

This week at the UK regulators

Thirty second guide: The week in overview

In a week without concluded enforcement action in the UK, the main developments were a series of policy statements and consultations. The FCA published a number of statements as the result of consultations in 2015 about pension reforms, the Market Abuse Regulation and changes to the Compensation sourcebook. The PRA published a consultation paper setting out its proposal for future reporting of balance sheets, profit and loss statements and forecast capital data, as part of the Bank of England's wider data strategy.

The FCA also published a report on its proposed enhancements to the UK's primary listed debt markets, the results of its survey of firms providing retail investment advice and numerous responses to Freedom of Information requests, including in connection with the Financial Advice Market Review, Alternative Investment Fund Managers under investigation and the use of prohibition orders since 2008.

Further afield, the SEC published its Consolidated Audit Trail plan to create a single database for tracking all trading activity in US equity and options markets.

FCA publishes report on primary listed debt markets

The FCA has (on 27 April) published a report on its practical recommendation to improve the depth, liquidity and functioning of the UK's primary listed debt markets, as a result of industry feedback from the UK Debt Market Forum established in November 2015. The recommendations include an extension of both the FCA's streamlined review of wholesale debt documents and its same-day service for routine supplemental prospectuses and listing particulars, a new engagement strategy (including for prospective overseas issuers) and the possible introduction of one or more new multilateral trading facilities for wholesale debt.

<http://www.fca.org.uk/static/documents/practical-measures-improve-effectiveness-uk-primary-listed-debt-markets.pdf>

FCA publishes survey results of firms providing retail investment advice

The FCA has (on 28 April) published the results of its survey in November 2015 of 233 firms that are active in providing financial advice about retail investment products in connection with retirement income, pension accumulation and investments. The FCA's survey sought to better understand customer profiles, barriers to the provision of mass market advice, the use of technology in the advice process and views on the future of the market. The results have informed the Financial Advice Market Review.

<http://www.fca.org.uk/static/fca/documents/financial-advice-firms-survey.pdf>

FCA issues Handbook Notice Supplement

The FCA has (on 28 April) published the Handbook Notice 32 Supplement, further to its publication (on 22 April) of Handbook Notice 32. The supplement introduces the FCA's redress rules for European Long-Term Investment Funds.

<http://www.fca.org.uk/static/documents/handbook-notices/fca-handbook-notice-32-supplement.pdf>

FCA publishes responses to FOI requests

The FCA has (on 27 April) published several responses to requests made of the FCA under the Freedom of Information Act 2000. In addition to the FCA's responses on 3 February 2016 to a request about the status of, and role of the FCA in, the Financial Advice Market Review, the FCA published:

- Its confirmation in February 2016 that two Alternative Investment Fund Managers were under investigation for mis-selling or customer care failings and systems and controls failings;
- Its confirmation in March 2016 that prohibition orders had been used against 22 individuals trading as a firm and 319 individuals from 2008 to 2015;

- Its confirmation in February 2016 that 47 mortgage brokers have applied for the second charge permission and three have applied to vary their existing permissions to include the second charge permission; and

- Its responses in February 2016 and on 31 March 2016 to requests for information about the number of advisers qualified to provide pensions transfer and retail investment advice and the number of men and women holding CF10 and CF11 controlled functions on given days in 2013, 2014 and 2015.

<http://www.fca.org.uk/static/documents/foi/foi4361-response.pdf>

<http://www.fca.org.uk/static/documents/foi/foi4363-response.pdf>

<http://www.fca.org.uk/static/documents/foi/foi4457-response.pdf>

<http://www.fca.org.uk/static/documents/foi/foi4351-response.pdf>

<http://www.fca.org.uk/static/documents/foi/foi4405-response.pdf>

<http://www.fca.org.uk/static/documents/foi/foi4462-response.pdf>

FCA warnings

Name of firm	Date of warning	Details
GSH Solutions	29 April 2016	Not authorised http://www.fca.org.uk/news/warnings/gsh-solutions-cc
China Beijing Mergers & Acquisitions Corporation	29 April 2016	Not authorised http://www.fca.org.uk/news/warnings/china-beijing-mergers-acquisitions-corporation
Lloyd Financial Service	28 April 2016	Not authorised http://www.fca.org.uk/news/warnings/lloyd-financial-service
Arkol Insurance Brokers	28 April 2016	Not authorised http://www.fca.org.uk/news/warnings/arkol-insurance-brokers
International Mergers LLP/ International Mergers & Acquisitions LLP	25 April 2016	Not authorised http://www.fca.org.uk/news/warnings/international-mergers-llp

Policy developments

FCA		PRA		
Finalised Policy and guidance				
		Implementation/effective date		
Policy statements	<p>The FCA has (on 25 April) published a policy statement (PS16/12) providing feedback on its consultation in October 2015 about pension reforms (CP15/30) and setting out final rules and guidance.</p> <p>http://www.fca.org.uk/static/fca/documents/policy-statements/ps16-12.pdf</p> <p>https://www.fca.org.uk/static/documents/consultation-papers/cp15-30.pdf</p>			
	<p>The FCA has (on 28 April) published a policy statement (PS16/13) providing feedback on its consultations in November 2015 about the implementation of the Market Abuse Regulation (2014/596/EU) (CP15/35) and provisions to delay disclosure of inside information within the Disclosure and Transparency Rules and CP15/38) and setting out final rules and guidance.</p> <p>http://www.fca.org.uk/static/fca/documents/policy-statements/ps16-13.pdf</p> <p>https://www.fca.org.uk/static/fca/documents/consultation-papers/cp-15-35-mar.pdf</p> <p>https://www.fca.org.uk/static/documents/cp15-38.pdf</p>			

	<p>The FCA has (on 29 April) published a policy statement (PS16/14) providing feedback on its consultation in November 2015 about changes to the Compensation sourcebook (CP15/40) and setting out final rules and guidance.</p> <p>http://www.fca.org.uk/static/fca/article-type/policy%20statement/ps16-14.pdf</p> <p>https://www.fca.org.uk/static/fca/documents/consultation-papers/cp15-40.pdf</p>			
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Proposed developments				
		Deadline for responses		
<p>Consultation papers</p>	<p>The FCA's UKLA has (on 27 April) published technical guidance (UKLA Technical Notes 308.3 and 634.1) about changes to requirements for smaller related-party transactions and financial information about guarantors for inclusion in debt prospectuses (including requests of the UKLA for omission).</p> <p>http://www.fca.org.uk/static/documents/ukla/knowledge-base/tn-308-3-consultation.pdf</p> <p>http://www.fca.org.uk/static/documents/ukla/knowledge-base/tn-634-1-consultation.pdf</p>		<p>29 July 2016</p>	<p>The PRA has (on 29 April) published a consultation paper (CP17/16) setting out its proposal for future reporting of balance sheets, profit and loss statements and forecast capital data (or Capital+). The paper outlines the Bank of England's related data strategy for "<i>the collection of valid, accurate and meaningful information</i>", its applicability to regulated firms and the three stages for its proposed implementation from 1 July 2017.</p> <p>The consultation also contains a proposal in relation to the reporting of profit and loss data by non-EEA banks authorised to accept deposits through a UK branch.</p> <p>http://www.bankofengland.co.uk/pradocuments/publications/cp/</p>

				2016/cp1716.pdf
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Further Afield

SEC proposes consolidated tracking of US equity and options market trading

The SEC has published (on 27 April) its proposed national market system plan to create a single database to enable regulators to track all trading activity in US equity and options markets. The plan, known as the Consolidated Audit Trail, would require US self-regulatory organisations and broker-dealers to record and report trade information, including customer identity, that would provide a "complete lifecycle" of all orders and transactions in these markets. The plan includes provisions for the accuracy, integrity and security of the information in the proposed database.

<http://www.sec.gov/news/pressrelease/2016-77.html>

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