

FSA Update

At the FSA last week:

House of Lords debates Financial Services Bill

The Financial Services Bill received its second reading in the House of Lords on 11 June. The debate recognised and repeated the criticisms made by the Treasury Committee's report and added others. The Bill was broadly welcomed as an improvement to current regulatory arrangements. However, some peers, reflecting many of the criticisms outlined in the supplementary report released by the Treasury Select Committee on 8 June, raised particular concerns in areas including the potential for overlap between the responsibilities of the new regulatory bodies and the concentration of responsibility in the hands of the Governor of the Bank of England.

The Bill now progresses to Committee stage on 27 June. The House of Lords appears committed to rigorously scrutinising the bill, particularly in areas where there has not been time to do so at the pre-legislative and House of Commons stages. It remains to be seen what impact this will have on the government's stated wish to pass the legislation by the end of 2012 in readiness for the transfer of responsibilities to the FCA and PRA in 2013.

<http://services.parliament.uk/bills/2012-13/financialservices.html>

Final Notices:

- Following the Upper Tribunal's decision last week, the FSA has (on 14 June) issued a Final Notice to Athanass

Stefanopoulos, cancelling his Part IV permission. The Upper Tribunal decided last week that Mr Stefanopoulos's failure to pay regulatory fees and levies over an extended period of time meant that he did not meet the requirements of the FSA's fit and proper test.

<http://www.fsa.gov.uk/static/pubs/final/athanass-stefanopoulos.pdf>

- The FSA has (on 11 June), cancelled the Part IV permission of Wood Financial Management Limited for failing to pay regulatory fees and levies and failing to submit Retail Mediation Activity Returns. The action follows a First Supervisory Notice issued to the firm on 4 April 2012, which varied its Part IV permission by removing all regulated activities.

<http://www.fsa.gov.uk/static/pubs/final/wood-fm.pdf>

- The FSA has (on 12 June) cancelled the Part IV permission of Choon Hee Patrick Tan trading as Mortgages Mortgages for failures to pay regulatory fees and levies.

<http://www.fsa.gov.uk/static/pubs/final/mortgages-mortgages.pdf>

- The FSA has (on 11 June) refused an application made by Moinul Islam for registration as a small payment institution under the Payment Services Regulations 2009 following failures to respond to questions asked of him in relation to his application.

<http://www.fsa.gov.uk/static/pubs/final/moinul-islam.pdf>

Key issues

- House of Lords debates Financial Services Bill
- Final notices
- Rajat Gupta convicted of insider trading

Further afield

Rajat Gupta convicted of insider trading

A jury in New York has found Mr Rajat Gupta guilty of securities fraud and conspiracy. Mr Gupta was found to have conspired with Raj Rajaratnam, who was convicted of insider trading in May last year and sentenced to 11 years' imprisonment (whose appeal against his conviction is pending) by passing on information obtained through his position on the boards of several prominent companies.

Mr Gupta has been released on bail until 18 October, when he will be sentenced. He becomes the 66th individual to be convicted of securities fraud offences in the US since October 2009.

http://www.justice.gov/usao/nys/press_releases/june12/guptarajatverdict.html

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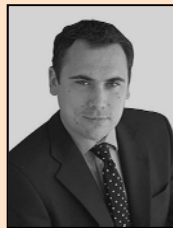
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