



# News release

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7 November 2018

## **PRA imposes financial penalty on Mr Akira Kamiya and Mr Takami Onodera for failure to disclose information**

Following on from the PRA's 9 February 2017 Final Notice in which the PRA imposed financial penalties on The Bank of Tokyo-Mitsubishi (BTMU) £17.85m and MUFG Securities EMEA plc £8.925m, the PRA has today:

1. imposed a financial penalty on Mr Akira Kamiya, former Chair of Mitsubishi UFJ Securities International plc<sup>1</sup> (MUS (EMEA)), of £22,700; and
2. imposed a financial penalty on Mr Takami Onodera, former Non-Executive Director of MUS (EMEA), of £14,945.

Both Mr Kamiya and Mr Onodera have received financial penalties for failing, in 2014, to disclose the possibility Mr Kamiya would be restricted from conducting US banking activities as a result of action by the New York Department of Financial Services (DFS) against BTMU. This information could have had implications for Mr Kamiya's role as Chair of MUS (EMEA).

On 18 November 2014 the DFS published a consent order, fining BTMU and requiring it, and its affiliated companies, to prevent Mr Kamiya from conducting any of its US banking business in the future. Mr Kamiya was Chair of MUS (EMEA) at the time of publication.

The PRA was not informed about the DFS action until after the publication of the consent order.

Following its investigations into Mr Kamiya and Mr Onodera, the PRA has concluded that both Mr Kamiya and Mr Onodera were aware of the DFS action and its potential implications for Mr Kamiya personally in advance of 18 November 2014. This was information of which the PRA would have reasonably expected notice, regardless of the likelihood or nature of any potential outcome. As a result, the PRA has concluded that both Mr Kamiya and Mr Onodera breached the PRA's Statement of Principle 4 by failing to disclose appropriately that information.

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<sup>1</sup> Mitsubishi UFJ Securities International plc changed its name to MUFG Securities EMEA plc on 1 July 2016.

Mr Kamiya's and Mr Onodera's breaches meant that the PRA was not aware of the DFS action and its implications for Mr Kamiya ahead of the public announcement by the DFS on 18 November 2014. The PRA was unable to consider, make or supervise any necessary contingency plans.

The requirement to disclose appropriately any information of which the FCA or PRA would reasonably expect notice is currently set out in Senior Manager Conduct Rule 4. The duty imposed by that rule includes a duty to make disclosures in the absence of any request or enquiry from the PRA.

**Sam Woods, Deputy Governor for Prudential Regulation and Chief Executive Officer of the PRA, said:**

*It is vital that firms and individuals are completely open and cooperative with the regulator, and that they disclose appropriately any information of which the PRA would reasonably expect notice. We are today imposing financial penalties on Mr Kamiya and Mr Onodera for their failure to meet this disclosure standard, in addition to the financial penalties already imposed on the firm.*

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#### **Notes to Editors**

1. The PRA has coordinated with the Financial Conduct Authority (FCA) as the investigation has progressed and the FCA fully supports the PRA's findings and resulting action against Mr Kamiya and Mr Onodera.
2. The PRA's action against Mr Kamiya and Mr Onodera was not taken under the Senior Managers Regime. The Senior Managers Regime came into force on 7 March 2016, after the misconduct in the present case occurred.
3. The Bank of Tokyo-Mitsubishi UFJ, Ltd changed its name to MUFG Bank, Ltd on 1 April 2018.
4. BTMU and MUFG Securities EMEA plc are both subsidiaries of Japan's Mitsubishi UFJ Financial Group, Inc.