



PUBLIC STATEMENT

STATEMENT BY THE QFC REGULATORY AUTHORITY REGARDING THE RESULT OF ENFORCEMENT AND DISCIPLINARY ACTION TAKEN IN RELATION TO HORIZON CRESCENT WEALTH LLC IN ACCORDANCE WITH THE QFC FINANCIAL SERVICES REGULATIONS

On 11 March 2019, following the conclusion of an investigation into the affairs of Horizon Crescent Wealth LLC ("HCW"), the QFC Regulatory Authority ("the Regulatory Authority") issued a Decision Notice to HCW. HCW was licensed on 4 February 2015 to undertake the permitted, non-regulated activity of Administration of Trusts. HCW was not authorised by the Regulatory Authority to undertake regulated activities.

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

- (a) Pursuant to Article 59(1) of the FSR, to impose a financial penalty of QAR 25,000,000 (USD 6,868,131.87) 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 FSR, to impose a financial penalty of QAR 5,000,000 (USD 1,373,626.37) in relation to the general regulatory contraventions; and
- (c) Pursuant to Article 50(4) of the FSR, to require HCW to pay the costs and expenses of the investigation.

HCW lodged an appeal against the Regulatory Authority's decision, with the QFC Regulatory Tribunal (the "Tribunal") under the Financial Services Regulations (the "FSR"). After independently considering the evidence, the Tribunal confirmed the Regulatory Authority's findings and upheld the action taken against HCW. The Regulatory Authority is accordingly publishing this statement regarding the result of the enforcement and disciplinary action taken against HCW.

The decision was taken by the Regulatory Authority on the grounds that it was satisfied that HCW contravened the following Relevant Requirements:

- (a) QFC Law No. (7) of 2005 Article 11(2) read with Article 25(A)(i) of the FSR: From April 2017 to February 2018, HCW conducted unauthorised

regulated activities in that HCW held itself out as engaging in the regulated activity of asset management business in or from the QFC when it was not authorised by the Regulatory Authority to do so;

- (b) FSR Article 84(2)(A): HCW provided information which was false, misleading or deceptive, or concealed information where the concealment of such information was likely to mislead or deceive the Regulatory Authority;
- (c) AML/CFTR 3.1.1: HCW failed to conduct the required business risk assessment required;
- (d) AML/CFTR 3.1.2: HCW failed to apply the required threat assessment methodology;
- (e) AML/CFTR 2.1.1 (3)(a): HCW failed to develop, establish and maintain the required AML/CFT programme and the related policy, procedures, systems and controls ("PPSC") to detect and prevent ML/TF;
- (f) AML/CFTR 2.2.2: HCW failed to develop and maintain effective PPSC, document those policies, at all times have an experienced and effective MLRO and ensuring that money laundering and terrorist financing risks are taken into account in the day-to-day operation of the firm;
- (g) Principle 1 set out in AML/CFTR 1.2.1: HCW failed to ensure that HCW's PPSC appropriately and adequately addressed the requirements of the Anti-Money Laundering Law No. (4) of 2010 and AML/CFTR;
- (h) Principle 2 set out in AML/CFTR 1.2.2: HCW failed to adopt the required risk-based approach to AML/CFT as set out in AML/CFTR;
- (i) Principle 3 set out in AML/CFTR 1.2.3: HCW failed to adequately discharge obligations to know its customers as set out in AML/CFTR; and
- (j) Principle 6 set out in AML/CFTR 1.2.6: HCW failed to maintain and provide documentary evidence of its compliance with AML/CFTR.

[END]