

This week at the UK regulators

Thirty second guide: The week in overview

The main enforcement development last week was the imposition of a fine by the FCA on a former bond trader for engaging in market abuse.

In other developments, an FCA Director gave a speech at the Westminster Business Forum on retail banking and payments regarding the importance of the revised Payment Service Directive for retail banks.

Further afield, the Hong Kong Securities and Futures Appeals Tribunal upheld the findings of the Hong Kong Securities and Futures Commission, which resulted in a HK\$400 million fine against a financial institution in relation to the sale of structured products prior to 2008.

FCA imposes fine against bond trader for market abuse

On 22 November 2017, the FCA published a Final Notice against Paul Walter, a former bond trader, for engaging in market abuse and imposed a financial penalty of £60,090. The FCA found that the trader created a false and misleading impression about supply and demand in the market for Dutch State Loans on 12 occasions in July and August 2014, which constituted market abuse within the meaning of section 118(5) of the Financial Services and Markets Act 2000. The FCA accepted that the trader did not know that his conduct amounted to market abuse but found that he had been negligent for not realising this.

<https://www.fca.org.uk/publication/final-notice/paul-axel-walter-2017.pdf>

FCA Director delivers speech on regulatory priorities for retail banking

On 23 November 2017, the FCA published a speech given by Karina McTeague, Director of Retail Banking Supervision at the FCA, on 16 November 2017 at the Westminster Business Forum on retail banking and payments. Ms McTeague highlighted the significance of the revised Payment Service Directive ("PSD2") for retail banks in an increasingly digitised world and emphasised the lead role played by the FCA in updating the existing regulatory regime for PSD2.

<https://www.fca.org.uk/news/speeches/regulatory-priorities-retail-banking>

FCA warnings

Name of firm	Date of warning	Details
Wharton Asset Management UK LLP	20/11/17	Clone https://www.fca.org.uk/news/warnings/wharton-asset-management-uk-llp-clone
NBLFX/ Niru Bala Limited / Numex Foreign Exchange	22/11/17	Clone

Corporation (UK) Ltd		https://www.fca.org.uk/news/warnings/nblfx-niru-bala-limited-numex-foreign-exchange-corporation-uk-ltd-clone
MBQ International Incorporated	23/11/17	Not authorised https://www.fca.org.uk/news/warnings/mbq-international-incorporated
DuetInvest	23/11/17	Clone https://www.fca.org.uk/news/warnings/duetinvest-clone

Further Afield

Hong Kong Securities and Futures Commission imposes fine in relation to the sale of structured products

On 21 November 2017, the Hong Kong Securities and Futures Appeals Tribunal ("SFAT") upheld the Hong Kong Securities and Futures Commission's ("SFC") disciplinary action against HSBC Private Bank (Suisse) SA, resulting in a fine of HK\$400 million for material systemic failures in the sale of derivative products during the run-up to the global financial crisis in 2008.

The SFAT upheld the findings of the SFC and concluded that HSBC Private Bank (Suisse) SA's marketing and sale practices fell short of the standards set out in the SFC Code of Conduct and ancillary guidelines, including in respect of customer risk profiles and product suitability.

<http://www.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=17PR138>

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