

## Warning Notice Statement 17/5

The Financial Conduct Authority (the FCA) gave Interactive Brokers (UK) Ltd (IBUK) a warning notice on 25 July 2017 proposing to take action in respect of the conduct summarised in this statement.

**Important: a warning notice is not the final decision of the FCA. IBUK has the right to make representations to the Regulatory Decisions Committee (RDC) which, in the light of those representations, will decide on the appropriate action and whether to issue a decision notice. The RDC is a Committee of the FCA board which decides whether the FCA should give certain statutory notices described as within its scope by the FCA's Handbook.**

**If a decision notice is issued, IBUK has the right to refer the matter to the Upper Tribunal which would reach an independent decision on the appropriate action for the FCA to take, if any.**

**If either the RDC or the Upper Tribunal decides that no further action should be taken, the FCA will publish a notice of discontinuance provided it has IBUK's consent.**

The following is a summary of the reasons why the FCA gave IBUK a Warning Notice:

- The FCA considers that in the period from 6 February 2014 to 28 February 2015 (the Relevant Period) IBUK breached Principle 3 of the FCA's Principles for Businesses, because it failed to take reasonable care to organise and control its affairs responsibly and effectively with adequate risk management systems in relation to the identification and reporting of possible market abuse by its customers;
- The FCA considers that as a result IBUK failed on three separate occasions to identify and report to the FCA transactions which it had reasonable grounds to suspect amounted to market abuse in the form of insider dealing, in breach of rule SUP 15.10.2R in force during the Relevant Period; and
- The FCA does not consider that IBUK's senior management or other staff were aware that its systems and controls fell short of required standards until an FCA visit to IBUK in December 2014.