

This week at the UK regulators

Thirty second guide: The week in overview

The main enforcement development last week was the FCA's successful attempt to recoup assets from an individual convicted of fraud. It also announced that an investigation into one insurance firm about the treatment of longstanding customers has been concluded without any enforcement action, although others continue.

The main policy development last week was the release by the PRA of policy and supervisory statements aimed at solidifying firms' governance and risk management in relation to algorithmic trading activity. In particular, the PRA has set out requirements for the firm's management body to have an understanding of the firm's algorithmic trading and the associated risk controls, as well as detailed requirements for managing the algorithm trading policy and approval process.

Further afield, Hong Kong's Securities and Futures Commission (SFC) has published its first substantive review of progress in the Manager-in-Charge regime and announced that it is planning to conduct a thematic review of Licensed Corporation's management structure and board governance.

FCA secures increased confiscation order

The FCA has successfully applied to the Central Criminal Court to amend a confiscation order made against Mr Benjamin Wilson enabling it to recover £31,905.33. On 14 February 2014, Mr Benjamin Wilson was sentenced to seven years' imprisonment for fraud valued at approximately £21 million. However, as he was bankrupt, the "available amount" for the purposes of the confiscation order was set at £1. In 2015, the FCA was informed that Mr Wilson was likely to receive assets under his late mother's pension scheme. Acceding to the FCA's application for the confiscation of these sums, the Court recognised that, under section 22 of the Proceeds of Crime Act 2002 the assets available do not have to represent the proceeds of crime and they can have been acquired after the making of the original confiscation order.

<https://www.fca.org.uk/news/press-releases/fca-secures-increased-confiscation-order-against-benjamin-wilson>

FCA discontinues investigation into fair treatment of longstanding customers in the life insurance sector

On 3 March 2016 the Financial Conduct Authority (FCA)

announced investigations into six firms as a result of its thematic review into the fair treatment of longstanding customers. FCA announced this week that the investigation into Scottish Widows has concluded with no need for any enforcement action. The FCA has indicated that it will provide further updates once decisions are made in relation to the other investigations.

<https://www.fca.org.uk/news/statements/fca-statement-thematic-review-fair-treatment-longstanding-customers-life-insurance-sector>

Enforcement Notices

In separate cases, the FCA has cancelled the permissions granted to the following firms:

- [The Big Car Supermarket Limited](#) (12 June)
- [Easy Buy Cars \(NE\) Ltd](#) (12 June)
- [Credit Car Ltd](#) (12 June)
- [JMT Motors Limited](#) (13 June)
- [Mr Michael George Hutley](#) (14 June)
- [Metlife Ltd](#) (14 June)

FCA warnings

Name of firm	Date of warning	Details
Clingstone Bank Plc	15 June 2018	Not authorised https://www.fca.org.uk/news/warnings/clingstone-bank-plc
Morgan Wealth Advisory	15 June 2018	Not authorised https://www.fca.org.uk/news/warnings/morgan-wealth-advisory
Euro Global Markets Limited	15 June 2018	Not authorised https://www.fca.org.uk/news/warnings/euro-global-markets-limited
Shore Capital	14 June 2018	Clone firm https://www.fca.org.uk/news/warnings/shore-capital-clone-fca-authorized-firm
My Chargeback / mychargeback.com	14 June 2018	Not authorised https://www.fca.org.uk/news/warnings/my-chargeback-mychargebackcom
Satis Asset Management	14 June 2018	Clone firm https://www.fca.org.uk/news/warnings/satis-asset-management-clone-fca-authorized-firm
Car Insurance 4 u	14 June 2018	Clone firm https://www.fca.org.uk/news/warnings/car-insurance-4-u-clone-fca-authorized-firm
SRS Enterprise Limited	13 June 2018	Not authorised https://www.fca.org.uk/news/warnings/srs-enterprise-limited
Comparison Corporation Limited	13 June 2018	Not authorised https://www.fca.org.uk/news/warnings/comparison-corporation-limited

All Day Loans	13 June 2018	Clone firm https://www.fca.org.uk/news/warnings/all-day-loans-clone
ADG Placement	13 June 2018	Clone firm https://www.fca.org.uk/news/warnings/adg-placement-clone
4 You Limited	13 June 2018	Clone firm https://www.fca.org.uk/news/warnings/4-you-limited-clone-fca-authorized-firm
Sewraj Bayrajee	13 June 2018	Not authorised https://www.fca.org.uk/news/warnings/sewraj-bayrajee
Capital City Holdings	13 June 2018	Not authorised https://www.fca.org.uk/news/warnings/capital-city-holdings
SRS Enterprise Limited	13 June 2018	Not authorised https://www.fca.org.uk/news/warnings/srs-enterprise-limited
London Investment Management	13 June 2018	Clone firm https://www.fca.org.uk/news/warnings/shore-capital-clone-fca-authorized-firm
Viking Investments Global / Viking Investors Global	13 June 2018	Clone firm https://www.fca.org.uk/news/warnings/viking-investments-global-viking-investors-global-clone-clone-fca-authorized-firm

Policy developments

FCA		PRA	
Proposed developments			
		Deadline for responses	

Finalised Policy and guidance				
			Implementation/effective date	
Policy statements			1 January 2019	Supervisory Statement 19/13 has been updated following PS11/18 'Resolution planning: MREL reporting' and provides templates for MREL Resources reporting. https://www.bankofengland.co.uk/prudential-regulation/publication/2013/resolution-planning-ss
			30 June 2019	On 15 June 2018, the PRA issued a Policy Statement (PS12/18) which provides feedback to responses to CP5/18, which set out the PRA's proposed expectation in relation to firms' governance and risk management in relation to algorithmic trading activity. In response, the PRA has made changes to the algorithm approval process, testing and deployment of algorithms and the availability of inventories and documentation. https://www.bankofengland.co.uk/prudential-regulation/publication/2018/algorithmic-trading
			30 June 2018	On 15 June 2018, the PRA issued a Supervisory Statement (SS5/18) which sets out the PRA's expectations of a firm's risk management and governance of algorithmic trading. This includes requirements for the firm's management body to have an understanding of the firm's algorithmic trading and the associated risk controls, as well as detailed requirements for managing the algorithm trading policy, approval process, testing/deployment and

				inventories/documentation. https://www.bankofengland.co.uk/prudential-regulation/publication/2018/algorithmic-trading-ss
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Further Afield

Hong Kong regulator gives first major update on progress of Manager-in-Charge regime

Hong Kong's Securities and Futures Commission has published its first substantive review of progress in the Manager-in-Charge regime since it was fully implemented in October 2017. The SFC also says it will conduct a thematic review of Licensed Corporations' (LCs) management structure and effectiveness. The update comes shortly after Singapore announced plans to introduce a similar regime, with a consultation underway and guidelines expected to be issued later this year. For further details, please see our Clifford Chance briefing.

https://www.cliffordchance.com/briefings/2018/06/hong_kong_s_sfc_givesfirstmajorupdateo.html

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