



## Financial Services Alerter

UK developments

### FCA Chair speech on global regulation in post-crisis era

On 01 July 2016, the Financial Conduct Authority (FCA) published a [speech](#) delivered by John Griffith-Jones, FCA Chair, on global regulation in the post-crisis era.

### FCA publishes quarterly consultation paper No.13

On 04 July 2016, the FCA published [consultation paper](#) CP 16/17, "Quarterly Consultation Paper No.13". The FCA consults quarterly on proposed miscellaneous amendments to its Handbook. Amongst other proposals, the FCA is proposing to make changes to the transparency reporting requirements for certain alternative investment fund managers, to reduce information gaps and allow effective monitoring of their risk-taking activities. The consultation closed on 01 August 2016 for Chapter 5 and closes on 12 August 2016 for Chapter 3 and 01 September 2016 for all other chapters.

### FCA board minutes

On 06 July 2016, the FCA published the [board minutes](#) of its meeting held on 25 and 26 May 2016 which refers to the work being carried out following the Fair and Effective Market Review (FEMR) recommendations, in particular on how to implement a market abuse regime for spot foreign exchange trading.

### FCA launches call for input on crowd funding rules

On 08 July 2016, the FCA published a [call for input](#) to the post-implementation review of the FCA's crowd funding rules. The FCA is seeking views on which areas should be considered as part of its upcoming review of the rules surrounding both investment-based and loan-based crowd funding. The FCA is asking for responses by 08 September 2016.

### Financial Services and Markets Act 2000 (Transparency of Securities Financing Transactions and of Reuse) Regulations 2016 published

On 08 July 2016, the [Financial Services and Markets Act 2000 \(Transparency of Securities Financing Transactions and of Reuse\) Regulations 2016](#) and [explanatory memorandum](#) were published on [www.legislation.gov.uk](http://www.legislation.gov.uk). The collateral reuse requirements under the Securities Financing Transactions Regulation (SFTR) entered into force on 13 July 2016 and many funds, including non-EU funds with non-EU investment managers, were required to send collateral reuse information statements to their counterparties by that date.

## **FCA guidance on fund suspensions**

On 08 July 2016, the FCA provided [updated guidance](#) on fund suspensions. The guidance follows the decision by a number of funds to announce the temporary suspension of trading in their property portfolios and feeder funds. The guidance reminds fund managers of their obligations to investors and outlines the FCA's expectations in relation to the suspension of dealings in their funds.

## **FCA publishes annual and competition reports**

On 12 July 2016, the FCA published: (i) its [third Annual Report](#), which looks back on the key pieces of work undertaken by the organisation throughout 2015/16; and (ii) a [Competition Report](#) summarising the activities it has undertaken to promote competition in financial services in its first three years.

## **FCA speech on getting culture and conduct right; the role of the regulator**

On 13 July 2016, the FCA published a [speech](#) by Jonathan Davidson, Director of Supervision – retail and authorisations at the FCA, delivered at the 2nd Annual Culture and Conduct Forum for the Financial Services Industry in London. In particular, the speech refers to the Senior Managers and Certification Regime (SMCR) where the FCA wants senior individuals be held accountable for, the decisions they make and oversee.

## **New FCA financial services register extract service subscribers Handbook**

On 13 July 2016, the FCA published a financial services register extract service subscribers [Handbook](#). The register extract service forms part of the FCA's Publication Scheme, which has been compiled in line with its obligations under the Freedom of Information Act 2000.

## **FCA consults on changes to disclosure rules in the FCA Handbook to reflect the direct application of the PRIIPs Regulation**

On 18 July 2016, the FCA published a [consultation paper](#) CP 16/18, "Changes to disclosure rules in the FCA Handbook to reflect the direct application of the PRIIPs Regulation". The PRIIPs Regulation will require firms to prepare, publish and provide a Key Information Document (KID) for each PRIIP manufactured. In order to prepare for the direct application of the PRIIPs Regulation, the FCA expects all affected firms to plan for changes to their retail disclosure documents and related processes. In this CP, the FCA details its approach and proposals to amend affected disclosure provisions in the FCA Handbook so they reflect the PRIIPs Regulation, in particular so they do not duplicate or conflict with the requirement to produce a KID. The consultation closes on 19 September 2016. The PRIIPs Regulation takes effect on 31 December 2016.

## **FCA feedback statement- supporting the development and adopters of RegTech**

On 20 July 2016, the FCA published [Feedback Statement](#) FS 16/4, "Call for input on supporting the development of RegTech". The FS summarises the responses received to its [Call for Input: Supporting the development and adopters of RegTech](#) (November 2015), and outlines its approach to RegTech for 2016/17. The Feedback Statement summarises the responses into four main themes: (i) efficiency and collaboration; (ii) integration, standards and understanding; (iii) predict, learn and simplify; and (iv) new directions. The FCA aims to be fully engaged with the FinTech community and is keen to improve the interface between the regulator and the regulated.

## **FCA speech about recent work and future challenges**

On 20 July 2016, the FCA published a [speech](#) delivered by Andrew Bailey, Chief Executive at the FCA, at its 2016 Annual Public Meeting held on 19 July 2016.

## **FCA publishes thematic review on UK equity market dark pools**

On 21 July 2016, the FCA published [thematic review](#) TR 16/5, “UK equity market dark pools - Role, promotion and oversight in wholesale markets”. Equity market dark pools are subject to a regulatory framework in the UK that places clear requirements on users and operators of these services. However, dark pools have recently gained increased public attention in respect of price transparency, perceived unfairness and the potential exploitation of some dark pool users by dark pool operators or other more technologically advanced dark pool users. This review explores and seeks to address specific concerns that have been raised in relation to dark pools in the UK equity market. The FCA ‘Business Plan 2016/17’ included the ‘Wholesale financial markets’ as one of its priority themes.

## **PRA publishes occasional consultation paper**

On 22 July 2016, the Prudential Regulation Authority (PRA) published [occasional consultation paper OCP 26/16](#). The OCP sets out proposed changes to the PRA rulebook parts and supervisory statements. The consultation closes for chapters 2-6 on 21 October 2016 and Appendix 7 on 05 August 2016.

## **FEMR chairs publish implementation report**

On 28 July 2016, the Chairs of FEMR published a full [implementation report](#) to the Chancellor of the Exchequer, the Governor of the Bank of England and the Chairman of the FCA, detailing the significant progress that has been made to implement the Review’s recommendations.

## **New FCA webpage on FX remediation programme**

On 28 July 2016, the FCA published a new [webpage](#) setting out next steps in its foreign exchange (FX) remediation programme. The FCA launched a remediation programme in 2014 to ensure UK FX firms addressed the root causes of failings and to drive up standards across the market.

## **FCA publishes second consultation paper on the MiFID2 implementation**

On 29 July 2016, the FCA published [consultation paper](#) CP16/19, “MiFID2 Implementation.” The FCA clarifies that it will keep the proposals under review to assess whether any amendments will be required due to changes in the UK regulatory framework, including as a result of any negotiations following the UK’s vote to leave the EU. The consultation closes on 28 October 2016. There will be a further consultation paper later this year on changes to the Conduct of Business sourcebook (COBS), material on product governance and some further changes to the Perimeter Guidance Manual (PERG). A single policy statement covering all aspects of the FCA implementation is expected in 2017.

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