

# This week at the UK regulators

## Thirty second guide: The week in overview

The main enforcement developments last week were the making of substantial confiscation orders against two individuals convicted of insider dealing in 2016 and the imposition by the FCA and PRA of a financial penalty on a CEO, marking the conclusion of widely publicised action relating to handling of a whistleblowing report. In other developments, the FCA warned policyholders of a now insolvent Danish insurer to seek alternative cover, and retired guidance which has now been overtaken by the introduction of MiFID II.

Further afield, the Hong Kong regulator became the latest signatory to an enhanced memorandum of information relating to cooperation in cross border enforcement.

### FCA secures confiscation orders against Operation Tabernula insider dealers

On 11 May, the FCA secured confiscation orders in the sum of £1,074,236 and £624,521 against Mr Martyn Dodgson and Mr Andrew Hind. His Honour Judge Pegden QC made the orders confiscating sums including the profits generated from trading in five stocks in respect of which they were convicted of insider dealing in May 2016, and a further 23 stocks in respect of which the FCA asserted their conduct amounted to insider dealing (but in respect of which they were not prosecuted). The original prosecution followed Operation Tabernula, the FCA's largest ever insider dealing investigation, which it pursued together with other authorities including the National Crime Agency.

Both individuals have been found to have had a "criminal lifestyle" within the meaning of the confiscation provisions of the Proceeds of Crime Act 2002, meaning that profits from other trading during a defined period also fell to be confiscated. The orders must be paid within three months or Mr Dodgson will have a further seven and a half years added to his original sentence of four and a half years and Mr Hind will have a further five and a half years added to his original three and a half year sentence.

<https://www.fca.org.uk/news/press-releases/fca-secures-confiscation-orders-totalling-1-69-million-against-convicted-insider-dealers>

### FCA and PRA conclude action in whistleblowing enforcement action

On 11 May, the FCA and PRA issued Final Notices to Mr James (Jes) Staley, the Chief Executive of Barclays Group, imposing financial penalties totalling £642,430 for breaches

of Conduct Rule 2 (due skill, care and diligence) in connection with his response to an anonymous whistleblowing report received in June 2016. Separately, Barclays PLC and Barclays Bank UK PLC have agreed to the imposition of voluntary requirements relating to whistleblowing systems and controls. The background to the action has been widely reported in the media.

The Final Notices issues do not contain any suggestion that Mr Staley failed to act with integrity. The financial penalties imposed were reduced by 30 per cent as Mr Staley agreed to settle at an early stage of the regulators' investigations.

<https://www.fca.org.uk/publication/final-notices/mr-james-edward-staley-2018.pdf>

<https://www.bankofengland.co.uk/media/boe/files/prudential-regulation/regulatory-action/final-notice-from-pra-to-mr-staley.pdf?la=en&hash=B440E988E324EC0696CABAA83C83DCA620C0ABAD>

<https://www.fca.org.uk/publication/requirement-notices/vreq-barclays-bank-uk-plc.pdf>

<https://www.fca.org.uk/publication/requirement-notices/vreq-barclays-bank-plc.pdf>

### Other enforcement notices

In separate cases, the FCA has cancelled the permissions of the following firms and individuals, all of which operate in the consumer credit sector, for failures to be open and cooperative:

- Marcus Gray t/a aj motors (8 May)
- Fabulous Flooring (South Yorkshire) Ltd (8 May)

- Pant Bach Motors Limited (8 May)
- Wilton Trading Limited (8 May)
- Troopers Sales Limited (8 May)
- C2 Group Ltd (8 May)
- Verwood Motors Ltd (8 May)
- Mr Toby Warren Smith (8 May)
- Mr David Lloyd (8 May)
- Mr Keith Buckfield (8 May)

<https://www.fca.org.uk/publication/final-notice/marcus-gray-trading-as-aj-motors-2018.pdf>

<https://www.fca.org.uk/publication/final-notice/fabulous-flooring-south-yorkshire-ltd-2018.pdf>

<https://www.fca.org.uk/publication/final-notice/pant-bach-motors-limited-2018.pdf>

<https://www.fca.org.uk/publication/final-notice/wilton-trading-limited-2018.pdf>

<https://www.fca.org.uk/publication/final-notice/troopers-sales-limited-2018.pdf>

[https://www.fca.org.uk/publication/final-notice/c2-group-ltd-](https://www.fca.org.uk/publication/final-notice/c2-group-ltd-2018.pdf)

[2018.pdf](#)

<https://www.fca.org.uk/publication/final-notice/verwood-motors-ltd-2018.pdf>

<https://www.fca.org.uk/publication/final-notice/toby-warren-smith-2018.pdf>

<https://www.fca.org.uk/publication/final-notice/david-lloyd-2018.pdf>

<https://www.fca.org.uk/publication/final-notice/keith-buckfield-2018.pdf>

### FCA warns UK customers of collapsed Danish insurance provider to seek alternative cover

Further to an announcement by the Danish Financial Services Authority, the FCA has (on 9 May) issued a warning to policyholders with Alpha Insurance A/S, which has operated in the UK on a freedom of service basis but which is now insolvent. The FCA has indicated that policyholders should immediately seek alternative cover.

<https://www.fca.org.uk/news/statements/alpha-insurance-as-declared-bankrupt>

## FCA warnings

Name of firm	Date of warning	Details
Royal Capital Pro	09 May 2018	Unauthorised firm
Whitman Law Group	09 May 2018	Unauthorised firm
Coperstone	09 May 2018	Unauthorised firm
Credit My Funds / CreditMyFunds	11 May 2018	Clone of authorised firm
GPay Limited trading as Cryptopoint	14 May 2018	Unauthorised firm

Consultancy Ltd t/a Stratx Markets	14 May 2018	Unauthorised firm
Option Stars Global	14 May 2018	Unauthorised firm
XFR Financial	14 May 2018	Unauthorised firm
SolidCFD	14 May 2018	Unauthorised firm

## Policy developments

FCA

PRA

Finalised Policy and guidance			
		Implementation/effective date	
<b>Policy statements</b>	<p>On 11 May, the FCA published a policy statement (PS18/10) on retiring guidance previously issued in the form of FG 12/15 and FG 14/1 in relation to independent and restricted advice and inducements/conflicts of interest. The retirement of this guidance, which the FCA considers is largely superseded by recent changes to implement the re-cast MiFID II, follows a consultation process in December 2017 and January 2018.</p> <p><a href="https://www.fca.org.uk/sites/default/files/publications/policy/ps18-10.pdf">https://www.fca.org.uk/sites/default/files/publications/policy/ps18-10.pdf</a></p>	11 May 2018	

## Further Afield

### Hong Kong regulator signs up to international enforcement agreement

On 11 May, the Hong Kong Securities and Futures Commission (SFC) announced that it signed up to the Enhanced Multilateral Memorandum of Understanding (EMMoU) of the International Organization of Securities Commissions (IOSCO) for cross border enforcement cooperation. The EMMoU was approved by IOSCO in March 2017, and the SFC's announcement coincides with the confirmation (also on 11 May) that its Chief Executive Officer Ashley Alder has been appointed as Chair of the IOSCO board.

It provides for cooperation through steps including the sharing of audit papers, compelling physical attendance of individuals to provide testimony, assistance in relation to the freezing of assets and obtaining and sharing existing internet service provider and telephone records.

The other current signatories to the EMMoU are the FCA, the US Commodities and Futures Trading Commission, the Monetary Authority of Singapore, the British Columbia Securities Commission and the Australian Securities and Investments Commission.

<http://www.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=18PR47>

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