



FCA issues first statement of objections to four asset management firms

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The Financial Conduct Authority (FCA) has issued a statement of objections to four asset management firms: Artemis Investment Management LLP, Hargreave Hale Ltd, Newton Investment Management Limited and River & Mercantile Asset Management LLP. The FCA believes the four firms may have broken competition law.

The FCA alleges that the four firms shared information by disclosing the price they intended to pay, or accepting such information, or both, in relation to one or more of two Initial Public Offerings (IPOs) and one placing, shortly before the share prices were set. The sharing generally occurred on a bilateral basis and allowed firms to know the other's plans during the IPO or placing process when they should have been competing for shares.

The FCA's main allegations against the four firms are that separately:

- in 2015, Newton Investment Management Limited ('Newton') and Hargreave Hale Ltd and River & Mercantile Asset Management LLP disclosed and/or accepted information about the price they intended to pay for shares in relation to one IPO and a placing;
- in 2014 Artemis Investment Management LLP and Newton shared information about the price they intended or were willing to pay for shares in relation to another IPO.

These are provisional findings and may not necessarily lead to an infringement decision. A statement of objections gives firms notice that the FCA thinks that they have infringed competition law and the opportunity to respond by making written and oral representations. The FCA will carefully consider any representations from the firms before deciding whether the law has been broken. The statement of objections will not be made public, however any final decision taken will be published providing more detail about the case.

This is the first case the FCA is bringing using its competition enforcement powers.

Notes to editors

1. The powers and processes (including publicity) that the FCA has and follows in relation to the Competition Act 1998 are separate and different from those it has and follows in relation to the Financial Services and Market Act 2000 (FSMA). Competition Act cases may also be brought by the Competition and Markets Authority.
2. The Competition Act 1998 prohibits agreements, practices and conduct that may damage competition in the UK. The Chapter I prohibition covers anti-competitive agreements and concerted practices between businesses which have as their object or effect the prevention, restriction or distortion of competition within the UK. Article 101 of the Treaty on the Functioning of the European Union (TFEU) covers equivalent agreements or practices which may affect trade between EU member states. Any business found to have infringed the prohibitions in the Competition Act 1998 or Article 101 TFEU can be fined up to 10% of its annual worldwide group turnover.
3. A statement of objections is a document that sets out why and how the FCA thinks that the relevant firms have infringed applicable competition law, in particular: the facts on which the FCA relies, the objections it raises, the action it proposes, and its reasons for its proposed action.
4. Following the issue of a statement of objections, parties have the opportunity to make written and oral representations on the matters set out in it. Any such representations will be considered by the FCA before any final decision is taken. The final decision is taken by a 3-member Competition Decision Committee group, which is separate from the case investigation team and is not involved in the decision to issue the statement of objections.
5. The statement of objections is addressed to the following parties, which the FCA provisionally considers were directly involved in the alleged infringement and/or are liable as parent companies of the undertakings directly involved:
 - Artemis Investment Management LLP;
 - Hargreave Hale Ltd;
 - Newton Investment Management Limited (subsidiary), and The Bank of New York Mellon Corporation (ultimate parent); and

- River and Mercantile Asset Management LLP (subsidiary), and River and Mercantile Group PLC (ultimate parent).
6. Regulated firms should bring their own actual and possible significant contraventions of competition law to the FCA's attention, as they are obliged to do under Principle 11 of the Principles for Businesses and rules in the FCA's Supervision manual.
 7. Any person who is in a position materially to assist the FCA's assessment of the case may request a non-confidential version of the statement of objections by contacting the FCA no later than **12 January 2018**, explaining how they can assist.
 8. On 1 April 2013, the FCA became responsible for the conduct supervision of all regulated financial firms and the prudential supervision of those not supervised by the Prudential Regulation Authority (PRA).
 9. The FCA has an overarching strategic objective of ensuring the relevant markets function well. To support this it has three operational objectives: to secure an appropriate degree of protection for consumers; to protect and enhance the integrity of the UK financial system; and to promote effective competition in the interests of consumers.
 10. Find out more information [about the FCA](#).

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