

# This week at the UK regulators

## Thirty second guide: The week in overview

In this week's main enforcement development, the FCA charged two individuals with insider dealing offences. The FCA also announced it had reached an agreement with an insurance firm regarding inaccurate premium information communicated to customers.

In other developments, the FCA's Director of Investigations confirmed the regulator's desire to start more probes and target individual wrongdoing within firms. It also published its findings on pension lifestyle investment strategies and drew attention to the growing threat posed by cyber crime.

In policy developments, in addition to its quarterly consultation paper, the FCA released consultation documents relating to the exercise of its powers under the Money Laundering Regulations 2017 and proposals that banks be compelled to contribute to LIBOR. The PRA published papers on refinements to the Senior Insurance Managers Regime and various aspects of solvency and liquidity requirements.

Further afield, in Spain, the Comisión Nacional del Mercado de Valores (CNMV) imposed restrictions on short selling of shares and related financial instruments in a bank, whilst the Hong Kong Securities and Futures Commission reminded firms of the approaching deadline for the preparation and filing of key documents in relation to its Managers in Charge regime.

### FCA charges two with insider dealing

On 16 June, the FCA charged each of Ms Fabiana Abdel-Malek, a former compliance officer in a major bank, and Mr Walid Anis Choucair with five counts of insider dealing. The action followed a joint investigation with the National Crime Agency. Following a hearing at Westminster Magistrates' Court on 16 June, proceedings have been adjourned to a Plea and Trial Preparation Hearing at Southwark Crown Court, to take place in July.

<https://www.fca.org.uk/news/press-releases/two-charged-insider-dealing>

### FCA Director of Investigations speaks about evolving approach to investigations

In a speech delivered on 15 June, Jamie Symington, Director of Investigations at the FCA, underscored that the FCA expects to open more enforcement investigations. He also emphasised the role of investigations in changing firms' culture of individual and senior management accountability, indicating that, moving forward, this means that the role of individuals and senior management in wrongdoing will attract closer scrutiny.

<https://www.fca.org.uk/news/speeches/investigations-evolving-approach>

[evolving-approach](https://www.fca.org.uk/news/speeches/investigations-evolving-approach)

### FCA announces insurance premium customer contact exercise

On 16 June, the FCA announced that Admiral has commenced a customer contact exercise further to findings that it included inaccurate premium amounts in renewal documents issued to certain customers.

<https://www.fca.org.uk/news/press-releases/admiral-agrees-contact-customers-given-inaccurate-information-renewals>

### FCA publishes its findings on pension lifestyle investment strategies

On 14 June, following its Policy Statement on Pension Reforms PS16/12 (which provided feedback on CP15/30 and final rules and guidance), the FCA published its conclusions on life insurance companies' pension lifestyle investment strategies. It noted that most firms have reviewed the appropriateness of new lifestyle strategies for new business and post-2012 auto-enrolment contracts. Existing business written pre-2012 is being reviewed. The FCA expressed concern about timeliness of these reviews and the lack of clear communication to these customers setting out lifestyle strategy interacts with their retirement

options following the 2015 pension reforms. It also expressed concern about the slow pace of review of pre-2001 legacy business. The FCA is following up with firms where it has identified concerns and will be inviting market participants to a roundtable event in Q2 2017 to discuss its findings.

<https://www.fca.org.uk/publications/multi-firm-reviews/pension-lifestyle-investment-strategies-findings>

### FCA highlights cyber risk

On 15 June, the FCA published an infographic emphasising the risks posed by cyber attacks and the need to maintain adequate cyber security. It reminded market participants that, pursuant to Principle 11 of the Principles for Businesses set out in the FCA Handbook, it is mandatory to report material cyber incidents. Material incidents are those that result in significant loss of data, or the availability or control of IT systems, affect large numbers of customers, result in unauthorised access to, or malicious software present, information and communications systems. The

FCA has indicated that it will update this reporting requirement in line with future regulations.

<https://www.fca.org.uk/publication/documents/cyber-security-infographic.pdf>

### Enforcement Notices

In three separate Final Notices published on 13 June and 14 June published a Final Notice imposing prohibition orders against Mr Andrew Quinn, Mr Ashaq Ahmed and Mr Brian Richards. In all cases, the cancellations stemmed from failures to be open and cooperative.

<https://www.fca.org.uk/publication/final-notice/andrew-quinn.pdf>

<https://www.fca.org.uk/publication/final-notice/ashfaq-ahmed.pdf>

<https://www.fca.org.uk/publication/final-notice/brian-richards.pdf>

### FCA warnings

Name of firm	Date of warning	Details
MRTmarkets.com	16 June 2017	Not authorised <a href="https://www.fca.org.uk/news/warnings/mrtmarkets">https://www.fca.org.uk/news/warnings/mrtmarkets</a>
Aequitas Financial LLP	16 June 2017	Not authorised <a href="https://www.fca.org.uk/news/warnings/aequitas-financial-llp">https://www.fca.org.uk/news/warnings/aequitas-financial-llp</a>
HBFX Markets Limited	16 June 2017	Not authorised <a href="https://www.fca.org.uk/news/warnings/hbfx-markets-limited">https://www.fca.org.uk/news/warnings/hbfx-markets-limited</a>
Global Fin Services Limited trading as Trade 12	16 June 2017	Not authorised <a href="https://www.fca.org.uk/news/warnings/global-fin-services-trade-12">https://www.fca.org.uk/news/warnings/global-fin-services-trade-12</a>

Funds Point	16 June 2017	Clone firm <a href="https://www.fca.org.uk/news/warnings/funds-point-clone">https://www.fca.org.uk/news/warnings/funds-point-clone</a>
True Blue Loans	16 June 2017	Clone firm <a href="https://www.fca.org.uk/news/warnings/true-blue-loans-clone">https://www.fca.org.uk/news/warnings/true-blue-loans-clone</a>
Sky Protect Limited	15 June 2017	Not authorised <a href="https://www.fca.org.uk/news/warnings/sky-protect-limited">https://www.fca.org.uk/news/warnings/sky-protect-limited</a>
UK TV Care Limited	15 June 2017	Not authorised <a href="https://www.fca.org.uk/news/warnings/uk-tv-care-limited">https://www.fca.org.uk/news/warnings/uk-tv-care-limited</a>
Pounds in Accounts	14 June 2017	Not authorised <a href="https://www.fca.org.uk/news/warnings/pounds-accounts">https://www.fca.org.uk/news/warnings/pounds-accounts</a>
Pointfinance Limited	14 June 2017	Clone firm <a href="https://www.fca.org.uk/news/warnings/pointfinance-limited-clone">https://www.fca.org.uk/news/warnings/pointfinance-limited-clone</a>
London Private Finance Ltd	14 June 2017	Clone firm <a href="https://www.fca.org.uk/news/warnings/london-private-finance-ltd-clone">https://www.fca.org.uk/news/warnings/london-private-finance-ltd-clone</a>
Uride Car Club	12 June 2017	Not authorised <a href="https://www.fca.org.uk/news/warnings/uride-car-club">https://www.fca.org.uk/news/warnings/uride-car-club</a>
Marketier Holdings (trading as Stox Market)	12 June 2017	Not authorised <a href="https://www.fca.org.uk/news/warnings/marketier-holdings-trading-stox-market">https://www.fca.org.uk/news/warnings/marketier-holdings-trading-stox-market</a>

## Policy developments

FCA		PRA		
Proposed developments				
		Deadline for responses		
<b>Consultation papers</b>	<p>On 12 June, the FCA published a consultation paper (CP17/13) setting out policies and procedures of the FCA's exercise of its enforcement powers under the Money Laundering Regulations 2017 which is due to come into force on 26 June 2017.</p> <p><a href="https://www.fca.org.uk/publication/consultation/cp17-13.pdf">https://www.fca.org.uk/publication/consultation/cp17-13.pdf</a></p>	7 July 2017	14 August 2017 (Chapter 4)  22 September 2017 (Chapter 2 and 3)	<p>On 13 June, the PRA published a consultation paper (CP8/17) setting out proposed amendments and optimisations to the Senior Insurance Managers Regime (SIMR).</p> <p><a href="http://www.bankofengland.co.uk/p/ra/Documents/publications/cp/2017/cp817.pdf">http://www.bankofengland.co.uk/p/ra/Documents/publications/cp/2017/cp817.pdf</a></p>
	<p>On 12 June, the FCA published its quarterly consultation paper (CP17/14) setting proposed miscellaneous amendments to its Handbook.</p> <p><a href="https://www.fca.org.uk/publication/consultation/cp17-14.pdf">https://www.fca.org.uk/publication/consultation/cp17-14.pdf</a></p>	12 July 2017 (Chapters 2 and 3)  12 August 2017 (Chapter 4)	7 August 2017	<p>On 12 June, the PRA published a consultation paper (CP7/17) setting out the PRA's proposed expectations for the reporting of sensitivities of solvency positions to key market risks by firms with material exposure to market risk</p> <p><a href="http://www.bankofengland.co.uk/p/ra/Documents/publications/cp/2017/cp717.pdf">http://www.bankofengland.co.uk/p/ra/Documents/publications/cp/2017/cp717.pdf</a></p>
	<p>On 12 June, the FCA published a consultation paper (CP17/15) explaining and seeking views on a proposed method of compelling banks to contribute to LIBOR should it become necessary (once LIBOR becomes a Critical Benchmark under the EU Benchmarks Regulation).</p> <p><a href="https://www.fca.org.uk/publication/consultation/cp17-15.pdf">https://www.fca.org.uk/publication/consultation/cp17-15.pdf</a></p>	12 August 2017	7 July 2017	<p>On 12 June, the PRA published a consultation paper (CP6/17) proposing minor amendments to the templates and reporting instructions for PRA101 to PRA 103 (Capital +), PRA108, and the removal of the definition of "whole-firm liquidity modification" from the PRA Rulebook.</p> <p><a href="http://www.bankofengland.co.uk/p/ra/Documents/publications/cp/2017/cp617.pdf">http://www.bankofengland.co.uk/p/ra/Documents/publications/cp/2017/cp617.pdf</a></p>

## Further Afield

### Spanish regulator decrees freeze on short selling

On 12 June, the Spanish Comisión Nacional del Mercado de Valores announced a restriction on transactions under Article 20(2)(a) and (b) of Regulation (EU) No 236/2012. The restriction applies to dealings in Liberbank SA's shares and derivative instruments relevant to the calculation of the net short position. The measure is effective immediately until the end of trading on 12 July 2017.

<https://www.cnmv.es/Portal/hr/verDoc.axd?t={06ad0af5-567a-4a2d-95df-5a12b738e4da}>

### Hong Kong regulator reminds firms of individual accountability requirements

On 19 June, the Hong Kong Securities and Futures Commission ("SFC") issued a reminder to firms falling within scope of the new Managers in Charge ("MIC") regime of the requirements to prepare and submit information and organisational charts by 17 July. The requirements and details of the new MIC regime were originally set out in the SFC's circular published in December 2016. For full details, see This week at the UK Regulators, 19 December 2016 (which includes a link to our Clifford Chance briefing).

<http://www.sfc.hk/edistributionWeb/gateway/EN/circular/doc?refNo=17EC35>

<https://onlineservices.cliffordchance.com/online/freeDownload.action?key=OBWlbfqNhLNomwBl%2B33QzdFhRQAhp8D%2BxrlGRel2crGqLnALtlyZexTUwfmXi5U0JEGVjdjvuObp%0D%0A5mt12P8Wnx03DzsaBGwsIB3EVF8XihbSpJa3xHNE7tFeHpEbaelf&attachmentsize=100900>

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