

This week at the UK regulators

Thirty second guide: The week in overview

In a week without significant enforcement developments, the PRA released a number of publications regarding external auditors, namely a supervisory statement on written reports by external auditors to the PRA and a policy statement regarding engagement between external auditors and supervisors and the commencement of the PRA's disciplinary powers over external auditors and actuaries. The PRA also published an occasional consultation paper setting out proposals to delete rules and guidance from the PRA Handbook which have been replaced, or are in the process of being replaced.

The FCA released a consultation paper regarding loan-based crowd funding platforms, and published proposed guidance on voluntary redress schemes under the Competition Act 1998. The FCA and PRA jointly published a consultation paper on the proposed management expenses levy limit for the Financial Services Compensation Scheme for 2016/17.

In addition, the Bank of England and Financial Services Bill had its third reading in the House of Lords. The Government's plans in relation to the new individual accountability regimes in force from March to replace the presumption of responsibility (also often referred to as the reverse burden of proof) for Senior Managers with a statutory duty to take reasonable steps to avoid regulatory breaches by firms remain intact for now. This proposal, and others contained in the bill relating principally to the governance of the Bank of England will now progress to the House of Commons.

Enforcement Notices

The FCA (on 19 January 2016) issued a Final Notice refusing an application by Super Fast Loan Limited (SFL) for Part 4a permission to carry on the regulated activities of Consumer Credit Lending. The FCA determined that SFL failed to provide the information required by the FCA and, in the absence of the information sought, it cannot ensure that SFL will satisfy, and continue to satisfy the threshold conditions.

<http://www.fca.org.uk/your-fca/documents/final-notices/2016/super-fast-loan-limited>

The FCA (on 19 January 2016) issued a Final Notice cancelling Solutions on Call Limited's (SOCL) Interim

Permission. The FCA determined that SOCL failed to satisfy the suitability threshold condition because it failed to ensure that its affairs are conducted in a sound and prudent manner, and because its conduct did not meet the requirements of Principle 11 (Relations with Regulators). Specifically, SOCL failed to deal with the FCA in an open and co-operative way because it did not provide the information requested (primarily about the nature of its business activities) to the FCA.

<http://www.fca.org.uk/your-fca/documents/final-notices/2016/solutions-on-call-limited>

FCA warnings

Name of firm	Date of warning	Details
Loans to You	22 January 2016	Clone firm

		http://www.fca.org.uk/news/warnings/loans-to-you-clone-cc
Liberty Loans	22 January 2016	Clone firm http://www.fca.org.uk/news/warnings/liberty-loans-clone-cc
Loan Deals	22 January 2016	Clone firm http://www.fca.org.uk/news/warnings/loan-deals-clone-cc
Next Loans	22 January 2016	Clone firm http://www.fca.org.uk/news/warnings/next-loans-clone-cc
Fundspoint	22 January 2016	Clone firm http://www.fca.org.uk/news/warnings/fundspoint-clone-cc
E-Lender	22 January 2016	Clone firm http://www.fca.org.uk/news/warnings/e-lender-clone-cc
Home Improvement Loans	22 January 2016	Clone firm http://www.fca.org.uk/news/warnings/home-improvement-loans-clone-cc
Finance Live	22 January 2016	Clone firm http://www.fca.org.uk/news/warnings/finance-live-clone-cc
Lowest Cost Loans	22 January 2016	Clone firm http://www.fca.org.uk/news/warnings/lowest-cost-loans-clone-cc
UN Loans	22 January 2016	Clone firm http://www.fca.org.uk/news/warnings/un-loans-clone-cc
Secured UK Loans	22 January 2016	Clone firm http://www.fca.org.uk/news/warnings/secured-uk-loans-clone-cc
Authority Finance	22 January 2016	Clone firm http://www.fca.org.uk/news/warnings/authority-finance-clone-cc

Financial Products (London) Ltd	21 January 2016	Not authorised http://www.fca.org.uk/news/warnings/financial-products-london-ltd
Delta Financial Markets Ltd t/a Delta Trade	21 January 2016	Clone firm http://www.fca.org.uk/news/warnings/delta-financial-markets-ltd-ta-delta-trade-clone
Loans for Everyone	21 January 2016	Not authorised http://www.fca.org.uk/news/warnings/loans-for-everyone-cc
Samson Capital Group	20 January 2016	Not authorised http://www.fca.org.uk/news/warnings/samson-capital-group
www.lolly.co.uk	20 January 2016	Clone firm http://www.fca.org.uk/news/warnings/lolly-clone-cc
Indoloan Limited	20 January 2016	Not authorised http://www.fca.org.uk/news/warnings/indoloan-limited
Mannex Global Corp LLC	20 January 2016	Not authorised http://www.fca.org.uk/news/warnings/mannex-global-corp
Fast Loan 4 U	19 January 2016	Clone firm http://www.fca.org.uk/news/warnings/fast-loan-4-u-clone
Right Capital Services	18 January 2016	Not authorised http://www.fca.org.uk/news/warnings/right-capital-services

Policy developments

FCA	PRA
Proposed developments	

		Deadline for responses		
Consultation papers	<p>The FCA and PRA (on 18 January 2016) published a consultation paper (FCA CP16/3; PRA CP4/16) on the proposed management expenses levy limit (MELL) for the Financial Services Compensation Scheme (FSCS) for 2016/17. The MELL ensures that the FSCS has suitable funding so that it is capable of exercising those functions conferred on it by Part XV of the Financial Services and Markets Act 2000, and is consulted on annually. The MELL consulted on is £72.7 million.</p> <p>http://www.fca.org.uk/your-fca/documents/consultation-papers/cp16-03</p>	15 February 2016	15 February 2016	<p>The FCA and the PRA (on 18 January 2016) published a consultation paper (FCA CP16/3; PRA CP4/16) on the proposed management expenses levy limit (MELL) for the Financial Services Compensation Scheme (FSCS) for 2016/17. The MELL ensures that the FSCS has suitable funding so that it is capable of exercising those functions conferred on it by Part XV of the Financial Services and Markets Act 2000, and is consulted on annually. The MELL consulted on is £72.7 million.</p>
	<p>The FCA (on 21 January 2016) published a consultation paper (CP16/4) regarding loan-based crowd funding platforms and segregation of client money. Specifically, the FCA consulted on rules to simplify client money requirements for firms that operate electronic systems in relation to lending (P2P platforms) and hold both regulated and unregulated client money accounts.</p> <p>Following consideration of feedback to this Consultation Paper, the FCA seeks to publish a policy statement making final rules in March 2016.</p> <p>http://www.fca.org.uk/your-fca/documents/consultation-papers/cp16-4</p>	11 February 2016	12 February 2016	<p>The PRA (on 18 January 2016) published an occasional consultation paper (CP3/16) which sets out proposals to delete rules and guidance from the PRA Handbook which have been replaced, or are in the process of being replaced by rules in the PRA Rulebook or supervisory statements.</p> <p>http://www.bankofengland.co.uk/pr/Pages/publications/cp/2016/cp316.aspx</p>
Guidance consultation	<p>The FCA (on 19 January 2016) published proposed guidance (GC16/1) on voluntary redress</p>	15 February 2016		

	<p>schemes under the Competition Act 1998 (CA98). This guidance explains how the FCA will exercise its powers to approve and enforce redress schemes. It is published pursuant to the FCA's duty under 49C(9) CA98, which places a duty on the FCA to provide guidance with regard to: applications for approval of redress schemes; the approval of redress schemes; and the enforcement of approved schemes.</p> <p>http://www.fca.org.uk/your-fca/documents/guidance-consultations/gc16-01</p>			
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Finalised Policy and guidance				
		Implementation/effective date		
<p>Policy statements</p>			<p>21 January 2016</p>	<p>The PRA (on 21 January 2016) published a supervisory statement (SS1/16) and policy statement (PS1/16) regarding engagement between external auditors and supervisors and the commencement of the PRA's disciplinary powers over external auditors and actuaries.</p> <p>The policy statement sets out its approach to engagement between external auditors and supervisors and the use by the PRA of disciplinary powers over external auditors and actuaries. This policy includes a new statement of policy on the imposition and amount of financial penalties on auditors and actuaries of PRA-authorized persons, and an amendment to the PRA's statement of policy on statutory notices and the allocation of decision making which relates to the exercise of</p>

				<p>disciplinary powers over auditors and actuaries.</p> <p>In addition, the PRA (on 21 January 2016) incorporated the new and amended statements of policy set out in the policy statement, in the updated PRA Statement of Policy, which was first published on 1 April 2013.</p> <p>http://www.bankofengland.co.uk/p/ra/Pages/publications/ss/2016/ss116.aspx</p> <p>http://www.bankofengland.co.uk/p/ra/Pages/publications/ps/2016/ps116.aspx</p> <p>http://www.bankofengland.co.uk/p/ra/Pages/publications/sop/2016/a/propoachenforcementupdate.aspx</p>
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Further Afield

Third reading of Bank of England and Financial Services Bill

On 19 January 2016, the Bank of England and Financial Services Bill had its third reading in the House of Lords. There were no material changes to the sections dealing with the individual accountability regimes, so the provisional position remains that the presumption of responsibility (also often referred to as the reverse burden of proof) will be replaced by a statutory duty on Senior Managers to take reasonable steps to avoid breaches of regulatory requirements in areas for which they are responsible. The Bill will now go to the House of Commons (on a date to be confirmed), where there is likely to be further debate about the proposed removal of the presumption of responsibility.

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