

# This week at the UK regulators

## Thirty second guide: The week in overview

The principal enforcement development last week was the conviction of a former equities trader for insider dealing. His guilty pleas have brought the total number of convictions for insider dealing by the FCA and FSA to 27. In the same week, also in the criminal courts, the FCA enforced a confiscation order against an individual convicted in March 2015, who has now been sentenced to 730 days' imprisonment (having already received a sentence of 10 years' imprisonment for insider dealing) for failing to satisfy the full value of the order.

Away from enforcement, HM Treasury and the FCA published the results of the long awaited Financial Advice Market Review report, which sets out their conclusions on addressing the "advice gap". The report contains 28 recommendations directed at the FCA, Government, employers, service providers and consumers, with recommendations in three key areas: affordability, accessibility and liabilities and consumer redress.

### Former equities trader pleads guilty to insider dealing

On 15 March, Mr Damian Clarke, a former equities trader, pleaded guilty at Southwark Crown Court to two counts of insider dealing (contrary to the Criminal Justice Act 1993) in a case prosecuted by the FCA. He had previously pleaded guilty to seven counts of insider dealing in July 2015 and is due to be sentenced on 13 June 2016.

Since it first prosecuted the offence in March 2009, the FCA/FSA has now secured 27 convictions for insider dealing.

<http://www.fca.org.uk/news/former-equities-trader-pleads-guilty-to-insider-dealing>

### Imprisonment for individual who failed to satisfy FCA confiscation order

Mr Phillip Boakes has (on 15 March) been sentenced to 730 days' imprisonment for failing to satisfy the full value of a confiscation order made against him. The FCA obtained a confiscation order in the sum of £165,731, and took separate enforcement action against him leading to the imposition of a prohibition order following his conviction on charges prosecuted by the FCA, including two counts of fraudulent trading. He will serve the "default sentence" in respect of his failure to pay amounts under the confiscation order in addition to the sentence of 10 years' imprisonment originally imposed following his conviction (which was upheld by the Court of Appeal) and will still owe sums not yet paid under the confiscation order.

### Final Notices

- The FCA has (on 15 March) published a Final Notice in respect of Pacific Continental Securities (UK) Limited (In Liquidation) for breaches of various rules and principles and failures to meet threshold conditions following the firm's entry into liquidation. The Final Notice stated that the FCA is not satisfied that the firm's resources are appropriate in relation to the regulated activities it has permission to carry on, and specifically that it is unable to meet its liabilities as they have fallen due and is in liquidation. This followed the imposition of a requirement to the firm's Part 4A permission with effect from June 2007, under which the firm was not to undertake any regulated activity except to the extent necessary to close and settle existing client positions. Following the firm's entry into creditor voluntary liquidation, the FCA asked the firm's liquidators to apply to cancel PCS's Part 4A permission, but they declined to do so. The FCA has imposed a cancellation.

<http://www.fca.org.uk/your-fca/documents/final-notices/2016/pcs>

- The FCA has also (on 16 March) published a Final Notice to Aaron Cooper, trading as Crosswords, refusing its application for Part 4A permission to carry on the regulated activities of limited permission lending and debt adjusting.

<http://www.fca.org.uk/static/fca/documents/aaron-cooper.pdf>

## HMT and FCA publish Financial Advice Market Review final report

HM Treasury and the FCA have (on 14 March) jointly published the final report from their Financial Advice Market Review (FAMR). The FAMR was co-chaired by Charles Roxburgh, Director General, Financial Services at HM Treasury, and the FCA's acting Chief Executive Tracey McDermott, and launched in August 2015 in light of concerns that the market for financial advice in the UK was not working well for all consumers. The final report presents a series of measures aimed at stimulating the development of a market that provides "affordable and accessible financial advice and guidance for everyone, at all stages of their lives". It also contains proposals designed to increase consumer engagement with financial advice. The 28 recommendations are directed both at the FCA and the Government as well as towards employers, service providers and consumers, with recommendations in three key areas: affordability, accessibility and liabilities and consumer redress.

Responses to the FAMR Consultation from various organisations were published on the FCA's website on 16 March, together with a summary of responses.

<http://www.fca.org.uk/static/fca/documents/famr%20cfi%20responses%20summary.pdf>

<http://www.fca.org.uk/your-fca/documents/financial-advice-market-review-final-report>

## FCA publishes Occasional Paper on liquidity in the UK corporate bond market

The FCA has (on 17 March) published an occasional paper

(Occasional Paper No. 14) entitled 'Liquidity in the UK corporate bond market: evidence from trade data'. The paper is put forward as a 'contribution to the ongoing domestic and international debate on liquidity in financial markets in which various regulators and practitioners have been involved in the last few years' and presents evidence on the evolution of liquidity in the UK corporate bond market for the period 2008–2014. Findings include that there is no evidence that liquidity outcomes have deteriorated in the market, despite the decline in inventory of dealers in this period and that, if anything, the market appears to have become more liquid in recent years.

<http://www.fca.org.uk/static/documents/occasional-papers/occasional-paper-14.pdf>

## FCA publishes Handbook Notice No. 31

The FCA has (on 18 March) published Handbook Notice No. 31, setting out changes to the Handbook made by the FCA Board and Board of the Financial Ombudsman Service, FCA Board dates for 2016 and feedback on responses to consultations where not published in separate Policy Statements.

<http://www.fca.org.uk/static/documents/fca-handbook-notice-31.pdf>

## FCA warnings

Name of firm	Date of warning	Details
Edward Collins Associates	18 March 2016	Not authorised <a href="http://www.fca.org.uk/news/warnings/edward-collins-associates">http://www.fca.org.uk/news/warnings/edward-collins-associates</a>
Swiss Investment	18 March 2016	Clone firm

		<a href="http://www.fca.org.uk/news/warnings/swiss-investment-clone">http://www.fca.org.uk/news/warnings/swiss-investment-clone</a>
Resolution Fund International	18 March 2016	Clone firm <a href="http://www.fca.org.uk/news/warnings/resolution-fund-international-clone">http://www.fca.org.uk/news/warnings/resolution-fund-international-clone</a>
Ferrier Group	18 March 2016	Not authorised <a href="http://www.fca.org.uk/news/warnings/ferrier-group">http://www.fca.org.uk/news/warnings/ferrier-group</a>
Winton Fund Managers	18 March 2016	Clone firm <a href="http://www.fca.org.uk/news/warnings/winton-fund-managers-clone">http://www.fca.org.uk/news/warnings/winton-fund-managers-clone</a>
Credit Finance	16 March 2016	Not authorised <a href="http://www.fca.org.uk/news/warnings/credit-finance-cc">http://www.fca.org.uk/news/warnings/credit-finance-cc</a>
FX Sep Investor Services (aka FXSEP)	16 March 2016	Clone firm <a href="http://www.fca.org.uk/news/warnings/fx-sep-investor-services-clone">http://www.fca.org.uk/news/warnings/fx-sep-investor-services-clone</a>
Jet Lending	16 March 2016	Clone firm <a href="http://www.fca.org.uk/news/warnings/jet-lending-clone-cc">http://www.fca.org.uk/news/warnings/jet-lending-clone-cc</a>
Frans Ternier	15 March 2016	Clone firm <a href="http://www.fca.org.uk/news/warnings/frans-ternier-clone">http://www.fca.org.uk/news/warnings/frans-ternier-clone</a>
Aspect fund Managers Plc	14 March 2016	Clone firm <a href="http://www.fca.org.uk/news/warnings/aspect-fund-managers-plc-clone">http://www.fca.org.uk/news/warnings/aspect-fund-managers-plc-clone</a>
Markets Central Investment	14 March 2016	Clone firm <a href="http://www.fca.org.uk/news/warnings/markets-central-investment-clone">http://www.fca.org.uk/news/warnings/markets-central-investment-clone</a>
Evercore	14 March 2016	Clone firm <a href="http://www.fca.org.uk/news/warnings/evercore-clone">http://www.fca.org.uk/news/warnings/evercore-clone</a>

## Policy developments

FCA		PRA		
Proposed developments				
		Deadline for responses		
<b>Consultation papers</b>	<p>The FCA has (on 18 March) published its quarterly consultation paper (CP16/8, Quarterly Consultation Paper No. 12) in which it consults on proposed miscellaneous amendments to the FCA's Handbook.</p> <p><a href="http://www.fca.org.uk/static/fca/article/consultation%20paper/cp16-8.pdf">http://www.fca.org.uk/static/fca/article/consultation%20paper/cp16-8.pdf</a></p>	18 May 2016 (save for responses on changes to implement Mortgage Credit Directive applying to passporting firms, due by 18 April 2016)	16 May 2016	<p>The PRA has (on 15 March) published a consultation paper (CP8/16) in which it puts forward proposals to amend the Contractual Recognition of Bail-In Part of the PRA Rulebook, along with a draft supervisory statement reflecting the PRA's expectations. The proposals are stated to be consistent with the modification by consent published by the PRA in November 2015. The consultation paper is relevant to Bank Recovery and Resolution Directive (BRRD) undertakings to which the Contractual Recognition Part of the PRA Rulebook applies.</p> <p>The paper follows publication by the PRA of a modification by consent which disapplies the rules for a subset of liabilities where compliance is impracticable and where BRRD firms have notified the PRA that they consent to the modification. The modification expires on 30 June 2016 and this consultation paper proposes an amendment to the PRA rules to the same effect as the modification. The PRA proposes that the amended rules would apply from 1 July 2016.</p> <p><a href="http://www.bankofengland.co.uk/pradocuments/publications/cp/">http://www.bankofengland.co.uk/pradocuments/publications/cp/</a></p>

				<a href="#">2016/cp816.pdf</a>
--	--	--	--	--------------------------------

Finalised Policy and guidance				
		Implementation/effective date		
<b>Policy statements</b>	<p>The FCA has (on 18 March) published a policy statement (PS16/7) in which it reports on the main issues arising from its consultation (CP15/36) on the regulatory treatment of first charge mortgages regulated by the Consumer Credit Act 1974 and the FCA's Consumer Credit sourcebook (CONC). The policy statement contains final rules which will be of primary interest to any firm currently administering, or advising on or arranging variations on a book of pre-2004 first charge CCA mortgages.</p> <p><a href="http://www.fca.org.uk/static/fca/documents/policy-statements/ps16-7.pdf">http://www.fca.org.uk/static/fca/documents/policy-statements/ps16-7.pdf</a></p>	<p>Effective date 21 March 2016, although only apply when the affected loans become regulated mortgage contracts on 21 March 2017 (unless firms apply the relevant rules before that date)</p>		

## Contacts

**Roger Best**  
Partner

E: roger.best  
@cliffordchance.com

**Helen Carty**  
Partner

E: helen.carty  
@cliffordchance.com

**Carlos Conceicao**  
Partner

E: carlos.conceicao  
@cliffordchance.com

**Dorian Drew**  
Partner

E: dorian.drew  
@cliffordchance.com

**Jeremy Kosky**  
Partner

E: jeremy.kosky  
@cliffordchance.com

**Rae Lindsay**  
Partner

E: rae.lindsay  
@cliffordchance.com

**Kelwin Nicholls**  
Partner

E: kelwin.nicholls  
@cliffordchance.com

**Martin Saunders**  
Partner

E: martin.saunders  
@cliffordchance.com

**Judith Seddon**  
Partner

E: judith.seddon  
@cliffordchance.com

**Luke Tolaini**  
Partner

E: luke.tolaini  
@cliffordchance.com

## Editors

**Chris Stott**  
Lawyer

E: chris.stott  
@cliffordchance.com

**Ellen Lake**  
Lawyer

E: ellen.lake  
@cliffordchance.com

This publication does not necessarily deal with every important topic or cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice.

[www.cliffordchance.com](http://www.cliffordchance.com)

Clifford Chance, 10 Upper Bank Street, London, E14 5JJ

© Clifford Chance 2013

Clifford Chance LLP is a limited liability partnership registered in England and Wales under number OC323571

Registered office: 10 Upper Bank Street, London, E14 5JJ

We use the word 'partner' to refer to a member of Clifford Chance LLP, or an employee or consultant with equivalent standing and qualifications

If you do not wish to receive further information from Clifford Chance about events or legal developments which we believe may be of interest to you, please either send an email to [nomorecontact@cliffordchance.com](mailto:nomorecontact@cliffordchance.com) or by post at Clifford Chance LLP, 10 Upper Bank Street, Canary Wharf, London E14 5JJ

Abu Dhabi ■ Amsterdam ■ Bangkok ■ Barcelona ■ Beijing ■ Brussels ■ Bucharest ■ Casablanca ■ Doha ■ Dubai ■ Düsseldorf ■ Frankfurt ■ Hong Kong ■ Istanbul ■ Kyiv ■ London ■ Luxembourg ■ Madrid ■ Milan ■ Moscow ■ Munich ■ New York ■ Paris ■ Perth ■ Prague ■ Riyadh\* ■ Rome ■ São Paulo ■ Seoul ■ Shanghai ■ Singapore ■ Sydney ■ Tokyo ■ Warsaw ■ Washington, D.C.

\*Clifford Chance has a co-operation agreement with Al-Jadaan & Partners Law Firm in Riyadh.