca.org.uk/news/former-group-treasurer-and-head-of-tax-at-morrisons-plc-sentenced#>

"Ponzi scheme" operator jailed for ten years

Following a prosecution by the FCA, Phillip Boakes has been sentenced to ten years' imprisonment for defrauding investors of at least £3.5m, using false instruments and accepting deposits without authorisation. His activities, described by the judge as a "classic Ponzi scheme", involved using his company CurrencyTrader Ltd, which claimed to carry out foreign exchange spread betting for its customers. He encouraged people to invest on the promise of guaranteed annual returns of 20% or more but was not authorised by the FCA to accept deposits and the pledge of guaranteed returns was a sham. The 'returns' were funded from the deposit itself or from funds received from new investors.

<http://www.fca.org.uk/news/phillip-boakes-sentenced-following-fca-prosecution>

FCA fines Bank of Beirut (UK) Ltd over misleading information

The FCA has fined Bank of Beirut (UK) Ltd £2.1 million after the Bank provided misleading information to it. The

information indicated that the Bank had completed certain remedial actions required by the FCA when in fact it had not. Anthony Willis, the former compliance officer at the Bank, was fined £19,600 and Michael Allin, the Bank's internal auditor, was fined £9,900. They both failed to deal with the FCA in an open and co-operative way when responding to the FCA's queries.

<http://www.fca.org.uk/your-fca/documents/final-notices/2015/bank-of-beirut-uk-ltd>

<http://www.fca.org.uk/your-fca/documents/final-notices/2015/anthony-rendell-boyd-wills>

<http://www.fca.org.uk/your-fca/documents/final-notices/2015/michael-john-allin>

Upper Tribunal dismisses serious allegations against asset manager

The Upper Tribunal has (on 4 March) dismissed the most serious allegation made by the FCA in relation to Tariq Carrimjee of Somerset Asset Management LLP. It did not uphold the FCA's decision that Mr Carrimjee had acted without integrity, but found instead that he had acted without due skill care and diligence. It upheld the FCA's decision to impose a penalty of £89,004 and remitted the case back to the FCA to consider whether a prohibition was appropriate.

<http://www.tribunals.gov.uk/financeandtax/Documents/decisions/Tariq-Carrimjee-v-FCA.pdf>

FCA consults on proposed changes to pension transfer rules

The FCA has (on 4 March) published Consultation Paper CP15/7 on proposed changes to its pension transfer rules, as the Government's new pensions regime will bring advice on transfers from defined benefit schemes to occupational

defined contribution schemes into the FCA's remit. Consumers will be required to take advice before transferring out of a defined benefit scheme and it will be the responsibility of trustees to check that people have taken advice. Comments are sought by 15 April 2015.

<http://www.fca.org.uk/news/cp15-07-proposed-changes-to-our-pension-transfer-rules>

FCA publishes quarterly Consultation Paper

The FCA has (on 6 March) published its quarterly Consultation Paper CP15/8 on miscellaneous amendments to its Handbook. The FCA is planning to make minor amendments to CASS and CONC, make changes to remuneration reporting submission method and make changes that impact AIFMs and AIF depositaries. Comments are sought on chapter 2 by 6 April 2015 and on chapters 3 and 4 by 5 May 2015.

<http://www.fca.org.uk/your-fca/documents/consultation-papers/cp15-08>

FCA publishes thematic review of structured products

The FCA has (on 5 March) published Thematic Review TR15/2, which looks at the product development and

governance of structured products. The review involved discovery work with retail and wholesale firms, which the FCA says identified some weaknesses in the way firms approach the design and governance of the products. It suggests that Senior Managers must do more to put customers at the forefront of their approach to product governance. The FCA also published its qualitative research with consumers and its Occasional Paper No. 9 which summarised the research, finding that retail investors significantly and systematically overestimate the returns from structured deposits, which leads them to prefer structured deposits over alternatives such as cash savings.

<http://www.fca.org.uk/your-fca/documents/thematic-reviews/tr15-02>

<http://www.fca.org.uk/your-fca/documents/research/structured-products-qualitative-research-with-consumers>

<http://www.fca.org.uk/your-fca/documents/occasional-papers/occasional-paper-9>

FCA warnings

Name of firm	Date of warning	Details
Green Oak Financial	5 March 2015	Clone firm http://www.fca.org.uk/news/warnings/green-oak-financial-clone
Verbatim Asset Management PLC	5 March 2015	Clone firm http://www.fca.org.uk/news/warnings/verbatim-asset-management-plc-clone
Bank Invest Capital /G.M.E Ltd	5 March 2015	Not authorised http://www.fca.org.uk/news/warnings/bank-invest-capital

CMI Asset Management	2 March 2015	Clone firm http://www.fca.org.uk/news/warnings/cmi-asset-management-clone
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Policy developments

FCA		PRA		
Proposed developments				
		Deadline for responses		
Consultation papers	The FCA has (on 4 March) published Consultation Paper CP15/7 on proposed changes to its pension transfer rules. http://www.fca.org.uk/news/cp15-07-proposed-changes-to-our-pension-transfer-rules	15 April 2015		
	The FCA has (on 6 March) published its quarterly Consultation Paper CP15/8 on miscellaneous amendments to its Handbook. http://www.fca.org.uk/our-fca/documents/consultation-papers/cp15-08	Chapter 2 by 6 April 2015, and chapters 3 and 4 by 5 May 2015		
Thematic Reviews	The FCA has (on 5 March) published Thematic Review TR15/2, which looks at			

	<p>the product development and governance of structured products.</p> <p>http://www.fca.org.uk/our-fca/documents/thematic-reviews/tr15-02</p> <p>http://www.fca.org.uk/our-fca/documents/research/structured-products-qualitative-research-with-consumers</p> <p>http://www.fca.org.uk/our-fca/documents/occasional-papers/occasional-paper-9</p>			
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Further Afield

The European Banking Authority has published draft guidelines on remuneration policies for public consultation. The guidelines seek to clarify how firms and regulators should interpret the remuneration rules in CRD IV, and would effectively remove the proportionality principle for smaller firms.

<http://www.eba.europa.eu/documents/10180/1002374/EBA-CP-2015-03+%28CP+on+GLs+on+Sound+Remuneration+Policies%29.pdf>

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