

This week at the UK regulators

Thirty second guide: The week in overview

In last week's main enforcement development, the FCA secured a £350,000 confiscation order against an individual previously convicted of insider dealing. In other news, the FCA and PRA set out their proposals to extend the Senior Managers and Certification Regimes to all firms regulated by them and announced other proposed changes to the individual accountability regimes applicable to insurers. The FCA's chief executive also called for LIBOR to end after 2021 and the development of alternative benchmarks.

Further afield, the US Securities and Exchange Commission announced the latest in a long line of substantial whistleblower awards.

FCA secures £350,000 confiscation order against convicted insider dealer

On 24 July, Her Honour Judge Korner CMG QC issued a confiscation order of £350,000 against Damian Clarke, who was convicted on 13 June 2016 of insider dealing in contravention of section 52 of the Criminal Justice Act 1993. In his role as an assistant fund manager and later as an equities trader, Mr Clarke obtained inside information about significant corporate events. He used this information to place trades using accounts in his own name and those of close family members over a 9 year period spanning from October 2003 to November 2012.

<https://www.fca.org.uk/news/press-releases/confiscation-order-against-convicted-insider-dealer>

FCA publishes proposals to extend the Senior Managers and Certification Regimes to all financial services firms

On 26 July, the FCA published proposals to broaden the Senior Managers and Certification Regimes to almost all regulated firms. The new regimes will replace the Approved Persons Regime. There are three parts to the regimes:

- (1) Five conduct rules will apply to all financial services staff at FCA authorised firms, namely individuals must (i) act with integrity, (ii) act with due care, skill and diligence, (iii) be open and cooperative with regulators, (iv) pay due regard to customer interests and treat them fairly, and (v) observe proper standards of market conduct.
- (2) The responsibilities of Senior Managers will be clearly set out. Senior Managers will be approved by the FCA and

appear on the FCA Register.

(3) Under the Certification Regime, firms will certify for their fitness, skill and propriety at least once a year employees that are not covered by the Senior Managers Regime but whose jobs materially impact customers or firms.

For further details, see our Clifford Chance briefing.

<https://www.fca.org.uk/news/press-releases/fca-outlines-proposals-extend-senior-managers-certification-regime-all-firms>

<https://onlineservices.cliffordchance.com/online/freeDownload.action?key=OBWlbFgNhLNomwBI%2B33QzdFhRQAhp8D%2BxrlGRel2crGqLnALtlyZe3REodvgBrrdzIRI3kBcRMrp%0D%0A5mt12P8Wnx03DzsaBGwsIB3EVF8XihbSpJa3xHNE7tFeHpEbaelf&attachmentsize=271927>

FCA Chief Executive signals end of LIBOR

On 27 July, Andrew Bailey, Chief Executive of the FCA, gave a speech about the future of LIBOR. Mr Bailey reported on the sustainability of the LIBOR benchmarks, the way LIBOR is used now and in the future and what has been done by the FCA and its domestic and international partners to reform the interest rate benchmark landscape. Mr Bailey revealed that LIBOR was to be phased out after 2021, having failed to meet its goal of capturing banks' borrowing costs because of insufficient borrowing activity in the markets underlying LIBOR. Mr Bailey intimated that work would begin on a transition to more reliable alternative reference rates firmly rooted in transactions.

For further details, see our Clifford Chance briefing.

<https://www.fca.org.uk/news/speeches/the-future-of-libor>

<https://onlineservices.cliffordchance.com/online/freeDownload.action?key=OBWlbfGhNlNomwBl%2B33QzdFhRQAhp8D%2BxrlGRel2crGqLnALtlyZe3REodvgBrrdQFkcteTWC33p%0D%0A5mt12P8Wnx03DzsaBGwslB3EVF8XihbSpJa3xHNE7tFeHpEbaelf&attachmentsize=632619>

FCA warnings

Name of firm	Date of warning	Details
AMC Capital Invest / AMC Capital Management	27 July 2017	Clone firm https://www.fca.org.uk/news/warnings/amc-capital-invest-management-clone
MPG Partners (trading as HBC Broker)	26 July 2017	Not authorised https://www.fca.org.uk/news/warnings/mpg-partners-trading-hbc-broker
Zurich Capital (trading as Zurichcap.com)	25 July 2017	Not authorised https://www.fca.org.uk/news/warnings/zurich-capital-trading-zurichcapcom
Asashi Mergers and Acquisitions Group	25 July 2017	Not authorised https://www.fca.org.uk/news/warnings/asashi-mergers-and-acquisitions-group
Cash Financers	24 July 2017	Not authorised https://www.fca.org.uk/news/warnings/cash-financers
Loan Store Limited	24 July 2017	Not authorised https://www.fca.org.uk/news/warnings/loan-store-limited
E Money Limited/Evolution Money Limited	24 July 2017	Clone firm https://www.fca.org.uk/news/warnings/e-money-limited-evolution-money-limited-clone-fca-authorized-firm

Policy developments

FCA		PRA			
Proposed developments					
		Deadline for responses			
Consultation papers	On 24 July, the FCA published a consultation paper (CP17/23) setting out proposals for changes required to comply with the Insurance Distribution Directive. https://www.fca.org.uk/publication/consultation/cp17-23.pdf	20 October 2017	3 November 2017	On 26 July, the PRA published a consultation paper (CP14/17) setting out its proposals for the extension of the Senior Managers & Certification Regime to all insurers. The PRA's conduct rules will extend to insurance companies' "material risk takers" and "key function holders". http://www.bankofengland.co.uk/p/ra/Documents/publications/cp/2017/cp1417.pdf	
	On 26 July, the FCA published a consultation paper (CP17/25) regarding the extension of the Senior Managers and Certification Regime to all FCA authorised firms. https://www.fca.org.uk/publication/consultation/cp17-25.pdf	3 November 2017		29 September 2017	On 27 July, the PRA published a consultation paper (CP15/17) setting out the proposed expectations with regard to the relationship between the minimum requirement for own funds and eligible liabilities and buffer requirements, as well as the consequences of not meeting these. http://www.bankofengland.co.uk/p/ra/Documents/publications/cp/2017/cp1517.pdf
	On 26 July, the FCA published a consultation paper (CP17/26) regarding the extension of the Senior Managers and Certification Regime applicable to insurers. https://www.fca.org.uk/publication/consultation/cp17-26.pdf	3 November 2017			

Further Afield

SEC announces whistleblower award of more than \$1.7 million

On 27 July, the US Securities and Exchange Commission announced a whistleblower award of more than \$1.7 million

to a company insider who provided the agency with critical information to help stop a fraud that would have otherwise been difficult to detect. Approximately \$158 million has now been awarded to 46 whistleblowers who have voluntarily provided information to the SEC that has led to a successful enforcement action.

<https://www.sec.gov/news/press-release/2017-134>

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