

This week at the UK regulators

Thirty second guide: The week in overview

Enforcement activity last week was limited to Final Notices formalising fines and bans for individuals who have variously been the subjects of Upper Tribunal and criminal proceedings and one case where the FCA exercised its powers under the Money Laundering Regulations 2007.

In policy developments, the FCA requested feedback on its proposals relating to consumer credit in response to the Competition and Markets Authority's recommendations on high-cost short-term credit and published a policy statement about how regulatory fees will be calculated and collected from participants in regulated payment systems. It also (jointly with HM Treasury) published the terms of reference for the Fair Advice Market Review advisory panel.

The PRA published supervisory statements about its compliance expectations for firms that are subject to Solvency II reporting and public disclosure technical standards and the European Insurance and Occupational Pensions Authority's guidelines. The PRA also sought feedback on its proposals to redraft its FEES module as part of replacing the PRA Handbook (inherited from the FSA) with a standalone PRA Rulebook.

Further afield, Ashley Alder, the CEO of the Hong Kong Securities and Futures Commission, addressed the 2015 ISDA Annual Asia Pacific Conference about the challenges faced by G20 countries to implement a universal framework for the regulation of over-the-counter (OTC) derivatives and to implement effective cross-border regulation.

Enforcement Notices

The FCA has (on 22 October) issued a Final Notice imposing a financial penalty of £50,000 on Andrew Peter Wilkins, after the Upper Tribunal (Tax and Chancery Chamber) directed that Mr Wilkins had made errors but had not acted with a lack of integrity or reckless disregard to investors' interests in connection with the collection of bondholder funds, communications with independent financial advisors and Luxembourg regulatory authorisations. The FCA decided not to impose a prohibition order on Mr Wilkins.

<http://www.fca.org.uk/static/documents/final-notices/andrew-peter-wilkins.pdf>

The FCA has (on 26 October) issued a Final Notice imposing a prohibition order on Magnus Michael Peterson after determining that his conduct demonstrated a "clear and serious" lack of honesty, integrity and reputation. Mr Peterson was convicted and sentenced to 13 years' imprisonment in January 2015 for a range of fraud offences through his hedge fund that resulted in client losses of approximately \$536m.

<http://www.fca.org.uk/static/documents/final-notices/magnus-peterson.pdf>

The FCA has (on 26 October) issued a notice of decision to cancel the registration granted to Dentons Consultants Limited. The FCA determined that Dentons' failure to pay a charge of £400 imposed by the FCA for the cost of Dentons' supervision was a breach of the Money Laundering Regulations 2007.

<http://www.fca.org.uk/static/documents/cancellation-notices/dentons-consultants.pdf>

HM Treasury and the FCA publish terms of reference for Financial Advice Market Review advisory panel

HM Treasury and the FCA have (on 26 October) set out the scope for an independent expert panel to assist with the jointly managed Financial Advice Market Review's consideration of the regulatory and legal framework governing the provision of consumer financial advice and guidance. The panel will advise the Review about the financial advice market, current business practices, customer needs and regulation, as well as responding to public consultation and providing support for recommendations that require stakeholder engagement.

<http://www.fca.org.uk/static/documents/famr-expert-advisory-panel-terms-of-reference.pdf>

Policy developments

FCA		PRA		
Finalised policy and guidance				
		Implementation/effective date		
Policy statements	<p>The Payment Systems Regulator ("PSR"), has (on 27 October) published a policy statement (PS 15/25) setting out its decision about how 2015/16 PSR regulatory fees will be calculated and collected from participants in the UK's regulated payment systems. The fees will be used to fund PSR activities during the year and to cover the costs of its establishment from 1 April 2015 to regulate payment systems that handled approximately 20 billion transactions worth over £74 trillion in 2014.</p> <p>http://www.fca.org.uk/static/fca/documents/policy-statements/ps-15-25.pdf</p>	27 October 2015		
Supervisory Statements			30 October 2015	<p>The PRA has (on 30 October) published a supervisory statement (SS 40/15) setting out the PRA's expectations of how firms within the scope of Solvency II are expected to comply with supervisory reporting Implementing Technical Standards when options are provided to supervisory authorities in a number of areas, including Solvency II reporting currency, exchange rates and accident or underwriting year reporting. The PRA also published a</p>

				<p>supervisory statement (SS 41/15) setting out the PRA's expectations of how firms within the scope of Solvency II should follow the European Insurance and Occupational Pensions Authority's guidelines published on 14 September 2015.</p> <p>http://www.bankofengland.co.uk/pradocuments/publications/ss/2015/ss4015.pdf</p> <p>http://www.bankofengland.co.uk/pradocuments/publications/ss/2015/ss4115.pdf</p>
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Proposed development				
		Deadline for responses		
Consultation papers	<p>The FCA has (on 28 October) issued a consultation paper (CP 15/33) in response to recommendations made by the Competition and Markets Authority ("CMA") on high-cost short-term credit in the final report published by the latter on 24 February 2015 following its market investigation into payday lending. The FCA's proposals include those for the use of real-time data sharing for informed credit assessments, measures to improve comparisons without affecting consumer credit ratings, improved disclosure on borrowing costs and credit broking and lead generation. The FCA also published a behavioural study it commissioned to assist with the development of its proposals.</p> <p>http://www.fca.org.uk/static/fca/documents/consultation-papers/cp-15-33-cma-remedies.pdf</p> <p>http://www.fca.org.uk/static/fca/do</p>	28 January 2016	29 December 2015	<p>The PRA has (on 26 October) published a consultation paper (CP40/15) setting out proposals to redraft the FEES module as part of replacing the PRA Handbook inherited from the FSA with a standalone PRA Rulebook.</p> <p>http://www.bankofengland.co.uk/pradocuments/publications/cp/2015/cp4015.pdf</p>

	cuments/consultation-papers/cp-15-33-behavioural-study.pdf			
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Hong Kong regulator outlines key challenges facing universal regulation of OTC derivatives

Ashley Alder, the CEO of the Hong Kong Securities and Futures Commission, addressed (on 26 October) the 2015 ISDA Annual Asia Pacific Conference about the challenges faced by G20 countries to implement a universal framework for the regulation of over-the-counter derivatives. Mr Alder said that these challenges include regulatory arbitrage and market fragmentation, which he considers could result in onshore liquidity pools that are subject to local clearing requirements and offshore pools that are not. Mr Alder also commented on developments in, and limitations to, cross-border regulation and on the debate about designating large asset managers as systematically important financial institutions.

http://www.sfc.hk/web/EN/files/ER/PDF/Speeches/Ashley%20Alder_20151026.pdf

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