

Regulatory Update

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UK Edition

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1.0 FCA UPDATES & DEVELOPMENTS

1.1 Extension of SM&CR for Solo-Regulated Firms

The FCA has [updated its webpage](#) on the extension of the Senior Managers and Certification Regime (“SM&CR”) for solo regulated firms. The FCA welcomes the Treasury’s statutory instrument to delay the deadline for solo regulated firms to undertake the first assessment of fitness and propriety of their certified persons from 9 December 2020 to 31 March 2021.

The FCA is now proposing to extend the following requirements to the same deadline:

- the date the conduct rules come into force, for staff who are not senior managers or certification staff
- the deadline for submission of information about directory persons to the register

The FCA is finalising its proposals and intends to publish its final rules and responses in a policy statement in October 2020.

For a demo of CCL’s SM&CR Software, please [contact us](#).

1.2 FCA Extends Deadline to Publish Fund Reports and Accounts

The FCA has [updated its webpage](#) on a previously published statement in April 2020, which gave fund managers extra time to produce their annual and half-yearly reports and accounts due to operational challenges during the coronavirus pandemic. Now that businesses have adjusted to the changed environment, the FCA intends to end the temporary relief in stages over the coming months as follows:

- For funds with an annual or half-yearly accounting date on or before 31 August 2020, the temporary relief will remain in place. For example, this means for an Authorised Fund Manager of a UK UCITS scheme, relevant annual reports would need to be published at the latest by 28 February 2021 instead of 31 December 2020. Relevant half-yearly reports would need to be published at the latest by 30 November 2020 instead of 31 October 2020.
- For funds with an annual or half-yearly accounting date on or before 30 September 2020 (but after 31 August 2020), 1 month’s relief will be permitted where necessary. For example, this means for an Authorised Fund Manager of a UK UCITS scheme, relevant annual reports would need to be published at the latest by 28 February 2021 instead of 31 January 2021. Relevant half-yearly reports would need to be published at the latest by 31 December 2020 instead of 30 November 2020.
- For funds with an annual or half-yearly accounting date after 30 September 2020, the temporary relief will expire and no extra time will be provided. The FCA expects relevant reports to be published in line with the usual timelines.

1.3 First Firms to Move to New Data Collection Platform, RegData

The FCA has [published an update](#) on firms moving to RegData, the FCA’s data collection platform. The first batch of firms are due to move to RegData over the 17th and 18th October weekend and they will then complete their regulatory reporting over RegData. The FCA will continue to move firms across to RegData in the coming months.

All firms will receive direct emails from Gabriel advising them of the moving date and a total of three emails will be sent. These emails will be sent to firms 3 weeks, 5 days and 1 day before moving over to the new platform.

To see how CCL’s [RegTech solution](#) can help you with regulatory data and corporate memory, please [contact us](#).

2.0 PRA UPDATES & DEVELOPMENTS

2.1 PRA Letter on the Operational Readiness of the Temporary Permissions Regime

The PRA has published a letter to Chief Executives Officers of all PRA regulated firms reminding them of their required operational preparations for the end of the transition period which is due to end at 11pm on 31 December 2020. The temporary permissions regime will take immediate effect thereafter.

Firms which have submitted a valid notification or Part 4A application will automatically enter the regime. During the regime, firms will have a maximum of three years to carry out existing activities from the end of the transition period.

The letter stresses the importance for firms to be operationally prepared to enter the regime and meet the resulting regulatory requirements.

3.0 EU REGULATORY UPDATES

3.1 ESMA Confirms Certain Elements of the Securitisation Regulation Are in Force

The European Securities and Markets Authority (“ESMA”) has issued a statement confirming the different elements of the new regime under the Securitisation Regulation that will come into force on 23 September 2020.

Entities wishing to register as a securitisation repository can submit their applications from 23 September 2020. The new disclosure templates will also enter into force on the same date.

4.0 ENFORCEMENT ACTIONS

4.1 FCA Publicly Censures Former CEO for Market Misconduct

The FCA has published a final notice to Conor Foley, the former chief executive officer of Worldspreads, publicly censuring him for market abuse and banning him from performing any roles linked to regulated activity.

A decision notice was also published on 3 July 2020 imposing a financial penalty on Mr Foley for £658,900. Mr Foley has submitted evidence of financial hardship and the FCA has imposed a public censure in lieu of the penalty.

4.2 FCA Publishes Decision Notice for Market Abuse

The FCA has published a decision notice for market abuse, against Corrado Abbattista, a trader and portfolio manager, partner and Chief Investment Officer at Fenician Capital Management LLP. A financial penalty of £100,000 was imposed and a prohibition of the individual from carrying out any functions in relation to regulated activity.

Mr Abbattista repeatedly placed large misleading orders for Contract for Differences (“CFDs”) which he did not intend to execute. At the same time, small orders were placed on the opposite side which he intended to execute. He was aware of the risk of his actions being market manipulation but still recklessly carried out those actions anyway.

The FCA considers the fine and prohibition to reflect the serious nature of the breach and should act as a deterrent for any other market participants.

ABOUT CCL

Established in the UK in 1988, 2006 in the UAE and 2012 in India, CCL provides specialist compliance services to firms regulated by the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA).

Consultancy Services & Support

- Regulatory Technology – CCL C.O.R.E
- Compliance Advisory
 - Assurance Reviews
 - Compliance Remediation
 - Compliance Support Services
 - Documentation
 - Financial Crime Prevention
 - Corporate Governance
 - Risk Management
- FCA Authorisation
- Prudential Rules & Regulatory Reporting
- Hot Topics
 - COVID-19
 - Senior Managers & Certification Regime (SM&CR)
 - Fifth Anti-money Laundering Directive (5MLD)

Training (through CCL Academy)

- Compliance Skills
- AML & Financial Crime Prevention
- FCA Regulations
- Senior Managers & Certification Regime (SM&CR)
- Risk Management
- CISI Qualifications

If you wish to discuss how CCL can assist you with any of the issues raised in this Regulatory Update, please contact one of the directors using the details below:

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This Regulatory Update provides information about the consultative documents and publications issued by the FCA/PRA which are still current, proposed changes to the Rules and Guidance set out in the FCA and PRA Handbooks, actual changes to Rules and Guidance that have occurred in the months leading up to the update and other matters of relevance to FCA/PRA-regulated firms. This Regulatory Update is intended to provide general summarised guidance only, and no action should be taken in reliance on it without specific reference to the particular FCA/PRA document referred to.