How fair and effective are the fixed income, foreign exchange and commodities markets?

Insight Investment response

January 2015

Insight INVESTMENT

A BNY MELLON COMPANY℠

Background to Insight

Insight Investment is responsible for EUR467bn of assets under management,[1] predominantly on behalf of European pension funds and other long-term savings institutions. Our business is largely focused on providing asset and liability risk management solutions for these clients.

The overriding objective of most pension schemes is to secure their members' benefits by protecting and improving their financial solvency. After a catastrophic deterioration in funding levels over much of the last decade where increases in the value of pension liabilities have outstripped any growth in assets, it is now widely recognised that managing long-term financial solvency cannot be achieved without an effective strategy for managing liability risk. Insight's specialist focus is liability risk management through an approach to pension fund investment known as liability driven investment (LDI). In providing this we are extensive users of OTC derivatives and other financial instruments.

Insight Investment welcomes the opportunity to provide our views and we are pleased to submit our response to the consultation document published by the UK authorities as part of the Fair and Effective Markets Review, focused on the assessing "How fair and effective are the fixed income, foreign exchange and commodities markets?"

We have provided our responses on key issues in the section below, followed by responses to the specific questions raised.

Executive summary

We agree that there is a need for fair and effective fixed income, currency and commodities (FICC) markets. We provide detailed responses to many of the questions in the consultation document later in this paper, and highlight below some of the key themes.

- **Focus needs to shift to enforcement over creating new rules**

Recent cases of market abuse have shown that improvements are needed within the FICC markets. However, it is important to note that many of the abuses that have occurred, including the cases focused on benchmarks, were a result of criminal activities. The rules were there but were broken. **We believe the failures occurred as a result of a lack of appropriate regulatory disclosure, surveillance and enforcement. While some new rules may be necessary, the overwhelming focus should be on how best to enforce the existing rules.** This includes enforcement by firms as well as regulators. Better detection mechanisms and harsher punishment are needed to achieve more fair and effective FICC markets.

We believe that a three-pronged approach, set out below, should help prevent or capture abuses in the FICC market:

1. The first line of defence should be preventative deterrence. This would include having appropriate standards of market practice (discussed in section 5.4), appropriate competition law and market discipline (discussed in section 5.2), as well as robust governance and incentive structures (discussed in section 5.5).
2. The second line of defence would be to ensure that appropriate disclosures and surveillance are in place (discussed in section 5.6).
3. Finally, the third line of defence should be to ensure that there is a robust enforcement culture at both firms and regulators (discussed in section 5.6).

[1] Source: Insight. Data as at 31 December 2014. Assets under management are represented by the value of cash securities and other economic exposure managed for clients.

Existing rules as well as new rules that are in the process of being introduced already cater for many of the issues above. We believe the greatest benefit can be gained from robust enforcement and the use of powers that these rules already provide.

- **Risk of unintended consequences by introducing further new rules**

We believe there is a high risk that unintended consequences could result from writing too many new rules, especially in the current environment. The market is already struggling to cope with the quantity and timing of rules that have been introduced since the 2008 financial crisis. We believe a period of time is necessary to ensure that firms have been able to implement existing rules robustly, and that regulators are monitoring their effects, before an array of new rules are introduced.

We believe the regulatory reforms that have been introduced since the 2008 crisis have already led to some unintended consequences, and we would therefore encourage policymakers to monitor the current regime before excessive new rule-writing takes place.

One unintended consequence we have witnessed is that many banks have shut down parts of their business, leading to fewer players in the market. This ultimately leads to greater concentration risk, a reduction in competition, a greater risk of collusion and potentially greater counterparty risk resulting from a reduced number of players in the market.

We have also witnessed banks being less reluctant to trade on a principal basis as the cost of doing so has increased after recent reforms. The move more towards agency trading versus principal trading (where banks were more willing to take on risks and warehouse them over a longer period) has reduced liquidity in the market.

- **Principles-based rules likely to be more robust than detailed rules**

In general, we believe that a principles-based approach versus detailed rules would achieve the end goals of the regulators more effectively. Principles-based rules are harder to innovate around, whereas detailed rules can quickly become out of date.

A move away from a principles-based to detailed regulatory rules could also encourage a change of mind-set for market participants. Such an approach can encourage behaviours aimed at following the letter of the law, and therefore result in people trying to find ways to interpret rules narrowly. However, a sound principles-based approach can capture a wider set of poor behaviours and is therefore more likely to result in market participants taking more responsibility for their actions. Finally, as policymakers write many detailed rules, there is a risk that rules across different jurisdictions or business types contradict each other.

Given the above, we would encourage any future rules to take a principles-based rather than a detailed approach.

- **Caution against standardisation that changes the nature of FICC instruments**

We would caution against any reform that aims to change the market microstructure. While some aspects of the FICC markets could perhaps be standardised, the standardisation of the structure of the instruments, or changes in the nature of the underlying instruments, would likely harm the social benefits that the FICC market provides. Excessive standardisation would prevent both issuers from meeting their specific funding needs, and end-users from being able to hedge their risks.

For example, the cash flow demands of corporates and pension fund liabilities are not standardised. The bespoke nature of the FICC markets plays an important role in removing both financial and funding risks for market participants. **Excessive standardisation would inhibit legitimate hedging and financing activities of firms, and result in the wider economy retaining more risk that would otherwise have been removed.**

Although greater liquidity is often used as a reason to support further standardisation, it should not come at a cost of limiting the social benefit the FICC market provides to the wider economy. We believe a more liquid FICC market which retains more risks in the wider financial system would go against the policymakers' end goal.

- **Support for regulatory transparency and caution against public transparency**

While regulatory transparency is something we wholeheartedly support, public transparency can be harmful as it can threaten liquidity and market capacity. We would therefore caution against excessive public transparency to the market on transaction-sensitive information.

- **Strike an appropriate balance between harmonisation at a national versus an international level**

As new reforms are introduced, an important balance needs to be struck between the harmonisation of policies at a national versus an international level.

Large differences in approaches across international boundaries can encourage investors to move business to the more favourable regime. One area where we could see a risk of this taking place is due to the differing approaches that are being considered by the European and US policy-makers on the requirement to post variation margin on non-cleared physically settled foreign exchange forwards and swaps.

However, there are situations when it would be necessary to deviate from international consistency in order to achieve a coherent and harmonised approach at a national level. It is important for policymakers to be able to make tailored rules that take into account any nuances of markets in specific jurisdictions.

For example, different countries have different structures for dealing with the aging population and therefore the structure of the pensions market can vary across countries. This is one area where it would be logical for policymakers to take different views on the treatment of pension funds across different jurisdictions.

Where there are clear differences in the structure or function of the market across different jurisdictions, we believe that generally, harmonisation at a national level should take priority over international level.

Questions and answers

In this section we provide our answers to the questions posed by the consultation.

Q1: The Review would welcome respondents' views on the definition of 'fair and effective' FICC markets proposed in Section 3. Does it strike the right balance between safeguarding the interests of end-users without unnecessarily impeding the effectiveness of FICC markets? Are the concepts of transparency, openness and equality of opportunity appropriately specified? And how does the definition compare with those used in other markets, jurisdictions, organisations or legislation?

We feel that the definition broadly makes sense, though it is important to keep in mind that having overly descriptive definitions could hinder the ultimate aim. It is important to strike the right balance between detail and setting out overall objectives.

Q2: Of the six themes identified in Table A on page 5 (market microstructure; competition and market discipline; benchmarks; standards of market practice; responsibilities and incentives; and surveillance and penalties), which do you consider to be the most important factors contributing to the recent series of FICC market abuses? In which other areas do you believe the fairness and effectiveness of FICC markets globally may be deficient? Do these answers vary across jurisdictions, or specific markets within FICC? Are there any other important areas of vulnerability that are not identified in the table?

We agree that there is a need for fair and effective FICC markets. Recent cases of market abuse have shown that improvements are needed within the FICC markets. However, it is important to note that many of the abuses that have occurred, including the cases focused on benchmarks, were a result of criminal activities. The rules were there but were broken. **We believe the failures occurred as a result of a lack of appropriate regulatory disclosure, surveillance and enforcement. While some new rules may be necessary, the overwhelming focus should be on how best to enforce the existing rules.** This includes enforcement by firms as well as regulators. Better detection mechanisms and harsher punishment are needed to achieve more fair and effective FICC markets.

We believe that a three-pronged approach, set out below, should help prevent or capture abuses in the FICC market:

1. The first line of defence should be preventative deterrence. This would include having appropriate standards of market practice (discussed in section 5.4), appropriate competition law and market discipline (discussed in section 5.2), as well as robust governance and incentive structures (discussed in section 5.5).
2. The second line of defence would be to ensure that appropriate disclosures and surveillance are in place (discussed in section 5.6).
3. Finally, the third line of defence should be to ensure that there is a robust enforcement culture at both firms and regulators (discussed in section 5.6).

Existing rules as well as new rules that are in the process of being introduced already cater for many of the issues set out above. We believe the greatest benefit can be gained from robust enforcement and the use of powers that these rules already provide.

We do <u>not</u> believe that market microstructure (section 5.1) has been a cause of market abuse, and would therefore caution against including it alongside the other themes.

Q3: Do trading practices involving barrier or digital options pose risks to the fairness and effectiveness of one or more FICC markets? How hard is it to distinguish between hedging and 'defending' such options in practice? Should further measures be taken to deal with the risks posed by barrier options, whether through market-wide disclosure of significant barrier positions, an extension of regulation or some other route?

We believe that appropriate transparency/disclosure to regulators is necessary for trading activity leading up to a market event, such as the expiry of an option.

Q4: Does the market microstructure of specific FICC markets — including trading structures, transparency, asset heterogeneity or market access — enhance or diminish fairness and effectiveness? Where there are deficiencies, will recent or in-train regulatory or technological changes improve the situation, or are further steps needed? How do these answers vary across jurisdictions, or specific markets within FICC?

We believe the recent cases of market abuse resulted from criminal activities and existing rules being broken. We would encourage greater regulatory disclosure, surveillance and enforcement. We do not feel that the market microstructure was the cause of the market abuses.

We would caution against any reform that aims to change the market microstructure. While some aspects of the FICC markets could perhaps be standardised, the standardisation of the structure of the instruments, or changes in the nature of the underlying instruments, would likely harm the social benefits that the FICC market provides. Excessive standardisation would prevent both issuers from meeting their specific funding needs, and end-users from being able to hedge their risks.

For example, the cash flow demands of corporates and pension fund liabilities are not standardised. The bespoke nature of the FICC markets plays an important role in removing both financial and funding risks for market participants. **Excessive standardisation would inhibit legitimate hedging and financing activities of firms, and result in the wider economy retaining more risk that would otherwise have been removed.**

Although greater liquidity is often used as a reason to support further standardisation, it should not come at a cost of limiting the social benefit the FICC market provides to the wider economy. We believe a more liquid FICC market which retains more risks in the wider financial system would go against the policymakers' end goal.

Q5: Is greater use of electronic trading venues for a wider range of market participants possible or desirable? Are there barriers preventing a shift to a more transparent market structure?

It is possible, but would come at a considerable cost. We do not necessarily view the greater use of electronic trading to be desirable because it can introduce inefficiencies in the hedging market, particularly when dealing in large sizes.

Even in markets where electronic trading works well, it is not clear whether these venues provide greater liquidity at times of market stress, when liquidity is most needed.

While regulatory transparency is something we wholeheartedly support, public transparency can be harmful as it can threaten liquidity and market capacity. We therefore caution against excessive transparency to the market on transaction-sensitive information.

Q6: Is standardisation of corporate bond issuance possible or desirable? Should standardisation be contemplated across a broader range of fixed income products? How could that be brought about?

Standardisation is possible but at a great cost, and we therefore do not view this to be desirable. Standardisation that changes the nature of FICC instruments, including corporate bonds, would result in the end investor or issuer retaining risk that they could otherwise remove.

The funding demands of corporates are not standardised. The bespoke nature of the FICC markets plays an important role in removing these risks for corporates. Excessive standardisation would inhibit legitimate hedging and financing activities of firms, and result in the wider economy retaining more risk that would otherwise have been removed.

Although greater liquidity is often used as a reason to support further standardisation, it should not come at a cost of limiting the social benefit the FICC market provides to the wider economy. We believe a more liquid FICC market which retains more risks in the wider financial system would go against the policymakers' end goal.

Q7: Should the new issue process for bonds be made more transparent through the use of auction mechanisms, publication of allocations or some other route?

No comment.

In foreign exchange:

Q8: Are there risks associated with internalisation and last look practices? Are there barriers preventing increased pre and post-trade transparency in foreign exchange markets?

No comment.

Q9: Are there barriers impeding the development of more comprehensive netting and execution facilities for transacting foreign exchange fix orders?

No comment.

In commodities:

Q10: Are there any material barriers preventing greater transparency in OTC commodity derivatives markets? If so, what could be done to remove them?

No comment.

Regulatory measures:

Q11: Are there any areas of FICC markets where regulatory measures or internationally co-ordinated regulatory action are necessary to address fundamental structural problems that exist?

As new reforms are introduced, an important balance needs to be struck between the harmonisation of policies at a national versus an international level.

Large differences in approaches across international boundaries can encourage investors to move business to the more favourable regime. One area where we could see a risk of this taking place is due to the differing approaches that are being considered by the European and US policy-makers on the requirement to post variation margin on non-cleared physically settled foreign exchange forwards and swaps.

However, there are situations when it would be necessary to deviate from international consistency in order to achieve a coherent and harmonised approach at a national level. It is important for policymakers to be able to make tailored rules that take into account any nuances of markets in specific jurisdictions.

For example, different countries have different structures for dealing with the aging population and therefore the structure of the pensions market can vary across countries. This is one area where it would be logical for policymakers to take different views on the treatment of pension funds across different jurisdictions.

Where there are clear differences in the structure or function of the market across different jurisdictions, we believe that generally, harmonisation at a national level should take priority over international level.

Q12: Where do potential conflicts of interest arise in the various FICC markets, and how do they affect the use and potential abuse of confidential information, both within and between firms?

One area where potential conflicts of interest can arise is in the role that banks play. In particular, end-users can often confuse banks to be acting as an agent in a transaction when in fact they are acting as a principal. To be clear, we are supportive of banks acting as a principal (this can often increase market liquidity), but we believe that there should be greater clarity in these instances to ensure that there is no confusion for end-users. Clear disclosure from banks acting as principal on the following would be helpful for end users:

- Disclose clearly that they have no fiduciary responsibility to clients
- Disclose clearly that they do not have responsibility for best execution for clients

The consultation paper raises questions on the duties that market participants have to their clients. We believe this topic cannot be discussed without distinguishing between the roles that market participants play. The duties to clients should vary considerably when a market participant acts as an agent rather than a principal.

Q13: How can the vulnerabilities posed by such conflicts be reduced? Are existing internal structures and control procedures sufficient? Where they are not, are further internal management controls required (such as better trading floor design and/or closer monitoring of electronic communications within and between firms) or is more radical action required to remove conflicts altogether?

We believe that full disclosure is necessary to make it absolutely clear the capacity in which market participants act (i.e. agent versus principal), ex-ante to the trade. This can take place either on a trade-by-trade basis or on a relationship level. We do not believe that internal procedures alone are sufficient.

Q14: Is there a relationship between the level of competition in FICC markets globally and the fairness and effectiveness of those markets? What risks are posed by the increase in concentration seen in some FICC markets? In answering this, please have regard to the geographical scope of any relevant markets.

Yes. Generally, the more competition, the more fair and effective the markets are likely to be.

Risks created by an increase in concentration would include a reduction in liquidity, greater risk of collusion and greater counterparty risk, resulting from a reduced number of players in the market.

We believe that the regulatory reforms that have been or are in the process of being introduced after the 2008 crisis is resulting in many banks shutting down parts of the business, leading to increased concentration and other risks mentioned above.

Q15: To the extent that competition is currently ineffective in any of the FICC markets, are there market-led initiatives, technological or structural changes that may remedy this situation?

We believe that markets are more effective when supply and demand forces are able to interact with each other naturally, with some high level oversight from regulators. Over-regulation can in fact reduce competition, as stated in our answer to question 14 (see above). Recent regulatory reform has led to an increase in concentration and therefore a reduction in competition in some markets.

Q16: Are there any lessons that can be drawn from experiences in other financial markets (or indeed other markets) about the ways that alternative or evolving market structures could impact on competition in FICC markets?

Evidence of whether the "electrification" of markets promotes competition and price efficiency is unclear, particularly for large orders.

Even in markets where electronic trading works well, it is not clear whether these venues provide greater liquidity at times of market stress, when liquidity is most needed.

Q17: How effective is market discipline in enforcing sound market practices in each of the key FICC markets? What could be done to strengthen it?

Regulatory enforcement, if applied stringently enough, could form an effective deterrent. The best outcome would be a combination of this with the natural supply and demand forces of the market.

Q18: In what ways might competition in any of the key FICC markets usefully be addressed by competition authorities (eg by assessing the state of competition in relevant markets)?

As was clear from the Libor benchmark market abuse cases, the existence of inter-bank collusion demonstrated a disregard for competition law. In such cases, investigation and enforcement actions seem to be the most appropriate to promote competition.

Q19: Are there any additional regulatory reforms that could be helpful in promoting competition and market discipline in FICC markets?

We do not believe there are specific additional reforms that would be helpful. Increased trade reporting requirements, such as those included in EMIR and the Dodd Frank rules, have already introduced measures for greater disclosure to regulators. These requirements, combined with better surveillance and enforcement, should provide greater competition and market discipline.

Q20: Is there a need for better awareness and understanding of the existing competition framework among FICC market participants, both at firm and individual level? How do you think that might be best achieved?

No comment.

Q21: Do current domestic and international initiatives by industry and regulators to improve the robustness of benchmarks go far enough, or are further measures required?

No comment.

Q22: What steps could be taken to reduce the reliance of asset managers and other investors on benchmarks?

No comment.

Q23: What additional changes could be made to the design, construction and governance of benchmarks?

The common link in the recent market abuse cases, including the Libor fixing and Madoff cases, is the lack of independence of control functions from market-facing functions. Governance needs to be sufficiently independent of market-facing functions to prevent or detect abuses.

Q24: Should there be an industry panel to discuss benchmark use and design with the aim of assisting industry transition?

No comment.

Q25: What further measures are necessary to ensure full compliance with the IOSCO Principles for financial benchmarks by all benchmark providers?

No comment.

Q26: How can the regulatory framework provide protection to market participants for benchmarks administered in other jurisdictions in a proportionate way?

No comment.

Q27: Are existing sources of information regarding standards of market practice across FICC markets globally: (a) already sufficiently clear (or will be once current regulatory reform has concluded); (b) sufficient, but in need of clearer communication or education efforts; or (c) not sufficiently clear, requiring more specific guidance or rules to provide more detail or close genuine gaps?

No comment.

Q28: Box 7 on pages 36–37 discusses a number of uncertainties over FICC market practices reported by market participants, including: the need for greater clarity over when a firm is acting in a principal or an agency capacity; reported difficulties distinguishing between legitimate trading activity and inappropriate front-running or market manipulation; and standards for internal and external communication of market activity. To the extent that there are uncertainties among participants in the different FICC markets over how they should apply existing market standards in less clear-cut situations, what are they?

Banks, by their behaviour, can be interpreted to be holding themselves out to be agents when they are really acting in the manner of a principal. We do not think there is anything wrong with banks acting as a principal, but we believe there should be adequate disclosure, to make sure that end-users do not confuse the role that they play.

Clear disclosure from banks acting as principal on the following would be helpful for end users:

- Disclose clearly that they have no fiduciary responsibility to clients
- Disclose clearly that they do not have responsibility for best execution for clients

Q29: How could any perceived need to reduce uncertainties best be addressed: (a) better education about existing standards; (b) new or more detailed market codes on practices or appropriate controls; or (c) new or more detailed regulatory requirements?

We believe that approach (b) would be preferable. We believe greater controls and stringent enforcement of existing rules would have the greatest benefit. Too much detailed regulation can become overbearing and unnecessarily complicated with limited benefits.

In general, we believe that a principles-based approach versus detailed rules would achieve the end goals of the regulators more effectively. Principles-based rules are harder to innovate around, whereas detailed rules can quickly become out of date.

A move away from a principles-based to detailed regulatory rules could also encourage a change of mind-set for market participants. Such an approach can encourage behaviours aimed at following the letter of the law, and therefore result in people trying to find ways to interpret rules narrowly. However, a sound principles-based approach can capture a wider set of poor behaviours and is therefore more likely to result in market participants taking more responsibility for their actions. Finally, as policymakers write many detailed rules, there is a risk that rules across different jurisdictions or business types contradict each other.

Given the above, we would encourage any future rules to take a principles-based rather than a detailed approach.

Q30: How can the industry, firms and regulators improve the understanding of existing codes and regulations by FICC market participants and their managers?

No comment.

Q31: Should there be professional qualifications for individuals operating in FICC markets? Are there lessons to learn from other jurisdictions — for example, the Financial Industry Regulatory Authority's General Securities Representative (or 'Series 7') exam?

Can the industry help to establish better standards of market practice?

No comment.

Q32: What role can market codes of practice play in establishing, or reinforcing existing, standards of acceptable market conduct across international FICC markets?

No comment.

Q33: How would any code tackle the design issues discussed in Section 5.4.3, ie: how to ensure it can be made sustainable given industry innovation over time? How to differentiate it from existing codes? How to give it teeth (in particular through endorsement by regulatory authorities or an international standard setting body)? How to communicate it to trading teams? Whether, and how, to customise it for individual asset classes? Should the scope of regulation be extended?

No comment.

Q34: In the context of implementing MiFID 2, which of the FCA Principles for Businesses should apply in relation to MiFID business with Eligible Counterparties?

No comment.

Q35: Are there any financial instruments that should be brought more fully into the scope of regulation in order to improve the fairness and effectiveness of specific FICC markets? For any instruments proposed: (a) what protections does the current framework provide; (b) what gaps remain of relevance to fairness and effectiveness; and (c) what is the cost/benefit case, bearing in mind the Review's Terms of Reference as set out in Section 1?

No comment.

Q36: How much of a role did inadequate governance, accountability and incentive arrangements play in the recent FICC market abuses, and to what extent do these remain potential vulnerabilities in FICC markets globally? In addition to on-going regulatory changes, what further steps can firms take to embed good conduct standards in their internal processes and governance frameworks? And how can the authorities, either internationally or domestically, help to reinforce that process, whether through articulating or incentivising good practice, or through further regulatory steps?

See answer to question 29 above. We believe that many of the market abuses that took place recently were criminal activities. The rules were already clear as to the regulatory and criminal issues involved. Both the firms and regulators share some responsibility in the lack of robust enforcement. We would be supportive of firms and regulators working together to ensure more robust enforcement of rules.

Q37: Do respondents' agree that the thematic areas highlighted in Section 5.5 are key priorities for FICC firms (fine-tuning performance measures; adjustments to remuneration; attitudes towards hiring, promotion and advancement; closer board involvement in governance of FICC activities; and clearer front line responsibilities)? What specific solutions to these challenges have worked well, or could work well? And how best can the authorities help to support these initiatives?

No comment.

Q38: To what extent could the Banking Standards Review Council help FICC market participants to raise standards collectively — in particular, are there other steps that could be taken to help complement or extend this initiative in FICC markets for non-banks and internationally?

No comment.

Q39: Are there other regulatory measures the authorities could take to strengthen personal accountability or otherwise improve the way firms manage incentives and governance? In particular, should any or all of the measures in the Senior Managers and Certification regime be extended to non-bank firms active in FICC markets?

No comment.

Q40: What role can more effective surveillance and penalties for wrongdoing play in improving the fairness and effectiveness of FICC markets globally? How can firms and the industry as a whole step up their efforts in this area? And are there areas where regulatory supervision, surveillance or enforcement in FICC markets could be further strengthened?

No comment.

Q41: How can firms increase the effectiveness of their own surveillance efforts across FICC markets globally? What role could the industry play in helping to explore best practices on how to make whistleblowing and other similar regimes more effective? Is there scope to make greater use of large scale market data sets and electronic voice surveillance to help detect cases of abuse in FICC markets?

No comment.

Q42: Are there processes or structures that can allow firms to punish malpractice by their own staff more effectively (for example, penalties for breaching internal guidelines)?

No comment.

Q43: Could firms active in FICC markets do more to punish malpractice by other firms, for example by shifting business and reporting such behaviour to the authorities?

No comment.

Q44: Is the current supervisory approach and level of intensity dedicated to supervising conduct within the UK wholesale FICC markets appropriate?

No comment.

Q45: Are there ways to improve the data on FICC market trading behaviour available to the FCA, whether through the extension of the regulatory perimeter or otherwise?

No comment.

Q46: What further steps could regulators take to enhance the impact of enforcement action in FICC markets?

No comment.

Q47: Should consideration be given to greater use of early intervention, for example, temporary suspension of permission for a particular trading activity for firms or individuals or increased capital charges?

No comment.

Q48: Is there a need to widen and or strengthen criminal sanctions for misconduct in FICC markets?

No comment.

Q49: Is the approach set out in the Criminal Sanctions Market Abuse Directive appropriate for the United Kingdom? Are there additional instruments or activities to those envisaged by the Directive that should be covered by the domestic criminal regime?

No comment.

Notes

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