

This week at the UK regulators

Thirty second guide: The week in overview

In a quiet week without major concluded enforcement developments, the only developments to emerge from the FCA and the PRA were a guidance consultation on steps to be taken by firms to comply with new consumer rights legislation and a supervisory statement on aspects of compliance with Solvency II by insurers. Further afield, the Hong Kong Securities and Futures Commission has concluded a consultation exercise on proposed changes to the rules relating to prescribing professional investors.

Enforcement notices

[wilkinson-2018.pdf](#)

In separate cases, the FCA has issued final notices cancelling the permissions of the following firms and individuals operating in the consumer credit sector:

- Ms Emily Cook (17 May)
- Tide You Over Limited (17 May)
- MMC Car Repairs Ltd
- Mr Murray Wilkinson

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

<https://www.fca.org.uk/publication/final-notices/tide-you-over-limited-2018.pdf>

<https://www.fca.org.uk/publication/final-notices/mmc-car-repairs-ltd-2018.pdf>

<https://www.fca.org.uk/publication/final-notices/murray->

FCA warnings

Name of firm	Date of warning	Details
Revolution Variable Systems (RVS)	16 May 2018	Not authorised
Monevo Loans	16 May 2018	Clone of authorised firm

Potter Consultancy	16 May 2018	Not authorised
Jana Hudikova Asset Management (clone of authorised firm)	17 May 2018	Clone of authorised firm
Dantra Business Inc trading as CredoTrade	17 May 2018	Not authorised
Financial.Org/ Global Finanz Corp AG	17 May 2018	Not authorised
Gold Star Group Limited	17 May 2018	Not authorised
Marcela Gerlova	17 May 2018	Clone of authorised firm
Prople Investments Limited	17 May 2018	Not authorised
Cooper & Stone Associates	17 May 2018	Not authorised
Hash Finance Limited	17 May 2018	Not authorised
Save Power UK Ltd	17 May 2018	Not authorised
CF Partners	17 May 2018	Clone of authorised firm
Clear Loans	17 May 2018	Clone of authorised firm
AXA IM	17 May 2018	Clone of authorised firm
Capital On Card	17 May 2018	Not authorised
Options Tech Limited t/a CMA Capital	18 May 2018	Not authorised
Tradeinvest90	21 May 2018	Not authorised
RBinary	21 May 2018	Not authorised

Policy developments

FCA		PRA	
Proposed developments			
		Deadline for responses	
Guidance Consultation	<p>On 17 May, the FCA issued a guidance consultation paper (GC 18/2) outlining factors which financial services firms should consider under the Consumer Rights Act 2015 (CRA) when drafting and reviewing variation terms in their consumer contracts. The CRA implements Council Directive 93/13/ECC on unfair terms in consumer contracts (the Directive). Under the CRA the FCA has the power to consider the fairness and transparency of terms in consumer contracts. Where the FCA considers a variation term in a contract to be unfair or lacking in transparency, it may take action to prevent the firm from relying on that term. The draft guidance outlines a number of non-exhaustive areas the FCA believes firms should have regard to when drafting and reviewing variation terms. These include validity of the reason(s) for varying a term, transparency of the variation term, provision for notice in the variation term, and provision for freedom to exit the contract should a consumer not wish to accept the variation.</p> <p>https://www.fca.org.uk/news/press-releases/fca-consults-new-guidance-variation-terms-under-unfair-terms-legislation</p> <p>https://www.fca.org.uk/publications/guidance-consultations/gc18-2-</p>	7 September 2018	

	fairness-variation-terms-financial-services-consumer-contracts-under-consumer-rights-act-2015			
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Finalised Policy and guidance				
		Implementation/effective date		
Supervisory statements			17 May 2018	<p>On 17 May, the PRA issued a supervisory statement (SS4/18) addressed to all UK firms and groups that fall within the scope of the Solvency II Directive ('the Directive'), and to the Society of Lloyd's and its managing agents (collectively referred to as 'insurers'). The statement sets out the PRA's expectations concerning:</p> <p>(a) the development and maintenance of a risk appetite statement by insurers;</p> <p>(b) how insurers apply their risk appetite when developing and monitoring their medium term business and financial plans; and</p> <p>(c) the assessment of the suitability and sustainability of capital distribution plans in the context of this risk appetite.</p> <p>https://www.bankofengland.co.uk/prudential-regulation/publication/2018/financial-management-and-planning-by-insurers-ss</p> <p>https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/supervisory-statement/2018/ss418.pdf?la=en&hash=E85BEB3F3F6EDB072C97A439A79FB7A8BB4DF988</p>

Further Afield

Hong Kong regulator concludes consultation on prescribing professional investors

The SFC also released consultation conclusions on 18 May 2018 on proposed amendments to the Securities and Futures (Professional Investor) Rules to standardise the rules for prescribing professional investors. The amendments allow portfolios held in joint accounts with non-associates and in investment corporations wholly-owned by an individual to count towards meeting the threshold to qualify as a professional investor. The categories of professional investors will be expanded to include corporations which have investment holding as their principal business and are wholly-owned by one or more professional investors, as well as corporations which wholly own another corporation which is a qualified professional investor. In addition, alternative forms of evidence will be allowed to demonstrate qualification as a professional investor.

<http://www.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=18PR54>

<http://www.sfc.hk/edistributionWeb/gateway/EN/consultation/conclusion?refNo=17CP1>

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

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

Quinta Chapman
Lawyer

E: quinta.chapman
@cliffordchance.com

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www.cliffordchance.com

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

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