

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 and business restrictions on a bank for anti-money laundering systems and controls failings. The PRA did not publish any proposed or finalised rules or guidance. The FCA released a policy statement containing new rules adding a premium listing category for sovereign controlled companies and a consultation paper setting out proposals for regulating claims management companies.

FCA fines and imposes business restrictions on bank for anti-money laundering failings

On 6 June, the FCA published a final notice addressed to Canara Bank ("Canara") imposing a financial penalty of £896,100 and a restriction on taking deposits from customers who do not already hold deposit accounts with it for a period of 147 days. The action was taken in respect of breaches of Principle 3 of the Principles for Businesses between November 2012 and January 2016. The FCA found that Canara did not have in place adequate anti-money laundering ("AML") systems and controls and that it had failed to rectify weaknesses identified during visits in 2012/13 and 2015.

The final notice issued to Canara notes that Canara and its senior management have cooperated with the investigation and that the AML deficiencies identified have been rectified, but also states the FCA's view that the practice of filling senior management positions through a system of rolling three year secondments from its head office in India

contributed to failings. The penalty imposed was reduced by 30 per cent to reflect the fact that Canara agreed to settle at an early stage of the FCA's investigation.

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

Other enforcement notices

In separate cases, relating to a lack of fitness and propriety in the general insurance sector and a failure to be open and cooperative with the FCA in the consumer credit sector respectively, the FCA issued final notices cancelling the permissions granted to:

- Darren Colvin Cummings (8 June)
- DW Clothing (7 June)

<https://www.fca.org.uk/publication/final-notices/darren-colvin-cummings-2018.pdf>

<https://www.fca.org.uk/publication/final-notices/dw-clothing-limited-2018.pdf>

FCA warnings

Name of firm	Date of warning	Details
Primus Forex Financial Group	05 June 2018	Clone of authorised firm
My Quick Loan	06 June 2018	Clone of authorised firm

Mutual Fund Ltd	07 June 2018	Clone of authorised firm
Light Finance	07 June 2018	Clone of authorised firm
Tradeovest	07 June 2018	Clone of authorised firm
Loanovao	07 June 2018	Clone of authorised firm
The Haighton Ruth Group	07 June 2018	Clone of authorised firm
Newmont Wealth Advisory	07 June 2018	Not authorised
Efforex	08 June 2018	Clone of authorised firm

Policy developments

FCA		PRA	
Proposed developments			
		Deadline for responses	
Consultation papers	<p>On 5 June, the FCA published a consultation paper (CP 18/15) setting out its proposals for rules to regulate claims management companies ("CMCs"). The proposed rules include requirements for CMCs to provide customers with a short summary document setting out details of fees, services to be provided and alternatives prior to any contract being signed.</p> <p>The FCA has also set out details of steps CMCs will need to take to obtain temporary authorisation before 1 April 2019.</p> <p>https://www.fca.org.uk/publication/</p>	3 August 2018	

	consultation/cp18-15.pdf			
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Finalised Policy and guidance				
		Implementation/effective date		
Policy statements	<p>On 5 June, the FCA issued a policy statement (PS 18/11) setting out amendments to the Listing Rules to include a premium listing category for sovereign controlled companies.</p> <p>The rules include refinements based on comments received in response to a consultation exercise (CP 17/21) carried out in July 2017. Specifically, the FCA has now included requirements for independent votes on independent directors and disclosure requirements in relation to related party transactions. The Listing Rules will impose slightly different obligations on sovereign controlled companies compared to other listed companies, with an absence of requirements for an advance sponsor "fair and reasonable" opinion and advance shareholder votes on related party transactions with the sovereign. There is also an exemption from the requirement for a sovereign to enter into a controlling shareholder agreement with the issuer. All other aspects of the premium listing regime will apply to sovereign controlled companies.</p> <p>https://www.fca.org.uk/publication/policy/ps18-11.pdf</p> <p>https://www.fca.org.uk/publication/consultation/cp17-21.pdf</p>	1 July 2018		

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