

This week at the UK regulators

Thirty second guide: The week in overview

The only enforcement development of significance last week was the imposition of a prohibition order of an individual convicted of insider dealing. In other news, the PRA issued an update in relation to risk-based levies for the Financial Services Compensation Scheme, and announced that it intends to issue a consultation paper in the coming weeks in relation to updating the templates and reporting instructions for forecast capital data.

Further afield, the European Securities and Markets Authority (ESMA) issued additional guidance on Market Abuse Regulation (MAR) by updating its questions and answers based guidance.

Enforcement Notices

The FCA has (on 1 June) published a Final Notice imposing a prohibition order on Mr Damian Clarke. Following his conviction in March 2016 for insider dealing offences, the FCA found that he lacked fitness and propriety.

<https://www.fca.org.uk/publication/final-notices/damian-clarke-2017.pdf>

In four separate Final Notices published on 30 May and 31 May, the FCA has cancelled the permissions of Insure PMR, Logic Financial Solutions Limited, KJ Precious Metal Trading LLP and Mueller Precious Metal Trading LLP. In all cases, the cancellations were based on failures to be open and cooperative.

<https://www.fca.org.uk/publication/final-notices/insure-pmr-2017.pdf>

<https://www.fca.org.uk/publication/final-notices/logic-financial-solutions-ltd-2017.pdf>

<https://www.fca.org.uk/publication/final-notices/kj-precious-metal-trading-llp-2017.pdf>

<https://www.fca.org.uk/publication/final-notices/mueller-precious-metal-trading-llp-2017.pdf>

PRA updates risk-based levies for the FSCS

On 31 May, the PRA updated the rules and guidance relating to the Financial Services Compensation Scheme

("FSCS"). The recast Deposit Guarantee Schemes Directive now requires compensation costs levies to be calculated in accordance with the degree of risk incurred by deposit takers. For the first time, wholesale deposits are also included in covered deposits. Legacy cost levies are not impacted by the risk adjustment.

Before this update, compensation costs levies were calculated based solely on the proportion of covered deposits held by a firm.

<http://www.bankofengland.co.uk/pr/Pages/authorisations/fscs/2015updates.aspx>

PRA updates submission system templates and instructions for forecast capital data

On 30 May, the PRA advised that the templates and reporting instructions issued in its policy statement PS32/16 'Responses to Chapter 3 of CP17/16 - forecast capital data' in November 2016, requesting that firms and software vendors report monetary values in thousands, should in fact be reported in units. This reporting will take effect from 1 October 2017. The PRA intends to issue a consultation paper in the following weeks with a proposal to introduce these changes, and to issue the updated rules and reporting templates and guidance this summer.

<http://www.bankofengland.co.uk/pr/Pages/regulatorydata/ormscrdfirm.aspx>

FCA warnings

Name of firm	Date of warning	Details
Stern Options	2 June 2017	Not authorised https://www.fca.org.uk/news/warnings/stern-options
Pension 2 Cash (also trading as Early Pension)	2 June 2017	Not authorised https://www.fca.org.uk/news/warnings/pension-2-cash-early-pension
Ridge Capital Markets	31 May 2017	Not authorised https://www.fca.org.uk/news/warnings/ridge-capital-markets
Hamilton-Scott Holdings Limited	31 May 2017	Not authorised https://www.fca.org.uk/news/warnings/hamilton-scott-holdings-limited
Same Day Finance	31 May 2017	Clone firm https://www.fca.org.uk/news/warnings/same-day-finance-clone

Policy developments

FCA		PRA	
Proposed developments			
		Implementation/effective date	
Policy statements		31 May 2017	On 31 May, the PRA published an update on the FSCS, such that compensation costs will now be adjusted to factor in the degree of risk incurred by deposit takers. The levy will be included in the FCA Regulatory fees and Levies

				<p>invoice that firms will receive in July 2017.</p> <p>This update clarifies compensation costs levies as set out in policy statement PS25/16 '<i>Implementing risk-based levies for the Financial Services Compensation Scheme deposits class</i>'.</p> <p>http://www.bankofengland.co.uk/p/ra/Pages/authorisations/fscs/2015updates.aspx</p>
			30 May 2017	<p>On 30 May, the PRA announced that it sought to update the templates and reporting instructions communicated in policy statement PS32/16 '<i>Responses to Chapter 3 of CP17/16 - forecast capital data</i>'. The PRA has requested that monetary values in capital forecasts be reported in units.</p> <p>http://www.bankofengland.co.uk/p/ra/Pages/regulatorydata/formscrdfirm.aspx</p>

Further Afield

MAR: ESMA updates Q&As

On 30 May, ESMA provided additional guidance on MAR by way of an update to its question and answers document (Q&As). The update is aimed at competent authorities and seeks to ensure convergence between supervisory activities. It also aims to provide further guidance to investors and other market participants by providing further clarity on MAR obligations. The updates to the Q&As relate chiefly to the disclosure of inside information arising under Pillar II requirements and the blanket cancellation of orders policy.

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