

This week at the UK regulators

Thirty second guide: The week in overview

Last week, the FCA responded to widespread press attention concerning an announcement by the Serious Fraud Office about the outcome of an investigation into one bank and four former executives by releasing its own short statement. Away from this, there were no major enforcement developments. The FCA urged firms to submit now any applications to change their regulatory permissions in preparation for MiFID II. It also sought feedback on consumer access to insurance and announced that John Griffith-Jones, Chairman of both the FCA and Payment Systems Regulator, will be leaving the two organisations on 31 March 2018.

In policy developments, the FCA released consultation documents relating to changes to its Handbook to reflect the application of the EU Benchmarks Regulation and advice on pension transfers. The PRA published papers on recovery planning and compliance with the European Banking Authority's guidelines on disclosure, and issued a policy statement providing feedback on its consultation paper on the calculation of risk-weighted capital requirements in relation to residential mortgage portfolios.

Further afield, in the UK, the Queen's Speech referred to the proposed International Sanctions Bill but omitted any indication of changes to corporate criminal liability or proposals to subsume the Serious Fraud Office into the National Crime Agency.

Enforcement Notices

In three separate Final Notices published on 21 June, the FCA cancelled the permission of Mr Nadeem Aslam, Mr William Bartle and Mr Paul Richard Watkins. In all three cases, the cancellations stemmed from failures to be open and cooperative in the consumer credit sector.

<https://www.fca.org.uk/publication/final-notices/nadeem-aslam.pdf>

<https://www.fca.org.uk/publication/final-notices/william-bartle.pdf>

<https://www.fca.org.uk/publication/final-notices/paul-richard-watkins.pdf>

FCA issues statement on SFO capital raising charges

On 20 June, the FCA issued a brief statement following the well publicised announcement by the Serious Fraud Office ("SFO") that it had decided to charge Barclays PLC and four individuals with various offences. It indicated that the SFO's investigation had led to its own investigation being stayed and added that it works closely with the SFO "across a range of matters, in pursuit of [its] distinct objectives".

<https://www.fca.org.uk/news/statements/fca-statement->

[after-serious-fraud-office-charges-barclays-qatar-capital-raising-case](https://www.fca.org.uk/news/news-stories/mifid-ii-applications-permissions-needed-now)

FCA urges firms to apply now for regulatory permissions in preparation for MiFID II

The FCA has (on 19 June) called on firms who need to change their regulatory permissions as a result of MiFID II to submit complete applications now. MiFID II comes into force on 3 January 2018. In order to give it enough time to determine applications, the FCA has requested that applications be submitted before 3 July 2017.

<https://www.fca.org.uk/news/news-stories/mifid-ii-applications-permissions-needed-now>

FCA seeks feedback on consumer access to insurance

The FCA has (on 20 June) issued a paper requesting feedback from firms on consumer access to insurance. The paper focuses on challenges for firms in providing travel insurance for consumers who have, or have had, cancer, and also the challenges those consumers face when it comes to finding appropriate travel insurance. It seeks examples of existing innovative market practices, barriers to innovation and potential improvements.

The deadline for responses is 15 September 2017. On 20 June, Christopher Woolard, Executive Director of Strategy and Competition, delivered a speech at the FCA Insurance Access event in which he announced the Call for Input and explained the reasoning behind the paper.

<https://www.fca.org.uk/publication/call-for-input/calls-for-input-access-travel-insurance-cancer.pdf>

<https://www.fca.org.uk/news/speeches/improving-access-insurance>

John Griffith-Jones to leave the FCA and Payment Systems Regulator in March 2018

The FCA has confirmed (on 18 June) that John Griffith-Jones, currently Chairman of the FCA and Payment Systems Regulator, will leave the organisations at the end of his term of office, on 31 March 2018. He has been in post at the FCA since 1 April 2013 and at the Payment Systems Regulator since its establishment in April 2014.

HM Treasury will now begin the process of identifying and recruiting a new Chairman.

<https://www.fca.org.uk/news/statements/john-griffith-jones-leave-fca-psr-march-2018>

FCA warnings

Name of firm	Date of warning	Details
First Stop Loans	23 June 2017	Clone firm https://www.fca.org.uk/news/warnings/first-stop-loans-clone
British Lenders Limited	22 June 2017	Not authorised https://www.fca.org.uk/news/warnings/british-lenders-limited
Caledonian Equity Group	21 June 2017	Not authorised https://www.fca.org.uk/news/warnings/caledonian-equity-group
East Coast Law Firm / East Coast Law Florida	21 June 2017	Not authorised https://www.fca.org.uk/news/warnings/east-coast-law-firm-east-coast-law-florida
PPL Global Capital Limited (trading as Prime Properties Global)	21 June 2017	Not authorised https://www.fca.org.uk/news/warnings/ppl-global-capital-limited-trading-prime-properties-global

Capital Markets Banc	20 June 2017	Not authorised https://www.fca.org.uk/news/warnings/capital-markets-banc
Blackrock Asset Management	20 June 2017	Clone firm https://www.fca.org.uk/news/warnings/blackrock-asset-management-clone
Bluelight Financial	19 June 2017	Not authorised https://www.fca.org.uk/news/warnings/bluelight-financial

Policy developments

FCA		PRA		
Proposed developments				
		Deadline for responses		
Consultation papers	<p>On 21 June, the FCA published a consultation paper (CP17/16) in relation to advice on pension transfers.</p> <p>The proposed changes include replacing the current transfer value analysis requirement with a comparison showing the value of the benefits being given up, introducing a rule to require all advice in this area to be provided as a personal recommendation, introducing guidance on the role of a pension transfer specialist and updating guidance on assessing suitability when giving a personal recommendation to convert or transfer safeguarded benefits. The deadline for responses is 21 September 2017.</p> <p>https://www.fca.org.uk/publication/</p>	21 September 2017	21 September 2017	<p>On 21 June, the PRA published a consultation paper (CP9/17) in relation to recovery planning.</p> <p>http://www.bankofengland.co.uk/p/ra/Documents/publications/cp/2017/cp917.pdf</p>

	consultation/cp17-16.pdf			
	<p>On 22 June, the FCA published a consultation paper (CP17/17) on changes to the FCA Handbook to reflect the application of the EU Benchmarks Regulation.</p> <p>https://www.fca.org.uk/publication/consultation/cp17-17.pdf</p>	22 August 2017	21 August 2017	<p>On 21 June, the PRA published a consultation paper (CP10/17) on compliance with the European Banking Authority's guidelines on disclosure, specifically relating to the composition of collateral for exposures to counterparty credit risk.</p> <p>http://www.bankofengland.co.uk/pra/Documents/publications/cp/2017/cp1017.pdf</p>

Finalised Policy and guidance				
		Implementation/effective date		
Policy statements			18 June 2017	<p>On 18 June, the PRA published a policy statement on residential mortgage risk weights (PS13/17), providing feedback on responses to Consultation Paper 29/16.</p> <p>http://www.bankofengland.co.uk/pra/Documents/publications/ps/2017/ps1317.pdf</p> <p>http://www.bankofengland.co.uk/pra/Documents/publications/cp/2016/cp2916.pdf</p>
Supervisory statements			18 June 2017	<p>Following the publication of its policy statement concerning residential mortgage risk weights (PS13/17), the PRA has (on 19 June) updated its supervisory statement setting out expectations regarding firms' use of internal ratings based approaches (SS11/13). The PRA has also (on 23 June) updated its supervisory statement containing guidelines for completing regulatory reports (SS34/15), to include updated Notes for</p>

				<p>completing the Mortgage Lenders and Administrators Return.</p> <p>http://www.bankofengland.co.uk/pra/Documents/publications/ss/2017/ss1113update.pdf</p> <p>http://www.bankofengland.co.uk/pra/Documents/publications/ss/2017/ss3415update3.pdf</p>
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Further Afield

The Queen's speech: key financial crime developments

One notable element of the Queen's Speech was the proposal for an International Sanctions Bill, geared towards enabling the UK to continue to play a central role in negotiating global sanctions and returning to the UK decision-making powers on non-UN sanctions. The proposed bill would enable the UK to impose its own sanctions to ensure compliance with obligations under international law, including asset freezes, travel bans and trade and market restrictions (granting more flexibility than currently exists as to when to take action and which particular steps to take). The government has indicated it will include a formal mechanism for individuals/organisations to challenge or request a review of sanctions imposed on them.

The government has also suggested it intends to bolster existing anti-money laundering and counter-terrorist financing legislation. This indication hints at the possibility of further changes to anti-money laundering reporting arrangements, which could include the abolition of the suspicious activity report consent regime if reforms already instituted under the Criminal Finances Act do not relieve the considerable pressure on the resources of the National Crime Agency ("NCA").

Finally, there was no suggestion that the proposal for a consolidated agency to investigate economic crime (through subsuming the SFO into the NCA) mooted during the recent general election campaign, will be taken forward, or that discussions and the call for evidence exercise conducted by the government over recent months will lead

to changes the law of corporate criminal liability at this stage.

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