



Newsletter November 2009

This month has been somewhat quieter but **corporate governance** in its many shapes and guises continues to dominate headlines.

The Swedish compromise proposals for the AIFMD have sent shockwaves round the industry with their proposal to curb pay for hedge fund managers.

[AIFMD Swedish Proposal](#)

[Financial Services Bill - Queens Speech](#)

[Myners speech - Corporate Governance](#)

In its latest round of inspection visits with firms the FSA intends to focus on the use of **derivatives**, especially in **UCITS III funds**. We have worked with several firms to deliver workshops both to Investment Specialists and the Operations Teams, on derivatives and the UCITS III investment powers.

[UCITS III Funds Using Derivatives](#)

[Introduction to Derivatives](#)

[Introduction to Exchange Traded Derivatives](#)

[Introduction to OTC Derivatives](#)

[Derivatives in Fund Management](#)

Don't be caught out at your next inspection visit, let us help train your staff to ensure competence when using these new investment tools.

UCITS continues to receive their fair share of attention. Both IOSCO and CESR have published papers on **Key Information Documents (KIDs)** while the FSA has published a report on the mis-selling of **structured products** and CESR has produced a paper on **money market funds**.

[IOSCO Report](#)

[UCITS KIDs](#)

[FSA paper - structured products](#)

[CESR paper on money market funds](#)

The FSA continues to up the ante in its engagement with regulated firms. Recent speeches from Hector Sants and Paul Myners have focused on the new **tougher regulatory regime** with comments to "be afraid of the FSA".

Senior managers are coming under increased scrutiny from the regulator. Many firms have reported that key Senior Management appointments are being more closely scrutinised by the FSA under the **Approved Persons** regime.

Paul Myners has made a number of speeches recently. In one he focused on the new **regulatory architecture**. Elsewhere, the FSA has announced its intention to overhaul its fee regime, including a move away from **fees** based on Approved Persons headcount, to one based on revenues.

[FSA tighter supervision](#)

[Senior management appointments](#)

[Myners speech](#)

[FSA fees](#)

Elsewhere, **money laundering** has gained renewed focus, with proposals for the Third AML Directive and Treasury warnings about lack of proper controls in a number of countries.

[Third Money Laundering Directive](#)

[HMT Guidance on AML controls](#)

[Financial industry news](#) is regularly updated and can be viewed on our website

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