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\*\* August 2008

Our ref:CP08/10

Dear Kate

## **CP08/10 Decision Procedure and Penalties manual and Enforcement Guide Review 2008**

This is the Financial Services Consumer Panel response to CP08/10: Decision Procedure and Penalties manual and Enforcement Guide Review 2008.

*Q1: Do you agree with our proposal to include a new chapter in EG setting out our non-FSMA powers and how we propose to use them?*

We agree with this proposal.

*Q2: Do you have any comments about our proposals for enforcing the Money Laundering Regulations and the Transfer of Funds Regulations?*

We suggest that the FSA makes clear that it will pass information when appropriate on to other agencies and will co-operate with criminal investigations and prosecutions.

*Q3: Do you have any comments about our proposals in relation to the RCB Regulations?*

No

*Q4: Do you have any comments about our proposals relating to the use of our existing non-FSMA enforcement powers?*

No

*Q5: Do you have any comments relating to our proposal to include a new leniency factor in EG 12.8?*

The Panel supports the proposal to offer leniency to offenders who give information and assistance to the FSA, resulting in proceedings against other offenders. In the same vein, we note with approval the separate undertaking by the Government in paragraph 3.14 of the further consultation paper on Financial Stability and Depositor Protection, to the effect that the Government will shortly legislate to give the FSA powers to grant immunity from prosecution to co-perpetrating witness offenders.

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Taken together we hope that these measures will allow far more forceful action to be taken in cases of suspected insider dealing and other market abuses.

*Q6: Do you have any comments relating to our proposals concerning OIVoPs?*

We support the proposed widening of the use of Own Initiative Variations of Permission (OVIoPS), and suggest that the availability of OVIoPS be employed to encourage reluctant firms to carry out a Past Business Review in cases in which they have been disciplined for offences uncovered by the FSA during a study of consumer detriment during a particular sample period of time.

*Q7: Do you have any comments about our proposals to amend EG 8?*

The Panel agrees with the proposals.

*Q8: Do you have any comments about our proposal to include in EG a statement of policy relating to the commencement by the FSA of civil and criminal proceedings?*

The Panel agrees with these proposals.

*Q9: Do you have any comments in respect of the proposed amendments to our existing policy outlined in paragraphs 2.46 to 2.54?*

The Panel has no comments on these proposals.

Yours sincerely,



David Lipsey  
Chairman

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