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Via Email

February 2016

Our Ref: FOI4363

Dear

Freedom of Information: Right to know request

I refer to your request for information under the Freedom of Information Act 2000 ("the Act"), for the following information:

1. *"How many AIFMs are currently under investigation by the FCA for enforcement action?"*
2. *"What are they under investigation for?"*

Before turning to your request, it is worth noting that we have defined Alternative Investment Fund Managers ("AIFMs") as firms that fall within the scope of the transparency reporting regime of the Alternative Investment Fund Managers Directive ("AIFMD"). This includes AIFMs that are UK domiciled and are either authorised by, or registered with, the FCA for the purposes of the AIFMD. It also includes AIFMs that are domiciled outside of the EEA but which have made a notification to the FCA to market one or more Alternative Investment Fund in the UK as permitted by the UK's AIFMD National Private Placement Regime. We have not limited the search to investigations in respect of those firms' AIFM business.

I confirm that we hold the information you have requested, based on the criteria set out above. In relation to point 1 of your request, as at January 2016 the FCA has open enforcement investigations into 2 firms that fall within the above criteria. With regard to point 2 of your request, the investigations are into mis-selling/customer care failings and systems and controls failings.

We note your previous request dated 23 December 2014 requesting the number of hedge funds or hedge fund managers under FCA investigation. In our response, we explained that, as the FCA does not have a specific case category for hedge fund managers, we focused our searches on firms who hold the permission of "Managing Investments" and firms who fall within the AIFMD. The scope of our response was not limited to only those firms that fulfilled both criteria. As such, our response of 67 open investigations correlated to 31 separate firms within a broader population than your current request. As with the current request, we did not limit the search by reference to firms' AIFMD activities.

As also previously advised, you can obtain further information regarding enforcement action from the following places:

- Information about those cases where the FCA has taken disciplinary action against individuals or firms from April 2013 may be found on the FCA's website via the following link:

<http://www.fca.org.uk/your-fca/list?ttypes=Final+Notice&yyear=&ssearch>

- Information about those cases where the FSA took disciplinary action against individuals or firms prior to April 2013 can still be found on the FSA's website via the following link:

<http://www.fsa.gov.uk/Pages/Library/Communication/Notices/index.shtml>.

- Information about the cases where the FCA/FSA decision to take enforcement action has been referred to the Tribunal may be found on the Upper Tribunal website via the following link:

<http://www.tribunals.gov.uk/financeandtax/Decisions/Financial.htm>

Yours sincerely

Information Access Team

Your right to complain under the Act

If you are unhappy with the decision made in relation to your request, you have the right to request an internal review. If you wish to exercise this right you should contact us within three months of the date of this response.

If you are not content with the outcome of the internal review, you also have a right of appeal to the Information Commissioner at Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF. Telephone: 01625 545 700. Website: www.ico.org.uk