

# This week at the UK regulators

## Thirty second guide: The week in overview

In a week without significant enforcement cases being concluded, the main development was the publication of a consultation paper on proposals by the FCA about ways in which it could take action in respect of market conduct even in respect of unregulated markets and activities. It also published guidance on appointed representatives (in the form of an alert) and indicated that it will be publishing data examining the impact of its high profile advertisements encouraging consumers to decide whether to claim compensation for mis-sold payment protection insurance. The FCA and the PRA also issued new rules and guidance on the supervision of insurance special purpose vehicles.

In other developments, in the week when it was named as a Best Employer for Race, the FCA's Executive Director of Strategy and Competition delivered a speech about why the regulator cares about diversity. In addition, the regulator has published information on its progress towards achieving its diversity targets and details of its gender pay gap.

Away from the regulators, a number of important new financial crime related provisions contained in the Criminal Finances Act 2017 entered into force.

## Enforcement notices

In Final Notices issued in respect of separate cases on 3 November, the FCA has imposed cancellations on Venture15 Limited and Motor Palace Limited for failures to be open and cooperative in the consumer credit sector.

<https://www.fca.org.uk/publication/final-notices/venture-15-limited-2017.pdf>

<https://www.fca.org.uk/publication/final-notices/motor-palace-ltd-2017.pdf>

## FCA publishes data on PPI advertising campaign

We have reported previously on the high-profile advertisements commissioned by the FCA to encourage consumers to decide whether to claim compensation for mis-sold payment protection insurance ahead of the deadline in August 2019. The FCA has indicated that it plans to regularly publish data providing an insight into how many people have been prompted to find out more about PPI via FCA channels during the time when the advertisements have been running and has published the first tranche of this data, covering September 2017.

<https://www.fca.org.uk/news/news-stories/ppi-campaign-response-update>

## FCA comments on "robo-advice"

The release of data concerning Arnold Schwarzenegger's effectiveness in encouraging consumers to "do it now" was not the only robo-related development last week. On 2 November, Bob Ferguson, Head of Department, Strategy & Competition Division, FCA, delivered a speech highlighting the FCA's perspective on "robo advice". He acknowledged some potential risks but stated that the FCA sees automated advice as a valuable vehicle to help tackle the issues faced by those consumers who are unserved or underserved by more traditional advice models, as well as promoting competition in the UK financial advice market.

<https://www.fca.org.uk/news/speeches/robo-advice-fca-perspective>

## FCA issues guidance on appointed representatives

This week, the FCA re-published an alert originally released on 3 August 2017 following an increase in cases of introducers having an inappropriate influence on business carried out by authorised firms. The alert sets out considerations for Principals including steps to be taken in relation to the use of a firm's Firm Reference Number and monitoring and due diligence by Principals.

<https://www.fca.org.uk/news/news-stories/considerations-for-principals-who-have-appointed-representatives-or-introducer-appointed-representatives>

### FCA outlines plans to promote diversity

On 30 October, the Executive Director of Strategy and Competition at the FCA, Christopher Woolard, delivered a speech at the LGBT in the Financial Services Industry Summit highlighting why the regulator cares about diversity. On the same day, the FCA published a package of information on the progress the organisation is making towards achieving its diversity targets and details of its gender pay gap.

On 1 November, the FCA was named as a Best Employer for Race. Successful organisations had to evidence that they are putting leadership on race into place within their organisations, creating inclusive workplace cultures and taking action in at least one of three areas – leadership, progression and recruitment.

<https://www.fca.org.uk/news/press-releases/fca-publishes-data-progress-toward-diversity-targets-and-gender-pay-gap>

<https://www.fca.org.uk/news/press-releases/financial-conduct-authority-named-best-employer-race-new-listing>

### FCA warnings

Name of firm	Date of warning	Details
YF Asset Management	30/10/17	Clone firm <a href="https://www.fca.org.uk/news/warnings/yf-asset-management-clone">https://www.fca.org.uk/news/warnings/yf-asset-management-clone</a>
Levine & Levine Law Specialists	30/10/17	Not authorised <a href="https://www.fca.org.uk/news/warnings/levine-levine-law-specialists">https://www.fca.org.uk/news/warnings/levine-levine-law-specialists</a>
Baker Hamlin	30/10/17	Not authorised <a href="https://www.fca.org.uk/news/warnings/baker-hamlin">https://www.fca.org.uk/news/warnings/baker-hamlin</a>
Get My Loans	31/10/17	Clone firm <a href="https://www.fca.org.uk/news/warnings/get-my-loans-clone">https://www.fca.org.uk/news/warnings/get-my-loans-clone</a>

Amergeris Wealth Management Group	01/11/17	Clone firm <a href="https://www.fca.org.uk/news/warnings/amergeris-wealth-management-group-clone">https://www.fca.org.uk/news/warnings/amergeris-wealth-management-group-clone</a>
Delta Financial Markets	02/11/17	Clone firm <a href="https://www.fca.org.uk/news/warnings/delta-financial-markets-clone-authorized-firm">https://www.fca.org.uk/news/warnings/delta-financial-markets-clone-authorized-firm</a>
Epics Loan	02/11/17	Clone firm <a href="https://www.fca.org.uk/news/warnings/epics-loan-clone">https://www.fca.org.uk/news/warnings/epics-loan-clone</a>

## Policy developments

FCA		PRA	
Proposed developments			
		Deadline for responses	
<b>Consultation papers</b>	<p><b>Reviewing the funding of the Financial Services Compensation Scheme (FSCS): feedback from CP16/42, final rules, and new proposals for consultation: CP17/36</b></p> <p>The FCA is consulting on proposals to change how the FSCS is funded and to increase the protection it provides to consumers. This consultation paper follows CP16/42 published in December 2016 which sought views on how FSCS funding could be reformed. The FCA's ongoing review seeks to ensure the FSCS continues to provide the right protections, works effectively and is funded fairly.</p> <p><a href="https://www.fca.org.uk/publication">https://www.fca.org.uk/publication</a></p>	30 January 2018	

	<a href="https://www.fca.org.uk/publication/s/consultation-papers/cp17-36-reviewing-funding-financial-services-compensation-scheme">s/consultation-papers/cp17-36-reviewing-funding-financial-services-compensation-scheme</a>			
	<p><b>Consultation Paper on Industry Codes of Conduct and Discussion Paper on FCA Principle 5: CP17/37</b></p> <p>The FCA is consulting on its approach to supervising adherence to proper standards of market conduct for unregulated markets and activities, including standards set out in industry-written codes of conduct.</p> <p><a href="https://www.fca.org.uk/publication/s/consultation-papers/cp17-37-consultation-paper-industry-codes-conduct-and-discussion-paper">https://www.fca.org.uk/publication/s/consultation-papers/cp17-37-consultation-paper-industry-codes-conduct-and-discussion-paper</a></p>	5 February 2018		

Finalised Policy and guidance				
		Implementation/effective date		
<b>Policy statements</b>	<p><b>Handbook changes to reflect the new regulatory framework for Insurance-Linked Securities – Feedback to CP16/34 and CP17/3 and near-final rules: PS17/24</b></p> <p>The FCA published this Policy Statement setting out its response to (a) the feedback received to CP16/343 and a near-final 'FCA Statement – authorising and supervising insurance special purpose vehicles, and (b) the feedback received to CP17/34 and the near-final rules that incorporate the new regulated activity of insurance risk transformation into the FCA Handbook.</p>			<p><b>Authorisation and supervision of insurance special purpose vehicles: PS26/17</b></p> <p>This Policy Statement sets out the PRA's final approach and expectations in relation to the authorisation and supervision of insurance special purpose vehicles, subject to the Risk Transformation Regulations 2017 being passed through parliament.</p> <p><a href="http://www.bankofengland.co.uk/pr/Pages/publications/ps/2017/ps2617.aspx">http://www.bankofengland.co.uk/pr/Pages/publications/ps/2017/ps2617.aspx</a></p>

	<a href="https://www.fca.org.uk/publication/policy/ps17-24.pdf">https://www.fca.org.uk/publication/policy/ps17-24.pdf</a>			
<b>Supervisory statements</b>				<p><b>Authorisation and supervision of insurance special purpose vehicles - SS8/17</b></p> <p>This Supervisory Statement sets out the PRA's approach and expectations in relation to the authorisation and supervision of insurance special purpose vehicles.</p> <p><a href="http://www.bankofengland.co.uk/pr/Pages/publications/ss/2017/ss817.aspx">http://www.bankofengland.co.uk/pr/Pages/publications/ss/2017/ss817.aspx</a></p>

## Further Afield

### Key new financial crime provision enter into force

On 2 November, a number of important new provisions set out in the Criminal Finances Act 2017 relevant to firms' financial crime systems and controls entered into force. The provisions have amended the Proceeds of Crime Act 2002 to make changes including the extension of the maximum duration of the moratorium period following the filing of suspicious activity reports, the introduction of unexplained wealth orders and the formalisation of information sharing arrangements. For full details, see our Clifford Chance briefing.

[https://www.cliffordchance.com/briefings/2017/09/criminal\\_financesact2017-startinggunfire.html](https://www.cliffordchance.com/briefings/2017/09/criminal_financesact2017-startinggunfire.html)

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