



QFC Regulatory Authority takes disciplinary action against David Russell, former CEO of Guardian Wealth Management Qatar LLC (in liquidation)

Doha, Qatar, 19 August 2020: The QFC Regulatory Authority (the "Regulatory Authority") announced today that it had taken disciplinary action against the former CEO of Guardian Wealth Management LLC (in liquidation) ("GWMQ") for misconduct, and imposed a financial penalty and a three-year prohibition from carrying out a controlled function in the Qatar Financial Centre ("QFC").

In 2018, the Regulatory Authority took disciplinary action against GWMQ, an insurance intermediary, and fined the firm QAR 3,592,000 for contraventions relating to compliance with the implementation of its Anti-Money Laundering and Combating Terrorist Financing ("AML/CFT") policies, procedures, systems and controls and AML/CFT programme as required by the AML/CFT Rules 2010 and other issues of regulatory compliance. In July 2019, the Regulatory Authority also announced the disciplinary action it had taken against individual board members of GWMQ relating to the same matters.

Mr Russell was the CEO and approved individual in the Senior Executive Function and Executive Governance Function for GWMQ. The financial penalty and prohibition followed the completion of an investigation, which found that Mr Russell's conduct fell below the standard of conduct required of a senior manager under the Regulatory Authority's rules. Mr Russell's contraventions were:

- a. Failing to act with due skill, care and diligence in relation to his oversight of GWMQ's compliance with the Regulatory Authority's requirements; and
- b. Failing to deal with the Regulatory Authority in an open and cooperative manner and keep the Regulatory Authority promptly informed of any matters relating to GWMQ of which the Regulatory Authority would reasonably expect notice.

The actions taken by the Regulatory Authority against GWMQ, its board members and senior management emphasises the standards required of approved individuals of authorised firms to ensure effective compliance with Regulatory Authority rules, including those rules required to ensure that firms have effective systems and controls in place to combat illicit finance.

Mr Russell appealed the Regulatory Authority's decision to impose a financial penalty of USD 50,000 and a three-year prohibition from carrying out a controlled function in the QFC. The QFC Regulatory Tribunal (the "Tribunal") dismissed Mr Russell's appeal and upheld the action taken by the Regulatory



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Authority. The Tribunal noted that the financial penalty and prohibition imposed by the Regulatory Authority was appropriate given Mr Russell's conduct but, given issues of financial hardship encountered by Mr Russell and the exceptional circumstances related to the COVID-19 pandemic, the Tribunal commuted the financial penalty.

The Tribunal's decision relating to Mr David Russell can be found [here](#).

(Ends)

Notes

On 22 April 2018, the QFC Regulatory Authority issued a financial penalty against GWMQ for contraventions relating to the Anti-Money Laundering and Combating Terrorist Financing Rules 2010 and general regulatory contraventions. Click [here](#) to see the media release.

A "controlled function" in the QFC is defined in the Governance and Controlled Rules 2012 in rule 3.1.1. A controlled function does not include the customer facing function.

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About the QFC Regulatory Authority

The QFC Regulatory Authority is an independent regulatory body established in 2005 by Article 8 of the QFC Law. It regulates firms that conduct financial services in or from the QFC. It has a broad range of regulatory powers to authorise, supervise and, when necessary, discipline firms and individuals. The QFC Regulatory Authority regulates firms using principle-based legislation of international standard, modelled closely on that used in major financial centres. Further details are available on the website www.qfcra.com