

FCA Makes New Rules

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At FCA's Board meeting on 8 December, it made [several new rule instruments](#), covering (among other things), several changes to take effect from 3 January 2018:

- minor changes relating to MiFID 2 implementation, including a new definition of “high frequency algorithmic trading technique”, amending various definitions relating to derivatives to ensure they reflect changes to the RAO, including “binary bets” within the definition of “designated investments”, and various consequential changes, clarifications and updates. Further changes address the proposed changes to DEPP and EG not previously confirmed. There is also a change to the definition of “OPS firm” (which was made in an earlier Handbook Instrument) which will now not take effect until 2 April 2018;
- changes to COBS 9 to insert new guidance on how firms comply with various conduct obligations when dealing with insistent clients. ;
- changes to PERG and the RPPD consequent on the changes to the RAO activity of advising on investments. Key aspects of the instrument include clarification on what can be referred to FOS in relation to advice that is not a personal recommendation, the FSCS status relating to such advice and training and competence requirements. It also amends the rules on inducements and adviser charging so that a firm cannot receive inducements in relation to its investment advice business;
- bringing the activity of an RIE operating an MTF or OTF within scope of FSCS;
- enabling FCA to collect its 2017/18 Funding Requirement from RIEs, benchmark administrators and DRSPs; (this is partly in force from 8 December);
- further changes to FEES to ensure authorised payment institutions and e-money institutions contribute towards the costs of FCA processing their VOP applications. Some changes are already in force and the others take effect from 13 January. Separate changes, taking effect from 15 December, address how PSR fees are collected;
- changes to SUP 10C from 23 February 2018 in respect of fitness and propriety of individuals and changes to the Glossary, SUP 10A and SUP 10C consequent on MiFID 2. The changes related to checking whether senior managers have criminal records and information MiFID 2 requires firms to submit in respect of new approved persons applications, internal transfers and when approved persons leave;
- amendments to the reporting requirements in SUP 16, taking effect from 31 December 2017 and 1 September 2018;
- changes to COBS 13 to ensure firms can provide projections as well as the PRIIPs KID;
- adding a new BCOBS 7 to improve the availability of meaningful and comparable information.

This takes effect from 15 August 2018; and

- changes to CASS 7 and 7A to ensure the CASS rules are consistent with the new EU indirect client clearing requirements.

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