

# This week at the UK regulators

## Thirty second guide: The week in overview

There were no published regulatory enforcement developments last week, although the FCA was active in the criminal courts, obtaining confiscation orders against two individuals who were convicted for their role in an unauthorised collective investment scheme. The orders follow the FCA's largest investigation to date into unauthorised collective investment activity.

The Global Foreign Exchange Committee published the FX Global Code, which is aimed at promoting a robust, fair, liquid, open and appropriately transparent foreign exchange market. The FCA and other regulators issued statements welcoming the Code.

In a development that could in time impact upon individuals and firms operating in the financial services sector, the UK Serious Fraud Office announced that it has opened an investigation into allegations of fraud concerning various self-invested personal pension schemes.

Further afield, the Wolfsberg Group published updated guidance on how financial institutions should address money laundering risks posed by politically exposed persons.

### The Global Foreign Exchange Committee publishes FX Global Code

On 25 May, the Global Foreign Exchange Committee issued the FX Global Code, a set of principles outlining good practice in the foreign exchange market. It is the product of a joint effort between market participants and central banks from 16 jurisdictions and aims to provide a common set of guidelines to promote the integrity and effective functioning of the wholesale foreign exchange market.

The Code contains 55 principles which cover areas including ethics, transparency, governance and information sharing. It also tackles specific topics such as electronic trading, algorithmic trading and prime brokerage. It does not impose legal or regulatory obligations.

The FCA, the European System of Central Banks, the Hong Kong Monetary Authority and the Monetary Authority of Singapore welcomed the publication as a sign of the industry's willingness to self-police in support of regulatory structures.

[http://www.globalfx.org/fx\\_global\\_code.htm](http://www.globalfx.org/fx_global_code.htm)

<https://www.fca.org.uk/news/statements/fca-statement-publication-fx-global-code>

<http://www.mas.gov.sg/News-and-Publications/Media->

[Releases/2017/BOK-HKMA-MAS-RBA-and-RBI-welcome-the-publication-of-the-FX-Global-Code.aspx](#)

### FCA obtains eight confiscation orders totalling nearly £2.2 million

On 24 May, the FCA secured confiscation orders against two defendants convicted in respect of involvement in an unauthorised collective investment scheme. The Judge directed that all sums obtained from these individuals be paid as compensation to victims. Eight defendants have now been convicted and a total of £2,195,496 will be returned to victims (which represents around a 40% recovery for those affected).

Under the unlawful scheme, contact was made with potential investors to sell them agricultural land which the defendants did not own or had purchased for minimal amounts. More than £5 million was taken from investors to buy land at inflated prices on the false promise of high returns.

<https://www.fca.org.uk/news/press-releases/fca-secures-eight-confiscation-orders-totalling-almost-22-million>

### SFO seeks information from investors in storage pod schemes

On 22 May, the SFO announced it had launched a probe into various self-invested personal pension schemes

("SIPPS") and other storage pod investment schemes. The SFO has stated that it believes that more than a thousand investors have been the victims of fraud and that the total amount invested into the relevant schemes is over £120 million. It has been working with other agencies including the National Crime Agency and The Pensions Regulator as part of Project Bloom, which has been set up to tackle pension liberation fraud. The SFO is encouraging those affected by the investment schemes to come forward and provide them with more information.

<https://www.sfo.gov.uk/2017/05/22/sfo-seeks-information-from-investors-in-storage-pod-schemes/>

## FCA warnings

Name of firm	Date of warning	Details
Cash Loans For You	25 May 2017	Clone firm <a href="https://www.fca.org.uk/news/warnings/cash-loans-you-clone">https://www.fca.org.uk/news/warnings/cash-loans-you-clone</a>
Riverside Escrow Ltd	25 May 2017	Clone firm <a href="https://www.fca.org.uk/news/warnings/riverside-escrow-ltd-clone">https://www.fca.org.uk/news/warnings/riverside-escrow-ltd-clone</a>
First Plus Financial Group	24 May 2017	Clone firm <a href="https://www.fca.org.uk/news/warnings/first-plus-financial-group-clone">https://www.fca.org.uk/news/warnings/first-plus-financial-group-clone</a>
Campbell & Browne Associates / Campbell Brown	24 May 2017	Not authorised <a href="https://www.fca.org.uk/news/warnings/campbell-browne-associates-campbell-brown">https://www.fca.org.uk/news/warnings/campbell-browne-associates-campbell-brown</a>

## Further Afield

### Wolfsberg Group updates guidance on politically exposed persons

On 23 May, The Wolfsberg Group issued revised guidelines for addressing financial crime risks posed by Politically Exposed Persons ("PEPs"). The updated guidance sets out what the Wolfsberg Group considers to be the most effective way of managing PEP risk. In particular, the group advocates placing the PEP framework within the customer

risk assessment approach to help identify and minimise the risk of financial crime. The guidance sets out how PEPs can be subjected to a bespoke and risk-based control framework.

<http://www.wolfsberg-principles.com/pdf/home/Wolfsberg-Publication-Statement-on-PEPs-May-2017.pdf>

## 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

**Michael Lyons**  
Partner

E: michael.lyons  
@cliffordchance.com

**Matthew Newick**  
Partner

E: matthew.newick  
@cliffordchance.com

**Kelwin Nicholls**  
Partner

E: kelwin.nicholls  
@cliffordchance.com

**Judith Seddon**  
Partner

E: judith.seddon  
@cliffordchance.com

**Luke Tolaini**  
Partner

E: luke.tolaini  
@cliffordchance.com

## Editors

**Chris Stott**  
Lawyer

E: chris.stott  
@cliffordchance.com

**Guy Burkitt**  
Lawyer

E: guy.burkitt  
@cliffordchance.com

This publication does not necessarily deal with every important topic or cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice.

[www.cliffordchance.com](http://www.cliffordchance.com)

Clifford Chance, 10 Upper Bank Street, London, E14 5JJ

© Clifford Chance 2013

Clifford Chance LLP is a limited liability partnership registered in England and Wales under number OC323571

Registered office: 10 Upper Bank Street, London, E14 5JJ

We use the word 'partner' to refer to a member of Clifford Chance LLP, or an employee or consultant with equivalent standing and qualifications

If you do not wish to receive further information from Clifford Chance about events or legal developments which we believe may be of interest to you, please either send an email to [nomorecontact@cliffordchance.com](mailto:nomorecontact@cliffordchance.com) or by post at Clifford Chance LLP, 10 Upper Bank Street, Canary Wharf, London E14 5JJ

Abu Dhabi ■ Amsterdam ■ Bangkok ■ Barcelona ■ Beijing ■ Brussels ■ Bucharest ■ Casablanca ■ Doha ■ Dubai ■ Düsseldorf ■ Frankfurt ■ Hong Kong ■ Istanbul ■ Kyiv ■ London ■ Luxembourg ■ Madrid ■ Milan ■ Moscow ■ Munich ■ New York ■ Paris ■ Perth ■ Prague ■ Riyadh\* ■ Rome ■ São Paulo ■ Seoul ■ Shanghai ■ Singapore ■ Sydney ■ Tokyo ■ Warsaw ■ Washington, D.C.

\*Clifford Chance has a co-operation agreement with Al-Jadaan & Partners Law Firm in Riyadh.