

## FCA Announces Funeral Plan Providers Likely to Be Authorised

<https://www.fca.org.uk/news/press-releases/fca-announces-funeral-plan-providers-likely-be-authorised>

The FCA published a list of 24 of the largest funeral plan providers, whom they intend to authorise from 29 July 2022. This will mean that all funeral plan providers will be subject to FCA rules from July 29<sup>th</sup> creating a limitation on cold calling and commissions paid to intermediaries, further boosting the regulators' drive on boosting consumer protection. Plan holders will have the reassurance knowing that they will have access to the Financial Services Compensation Scheme (FSCS). From 1 November, intermediaries that were already trading in the funeral plans market, when the authorisations gateway opened on 1 September 2021, will pay an application fee of £3,500. New firms that began operating in the funeral plans market from 1 September 2021, will continue to pay the standard fee of £2,500.

**Suitable updates for:** Firms that sell pre-paid funeral plans to customers on behalf of the providers; Financial Advisers, Investment Managers, Intermediary Firms, and Firms looking to review current permissions in hope of adding this new activity to their scope.

---

## Improvement of UK Equity Market

<https://www.fca.org.uk/news/news-stories/consult-proposals-aimed-improving-uk-equity-market>

On the 5<sup>th</sup> July the FCA published a consultation paper aimed at improving the way the UK equity market functions. The regulator has been conducting a review on Wholesale Financial Markets and reached a proposal through the Consultation Paper that costs of reporting for firms should be lowered, post-trade transparency should be improved, and restrictions lifted on UK Trading venues to allow them to move freely and compete with other markets. The FCA are working alongside The Treasury, to remove unnecessary regulatory requirements that often place a burden on some firms.

**Suitable updates for:** MiFID firms.

# Changes to Firm and Product Reference Numbers

<https://www.fca.org.uk/news/news-stories/changes-fca-firm-reference-numbers-frns-and-product-reference-numbers-prns>

Due to a high volume in the number of firm applications and notifications, the FCA has decided to make changes to the reference numbers that uniquely identify companies on the register. At present the reference numbers are six-digits, but that is set to increase to seven-digit FRNs and PRNs for all newly registered firms and funds. Nothing will change for firms previously given a six-digit FRN or PRN. There has not been a set date of when these changes will take place, however the FCA will give further guidance when it comes into effect.

Suitable updates for: All firms

---

## FCA Work on Market Abuse and Manipulation

<https://www.fca.org.uk/news/news-stories/market-abuse-manipulation-update>

In their recently published strategy the FCA aims to deliver assertive action on market abuse, for the desired outcome of creating a conducive environment, for legitimate personal account dealing.

This particular area poses an inherent risk to firms, as employees have the potential to make economic gains on inside information and manipulate the market by providing false or misleading information, therefore, making it volatile to the Financial Market. The FCA has made observations that can aid firms to get their market abuse surveillance in order, this is conducted through market abuse risk assessments that are effective in adequately identifying market abuse risks, coupled with the firm's monitoring programme. The FCA's Market Watch publication sets out guidelines on how firms should operate as market participants and provides good practice as well as highlights common weaknesses in a firm's system and controls. Over the next two years the regulator will improve on their ability to detect market abuse, through an upgrade of its surveillance system.

Suitable updates for: MIFID firms

# FCA Fines Insurance Broker JLT Specialty Limited £7.8m for Financial Crime Control Failings

<https://www.fca.org.uk/news/press-releases/jlt-specialty-limited-fined-7.8m-pounds-financial-crime-control-failings>

The FCA has fined JLT Specialty Limited (JLTSL) £7,881,700 for financial crime control failings, which in one instance allowed bribery of over \$3m to take place. JLTSL placed business in the London reinsurance market for JLT Re Colombia, another company in the JLT group. The business had been introduced by a third-party based in Panama. Between 21 November 2013 and 6 June 2017, JLTSL paid \$12.3m in commission to JLT Colombia Wholesale Limited, the parent company of JLT Re Colombia, which in turn paid \$10.8m to the third-party introducer. This introducer then paid over \$3m to government officials at a state-owned insurer to help retain and secure their business for JLTSL and JLT Re Colombia. JLTSL failed to manage their business and risks responsibly and effectively. Mark Steward, Executive Director of Enforcement and Market Oversight, commented:

*'Lax controls by JLT Specialty meant, ultimately, that money flowed into the pockets of corrupt officials. It is because of risks such as this that we are maintaining our focus on financial businesses' financial crime systems, acting where these firms fall short.'*

Suitable updates for: All firms.

+44 (0)20 3696 8750

info@newgatecompliance.com

newgatecompliance.com

Follow Us

## About Newgate Compliance

Newgate Compliance is a compliance consultancy offering a modern solution to implement your compliance function using an innovative compliance software solution called **The GATEway**.

Newgate has an unrivalled combination of experienced professionals, many of whom are ex-regulators.

Our customer focused approach seeks to provide appropriate, pragmatic and flexible solutions to our clients helping them to meet both the regulator's rules but also the spirit, principles and culture of the regulatory regime.

We look to build long-term relationships with our customers helping to encourage business growth, productivity and innovation. Our proactive approach is tailored to each customer's needs changing to meet those needs as the customer progresses and develops.

© 2022 Newgate Compliance Limited