

This week at the UK regulators

Thirty second guide: The week in overview

In a week without significant enforcement outcomes, the most important development was the publication of a signed memorandum of understanding between the FCA and the Hong Kong Securities and Futures Commission, aimed at enhancing cooperation between the two authorities. The FCA also confirmed its intention to publish consultation papers relating to the Senior Managers and Certification Regimes this week and made an announcement relating to the use of interbank rate in online currency converter tools, while the Bank of England announced the extension of access to its real-time gross settlement system to non-bank payment service providers. The FCA also issued terms of reference for a market study relating to investment platforms.

Enforcement Notices

In two separate Final Notices published on 19 July, the FCA cancelled the permission of Mr Aaron Cawthorn and Grays Motor Cycle Centre Limited. In both cases, the cancellations stemmed from failures to be open and cooperative in the consumer credit sector.

<https://www.fca.org.uk/publication/final-notices/aaron-cawthorn.pdf>

<https://www.fca.org.uk/publication/final-notices/grays-motor-cycle-centre-limited.pdf>

FCA and Hong Kong Securities and Futures Commission sign memorandum of understanding

On 20 July, the FCA and the Hong Kong Securities and Futures Commission ("SFC") published a signed supervisory memorandum of understanding which provides for consultation, cooperation and exchange of information in connection with the supervision of regulated entities operating on a cross-border basis in Hong Kong and the UK. The memorandum of understanding came into effect on 7 July 2017.

<https://www.fca.org.uk/publication/mou/supervisory-mou-fca-sfc.pdf>

Key announcement on Senior Managers and Certification Regimes expected this week

The FCA indicated during the course of last week that, on 26 July, it will publish consultation documents setting out the detail of proposals to extend the Senior Managers and

Certification Regime to almost all regulated firms.

FCA announcement on use of interbank rate in online currency converter tools

The FCA has (on 19 July) stated that it is concerned that payment and e-money institutions may have used currency converter tools in relation to their currency transfer services in a misleading way. The FCA raised such concerns previously, commencing investigations into a number of payment institutions. Despite this, the FCA has noted that a number of firms are still using the interbank rate in a currency converter tool and other promotional material in a potentially misleading way. The FCA is therefore actively considering further investigations and action in this area.

<https://www.fca.org.uk/news/statements/use-interbank-rate-online-currency-converter-tools>

FCA publishes terms of reference for investment platforms market study

The FCA has (on 17 July) published the terms of reference for the Investment Platforms Market Study (MS17/1.1), setting out the scope of the study and topics that will be covered. The study will help the FCA identify whether platforms promote good investment decisions and whether their solutions offer investors value for money. In addition, the FCA will look into how platforms compete in practice and whether relationships between investment platforms and other platforms, advisers, asset managers and fund ratings providers work in the interests of investors. The FCA has asked for feedback to be submitted by 8 September 2017, and aims to publish an interim report by summer 2018.

<https://www.fca.org.uk/publication/market-studies/ms17-1->

[1.pdf](#)

Bank of England extends access to its real-time gross settlement system to non-bank payment service providers

On 19 July, it was announced that the Bank of England is extending access to settlement accounts in its real-time gross settlement ("RTGS") system to non-bank payment service providers, enabling direct access to the UK's sterling payment systems. The FCA, HM Revenue and Customs and HM Treasury have been working with the Bank of England to put together a framework for non-bank

payment service providers to access RTGS. Following the review of applications by the payment schemes and the Bank of England, under the new framework non-bank payment service providers applying for RTGS access will be subject to a supervisory assessment by the FCA and, once accepted, they will be subject to on-going strengthened supervisory oversight from the FCA.

<https://www.fca.org.uk/news/news-stories/non-bank-payment-service-providers-access-settlement-accounts-bank-england>

FCA warnings

Name of firm	Date of warning	Details
LDN Exchange (trading name of Trident Group Limited)	21 July 2017	Not authorised https://www.fca.org.uk/news/warnings/ldn-exchange-trading-name-trident-group-limited
Oxford Capital Partners	21 July 2017	Clone firm https://www.fca.org.uk/news/warnings/oxford-capital-partners-clone-fca-authorized-firm
UK Tech Protect Limited	20 July 2017	Not authorised https://www.fca.org.uk/news/warnings/uk-tech-protect-limited
GSI Markets	17 July 2017	Not authorised https://www.fca.org.uk/news/warnings/gsi-markets
Donalds and Brinkley	17 July 2017	Not authorised https://www.fca.org.uk/news/warnings/donalds-and-brinkley
Stenham Investment Funds plc	17 July 2017	Clone firm https://www.fca.org.uk/news/warnings/stenham-investment-funds-plc-clone

Policy developments

FCA		PRA		
Finalised Policy and guidance				
		Implementation/effective date		
Policy statements			20 July 2017	<p>On 20 July, the PRA published a policy statement (PS19/17) providing feedback to responses to CP2/17. The policy statement includes links to final rules amending parts of the PRA Rulebook, supervisory statements and templates and instructions in relation to, for example, remuneration, ring-fencing and securitisations.</p> <p>http://www.bankofengland.co.uk/p/ra/Documents/publications/ps/2017/ps1917.pdf</p>
			20 July 2017	<p>On 20 July, the PRA published a policy statement (PS20/17), following CP6/17. The policy statement contains final rules, updated supervisory statement 34/15 regarding guidelines for completing regulatory reports and updated templates and instructions.</p> <p>http://www.bankofengland.co.uk/p/ra/Documents/publications/ps/2017/ps2017.pdf</p>
			Varying	<p>Following the publication of PS19/17 and PS20/17, the PRA has (on 20 July) updated its supervisory statement setting out guidelines for completing regulatory reports (SS 34/15).</p> <p>http://www.bankofengland.co.uk/p/ra/Documents/publications/ss/2017/ss3415.pdf</p>

				7/ss3415update5.pdf
			20 July 2017	Following the publication of PS19/17, the PRA has (on 20 July) updated its supervisory statement relating to securitisation (SS 9/13) http://www.bankofengland.co.uk/p/ra/Documents/publications/ss/2017/ss913update.pdf

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