



PUBLIC STATEMENT

STATEMENT BY THE QFC REGULATORY AUTHORITY REGARDING THE RESULT OF ENFORCEMENT AND DISCIPLINARY ACTION TAKEN IN RELATION TO GUARDIAN WEALTH MANAGEMENT QATAR LLC (IN LIQUIDATION) IN ACCORDANCE WITH THE QFC FINANCIAL SERVICES REGULATIONS

On 8 January 2018, following the conclusion of an investigation into the affairs of Guardian Wealth Management Qatar LLC (In liquidation) ("GWMQ"), the QFC Regulatory Authority ("the Regulatory Authority") issued a Decision Notice to GWMQ. GWMQ was authorised on 20 October 2009 as an insurance intermediary firm to conduct insurance mediation. It commenced regulated activities on 3 January 2010. The Financial Services Regulations ("the Regulations") provided GWMQ with a period within which it could appeal against the Decision Notice. That period has now expired and no appeal has been lodged and the Regulatory Authority is accordingly publishing this statement regarding the result of the enforcement and disciplinary action taken against GWMQ.

The Decision Notice issued by the Regulatory Authority recorded the decision:

- (a) Pursuant to Article 59(1) of the Regulations, to impose a financial penalty of QAR 2,500,000 (USD 687,000) in relation to contraventions of the Anti-Money Laundering and Combating Terrorist Financing Rules 2010 ("AML/CFTR");
- (b) Pursuant to Article 59(1) of the Regulations, to impose a financial penalty of QAR 1,092,000 (USD 300,000) in relation to the general regulatory contraventions; and
- (c) Pursuant to Article 50(4) of the Regulations, to require that GWMQ to pay the costs and expenses of the investigation.

The decision was taken by the Regulatory Authority on the grounds that it was satisfied that:

GWMQ contravened the following Relevant Requirements:

- (a) AML/CFTR 3.1.1 and 3.1.2 by failing to conduct the required business risk assessment and apply the required threat assessment methodology;



- (b) Principle 1 set out in AML/CFTR 1.2.1 by failing to ensure the required senior management oversight and responsibility in relation to the policy, procedures, systems and controls related to AML/CFT;
- (c) AML/CFTR 2.1.1 (3)(a) by failing to develop, establish and maintain the required AML/CFT programme and the related policy, procedures, systems and controls to detect and prevent ML/TF;
- (d) Principle 2 set out in AML/CFTR 1.2.2 by failing to adopt the required risk-based approach to AML/CFT;
- (e) Principle 3 set out in AML/CFTR 1.2.3 by failing to adequately discharge obligations to know your customers;
- (f) Principle 6 set out in AML/CFTR 1.2.6 by failing to maintain and provide documentary evidence of its compliance with AML/CFTR;
- (g) Principle 2 set out in General Rules 2005 ("GENE") 1.2.3 by failing to act with due skill, care and diligence in relation to outsourcing;
- (h) Principle 4 set out in GENE 1.2.5 by failing to have effective systems and controls in relation to outsourcing;
- (i) Principle 13 set out in GENE 1.2.14 by failing to be open and cooperative and to promptly inform the Regulatory Authority of matters the Regulatory Authority would reasonably expect notice in relation to outsourcing;
- (j) Governance and Controlled Functions Rules 2007 ("CTRL") 5.1.2 by failing to have an approved outsourcing policy;
- (k) CTRL 5.2.1 by failing to exercise due skill, care and diligence in relation to a material outsourcing arrangement;
- (l) CTRL 5.2.2 by failing to enter into a written outsourcing agreement for a material outsourcing arrangement;
- (m) Principle 2 set out in GENE 1.2.3 by failing to act with due skill, care and diligence in relation to accounting and financial controls;
- (n) Principle 3 set out in GENE 1.2.4 by failing to ensure that its affairs were managed effectively in relation to accounting and financial controls and oversight;



- (o) Principle 4 set out in GENE 1.2.5 by failing to have effective systems and controls in relation to accounting and financial controls;
- (p) GENE 9.2.1 by failing to keep required accounting records sufficient to show and explain all transactions;
- (q) Principle 13 set out in GENE 1.2.14 by failing to be open and cooperative with the Regulatory Authority and to promptly inform the Regulatory Authority of matters the Regulatory Authority would reasonably expect notice in relation to accounting policy, procedures, systems and controls;
- (r) Principle 4 set out in GENE 1.2.5 by failing to have effective systems and controls in relation to record keeping;
- (s) Conduct of Business Rules 2007 ("COND") 2.8.1 by failing to maintain records to demonstrate compliance;
- (t) CTRL 2.1.1 by failing to meet the requirements of the rule in respect of its corporate governance framework;
- (u) CTRL 2.1.4 by failing to meet the requirements of the rule in respect of corporate governance framework, risk management and internal controls;
- (v) Principle 3 set out in GENE 1.2.4 by failing to ensure that its affairs were managed effectively in relation to governance oversight;
- (w) Principle 1 set out in GENE 1.2.2 by failing to observe the required standards of integrity in relation to complaint management;
- (x) Principle 7 set out in GENE 1.2.8 by failing to have due regard to customers' interests and/or to treat its customers fairly in relation to complaint management;
- (y) Principle 1 set out in GENE 1.2.2 by failing to act with integrity in relation to AML/CFT, financial, outsourcing and advisory framework and processes; and
- (z) Principle 13 set out in GENE 1.2.14 by failing to be open and cooperative with the Regulatory Authority and to promptly inform the Regulatory Authority of matters the Regulatory Authority would reasonably expect notice in relation to AML/CFT, financial, outsourcing and advisory framework and processes.

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