

# This week at the UK regulators

## Thirty second guide: The week in overview

Last week, the FCA published two separate Final Notices, one fining and banning a former trader for benchmark related misconduct and one banning the high-profile former Chairman of a bank. Separately, HM Treasury directed the PRA to conduct an independent review into prudential supervision of the Co-op Bank between 2008 and 2013. There were no significant policy developments.

Further afield, in the UK criminal courts, a company has been found guilty of failing to have adequate procedures in place in the first ever contested prosecution under section 7 of the Bribery Act 2010, whilst in Japan, the financial services regulator has announced that it will introduce a registration requirement on 1 April 2018 for those engaging in High Speed Trading.

## FCA fines and bans former trader for LIBOR related misconduct

In a Final Notice published on 5 March, the FCA found that former trader, Guillaume Adolph, was knowingly concerned in a breach of Principle 5 (market conduct) by attempting to influence LIBOR submissions. As such, the FCA imposed a prohibition order on Mr Adolph banning him from performing any function in relation to any regulated activity on the basis that he was not a fit and proper person to do so. The FCA also imposed a fine of £180,000.

The FCA issued its Warning Notice in January 2014 but stayed proceedings due to an ongoing investigation by the Serious Fraud Office.

<https://www.fca.org.uk/publication/final-notices/guillaume-adolph-2018.pdf>

## FCA bans former bank Chairman

On 6 March, the FCA published a Final Notice banning Paul Flowers, Chair of the Co-operative Bank PLC ("the Co-op Bank") between April 2010 and June 2013, from working in the financial services industry. The FCA found that Mr Flowers demonstrated a lack of fitness and propriety during his tenure on the basis that he used his work mobile telephone and email account inappropriately in breach of the Bank's policies. The FCA found that Mr Flowers' explanation to the effect that his actions occurred during a period of difficult personal circumstances and pressure in his job was inadequate and did not justify his misconduct.

<https://www.fca.org.uk/publication/final-notices/paul-john-flowers-2018.pdf>

## HM Treasury directs the PRA to conduct independent review into prudential supervision

On 6 March, HM Treasury announced that it has directed the Prudential Regulation Authority (PRA) to conduct an independent review into the prudential supervision of the Co-op Bank between 2008 and 2013. The review will examine the actions, policies and approach of the Financial Services Authority and latterly the PRA, as the institutions with responsibility for prudential supervision of the Bank during that period.

<https://www.gov.uk/government/news/independent-review-of-the-co-operative-bank-launched>

## FCA warnings

Name of firm	Date of warning	Details
TCV & Partners	08 March 2018	Clone of authorised firm
Jupiter Loans	08 March 2018	Clone of authorised firm
Cinven	08 March 2018	Clone of authorised firm
Castle Finance Direct	09 March 2018	Clone of authorised firm

## Further Afield

### Company found guilty of failing to have adequate procedures in place in first-ever contested prosecution for failing to prevent bribery

On 21 February 2018, a jury at Southwark Crown Court found London-based Skansen Interior Limited guilty of failing to have adequate procedures in place in the first-ever prosecution under section 7 of the Bribery Act 2010. For further details, see our Clifford Chance briefing.

[https://www.cliffordchance.com/briefings/2018/03/first\\_contested\\_prosecutionforfailure.html](https://www.cliffordchance.com/briefings/2018/03/first_contested_prosecutionforfailure.html)

### Japanese regulator to introduce registration requirement for high speed trading

From 1 April 2018, the Financial Services Agency of Japan (JFSA) will introduce a new system in relation to high speed trading of shares and other types of financial instruments according to which those engaging in HST will be required to register.

<http://www.fsa.go.jp/en/regulated/hst/index.html>

## Contacts

**Roger Best**  
Partner

E: roger.best  
@cliffordchance.com

**Helen Carty**  
Partner

E: helen.carty  
@cliffordchance.com

**Carlos Conceicao**  
Partner

E: carlos.conceicao  
@cliffordchance.com

**Dorian Drew**  
Partner

E: dorian.drew  
@cliffordchance.com

**Jeremy Kosky**  
Partner

E: jeremy.kosky  
@cliffordchance.com

**Rae Lindsay**  
Partner

E: rae.lindsay  
@cliffordchance.com

**Michael Lyons**  
Partner

E: michael.lyons  
@cliffordchance.com

**Matthew Newick**  
Partner

E: matthew.newick  
@cliffordchance.com

**Kelwin Nicholls**  
Partner

E: kelwin.nicholls  
@cliffordchance.com

**Luke Tolaini**  
Partner

E: luke.tolaini  
@cliffordchance.com

## Editors

**Chris Stott**  
Lawyer

E: chris.stott  
@cliffordchance.com

**David Smith**  
Lawyer

E: david.smith  
@cliffordchance.com

This publication does not necessarily deal with every important topic or cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice.

Clifford Chance, 10 Upper Bank Street, London, E14 5JJ

© Clifford Chance 2018

Clifford Chance LLP is a limited liability partnership registered in England and Wales under number OC323571

Registered office: 10 Upper Bank Street, London, E14 5JJ

We use the word 'partner' to refer to a member of Clifford Chance LLP, or an employee or consultant with equivalent standing and qualifications

[www.cliffordchance.com](http://www.cliffordchance.com)

If you do not wish to receive further information from Clifford Chance about events or legal developments which we believe may be of interest to you, please either send an email to [nomorecontact@cliffordchance.com](mailto:nomorecontact@cliffordchance.com) or by post at Clifford Chance LLP, 10 Upper Bank Street, Canary Wharf, London E14 5JJ

Abu Dhabi • Amsterdam • Bangkok • Barcelona • Beijing • Brussels • Bucharest • Casablanca • Dubai • Düsseldorf • Frankfurt • Hong Kong • Istanbul • London • Luxembourg • Madrid • Milan • Moscow • Munich • New York • Paris • Perth • Prague • Rome • São Paulo • Seoul • Shanghai • Singapore • Sydney • Tokyo • Warsaw • Washington, D.C.

\*Clifford Chance has a co-operation agreement with Al-Jadaan & Partners Law Firm in Riyadh.