

This week at the UK regulators

Thirty second guide: The week in overview

Enforcement developments were limited to a Final Notice in a relatively minor case and the Upper Tribunal's clarification of a judgment issued in August dismissing an allegation that an individual was not fit and proper.

The FCA and PRA have released a number of consultation and guidance papers on various topics, including: (i) flexible and fixed portfolio firms; (ii) ring-fencing; (iii) pension freedoms data collection; (iv) Statutory Audit Directive; and (v) Accountability Regime.

Further afield, the SFC has announced the appointment of Ms Maureen Garrett as its Interim Head of Enforcement, following Mr Mark Steward's appointment at the FCA.

Enforcement Notices

In a Final Notice issued on 14 September 2015, the FCA has cancelled the Interim Permissions of Merlin Loans and Mortgages Limited ("Merlin"). The action related to findings that Merlin breached Principle 6 (customers' interests) and 11 (relations with regulators) of the Principles for Businesses, and breaches of Dispute Resolution: Complaints and Threshold Conditions, related to its failure to comply with two awards made by the Financial Ombudsman Service and requests that it do so.

<http://www.fca.org.uk/your-fca/documents/final-notices/2015/merlin-loans-and-mortgages-limited>

Upper Tribunal Rulings

In an Additional Reasons for Determination issued on 8 September 2015, the Upper Tribunal has clarified its original decision issued on 6 August 2015 in relation to the matter of Timothy Alan Roberts and Andrew Wilkins v FCA. The Upper Tribunal has dismissed the allegation that Mr Wilkins is not fit and proper and the allegation of lack of competence. The clarification was made following a request by the FCA on the ground that the original decision did not make overall findings in relation to Mr Wilkins' competence and capability.

<http://www.tribunals.gov.uk/financeandtax/Documents/decisions/Timothy-Alan-Roberts-and-Andrew-Wilkins-v-FCA-judgment-clarification.pdf>

<http://www.tribunals.gov.uk/financeandtax/Documents/decisions/Timothy-Alan-Roberts-and-Andrew-Wilkins-v-FCA.pdf>

FCA's Regulation Round-up for September 2015

The FCA has published (on 17 September) its regulation round-up for September 2015. The round-up provides a summary of the 'hot topics' from September (which have been covered in 'This week at the UK regulators') for a range of institutions including banks and building societies; investment managers; financial advisers; wealth managers and private bankers; mortgage lenders and brokers; and insurers. The round-up includes an introduction from Tracey McDermott (Acting Chief Executive) discussing further changes to the FCA's supervisory model, including how firms are classified, to support the sector-based approach implemented by the Authorisations and Supervision divisions.

<http://www.fca.org.uk/your-fca/documents/regulation-round-up/rru-september-2015>

FCA's Approach to Supervision for flexible and fixed portfolio firms

The FCA has published (on 18 September) two separate reports setting out its approach to supervision for flexible portfolio firms and its approach to supervision for fixed portfolio firms, and the interaction those firms will have with the FCA through its conduct supervision work. The respective documents cover a number of topics, including: the FCA's ten supervision principles and conduct supervision categories; a guide to the FCA's supervision of the areas that it believes 'matter'; the three-pillar supervision model in detail; and prudential supervision.

<http://www.fca.org.uk/your-fca/documents/corporate/supervision-guide-flexible>

<http://www.fca.org.uk/your-fca/documents/corporate/supervision-guide-fixed>

GABRIEL User Management Quick Reference Guide

The FCA has published (on 14 September) a quick reference guide to its GABRIEL system – the FCA's online regulatory reporting system for the collection, validation and storage of regulatory data. The guide provides assistance with the management of the online account, specifically registration, account activation and managing users. Note also that from Monday 21 September GABRIEL will be accessed from a different internet page.

<http://www.fca.org.uk/your-fca/documents/gabriel/gabriel--user-management-quick-reference-guide>

https://gabriel.fca.org.uk/portal_authentication_service/app_manager/merportal/desktop

Ring-fencing: Guidance on the FCA's approach to the implementation of ring-fencing and ring-fencing transfer schemes

On 18 September 2015, the FCA and PRA have published separate consultation papers regarding their intended approach to the implementation of ring-fencing in the UK in order to isolate retail banking activities from investment banking activities. The papers provide the background to ring-fencing and set out the FCA's and PRA's respective approaches to ring-fencing transfer schemes.

<http://www.fca.org.uk/your-fca/documents/guidance-consultations/gc15-05>

<http://www.bankofengland.co.uk/pr/Pages/publications/cp/2015/cp3515.aspx>

Accountability Regime: Amendments to Various Forms

The FCA and PRA are introducing a new accountability regime for deposit-takers, insurers and PRA-designated investment firms. The regulators have jointly published (on 18 September) a consultation paper setting out their proposed amendments to two forms for the new regime and to two forms used in the current Approved Persons Regimes, and have requested comments on these proposed amendments by 19 October 2015.

<http://www.fca.org.uk/your-fca/documents/consultation-papers/cp15-29> and

<http://www.bankofengland.co.uk/pr/Pages/publications/cp/2015/cp3515.aspx>

Implementing audit committee requirements under the revised Statutory Audit Directive

The PRA has published (on 18 September 2015) a consultation paper setting out the proposed rules to implement the audit committee requirements of the amended Statutory Audit Directive. It is proposed to apply the requirements of article 39 to the Lloyd's market by applying the requirements to the Society of Lloyd's and managing agents. The PRA also proposes to extend the scope of the requirements to UK designated investment firms.

<http://www.bankofengland.co.uk/pr/Pages/publications/cp/2015/cp3415.aspx>

Feedback Statement regarding the terms and definitions for services which are linked to payment accounts and subject to fees

The FCA has published (on 15 September) a Feedback Statement reporting the main issues arising from the 'Call for Input' regarding the terms and definitions for services which are linked to payment accounts and subject to fees. A core objective of the EU Payment Accounts Directive is to improve the transparency and comparability of fee information in relation to payment accounts for consumers. The Feedback Statement will primarily be of interest to banks, building societies, other providers of payment accounts within the meaning of the Directive (such as e-money issuers) and their trade bodies.

<http://www.fca.org.uk/your-fca/documents/feedback-statements/fs15-04>

FCA pension freedoms data collection exercise: analysis, findings and infographic

The FCA has published (on 16 September) a report setting out the results of the FCA data collection exercise that gathered information across a number of areas of the pensions and retirement income market. The report covers (i) the background to data collection exercise; (ii) consumer access to pension freedoms; (iii) financial advice requirements and insistent clients; (iv) the pension transfer process; and (v) exit charges. The data provided the FCA

with an important insight into the working of the new pension freedoms in the first three months of their operation and will assist the FCA's ongoing supervisory and policy work and HM Treasury's consultation on pension transfers and any barriers by customers seeking to access the new pension flexibilities.

The FCA has published (on 16 September) an infographic on pensions freedoms, providing information regarding access to pension policies, income drawdown options and cash withdrawals, annuity sales, and average pension transfer time. The infographic is also included on page 3 of the report.

<http://www.fca.org.uk/your-fca/documents/fca-pension-freedoms-data-collection-exercise>

<http://www.fca.org.uk/your-fca/documents/pensions-freedom-data-infographic>

Bank of England Bill: Oral Evidence

On 14 September 2015, Anthony Habgood, Chair of the Court, Bank of England ("BoE"), and Bradley Fried, Member of the Court, BoE, gave evidence to the Treasury Committee regarding the Bank of England Bill. No terms of reference for the Committee's inquiry have yet been published but, amongst other things, the Bill intends to replace the PRA with a committee of the BoE: the Prudential Regulation Committee (PRC); and make reforms to the governance of the BoE and the Financial Policy Committee (FPC). The Bill will be introduced to Parliament during the 2015-16 parliamentary session.

<http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/treasury-committee/bank-of-england-bill/oral/21440.html>

Order of Bankruptcy and Notice of Intended Dividend: (i) John Cecil Anderson; (ii) Kenneth Alun Peacock; and (iii) Kautilya Nandan Pruthi

In a High Court order dated 10 September 2015, the court ordered the publication of a notice of a proposal to declare a dividend to unsecured creditors of (i) John Cecil Anderson; (ii) Kenneth Alun Peacock; and (iii) Kautilya Nandan Pruthi. Claims must be made by 16 October 2015 to Matthew James Chadwick of BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA (the appointed trustee in the bankruptcy) who can be contacted by email (BRNOTICE@BDO.CO.UK quoting Ref: MJC/CRH/ Anderson) or by telephone (01293 591 058).

<http://www.fca.org.uk/your-fca/documents/high-court-order-anderson-peacock-pruthi-sept-2015>

<http://www.fca.org.uk/your-fca/documents/notice-of-intended-dividend-anderson-peacock-and-pruthi>

FCA warnings

Name of firm	Date of warning	Details
Fix My Finances	18 September 2015	Clone firm http://www.fca.org.uk/news/warnings/fix-my-finances-clone-cc
www.getitdealt.com	16 September 2015	Not authorised http://www.fca.org.uk/news/warnings/www-get-it-dealt-cc
Techkredit Limited T/A www.quickwage.co.uk	14 September 2015	Clone firm http://www.fca.org.uk/news/warnings/techkredit-limited-clone-cc

Further afield

SEC Obtains \$30 Million From Traders Who Profited on Hacked News Releases

On 14 September, the SEC announced that Ukrainian-based Jaspen Capital Partners Limited and its CEO, Andriy Supranonok, have agreed to pay \$30 million to settle allegations that they profited from trading on non-public corporate information hacked from newswire services. Jaspen and Supranonok bought and sold CFDs on the basis of hacked press releases that were stolen from two newswire services between 2010 and 2014 and made additional profits trading on press releases stolen from a third newswire service in 2015.

<http://www.sec.gov/news/pressrelease/2015-191.htm>

SFC Announces Interim Head of Enforcement

On 18 September, the SFC has announced its appointment of Ms Maureen Garrett, Deputy Chief Counsel of the SFC, as Interim Head of Enforcement. Ms Garrett will oversee the Enforcement Division pending the recruitment of a permanent replacement of Mr Mark Steward, who will leave the SFC on 24 September 2015 to take up a similar position with the UK's FCA.

<http://www.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=15PR89>

SEC Removes References to Credit Ratings in Money Market Fund Rule and Form

On 16 September 2015, the SEC removed credit rating references in (i) the principal rule governing money market funds; and (i) the form that money market funds use to report information to the SEC each month about their portfolio holdings. The SEC also adopted amendments that would subject additional securities to issuer diversification provisions in the money market fund rule.

<http://www.sec.gov/news/pressrelease/2015-193.html>

SEC Announces Agenda for September 23 Meeting of the Advisory Committee on Small and Emerging Companies

On 18 September 2015, the SEC announced that the next meeting of its Advisory Committee on Small and Emerging Companies will focus on adopting recommendations related to intrastate crowdfunding, the treatment of so-called "finders" that assist companies in capital raising activities, and improving public company disclosure. Views and comments on the matters to be considered by the advisory committee may be submitted electronically or on paper. The meeting will be held at the SEC's headquarters at 100 F Street, N.E., Washington, D.C., and is open to the public. It also will be webcast live on the SEC's website and will be archived on the website.

<http://www.sec.gov/news/pressrelease/2015-197.html>

<http://www.sec.gov/info/smallbus/acsec.shtml>

www.sec.gov

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