

This week at the UK regulators

Thirty second guide: The week in overview

The only significant enforcement development last week was the commencement of criminal proceedings against an individual for various alleged offences relating to the operation of a collective investment scheme. Away from enforcement, the FCA issued a consultation paper planning for how the costs of regulation of claims management companies and complaints handling by the Financial Ombudsman will be covered when they become responsible for this area in April 2019.

Further afield, the Hong Kong Monetary Authority has published new guidance explaining the benefits of cooperation during enforcement investigations and proceedings, mirroring similar guidance issued by the Securities and Futures Commission last year.

FCA commences prosecution for alleged unauthorised business

The FCA has commenced a criminal prosecution against Mr Mark Starling for three offences relating to the operation of a collective investment scheme. Mr Starling appeared at City of London Magistrates' Court on 21 August charged with operating or purporting to operate a collective investment scheme without authorisation or exemption (contrary to sections 19 and 23 of the Financial Services and Markets Act 2000) and two counts of fraud (contrary to sections 1 and 2 of the Fraud Act 2006). The proceedings will continue at Southwark Crown Court on 18 September.

<https://www.fca.org.uk/news/press-releases/fca-commences-criminal-prosecution-against-mark-starling-relation-unauthorised-investment-scheme>

Enforcement notices

The FCA has issued Final Notices to the following firms and individuals. Cancellations were imposed for failures to satisfy the suitability threshold condition and failures to be open and cooperative.

- Nicholas Newson (24 August)
- James Lewis (24 August)
- Robert Scott (24 August)
- Lee Brian Stanyer (24 August)
- Juan Carlos Esposito (24 August)
- Christopher John Huskinson (24 August)
- Arif Hussein (23 August)

- Causeway Group Limited (21 August)
- Prime Render Solutions Ltd (21 August)

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

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

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

<https://www.fca.org.uk/publication/final-notices/lee-brian-stanyer-2018.pdf>

<https://www.fca.org.uk/publication/final-notices/juan-carlos-esposito-2018.pdf>

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

<https://www.fca.org.uk/publication/final-notices/arif-hussein-final-notice-2018.pdf>

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

<https://www.fca.org.uk/publication/final-notices/prime-render-solutions-ltd-2018.pdf>

FCA warnings

Name of firm	Date of warning	Details
Generali Brokers / Generali France / Assicurazioni Generali S.p.A.	21 August 2018	Clone of an authorised firm
Radcliffe and Young Asset Management/Radcliffe and Young	21 August 2018	Not authorised
A Quick Financial Group	21 August 2018	Not authorised
Billson Capital Partners	22 August 2018	Not authorised
Base Finance	23 August 2018	Clone of an authorised firm
BlackRock Crypto Asset Management Limited	24 August 2018	Clone of an authorised firm

Policy developments

FCA		PRA	
Proposed developments			
		Deadline for responses	
Consultation papers	On 20 August, the FCA published a consultation paper (CP 18/23) on proposed arrangements for recovering the costs of regulating claims management companies (CMCs) and of the Financial	22 October 2018	

	<p>Ombudsman Service handling complaints. The FCA will assume responsibility for regulating CMCs from 1 April 2019.</p> <p>https://www.fca.org.uk/publication/consultation/cp18-23.pdf</p>			
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Further Afield

Hong Kong Monetary Authority explains benefits of cooperation during investigations

On 22 August, the Hong Kong Monetary Authority (HKMA) published new guidance on the importance of cooperation in its investigations and enforcement proceedings. The HKMA says it encourages early and substantial cooperation as it assists the detection, efficient investigation and prompt rectification of breaches and misconduct. The HKMA says it may reduce sanctions if appropriate in the circumstances of the case, with the earlier and more substantial the cooperation, the more likely it is that a person will benefit from cooperating.

The HKMA's guidance in substance is very similar to that issued by the Securities and Futures Commission last December highlighting the benefits of cooperation, particularly in terms of the staged discounts on offer. The guidance introduced new measures to encourage the types of cooperation which the SFC said would help it investigate more serious legal or regulatory breaches and achieve timely and desirable enforcement outcomes. The HKMA has indicated that it will share its observations regarding the degree of cooperation rendered by a person with other regulators such as the SFC if matters are transferred.

<https://www.hkma.gov.hk/media/eng/doc/key-information/guidelines-and-circular/2018/20180822e1.pdf>

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