

# This week at the UK regulators

## Thirty second guide: The week in overview

The main development at the regulators last week was the announcement of the findings of the Fair and Effective Markets Review, which has proposed sweeping changes to the way in which Fixed Income, Currency and Commodities markets are to be regulated.

In other developments, the FCA has issued a statement of misconduct in respect of a former director of a firm in respect of integrity failings and has followed up on a number of its consumer protection orientated initiatives by issuing a policy statement setting out final rules restricting the distribution of some types of high risk investments to retail customers, enhancing competition in the guaranteed asset protection insurance sector and imposing new requirements in relation to pension transfers. The PRA has issued new rules concerning liquidity under CRD IV, whilst, further afield, the Monetary Authority of Singapore has commenced an exercise to change rules relating to the regulation of OTC derivatives.

### Fair and Effective Markets Review findings released

The Bank of England has (on 10 June) released its final report in relation to the Fair and Effective Markets Review. As was widely trailed in the press in advance of its release, it has proposed the extension of criminal market abuse regime to a wider range of Fixed Income, Currency and Commodities ("FICC") instruments and an increase in the maximum sentence for market abuse from seven to ten years' imprisonment. It has also stated that those involved with FICC instruments should be required to have mandatory qualifications, that a new FICC Market Standards Board should be set up to address areas of uncertainty and promote adherence to standards and that the Senior Managers and Certification Regimes due to enter into force in March 2016 should be extended to a wider range of regulated firms active in FICC markets. Other important changes proposed include the creation of a new statutory civil and criminal market abuse regime for spot foreign exchange and the introduction of a single global FX code of conduct. The release of the report coincided with a speech given by Mark Carney, which included some remarks on the proposals and the rationale behind them.

<http://www.bankofengland.co.uk/markets/Documents/femrjun15.pdf>

<http://www.bankofengland.co.uk/publications/Pages/speeches/2015/821.aspx>

### Final Notices

The FCA has (on 9 June) published a Final Notice communicating a statement of misconduct made in respect of and prohibition order imposed on Mr Kevin Allen. The FCA has indicated that it would have imposed a financial penalty of £355,000 (which would have been reduced to £248,500 under its executive settlement procedures) but for Mr Allen's financial circumstances. The FCA found that Mr Allen breached Principle 1 (integrity) of the Statements of Principle for Approved Persons whilst occupying controlled functions at the NMB Group Limited ("NMB") by deliberately causing another firm to make payments to NMB, directing NMB to use the payments for its running costs and by fabricating an email and altering a bank statement in connection with the transfers.

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

The FCA has (on 10 June) published separate Final Notices in unconnected cases cancelling the permissions of Abid Hussain, Cashsense Limited and Mother Cash Limited for breaches of the Payment Services Regulations 2009.

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

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

<http://www.fca.org.uk/static/documents/final-notices/mother-cash-limited.pdf>

## FCA warnings

Name of firm	Date of warning	Details
Solicilinks Limited	12 June 2015	Not authorised <a href="http://www.fca.org.uk/news/warnings/solicilinks-limited">http://www.fca.org.uk/news/warnings/solicilinks-limited</a>
Sofia Tucker Firm	12 June 2015	Not authorised <a href="http://www.fca.org.uk/news/warnings/sofia-tucker-firm">http://www.fca.org.uk/news/warnings/sofia-tucker-firm</a>
West Financial/ West Financial Advisory House	11 June 2015	Not authorised <a href="http://www.fca.org.uk/news/warnings/west-financial">http://www.fca.org.uk/news/warnings/west-financial</a>
Trusted Home Loans	10 June 2015	Clone firm <a href="http://www.fca.org.uk/news/warnings/trusted-home-loans-clone-cc">http://www.fca.org.uk/news/warnings/trusted-home-loans-clone-cc</a>
I Financial Solutions Limited	9 June 2015	Clone firm <a href="http://www.fca.org.uk/news/warnings/i-financial-solutions-limited-clone-cc">http://www.fca.org.uk/news/warnings/i-financial-solutions-limited-clone-cc</a>
Grossfield (Financial Services) Limited	8 June 2015	Clone firm <a href="http://www.fca.org.uk/news/warnings/grossfield-financial-services-limited-clone">http://www.fca.org.uk/news/warnings/grossfield-financial-services-limited-clone</a>
Capital Securities/ First Capital Securities Company Ltd	8 June 2015	Not authorised <a href="http://www.fca.org.uk/news/warnings/capital-securities">http://www.fca.org.uk/news/warnings/capital-securities</a>
Need Loan Now	8 June 2015	Not authorised <a href="http://www.fca.org.uk/news/warnings/need-loan-now-cc">http://www.fca.org.uk/news/warnings/need-loan-now-cc</a>

## Policy developments

FCA		PRA		
Finalised policy and guidance				
		Implementation/effective date		
<b>Policy Statements</b>	<p>Further to consultation in October 2014 (in consultation paper CP 14/23), the FCA has (on 12 June) released a policy statement (PS 15/14) containing final rules on restrictions to be placed on the distribution of regulatory capital instruments (contingent convertible bonds and mutual society shares) to retail investors. This follows the first use by the FCA of its powers to intervene to temporarily ban the distribution of retail products in respect of these types of investments in August 2014 (see This week at the UK regulators, 11 August 2014 and 3 November 2014).</p> <p><a href="http://www.fca.org.uk/static/documents/policy-statements/ps15-14.pdf">http://www.fca.org.uk/static/documents/policy-statements/ps15-14.pdf</a></p> <p><a href="http://www.fca.org.uk/static/documents/consultation-papers/cp14-23.pdf">http://www.fca.org.uk/static/documents/consultation-papers/cp14-23.pdf</a></p> <p><a href="https://onlineservices.cliffordchance.com/online/freeDownload.action?key=OBWlbfGhLNom">https://onlineservices.cliffordchance.com/online/freeDownload.action?key=OBWlbfGhLNom</a></p>	1 July 2015/ October 2015	1 October 2015	<p>Further to consultation in November 2014 (in consultation paper CP 27/14), the PRA has (on 8 June) published a policy statement (PS 11/15) setting out final rules and an associated supervisory statement (SS 24/15 on the liquidity coverage requirement under the CRD IV).</p> <p><a href="http://www.bankofengland.co.uk/pradocuments/publications/cp/2014/cp2714.pdf">http://www.bankofengland.co.uk/pradocuments/publications/cp/2014/cp2714.pdf</a></p> <p><a href="http://www.bankofengland.co.uk/pradocuments/publications/ss/2015/ss2415.pdf">http://www.bankofengland.co.uk/pradocuments/publications/ss/2015/ss2415.pdf</a></p> <p><a href="http://www.bankofengland.co.uk/pradocuments/publications/ps/2015/ps1115.pdf">http://www.bankofengland.co.uk/pradocuments/publications/ps/2015/ps1115.pdf</a></p>

	<p><a href="http://www.fca.org.uk/static/documents/consultation-papers/cp14-23.pdf">wBI%2B33QzdFhRQAhp8D%2BxrIGRel2crGqLnALtlyZe80s8dU0b76LFGIGwcv3Hbp%0D%0A5mt12P8Wnx03DzsaBGwsIB3EVF8XihbSpJa3xHNE7tFeHpEbaelf&amp;attachmentsize=160796</a></p> <p><a href="http://www.fca.org.uk/static/documents/consultation-papers/cp14-23.pdf">http://www.fca.org.uk/static/documents/consultation-papers/cp14-23.pdf</a></p> <p><a href="https://onlineservices.ciffordchance.com/online/freeDownload.action?key=OBWlbFgNhLNomwBI%2B33QzdFhRQAhp8D%2BxrIGRel2crGqLnALtlyZey2Yd%2F8rgvwCwEuZN1Njb5zp%0D%0A5mt12P8Wnx03DzsaBGwsIB3EVF8XihbSpJa3xHNE7tFeHpEbaelf&amp;attachmentsize=136165">https://onlineservices.ciffordchance.com/online/freeDownload.action?key=OBWlbFgNhLNomwBI%2B33QzdFhRQAhp8D%2BxrIGRel2crGqLnALtlyZey2Yd%2F8rgvwCwEuZN1Njb5zp%0D%0A5mt12P8Wnx03DzsaBGwsIB3EVF8XihbSpJa3xHNE7tFeHpEbaelf&amp;attachmentsize=136165</a></p>			
	<p>Further to the findings of its market study into General Insurance Add-ons in July 2014 and its separate consultation paper (CP 14/29), the FCA has (on 10 June) published a policy statement (PS 15/13) setting out rules aimed at enhancing competition in the Guaranteed Asset Protection insurance sector.</p> <p><a href="http://www.fca.org.uk/static/documents/market-studies/ms14-01-final-report.pdf">http://www.fca.org.uk/static/documents/market-studies/ms14-01-final-report.pdf</a></p> <p><a href="http://www.fca.org.uk/static/documents/policy-">http://www.fca.org.uk/static/documents/policy-</a></p>	<p>1 September 2015</p>		

	<a href="http://www.fca.org.uk/statements/ps15-13.pdf">statements/ps15-13.pdf</a> <a href="http://www.fca.org.uk/static/documents/consultation-papers/cp14-29.pdf">http://www.fca.org.uk/static/documents/consultation-papers/cp14-29.pdf</a>			
	<p>Further to consultation in March (in consultation paper CP 15/7), the FCA has (on 8 June) released a policy statement (PS 15/12) containing feedback and final rules in relation to pension transfers.</p> <p><a href="http://www.fca.org.uk/static/fca/documents/policy-statements/ps15-12.pdf">http://www.fca.org.uk/static/fca/documents/policy-statements/ps15-12.pdf</a></p> <p><a href="http://www.fca.org.uk/static/documents/consultation-papers/cp15-07.pdf">http://www.fca.org.uk/static/documents/consultation-papers/cp15-07.pdf</a></p>	8 June 2015		

## Further afield

### Singapore regulator proposes new rules for OTC derivatives

The Monetary Authority of Singapore has (on 3 June) proposed changes to the way in which OTC derivatives and

intermediaries are regulated in Singapore. For full details, see our Clifford Chance briefing.

<https://onlineservices.cliffordchance.com/online/freeDownload.action?key=OBWlbFgNhLNomwBI%2B33QzdFhRQAhp8D%2BxrlGReI2crGqLnALtlyZexDT1bPMYNmN3BfUqxNJwx7p%0D%0A5mt12P8Wnx03DzsaBGwsIB3EVF8XihbSpJa3xHNE7tFeHpEbaelf&attachmentsize=126360>

## 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

## Editor

**Chris Stott**  
Lawyer

E: chris.stott  
@cliffordchance.com

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