

Regulatory Update

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UK Edition

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CONTACTS

CARWYN EVANS

Managing Director, Consultancy Services
CEvans@cclcompliance.com

STUART HOLMAN

Managing Director, Consultancy Services
SHolman@cclcompliance.com

1.0 FCA UPDATES & DEVELOPMENTS

1.1 FCA Statement on Workplace Arrangements and Travel

The FCA has **released a statement** on how firms should continue to assess workplace arrangements and the responsibilities of senior managers in keeping up to date with government guidance.

Firms should continue to follow any relevant government guidance to comply with restrictions. This includes guidance on who should work from home and ensure the workplace is safe for those who cannot work from home.

The FCA recommends the Chief Executive Officer (SMF1) is accountable for ensuring an adequate process for following and adhering to government guidance. For firms who do not have an SMF1, this will be the most relevant member of senior management.

To see how CCL's compliance platform, CCL CORE, can help strengthen compliance arrangements whilst employees are working from home, please click [here](#) for a no obligation demo.

1.2 FCA Warns Firms to be Responsible when Handling Client Data

The FCA has **released a statement** warning firms to be responsible when handling client data. Firms must make sure they lawfully process and transfer client data.

Before transferring a client's personal data, firms should consider whether it is fair and in the interest of the client as according to principle 6 of the FCA handbook. Firms should also pay due regard to the information needs of the clients and communicate with them fairly and clearly.

Under the General Data Protection Regulation (GDPR), firms should maintain a record of how and why they process, share and obtain personal data. In addition, firms should also record the lawful basis for processing data.

1.3 FCA on New Data Collection Platform (RegData)

The FCA has **announced on its website** the benefits of its new data collection platform RegData, which will replace Gabriel as the regulator's data collection platform. The new platform is informed by user feedback, built with flexible technology and allows a faster and easier user experience.

Accessing the system will include the benefits of increased speeds and faster navigation. New resources are available including explainer videos and user guides for each functionality on RegData. RegData will further offer single sign on with the Connect system.

Improvements have been made to the layout of a firm's schedule and submission history allowing for easy searches of draft, past, due or overdue items. The system also includes smarter validation and clear error flags allowing submission issues to be easier to identify.

Firms are now being moved to RegData in groups to minimise impact. All users must register for the system ahead of the move via completing a one-time registration form on Gabriel when prompted.

For guidance and advice in relation to regulatory reporting please **contact us**, or to see how our compliance platform, CCL CORE, can help you stay on top of your regulatory and corporate filings, please click [here](#) for a no obligation demo.

2.0 PRA UPDATES & DEVELOPMENTS

2.1 PRA Statement on Covid Guidance for Firms

The PRA has **released a statement** relating to coronavirus measures for PRA-regulated firms. Firms are expected to continue to follow any relevant guidance to ensure they comply with restrictions. This includes following advice on:

- Who should work from home
- Use of face coverings in close contact services
- Coronavirus testing

It is recommended that the Chief Executive (SMF1) is accountable for ensuring an adequate process is in place for following government guidance. For firms that do not have an SMF 1, this will be the most relevant member of senior management.

To see how CCL's compliance platform, CCL CORE, can help strengthen compliance arrangements whilst employees are working from home, please click [here](#) for a no obligation demo.

3.0 EU REGULATORY UPDATES

3.1 ESMA Publishes Q&A on SFTR Reporting

The European Securities and Markets Authority (ESMA) has published a Q&A in relation to reporting under the Securities Financing Transaction Regulation (SFTR). The Q&A aims to provide clarity to market participants on how to comply with the reporting requirements in the SFTR including:

- Reporting of fields related to time and applicable calendars
- Reporting of settlement legs
- Reporting of SFTs collateralised initially at transaction and then at net exposure level
- Reporting of SFTs concluded off venue and cleared on the same day
- Reporting of zero collateral for margin loans

3.2 ESMA Publishes Report on Sanctions under AIFMD

ESMA has published an annual report on the use of sanctions under the Alternative Investment Fund Managers Directive (AIFMD) by National Competent Authorities (NCAs). The report provides an overview of the legal framework and penalties imposed by NCAs from 1 January 2018 to 31 December 2018 and 1 January 2019 to December 2019.

The report demonstrates an increase in sanctions being issued by NCAs and a decrease in financial penalties.

ESMA will continue to issue reports on an annual basis for future reporting periods.

4.0 ENFORCEMENT ACTIONS

4.1 FX Options Broker Fined for Misleading Information to Clients

The FCA has fined TFS-ICAP Ltd, an FX options broker, for communicating misleading information to clients. Brokers at the firm had communicated to their clients that a trade had occurred at a particular price and quantity when no trade had actually taken place. The firm did not react to warning signs that printing trades may be taking place or address the risk of it. It therefore failed to act with due skill, care and diligence.

TFS-ICAP agreed to resolve the case and qualified for a 30% discount amounting to a £3.44 million fine.

4.2 FCA Bans Three Individuals for Non-Financial Misconduct

The FCA has prohibited Russel David Jameson, Mark Horsey and Frank Cochran from working in the financial services industry following findings that they are not fit and proper. The individuals have been convicted of serious non-financial indictable offences whilst working in the financial services industry.

Russell David Jameson, a financial adviser, was convicted of serious criminal offences involving the making, possession and distribution of indecent images of children.

Mark Horsey, director and shareholder of a financial advice firm, was convicted of voyeurism under the Sexual Offences Act 2003.

Frank Cochran, director and shareholder of a financial advice firm, was convicted of sexual assault, engaging in controlling and coercive behaviour an offence under the Protection from Harassment Act 1997.

4.3 FCA Charges Individual with Offence of Money Laundering

The FCA has charged Richard Jonathan Faithfull with an offence of money laundering following a joint investigation with the City of London Police.

Richard Faithfull is due to appear in court on 26 January 2021.

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 CORE
- 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:

Tel: +44 20 7638 9830

Email: info@cclcompliance.co.uk

Web: www.cclcompliance.co.uk

or write to us at:

CCL Compliance Limited
Birchin Court
20 Birchin Lane
London
EC3V 9DU

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.