

This week at the UK regulators

Thirty second guide: The week in overview

The main enforcement developments last week emerged from the criminal courts. The FCA charged five individuals with various offences in relation to an alleged boiler room scheme and a former equities trader was sentenced to two years imprisonment for insider dealing.

The FCA's Director of Strategy and Competition gave a speech on the FCA's interest in innovation and the FCA launched its new website, whilst the PRA gave an update on the extension of payments systems to non-bank payment service providers.

Former equities trader sentenced for insider dealing

On 13 June 2016, Damian Clarke, a former equities trader, was sentenced to two years imprisonment having pleaded guilty to nine counts of insider dealing.

The offences took place between August 2000 and January 2013 when Clarke was employed initially as an assistant fund manager and, from 2006, as an equities trader. He used inside information gained in the course of his employment to place trades using accounts in his own name and those of close family members. The FCA has announced its intention to pursue confiscation proceedings against Mr Clarke.

<http://www.fca.org.uk/news/former-equities-trader-sentenced-for-insider-dealing>

FCA charges five individuals with investment fraud

On 16 June 2016, the FCA announced that it had charged five individuals with conspiracy to defraud and offences under the Financial Services and Markets Act 2000 and the Fraud Act 2006 in relation to the promotion and sale of shares in Atlantic Equity LLC (formerly known as Berkeley Brookes LLC), between July 2013 and March 2014, through a succession of four alleged 'boiler room' companies. Two of the defendants are also charged with perverting the course of justice and one has been charged with money laundering offences. The FCA alleges the defendants were involved in the promotion of investment schemes that offered investors interests in a purported commercial development in Madeira in which, in total, 175 investors may have lost approximately £2.75 million. A trial has been

set for 4 September 2017.

<http://www.fca.org.uk/news/fca-charge-five-in-alleged-investment-fraud>

PRA updates firms on plans for expansion of RTGS system

On 17 June, the PRA published an update in relation to its plans to design a blueprint for a new RTGS system for payments. It has announced that it intends to extend direct access to the system to non-bank Payment Service Providers and reports that the Chancellor of the Exchequer has committed to make the necessary legislative changes to enable these new entrants to access the system.

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

Final Notices

On 14 June, the FCA cancelled the permission of GSK Investments Limited (in liquidation) following its entry into liquidation. The FCA reports that it requested the company's liquidators to cancel its permission but that they declined to do so.

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

On 13 June, the FCA published a Final Notice confirming the refusal of permission for Timothy Young to perform the CF30 (customer) function at Sunrise Brokers LLP. The FCA based its decision on failures to provide information requested during the application process.

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

On 13 June, the FCA published a Final Notice dated 12 May confirming the refusal of permission for Vehicle Supermarket of Leicester to undertake various consumer credit activities based on failures to provide required information.

<http://www.fca.org.uk/static/documents/final-notice/vehicle-supermarket-of-leicester-limited.pdf>

FCA's Director of Strategy and Competition speaks on innovation and improving outcomes

On 16 June 2016, Christopher Woolard, Director of Strategy and Competition at the FCA, gave a speech on the FCA's interest in innovation at the Global Digital Banking Conference. He emphasised that the FCA's interest in innovation is primarily linked to its duty to promote competition in the interests of consumers and that since the launch of Project Innovate, the FCA has received over 500 requests for support and offered direct support to over 250 firms who presented genuinely innovative ideas likely to have customer benefit. He gave some details of the Advice Unit, which has a specific remit to support firms developing automated advice models which seek to deliver lower cost advice to consumers.

He also underlined that the FCA understands that more consumers than ever require access to financial services

that serve their changing needs throughout their lifetime. He was careful to state that despite the obvious benefits of innovation, it should be seen alongside the FCA's other priorities such as its focus on culture and governance or financial crime and that the FCA remains alive to the risks of technological innovation and the challenges it presents to markets and regulators alike.

<http://www.fca.org.uk/news/innovation-improving-outcomes>

FCA launches new website

On 10 June 2016, the FCA launched its new website. The new site aims to focus on various different types of users and present them with the particular information they require in a clearer and better structured way, make it easier to find, understand and complete regulatory tasks and to work equally well on a desktop PC or a tablet/mobile.

FCA warnings

Name of firm	Date of warning	Details
TFX Traders	15 June 2016	Not authorised http://www.fca.org.uk/news/warnings/tfx-traders
Nomura Levy Mergers & Acquisitions	15 June 2016	Clone firm http://www.fca.org.uk/news/warnings/nomura-levy-mergers-acquisitions-clone
RK Capital Management	15 June 2016	Clone firm http://www.fca.org.uk/news/warnings/rk-capital-management-clone

E-transact Worldwide Limited	13 June 2016	Not authorised http://www.fca.org.uk/news/warnings/e-transact-worldwide-limited
Fast Loans Now	13 June 2016	Clone firm http://www.fca.org.uk/news/warnings/fast-loans-now-clone-cc

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