



*On 28 January 2021, Mr Rollet referred this decision to the Financial Markets Tribunal (**FMT**) under reference FMT 21014.*

On 12 January 2022, the FMT issued its decision in respect of that reference, which effectively upheld the findings and sanctions of this Notice. The FMT's decision is published on the FMT section of the DFSA's website.

DECISION NOTICE

To: Gilles Rollet

DFSA Ref: I001478

Address:

Date: 29 December 2020

ACTION

1. For the reasons given in this Notice, the Dubai Financial Services Authority (the **DFSA**) has decided:
 - a. to impose on Mr Rollet a fine of USD 175,000 (**Fine**) pursuant to Article 90(2)(a) of the Regulatory Law 2004 (**Regulatory Law**);
 - b. to prohibit Mr Rollet, pursuant to Article 90(2)(g) of the Regulatory Law, preventing him from holding office in, or being an employee of, any Authorised Person, DNFBP, Reporting Entity or Domestic Fund (**Prohibition**); and
 - c. to impose a restriction on Mr Rollet, pursuant to Article 59 of the Regulatory Law, restricting him from performing any function in connection with the provision of Financial Services in or from the DIFC (**Restriction**).

The Prohibition and Restriction take effect from the date of this Notice.

2. This Notice is addressed to Mr Rollet alone. Nothing in this Notice constitutes a finding that any Person other than La Tresorerie Limited and Mr Rollet breached any law or rule, and the findings expressed in this Notice are without prejudice to the position of any third party, or of the DFSA in relation to any third party.

DEFINITIONS

3. Defined terms are identified in this Notice by the capitalisation of the initial letter of a word or of each word in a phrase and are defined in Annex C or in the DFSA Rulebook, Glossary Module (**GLO**). Unless the context otherwise requires, where capitalisation of the initial letter is not used, an expression has its natural meaning.

EXECUTIVE SUMMARY

4. Mr Rollet was the Senior Executive Officer (**SEO**) and a Licensed Director of an Authorised Firm, La Tresorerie Limited (**LT**) from 4 February 2014 to 30 January 2017, effectively ceasing to perform those functions on 12 January 2017. During that time he was ultimately responsible for the day-to-day management, supervision and control of LT's Financial Services business carried on in or from the DIFC. He was also a Controller of LT during this same period.
5. By way of a Decision Notice given to LT on 9 April 2020, the DFSA made findings that between the dates as specified below (each being the respective **Relevant Period**) LT committed the following contraventions:
 - a. between 19 February 2015 and 11 January 2017, LT provided a physical cash withdrawal service to its customers (**Cash Service**), and by doing so, carried on the Financial Service of Providing Money Services in or from the DIFC without a Licence authorising it to do so, contrary to Article 41(1) of the Regulatory Law;
 - b. between 13 November 2015 and 11 January 2017, LT used false invoices to facilitate the Cash Service, and by doing so, engaged in conduct in connection with a Financial Service that was dishonest, misleading and deceptive, contrary to Article 41B of the Regulatory Law; and
 - c. between 18 September 2015 and 11 January 2017, in relation to Client Money paid out as part of the Cash Service, LT failed to hold certain amounts of Segregated Client's Client Money in a Client Bank Account, contrary to Rule A5.8.2 in the DFSA Rulebook, Conduct of Business Module (**COB**).

6. Further, as an Authorised Firm, LT was at all times required to comply with the DFSA's Principles for Authorised Firms at Section 4.2 of the DFSA Rulebook, General Module (**GEN**). The conduct giving rise to the contraventions set out above in paragraph 5 also demonstrates that LT:
 - a. in conducting its business activities as an Authorised Firm, failed to act with integrity, contrary to Authorised Firm Principle 1 (Integrity) in GEN Rule 4.2.1, by making payments from Client Money it held or controlled on the basis of invoices that it knew to be false, and in circumstances that gave rise to an increased risk of money laundering; and
 - b. while controlling or otherwise being responsible for assets or money belonging to a customer which it was required to safeguard, failed to arrange proper protection for them in accordance with the responsibility it had accepted, contrary to Authorised Firm Principle 9 (Customer assets and money) in GEN Rule 4.2.9. It did this by:
 - i. failing to hold amounts of Client Money in a Client Account at all times when required;
 - ii. making payments from its Client Accounts otherwise than in accordance with the client's instructions.
7. The DFSA has decided that Mr Rollet has committed contraventions because he was, within the meaning of Article 86 of the Regulatory Law, knowingly concerned in the contraventions committed by LT as described above at paragraphs 5 and 6.
8. Further, as an Authorised Individual during the Relevant Periods, Mr Rollet was required to comply with the DFSA's Principles for Authorised Individuals in GEN Section 4.4. The DFSA has decided that the conduct giving rise to the contraventions set out above in paragraph 7 also demonstrates that, in carrying out his Licensed Functions, Mr Rollet:
 - a. failed to observe high standards of integrity and fair dealing, contrary to Principle 1 (Integrity) in GEN Rule 4.4.1;

- b. as an Authorised Individual who had significant responsibility, failed to take reasonable care to ensure that the business of the Authorised Firm for which he was responsible was organised so that it could be managed and controlled effectively, contrary to Principle 5 (Management, systems and control) in GEN Rule 4.4.5; and
 - c. as an Authorised Individual who had significant responsibility, failed to take reasonable care to ensure that the business of the Authorised Firm for which he was responsible complied with any legislation applicable in the DIFC, contrary to Principle 6 (Compliance) in GEN Rule 4.4.6.
9. Furthermore, the DFSA has found that on 26 and 27 March 2019, Mr Rollet provided information to the DFSA that was false, misleading and deceptive, in that in an interview with the DFSA, he stated that:
- a. he did not use his own bank account to facilitate the transfer of physical cash to the clients of LT, when in fact the DFSA's investigation showed that a bank account in the name of Mr Rollet had been used on multiple occasions to facilitate cash withdrawals for clients; and
 - b. he had not taken cash to a safe in Switzerland and had only once delivered cash to a client, when in fact the DFSA's investigation showed that Mr Rollet had transported cash through Dubai airport and on to Switzerland for the purposes of taking it to the safe concerned and had delivered physical cash to clients on repeated occasions.

In doing so, Mr Rollet committed a contravention of Article 66 of the Regulatory Law.

10. Given the nature and seriousness of Mr Rollet's contraventions, and the period of time over which they occurred, the DFSA considers it appropriate in the circumstances to impose the Fine, Prohibition and Restriction on Mr Rollet.

FACTS AND MATTERS RELIED UPON

Background

11. LT, a DIFC Company, was licensed by the DFSA on 4 February 2014 as a PIB Category 3C Authorised Firm to provide the following Financial Services:
 - a. Advising on Financial Products or Credit;
 - b. Arranging Credit or Deals in Investments;
 - c. Arranging Custody; and
 - d. Managing Assets.
12. LT was also granted a Licence Endorsement for Holding or Controlling Client Assets.
13. Mr Rollet was authorised as the SEO and Licensed Director of LT on 4 February 2014, positions which he held until 30 January 2017, albeit he effectively ceased to perform those functions on 12 January 2017. He was also a Controller of LT, with a 49% shareholding.
14. While LT was authorised by the DFSA and licensed to carry on certain Financial Services, the scope of its Licence did not include Providing Money Services, as defined in GEN Rule 2.6.1. Moreover, under GEN Rule 2.2.4, as it was then in force, no Authorised Firm was permitted to carry on the Financial Service of Providing Money Services in or from the DIFC.
15. In February 2015, a risk assessment carried out by the DFSA revealed a number of deficiencies within LT's compliance and anti-money laundering (**AML**) framework relating to rules around customer due diligence and on-boarding. In April 2015, the DFSA sent a letter to LT containing the DFSA's key findings and the requirement to undertake a risk mitigation programme (**RMP**). The RMP included 29 different actions that LT was required to address by 31 July 2015 in the areas of compliance arrangements, financial crime related risks and corporate governance. On 31 July 2015, LT provided a letter to the DFSA detailing the status

in respect of the matters requiring action raised by the DFSA (seven of which remained incomplete) and an overview of the work completed by LT as at that date.

16. In January 2016, the DFSA sent a letter to LT which set out the findings of a focused risk assessment, which had looked at on-boarding of clients in the wake of the work LT had undertaken under the RMP. The letter noted significant deficiencies in LT's approach to on-boarding clients in terms of general conduct of business and combatting financial crime. The letter required LT to take action by 31 March 2016 to ensure compliance with the DFSA's rules around AML and client classification. This led to ongoing work by LT (**Follow-Up Work**) and correspondence between the DFSA and LT, including letters from LT setting out work done to date on 21 March 2016 and 1 June 2016.
17. In respect of the RMP and the Follow-Up Work, LT engaged a firm of consultants (**Consultants**) to assist LT in carrying out the review and actions required by the DFSA.
18. In and around November 2016, a shareholder dispute arose within LT and various concerns about governance were raised with the DFSA. In late December 2016, the DFSA was informed that a resolution had been made to remove Mr Rollet as SEO and Licensed Director from the Board of LT. A change in the control of LT occurred on or around 12 January 2017, followed by the appointment of a new SEO and Compliance Officer and Money Laundering Reporting Officer.
19. On 19 February 2017, the DFSA sent a letter to the Board of Licensed Directors of LT setting out various supervisory concerns arising from firm visits and interviews with staff of LT. Based on these concerns, the letter requested LT to voluntarily consent to restricting its business activities and transactions. The restriction required LT to refrain from soliciting, on-boarding or advising or dealing in any manner with new or prospective clients, as well as all dealings, transactions and business activities with existing clients (except for corporate actions or liquidating transactions where complete and accurate records and reconciliations are completed and approved by senior management), until such time as LT

addressed the concerns set out in the letter to the satisfaction of the DFSA. LT indicated by letter on 27 February 2017 that it agreed to this voluntary restriction.

20. Following receipt of the above letter from LT, the DFSA was informed of LT's intention to withdraw its licence and on 2 August 2017, a written resolution of the Board of Licensed Directors of LT was made to commence the withdrawal of the Licence of LT.

DFSA Investigation

21. On 1 May 2017, consistent with its regulatory obligations, LT reported to the DFSA suspicions regarding transactions indicating possible money laundering. LT's suspicions related to multiple withdrawals of large amounts of physical cash made by LT customers from LT's Client Money Account, rather than by electronic transfer, which LT noted was an unusual activity for a firm such as it to provide. LT's report of its suspicions (the **Suspensions Report**) detailed that it had identified 47 different customers who had received 81 physical cash withdrawals, between 13 November 2015 and 29 December 2016 to a total value of USD 5,890,826.
22. Following consideration of the Suspensions Report, on 4 July 2017 the DFSA commenced an investigation pursuant to Article 78 of the Regulatory Law into suspected contraventions by LT of laws and Rules administered by the DFSA. LT was informed of the investigation in a meeting with the DFSA on 17 July 2017.
23. On 25 July 2017, a notification was sent to the DFSA on behalf of LT by way of the DFSA's complaints portal, concerning alleged misconduct by certain former Authorised Individuals of LT. This notification included an acknowledgement that "*DFSA rules concerning the Provision of Money Services... were contravened systematically in the past*".

The Financial Services Prohibition – Providing Money Services

24. Under Articles 41(1) and 42(3) of the Regulatory Law in force at the relevant time, a person was prohibited from carrying on a Financial Service in from the DIFC unless it was an Authorised Firm whose Licence authorised it to carry on the

relevant Financial Service, an External Fund Manager managing a Domestic Fund, or an Authorised Market Institution whose licence authorises it to carry on the relevant Financial Service.

25. Under GEN Rule 2.2.1 an activity constituted a Financial Service if it was an activity specified in GEN Rule 2.2.2 and the activity was carried on by way of business in the manner described in GEN section 2.3.
26. Under GEN Rule 2.2.2(c) the definition of Financial Services included Providing Money Services.
27. Providing Money Services was defined in GEN Rule 2.6.1 as “...*providing currency exchange or money transmission*”, by which the latter means:
 - a. *“selling or issuing payment instruments;*
 - b. *selling or issuing stored value; or*
 - c. *receiving money or monetary value for transmission, including electronic transmission, to a location within or outside the DIFC.”*
28. GEN Rule 2.2.4 provided that, “*an Authorised Firm may carry on one or more Financial Services other than Providing Money Services*”. Hence, carrying on the Financial Service of Providing Money Services by way of business was prohibited in or from the DIFC.
29. The process for the Cash Service was that, on the instructions of the relevant customer, Client Money held on behalf of the customer would be transferred from the relevant LT Client Money account to one of a number of facilitator accounts, from which physical cash would then be provided to the customer by LT. The process by which the Cash Service was carried out evolved over the time it was offered by LT, as follows:
 - a. The earliest evidenced cash withdrawal was completed on 19 February 2015. It is not clear how this was provided by LT.

- b. Around 18 September 2015, a non-Client Account bank account in the name of Mr Rollet (**Personal Bank Account**) was used to facilitate the Cash Service for two different customers. This process is also referred to in LT's "Transaction Monitoring Program" which is a policy/process document dated 28 September 2015 (**TMP**), where an instruction provides that:

"Any physical cash withdrawal that does not have a client instruction in an acceptable format and which involves a transfer of funds from an LT custodian account to an account of an LT employee must be automatically escalated to Compliance."

- c. From around 13 November 2015, cash withdrawals were made using the transfer of Client Money to one of two unregulated third-party companies based in Dubai outside the DIFC (**Company A** and **Company B**) to facilitate the Cash Service. This process (**Cash Process**, described in detail below at paragraph 30) was then employed by LT for the remainder of the Relevant Period. It is believed that Company A and Company B were connected via common ownership to a third company, which operated a regulated money exchange business in Dubai (**Company C**).

Cash Process

30. The Cash Process is described below at a. to k. Steps a. to d. are described in the TMP, and such steps were applicable in the case of any withdrawal or transfer of money out of a customer's account, including electronic withdrawals and third-party payments.
- a. The customer would submit a request to LT by telephone, letter or email, for a withdrawal from their account to be made in cash. LT would generally require a signed instruction from the customer.
- b. A "Withdrawal Checklist" would be completed by the Client Management team. This was a template form appearing as Appendix 1 of the TMP.

- c. If necessary, the transaction would be referred to LT's Compliance team for approval. The TMP sets out the circumstances in which such referral is required, including if the reason for withdrawal is not in line with the customer's profile and if the withdrawal is greater than USD 100,000. Although it is not stated in the TMP, the practice at LT was that all physical cash withdraws were referred to Compliance for approval.
- d. Compliance would then either approve the transaction and send to the Finance team for payment or refer back to the Client Management team if not approved.
- e. LT would then request a false invoice (described further below in paragraphs 32 to 34) be provided on behalf of Company A or Company B in the amount of cash requested by the customer. The request would be made via an external asset manager (**Individual A**) who introduced and acted on behalf of several customers of LT, and who was connected to Company A via a relative. Individual A would liaise with Company A or Company B and provide the relevant false invoice to LT via email.
- f. The false invoices would be addressed to the customer name or account number care of LT and an additional 2% would be added to the invoice, which represented the fee payable to Company A or B for its part in the Cash Service.
- g. LT would make an electronic transfer of the funds from the relevant Client Account to Company A or B, using the false invoice as the basis for the payment.
- h. Once the funds had been received by Company A or B, a staff member of LT would go to the currency exchange offices of Company C in Dubai (outside the DIFC) to collect the cash.
- i. LT would hold the cash at a safe within its office in the DIFC until the relevant customer attended the office to collect the cash, or other delivery arrangements were made.

- j. Once the cash was collected by, or delivered to, the customer, LT would issue a receipt to the client for signature, to confirm receipt of the cash. This receipt would be kept in a hard copy folder at LT (**Cash Withdrawal File**), which also contained other documents related to customer requests for cash withdrawals.
- k. Overall, LT charged its customers 5% of the value of the request for the Cash Service, of which LT retained 3%, after paying Company A or B its 2% fee, as described at f. above.

Total Cash Amounts

- 31. Based on a review of receipts in the Cash Withdrawal File and Appendix 1 to the Suspicions Report (which was itself produced by LT from a review of its bank records for payments to Company A and Company B) the Cash Service during the Relevant Period at LT resulted in 122 transactions, ranging in value from EUR 2,560 to EUR 500,000. The total amount of physical cash provided by LT under the Cash Service has been calculated to be the equivalent of USD 7,325,767, over 122 transactions, and the fees it received were the equivalent of USD 219,773.

Company A and Company B False Invoices

- 32. Client Money held by LT on behalf of its customers was held in a number of Client Accounts at various custodian banks, none of which provided LT with access to physical cash. The use of invoices from Company A and Company B was therefore integral to the Cash Process, in that it provided a route through which physical cash could be made available to LT's customers from LT's Client Account, as part of a documented transaction that could be entered into the books and records of LT and of Company A or B. However, the invoices were false, in that they did not reflect the true nature of the transaction to which they related.
- 33. The invoices of Company A contained a description of services, to which the invoice purportedly pertained. By way of example, an invoice dated 4 December 2015 for a total of EUR 102,000 was issued by Company A addressed to a customer of LT, care of LT, referencing "*Consulting services*", with the description

for the amount of EUR 92,800 being “*Our services pertaining to investment in Dubai Real estate*” and for the amount of EUR 9,200 as “*Travel*”. The asset manager of this customer, who was involved in the Cash Process for this and numerous of his other LT customers, confirmed that the customer received no such services, but instead received physical cash from LT as a result of the payment of this invoice, as that customer had instructed. The DFSA’s investigation found that this was a false invoice used to facilitate a physical cash withdrawal from LT.

34. The invoices of Company B were also addressed to the specific LT customer, care of LT, but differed in format to those of Company A and did not include a description of specific services, instead referring to “*our invoice as per our agreement*”. In fact, there was no agreement between the LT customer and Company B.
35. The use of Company A and Company B to facilitate the Cash Service was not even known to the customers of LT; the customer’s instructions in each case were to receive an amount in physical cash, not for Company A or Company B to raise an invoice (false or otherwise) or for LT to make a payment to Company A or Company B.

Transportation and Delivery of Cash

36. There were a number of ways in which physical cash was delivered to the relevant LT customers in connection with the Cash Service. These included:
 - a. the customer attended the offices of Company C with a staff member of LT to collect the money;
 - b. delivery to the customer at a location in Dubai (either inside, or outside, the DIFC) or at LT’s office in the DIFC;
 - c. physical cash being transported from the UAE to a foreign country for delivery to the customer by Mr Rollet or another LT employee.
37. To facilitate the transportation of a large amount of physical cash from Dubai to Switzerland, a template letter (**Cash Letter**) was drafted on the headed paper of

LT and signed by Mr Rollet. The Cash Letter was taken by the individual carrying the cash to provide to the customs authorities in the case of query.

38. On one occasion in September 2016, the Cash Letter was taken by an employee of LT who was carrying EUR 716,000, which represented several physical cash withdrawals obtained via the Cash Process, through Dubai International Airport and on to Switzerland. The Cash Letter incorrectly stated that the cash funds being carried were beneficially owned by LT. As Client Money, the funds were in fact beneficially owned by LT's customers.
39. On another occasion, in November 2016, the Cash Letter was used by Mr Rollet when he was stopped by a customs official at Dubai International Airport on his way to Switzerland, to support his explanation as to why he was carrying a large amount of cash. In interview, Mr Rollet identified that the template letter was incorrect on the point of beneficial ownership of the cash, and claimed that he would have amended this part of the letter before using it, but did not appear to remember doing so.

Control of Client Assets

40. Under COB Rule A5.8.2, Client Money must remain in a Client Account and can only be paid out in the circumstances prescribed under the Rule, which are that it is:
 - a. due and payable to the Authorised Firm;
 - b. paid to the Client on whose behalf the Client Money is held;
 - c. paid in accordance with a Client instruction on whose behalf the Client Money is held;
 - d. required to meet the payment obligations of the Client on whose behalf the Client Money is held; or
 - e. paid out in circumstances that are otherwise authorised by the DFSA.

41. Under COB Rule A5.4.1, a “*Client Account in relation to Client Money is an account which:*
- a. *is held with a Third Party Agent;*
 - b. *is established to hold Client Assets;*
 - c. *is maintained in the name of;*
 - i. *if a Domestic Firm, the Authorised Firm; or*
 - ii. *if a non-Domestic Firm, a Nominee Company controlled by the Authorised Firm; and*
 - d. *includes the words ‘Client Account’ in its title.”*

42. The term “*Third Party Agent*” is defined in the DFSA’s Rulebook Glossary Module (**GLO**) as:

“...an Authorised Firm or Regulated Financial Institution (including a bank, custodian, an intermediate broker, a settlement agent, a clearing house, an exchange and ‘over the counter’ counterparty) that is a separate legal entity from the Authorised Firm that is required under COB to establish the Client Account.”

Payments to Company A and Company B

43. As detailed above, LT made payments of Client Money to Company A and Company B from its Client Account as part of the Cash Process without instructions from the Client to make such payments (which instructions were rather to make cash withdrawals), and with no underlying payment obligation of the Client to Company A or Company B.

Use of Safe in Switzerland

44. LT had a large number of customers who were based in Western Europe and to facilitate the delivery of physical cash to those customers as part of the Cash Service, it hired a physical safe that was located in Locarno in Switzerland (**Swiss**

Safe). The Swiss Safe was also used by customers who wished to deposit physical cash with LT, since the custodians which held LT's Client Accounts would not accept physical cash.

45. The Swiss Safe was used to store Client Money in the form of physical cash, either as a result of a deposit by a customer, or after the Cash Process had been used and the cash transported from the UAE to Switzerland by Mr Rollet or Individual A. In order for a customer to deposit into, or obtain physical cash from a withdrawal out of, the Swiss Safe, he or she would attend the office where the Swiss Safe was located with Mr Rollet who was the authorised signatory for the safe.
46. In order to account for the Client Money in the Swiss Safe, LT created an entity in its accounting system that was treated in the same way as its custodian banks. In this way, LT treated the money in the Swiss Safe as being part of the pooled Client Money resource of LT up until the point at which it was received by a customer who had made a request to receive physical cash to be delivered in Switzerland from the UAE, and a signed receipt had been obtained.

SUMMARY OF PROPOSED CONTRAVENTIONS

47. Having regard to the facts and matters set out above, the DFSA has decided that, during the Relevant Periods, Mr Rollet committed the following contraventions of DFSA administered laws and Rules.

Knowing Concern in LT's breaches

Unauthorised Activity

48. By providing the Cash Service to its customers as set out in paragraphs 29 to 31 above, LT was carrying on the Financial Service of Providing Money Services in or from the DIFC.
49. For the purposes of GEN Rule 2.3.1, LT carried on the Cash Service in a manner which in itself constituted the carrying on of a business, as follows:

- a. the Cash Service was regularly and repeatedly provided by LT to its customers, 122 times;
 - b. the Cash Service was operated by LT for a substantial duration, over the course of almost two years;
 - c. the amounts of physical cash provided were significant and, in many cases, substantial; amounts ranged from EUR 2,560 to EUR 500,000, with the average value being over the equivalent of USD 60,000;
 - d. a separate and substantial fee (compared to other fees) was charged for the Cash Service, i.e. 5% of the cash withdrawal amount; and
 - e. the Cash Service was embedded in the business operations of LT; it developed the Cash Process in order to carry on the Cash Service.
50. The DFSA therefore considers that, in the period 19 February 2015 to 11 January 2017, LT contravened Article 41(1) of the Regulatory Law as it carried on this Financial Service when it was not an Authorised Firm with a Licence authorising it to do so, and furthermore because all Authorised Firms were at all material times prohibited by GEN Rule 2.2.4 from carrying on this particular Financial Service.
51. An exclusion to the definition of Providing Money Services is provided at GEN Rule 2.6.2 that:
- “A Person who is an Authorised Firm does not Provide Money Services if it does so in relation to the carrying on of another Financial Service where Providing Money Services is in connection with and a necessary part of that other Financial Service.”*
52. This exclusion is not relevant in the case of LT, since Providing Money Services was not in connection with, nor a necessary part of, any other Financial Service it provided. As LT itself noted in the Suspicions Report, *“the provision of [physical] cash withdrawal services is an unusual activity for a wealth management firm to provide”*.

53. Mr Rollet was knowingly involved in the relevant events giving rise to the LT's contravention of Article 41(1) of the Regulatory Law in that, during the Relevant Period, he:
- a. was LT's SEO and therefore ultimately responsible for LT's activities;
 - b. facilitated the Cash Service through the use of his own bank account (the Personal Bank Account) as described above in paragraph 29(b));
 - c. authorised the Cash Process to be used at LT;
 - d. was directly involved in providing the Cash Service, by delivering cash to LT's clients, as described above in paragraphs 36 to 39.

Misleading, Deceptive and Dishonest Conduct

54. Article 41B of the Regulatory Law (in force from 21 August 2014 onwards) prohibits a person from engaging in conduct, in or from the DIFC, in connection with a Financial Product or a Financial Service that is:
- a. misleading or deceptive or likely to mislead or deceive;
 - b. fraudulent; or
 - c. dishonest.
55. A Financial Service includes the activities listed in GEN Rule 2.2.2. As stated in paragraph 26, these activities include Providing Money Services.
56. In relation to the conduct as described in paragraphs 29 to 39 above, namely:
- a. the intentional and prolonged use of false invoices as part of the Cash Process;
 - b. failing to disclose to clients that Company A and Company B were in receipt of their Client Money as part of the Cash Process; and

- c. the use of a letter (the Cash Letter) known to provide false information as to beneficial ownership to support the transportation from the UAE to a foreign country of large amounts of physical cash,

LT engaged in conduct in connection with a Financial Service that was dishonest, and misleading or deceptive or likely to mislead or deceive. In so doing, LT contravened Article 41B of the Regulatory Law.

- 57. The DFSA's finding that LT's conduct was dishonest was reached after applying the relevant legal test, that is, that LT's conduct was dishonest by the objective standards of ordinary, reasonable and honest persons. Such persons would consider it dishonest to:
 - a. use false invoices; and
 - b. use a letter containing false information as to the beneficial ownership of client money to enable the transportation of physical cash across international borders.
- 58. The DFSA's finding that LT's conduct was misleading or deceptive, or likely to mislead or deceive, is based on the same reasons for its findings with regard to its findings that the conduct was dishonest.
- 59. In addition, the DFSA considers it more likely than not that LT's conduct caused its customers to be misled or deceived into believing that LT had regulatory approval to provide the Cash Service, and that the customers' money would not be transferred to third parties that are unknown to them (particularly via the use of false invoices).
- 60. Mr Rollet was knowingly involved in the relevant events giving rise to the LT's contravention of Article 41B of the Regulatory Law in that, during the Relevant Period, he:
 - a. authorised the Cash Process to be used at LT, including the use of false invoices from Company A and Company B and without the knowledge of the

clients that their funds were being sent to Company A or Company B, as described above at paragraphs 32 to 35; and

- b. signed the Cash Letter on behalf of LT and used it himself on at least one occasion when questioned by a customs official, as described above at paragraphs 37 to 39.

Breach of Client Asset Requirements

61. In relation to the conduct described above in paragraphs 29 to 32 and 43 to 46 and under the provisions of Rule A5.4.1 of COB, none of:

- a. the Personal Bank Account;
- b. the bank account of Company A;
- c. the bank account of Company B; or
- d. the arrangements around monies that were held by LT in the Swiss Safe

constituted a Client Account as required when dealing with Client Money.

62. Furthermore, payments to Company A and Company B did not constitute Client Money being paid to the Client on whose behalf the Client Money was held, nor in accordance with a Client instruction on whose behalf the Client Money was held.

63. Therefore, in the period from 18 September 2015 to 11 January 2017, the DFSA considers that LT contravened COB Rule A5.8.2, by not holding amounts of Client Money in a Client Account at all times when it was required to do so.

64. Mr Rollet was knowingly involved in the relevant events giving rise to the LT's contravention of COB Rule A5.8.2 in that, during the Relevant Period, he:

- a. authorised the Cash Process to be used at LT, including the transfer of Client Money from LT to Company A and Company B without the knowledge or instructions of the clients;
- b. facilitated the Cash Service through the use of the Personal Bank Account; and

- c. delivered Client Money to and had sole control and operation of the Swiss Safe.

Breach of DFSA Principles for Authorised Firms

- 65. The conduct giving rise to the contraventions summarised in paragraphs 48 to 52, 54 to 59 and 61 to 63 above also demonstrates that LT contravened the following Rules:
 - a. GEN Rule 4.2.1: Authorised Firm Principle 1 – Integrity – in that LT made payments from Client Money it held or controlled on the basis of invoices that it knew to be false and in circumstances that gave rise to an increased risk of money laundering; and
 - b. GEN Rule 4.2.9: Authorised Firm Principle 9 – Customer assets and money – in that LT failed to arrange proper protection for Client Assets by making payments from its Client Accounts otherwise than in accordance with the client’s instructions.
- 66. Mr Rollet was knowingly involved in the relevant events giving rise to the LT’s contravention of Principles 1 and 9 in that, during the Relevant Period, he:
 - a. was LT’s SEO and therefore ultimately responsible for LT’s activities;
 - b. authorised the Cash Process to be used at LT;
 - c. facilitated the Cash Service through the use of the Personal Bank Account;
 - d. delivered cash to clients in Dubai and elsewhere;
 - e. operated the Swiss Safe; and
 - f. signed the Cash Letter on behalf of LT and used it himself on at least one occasion when questioned by a customs official.
- 67. Under Article 86(2) of the Regulatory Law, if an officer of a body corporate is knowingly concerned in a contravention of the Law or Rules or other legislation administered by the DFSA committed by a body corporate, the officer as well as

the body corporate commits a contravention and is liable to be proceeded against and dealt with accordingly.

68. Under Article 86(6) of the Regulatory Law, an officer means a director, member of a committee of management, chief executive, manager, secretary or other similar officer of the body corporate or association, or a person purporting to act in such capacity, and an individual who is a controller of the body. As CEO during the Relevant Periods, Mr Rollet is regarded as an officer of LT.
69. Under Article 86(7) of the Regulatory Law, for the purposes of Article 86, a person is knowingly concerned in a contravention if, and only if, the person:
- a. has aided, abetted, counselled or procured the contravention;
 - b. has induced, whether by threats or promises or otherwise, the contravention;
 - c. has in any way, by act or omission, directly or indirectly, been knowingly involved in or been party to, the contravention; or
 - d. has conspired with another or others to effect the contravention.
70. Given his knowledge and direct involvement in the relevant facts and matters giving rise to the contraventions summarised in paragraphs 48 to 66 above, the DFSA considers that Mr Rollet was knowingly concerned in LT's contraventions and, therefore, by reason of Article 86(2) of the Regulatory Law, Mr Rollet also committed contraventions and is liable to be proceeded against and dealt with accordingly.

Further Contraventions Committed by Mr Rollet

Breach of Authorised Individual Principles

71. As an Authorised Individual, Mr Rollet was at all times required to comply with the DFSA's Principles for Authorised Individuals when carrying out his Licensed Functions. These include the duties to:

- a. observe high standards of integrity and fair dealing, as per the requirement of Authorised Individual Principle 1 in GEN Rule 4.4.1;
 - b. as an Authorised Individual who had significant responsibility, take reasonable care to ensure that the business of the Authorised Firm for which he was responsible was organised so that it could be managed and controlled effectively, as per the requirement of Authorised Individual Principle 5 in GEN Rule 4.4.5; and
 - c. as an Authorised Individual who had significant responsibility, take reasonable care to ensure that the business of the Authorised Firm for which he was responsible complies with any legislation applicable in the DIFC, as per the requirement of Authorised Individual Principle 6 in GEN Rule 4.4.6.
72. In being knowingly and directly involved in LT's contraventions of Articles 41 and 41B of the Regulatory Law and Authorised Firm Principle 1, Mr Rollet failed to act with high standards of integrity. Further, in being knowingly and directly involved in all of LT's contraventions as described above at paragraphs 5 and 6, Mr Rollet failed to take reasonable care to ensure that the business of LT was organised so that it could be managed and controlled effectively, or that it complied with legislation applicable in the DIFC.
73. In interview, Mr Rollet made various representations as to his management of LT and in particular, the development and authorisation of the Cash Process. In summary, his position was that he had relied on the experience and expertise of other senior people at LT, including the Compliance team, to develop an appropriate and regulatorily compliant process to provide physical cash to LT's customers. He further contended that as SEO, he could not be involved in every operation and system at LT.
74. Mr Rollet also made representations that he relied on the review and work carried out on the TMP by the Consultants at LT during the Relevant Periods, to ensure that the Cash Process was appropriate and regulatorily compliant.

75. The DFSA has considered Mr Rollet's representations concerning his reliance on others to ensure that a part of the business of LT, for which he was responsible (namely the Cash Process) complied with the relevant legislation applicable in the DIFC. The DFSA does not regard this reliance as satisfying the requirement of Principle 6 that he take reasonable care to ensure such compliance for the following reasons:
- a. as set out in the TMP (and stated by Mr Rollet) incoming and outgoing funds, including physical cash withdrawals, posed the greatest AML risk to LT and therefore it was reasonable for Mr Rollet as SEO to exercise particular care and diligence in this aspect of LT's business;
 - b. in spite of this high AML risk to LT, Mr Rollet:
 - i. failed to ensure he had sufficient understanding of the risks involved in the Cash Service; and
 - ii. inappropriately and without adequate oversight delegated responsibility for developing the Cash Process;
 - c. Mr Rollet failed to recognise or act on obvious red flags in the Cash Process, such as the transfer of Client Money to Company A and Company B, which was done on the instructions of Company C, without the knowledge of the clients and without any clear or legitimate rationale as to the need for such arrangement; and
 - d. Mr Rollet's claims as to the Consultants' knowledge of the Cash Service and lack of any concerns being raised are not supported by any contemporaneous documentary evidence and are contradicted by evidence from the Consultants' primary employee on the engagement at LT.
76. Accordingly, the DFSA considers that Mr Rollet also contravened Authorised Individual Principle 1, Principle 5 and Principle 6 during the Relevant Period.

Misleading the DFSA

77. Under Article 66 of the Regulatory Law, a person shall not:
- a. provide information which is false, misleading or deceptive to the DFSA; or
 - b. conceal information where the concealment of such information is likely to mislead or deceive the DFSA.
78. As part of its investigation, the DFSA interviewed Mr Rollet over the course of two days. Mr Rollet provided his account and supporting documentation in relation to the facts and matters set out in this Notice.
79. In response to questions about how the Cash Service was offered in the early part of the Relevant Period, Mr Rollet stated that he had “*certainly*” never used his own bank account to facilitate physical cash withdrawals to LT clients.
80. In response to questions about the delivery of physical cash to LT clients and the transportation of physical cash to the Swiss Safe, Mr Rollet’s account during the course of the interview was inconsistent. At first, he stated:
- a. that he delivered physical cash to a client once in Dubai (outside of the DIFC) and “*that’s the one time I gave money, physical cash*”; and
 - b. that he would facilitate the deposit and receipt of physical cash by LT clients to/from the Swiss Safe, but that he did not take physical cash to the safe for client cash withdrawals; as part of the Cash Process, this was done by Individual A.
81. Later on in interview, when Mr Rollet was shown a contemporaneous email that refers to him transporting cash through Dubai airport, he conceded that “*I did transport on that particular occasion, yes.*”
82. The DFSA investigation has found that, contrary to Mr Rollet’s account as set out above at paragraphs 79 and 80:

- a. as per contemporaneous records of LT, Mr Rollet's bank account (the Personal Bank Account) was used to facilitate physical cash withdrawals, as part of the Cash Service, prior to the Cash Process being fully implemented; and
 - b. Mr Rollet knew that physical cash was delivered to LT clients by LT staff numerous times throughout the Relevant Period as part of the Cash Service, including by Mr Rollet himself;
 - c. as per the later admission of Mr Rollet when faced with documents showing it to be the case, Mr Rollet did transport physical cash from Dubai to the Swiss Safe as part of the Cash Service.
83. Therefore, in relation to the conduct described above at paragraphs 79 and 80, the DFSA considers that Mr Rollet committed contraventions of Article 66 of the Regulatory Law on 26 and 27 March 2019.

ACTION

84. In taking the action set out in this Notice, the DFSA has taken into account the factors and considerations set out in sections 6-2 and 6-3 of the DFSA's Regulatory Policy and Process Sourcebook (**RPP**).
85. The DFSA considers the following factors to be of particular relevance in this matter:
- a. the DFSA's objectives, in particular:
 - i. to prevent, detect and restrain conduct that causes or may cause damage to the reputation of the DIFC or the Financial Services industry in the DIFC, through appropriate means including the imposition of sanctions (Article 8(3)(d) of the Regulatory Law); and
 - ii. to protect direct and indirect users and prospective users of the financial services industry in the DIFC (Article 8(3)(e) of the Regulatory Law);

- b. the nature and seriousness of the contraventions, including whether they were deliberate or reckless;
 - c. the financial benefit directly gained for LT, and indirectly for Mr Rollet, as a result of the contraventions; and
 - d. the deterrent effect of the action and the importance of deterring Mr Rollet and others from committing further or similar contraventions.
86. The DFSA has considered the sanctions and other options available to it and has concluded that the Fine, the Prohibition and the Restriction are the most appropriate actions given the circumstances of this matter.

Determination of the Fine

87. In determining the appropriate level of financial penalty to impose in this matter, the DFSA has taken into account the factors and considerations set out in Sections 6-4 and 6-6 of the RPP as follows:

Step 1 – Disgorgement

88. While LT earned the equivalent of USD 219,773 in fees for the 122 transactions it facilitated under the Cash Service, the DFSA is unable to quantify, what, if any, economic benefit Mr Rollet derived from the Cash Service. The figure after Step 1 is therefore USD 0.

Step 2 – The seriousness of the contraventions

89. The DFSA considers Mr Rollet's contraventions to be particularly serious because he:
- a. held a senior position at LT, in that he was SEO during the Relevant Periods, and was an experienced industry professional;
 - b. was knowingly concerned and an active participant in multiple contraventions committed by LT over a lengthy period, which involved LT:

- i. engaging in activity beyond the scope of LT's Licence, which was also a Financial Service which no firm in the DIFC could be authorised to provide;
 - ii. carrying out the Cash Service through the deliberate use of false invoices and the transportation of large amounts of physical cash from the UAE to a foreign country (which practice is associated with a high risk in relation to money laundering);
 - iii. carrying on the Cash Service in a way that was likely to mislead clients as to the services LT was authorised to provide to its clients, because it represented that it could provide the Cash Service when in fact it was not authorised to do so;
 - iv. systematically executing large transfers of Client Money to unregulated companies outside the DIFC without the consent or knowledge of its clients; and
 - v. demonstrating a fundamental failure to conduct its business with integrity;
- c. failed to take reasonable care to ensure that the business of LT was organised so that it could be managed and controlled effectively to prevent LT from facilitating the Cash Service transactions;
- d. failed to act with integrity himself by:
 - i. being knowingly concerned in the contraventions of LT involving breach of its Licence under Article 41(1) of the Regulatory Law (as referred to above in paragraph 53) and dishonesty under Article 41B of the Regulatory Law (as referred to above in paragraph 60); and
 - ii. providing information to the DFSA in interview which was false, misleading and deceptive (as referred to above at paragraphs 79 and 80);

- e. acted deliberately in committing the contraventions, in that:
 - i. it was reasonably foreseeable that providing the Cash Service would be outside the scope of LT's Licence and breach the blanket prohibition on Providing Money Services in or from the DIFC in GEN Rule 2.2.4 in force at the relevant time;
 - ii. it was reasonably foreseeable that the Cash Process would involve deception and dishonesty, given that the client's funds were being transferred to Company A and Company B without their knowledge or consent and via false invoices;
 - iii. it was intended that LT would benefit from the Cash Service, both directly through fee income and in that Mr Rollet recognised that there was a risk that certain clients would not wish to open an account with LT if they could not have access to physical cash; and
 - iv. Mr Rollet provided information to the DFSA that he knew to be misleading or false, in order to conceal, or distance himself from, actions that indicated his involvement in the Cash Service.

90. Taking the above factors into account the DFSA considers that a penalty of USD 175,000 appropriately reflects the seriousness of the contraventions in light of other comparable decisions.

91. Therefore, after this step, the total financial penalty amount is USD 175,000.

Step 3 – Mitigating and aggravating factors

92. In considering the appropriate level of the financial penalty, the DFSA had regard to the circumstances of this matter and the factors set out in RPP 6-6-8. Had the DFSA (as it undertook to do) provided Mr Rollet with a voice recording or transcript of his interview, a failure by Mr Rollet to correct his answers may have constituted an aggravating factor and resulted in an increase in the penalty for giving false, misleading or deceptive information. In all the circumstances, the DFSA has determined that no adjustment of the penalty is appropriate in this case.

93. Therefore, after this step, the total financial penalty amount is USD 175,000.

Step 4 – Adjustment for deterrence

94. Pursuant to RPP 6-6-9, if the DFSA considers that the level of the financial penalty which it has arrived at after Step 3 is insufficient to deter Mr Rollet, who committed the contravention, or others, from committing further or similar contraventions, then the DFSA may increase it. RPP 6-6-9 sets out the circumstances where the DFSA may do this.

95. The DFSA considers that the figure after Step 3 is sufficient for the purposes of deterring Mr Rollet and others from committing further or similar contraventions. Accordingly, the DFSA does not consider it appropriate to adjust the amount of the financial penalty arrived at after Step 3 for the purposes of deterrence.

96. Accordingly, the figure after Step 4 remains at USD 175,000.

Step 5 – Settlement discount

97. Where the DFSA and the person on whom the financial penalty is to be imposed agree on the amount and other terms, RPP 6-6-10 provides that the amount of the financial penalty (excluding any disgorged benefits) which might otherwise have been payable will be reduced to reflect the stage at which agreement is reached.

98. The DFSA and Mr Rollet have not reached any agreement on the relevant facts and matters relied on or the amount of fine that would be imposed and therefore no settlement discount is available at this stage.

99. Accordingly, the figure after Step 5 remains at USD 175,000.

The level of the Fine imposed

100. Given the factors and considerations set out in paragraphs 84 to 99 above and the circumstances of this matter, the DFSA has decided that it is proportionate and appropriate to impose on Mr Rollet the Fine of USD 175,000.

The Restriction

101. The DFSA has decided that it is appropriate and proportionate in the circumstances to restrict Mr Rollet from performing any function in connection with the provision of Financial Services in or from the DIFC.
102. The DFSA's policy in relation to its exercise of the restriction power under Article 59(1) of the Regulatory Law is set out in section 4-10 of RPP.
103. In determining whether to exercise its power under Article 59(1) of the Regulatory Law, the DFSA may have regard to all relevant matters including, but not limited to, the criteria for assessing the fitness and propriety of Authorised Individuals as set out in GEN Chapter 7 and section 2-3 of RPP (RPP 4-10-3).
104. In deciding to impose the Restriction, the DFSA has considered the:
 - a. issues giving rise to concerns about Mr Rollet's fitness and propriety and, in particular, whether those concerns are such as to affect all possible functions in connection with the provision of Financial Services in or from the DIFC which a person may perform;
 - b. materiality of the issues giving rise to concerns as to Mr Rollet's fitness and propriety, namely:
 - i. acting without integrity during the Relevant Periods; and
 - ii. misleading and deceiving the DFSA, in order to conceal or distance himself from actions that caused LT's contraventions with regard to the Cash Service;
 - c. the nature of the function Mr Rollet was performing, namely that he was the SEO of LT, the most senior executive position, as well as a Licensed Director. Mr Rollet was responsible for managing LT and leading its relationship with the DFSA; and

- d. the level of risk which Mr Rollet may pose in the future, to regulated entities, customers and the integrity of the DIFC.
105. Mr Rollet does not currently hold Authorised Individual status but, given the seriousness of his misconduct, the DFSA considers the Restriction necessary and appropriate to protect direct and indirect users and prospective users of the Financial Services industry in the DIFC.

The Prohibition

106. The DFSA has also decided to prohibit Mr Rollet from holding office in or being an employee of any Authorised Person, DNFBP, Reporting Entity or Domestic Fund in the DIFC. Article 90(2)(g) of the Regulatory Law provides that the DFSA may impose such a prohibition when a person has contravened legislation administered by the DFSA.
107. When considering the imposition of the Prohibition, the DFSA has taken into consideration the other powers it has available to penalise Mr Rollet for his misconduct, as well as the other powers to protect direct and indirect users and prospective users of the Financial Services industry in the DIFC. Noting the Restriction on Mr Rollet and the potential overlap with the Prohibition, the DFSA considers that such further protection is required to address the serious risk Mr Rollet presents to the Financial Services industry in the DIFC.
108. Accordingly, given the seriousness and scale of Mr Rollet's misconduct, the DFSA considers it necessary and appropriate in the circumstances to impose the Prohibition on Mr Rollet to protect users of the Financial Services industry.

PROCEDURAL MATTERS

Decision Making Committee

109. The decision to which this Notice relates was made by the Decision Making Committee of the DFSA.

110. This Notice is given to Mr Rollet (hereafter **you** or **your**) under Paragraph 5 of Schedule 3 to the Regulatory Law.

Manner and time for payment

111. The Fine must be paid to the DFSA no later than 60 days from the date of the Notice.

112. If any or all of the Fine is outstanding after the due date, the DFSA may seek to recover the outstanding amount as a debt owed by you and due to the DFSA.

Evidence and other material considered

113. Annex B sets out extracts from some statutory and regulatory provisions and guidance relevant to this Notice.

114. In accordance with paragraphs 5(2) and 5(3) of Schedule 3 to the Regulatory Law, the DFSA has considered the following materials in making its decision:

- a. the relevant materials provided with the Preliminary Notice;
- b. the written representations made on your behalf on 27 August 2020 and the materials provided with those representations;
- c. the Enforcement response dated 27 September 2020 to the representations referred to in (b) and the materials provided with that response; and
- d. the reply made on your behalf on 25 October 2020 to the response referred to in (c).

Representations

115. In accordance with Paragraph 4(1) of Schedule 3 to the Regulatory Law, you were given the opportunity to make representations to the DFSA in person and in writing concerning the DFSA's decision.

116. You were asked in the Preliminary Notice to inform the DFSA if you intended to make representations in person, and did not indicate that you had any intention to

do so. Written representations on your behalf were submitted to the DFSA on 27 August 2020.

117. Enforcement was given an opportunity to comment on the written representations made on your behalf and provided a written response on 27 September 2020.
118. Further written submissions on your behalf were submitted to the DFSA on 25 October 2020.
119. Annex A contains a summary of the main points made on your behalf in your representations and the DFSA's responses on those points. In making the decision the DFSA has taken into account all of the representations made on your behalf, whether or not set out in Annex A.

Referral to FMT

120. Under Articles 29, 59(6) and 90(5) of the Regulatory Law, you have the right to refer the matter to the FMT for review. The FMT is operationally independent of the DFSA and has the power to conduct a full merits review of the matter.
121. Should you wish to have this matter reviewed by the FMT, you must exercise that right within 30 days of the date of this decision.
122. Proceedings before the FMT are commenced by submitting a Notice of Appeal (Form FMT 1) to the registrar of the FMT. The fee specified in section 4.2 of the Fees Module of the DFSA Rulebook must also be paid to the DFSA at the same time as the Notice of Appeal is filed with the registrar of the FMT.
123. The FMT Rules of Procedure, as well as the template of Form FMT 1, which includes the Registrar's contact details, can be found on the DFSA's website at <https://www.dfsa.ae/about-dfsa/our-structure/financial-markets-tribunal>.
124. Please note that under Paragraph 26 of the FMT Rules of Procedure, you must send a copy of Form FMT 1 to the DFSA on the same date it is filed with the Registrar of the FMT.

Publicity

- 125. Under Article 116(2) of the Regulatory Law, the DFSA may publish, in such form and manner as it regards appropriate, information and statements relating to decisions of the DFSA and of the Court, censures, and any other matters which the DFSA considers relevant to the conduct of affairs in the DIFC.
- 126. RPP 5-17-2 is relevant to the publication of information about the matter to which this Notice relates. It provides that the DFSA will generally publish, in such form and manner as it regards appropriate, information and statements relating to enforcement actions.
- 127. RPP 5-17-9 to 5-17-11 are also relevant to when information will be published about a matter that may be referred to the FMT.
- 128. As the DFSA has decided to give you a Decision Notice, your representations may ultimately be made public in the event that this Decision Notice is published.

DFSA contacts

- 129. For more information concerning this matter generally, please contact the Administrator to the DMC on +971 4 362 1681 or by email at DMC@dfsa.ae.

Signed:

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Mark McGinness
On behalf of the Decision Making Committee of the DFSA

ANNEX A – REPRESENTATIONS

A summary of the main points made by Mr Rollet are in italics. The Decision Maker's responses on those points are set out under the italicised text.

Issue 1 – Are the contraventions arising from the Cash Service time-barred by Article 63 of the Regulatory Law?

- 1. A primary contention by Mr Rollet was that the Preliminary Notice was served more than three years after the date on which the DFSA had sufficient information to reasonably infer LT was providing the Cash Service. All allegations founded on the Cash Service are therefore time barred because the statutory limitation period of three years had expired with respect to his knowing concern in LT's contraventions. The basis of Mr Rollet's contention is Article 63(2) of the Regulatory Law, which provides: "Except as provided in Article 63(3), the DFSA may only exercise a power under Article 63(1) in relation to a person within three years after the day on which the DFSA became aware of the act or omission that gave rise to the right to exercise the power in respect of that person."*
2. The key question is: to what extent does the limitation period stipulated under Article 63 of the Regulatory Law apply to enforcement action taken under Article 90 of the Regulatory Law in respect of a contravention arising by reason of Article 86(1) of the Regulatory Law (which provides that a person commits a contravention if he is "knowingly concerned in a contravention of the Law or Rules or other legislation administered by the DFSA committed by another person")?
3. Article 63 of the Regulatory Law concerns powers which are exercisable against a person by reason of that person having a particular regulatory status, such as that of Authorised Firm, Registered Auditor, Authorised Individual or Domestic Fund, or an officer, employee or agent of an Authorised Person, etc. It makes provision for the DFSA to be able to exercise those powers in certain circumstances even after the person has ceased to have the relevant status. The limitation in Article 63(2) applies to the exercise of those powers. The limitation does not apply to powers that are exercisable irrespective of whether the person against whom they are directed has a particular regulatory status.

4. For example, Article 63(2) does not apply to the exercise of the DFSA's powers under Article 90, which are available where "*the DFSA considers that a person has contravened a provision of any legislation administered by the DFSA*". It also does not apply to the DFSA's power in Article 59 of the Regulatory Law to restrict "*a person*" from performing any functions in connection with the provision of Financial Services in or from the DIFC. Several DFSA requirements contemplate the possibility of contraventions by persons without any particular regulatory status. Similarly, enforcement action taken under Article 90 in relation to contraventions arising by reason of Article 86(1) applies to "*a person*" who is knowingly concerned in a contravention by another person, and does not depend on the target of the enforcement action having any particular regulatory status. The secondary issue of determining when the DFSA "*became aware of the act or omission that gave rise to the right to exercise the power*" does not need to be determined.

Issue 2: Was the Cash Service contravention a technical and narrow breach?

5. *Mr Rollet submits that the breach by LT of Article 41(1) of the Regulatory Law, was at best a narrow and technical breach on the basis that the DFSA subsequently removed the prohibition on the provision of cash services, which demonstrates there is nothing objectionable in such services as a matter of policy and no public interest in pursuing past breaches relating to that prohibition.*
6. However, the prohibition on the provision of cash services was not subsequently removed. In fact, the opposite is true; when the DFSA amended the prohibition on Providing Money Services under proposals set out in DFSA Consultation Paper No. 125, it specifically retained the prohibition in relation to physical cash.

Issue 3: If the provision of the Cash Service was not unusual in the DIFC, was it unlawful to single Mr Rollet out?

7. *Mr Rollet submits that the provision of a cash service by licensed entities was not unusual in the DIFC at the time (citing two other Authorised Firms in the Centre)*

and so singling out LT and Mr Rollet for providing such a service is an inconsistent decision which is unlawful on public law grounds.

8. Absence of enforcement action in respect of what Mr Rollet may have perceived or understood to be comparable breaches by other Authorised Firms cannot be taken as an indicator that the regulator has waived compliance with that rule. This submission has no merit.

Issue 4: Did LT's contravention of COB Rule A5.8.2 put the Client Money at risk?

9. *Mr Rollet submits that LT's contravention of COB Rule A5.8.2 was a technical and narrow breach and that clients' funds were never put at risk.*
10. However, the Cash Service not only exposed the client availing themselves of the service to risk but, through the failure to comply with LT's Client Money obligations, all clients were potentially put at risk. In relation to the Cash Service, at the point at which the Client Money leaves the LT Client Money Account, the records of the bank holding the client money would show a debit of that amount (e.g. EUR 100,000), but the Client Money records of LT would not reflect this debit and so there would be a shortfall of EUR 100,000 until the point at which the receipt of the cash by the client was recorded, potentially 15 days later. This is a fundamental breach of the Client Money Rules.
11. If LT were to suffer an insolvency event in this period, the Client Money provision (i.e. the funds in the bank) would be insufficient to satisfy the Client Money liabilities as recorded in LT's books. This could result in either all of the clients suffering a proportion of loss to their Client Money entitlement as reflected by the amount of the shortfall; or (in a more extreme case) due to the incompatibility of LT's records to those of the bank holding the Client Money, the loss of protection for all of the Client Money. In the latter situation, the clients would become general creditors of the firm and receive their money in line with whatever assets were left following the satisfaction of prioritised liabilities of the firm according to insolvency principles. This is the exact risk that Client Money Rules are designed to avoid.

Issue 5: Were payments from Client Money made on the basis of false invoices requested by LT?

12. *Mr Rollet submits that payments from Client Money were not made on the basis of false invoices, as the effective cause of the transfer of funds was the client's instructions and not the invoices. He further submits that LT did not request false invoices and that the invoices were generated by Company A or B of their own volition.*
13. LT requested false invoices on a number of occasions. The invoices were by their nature false, because the client never sought any services from the companies, and they contained amounts that did not represent the actual fee owed to the companies.

Issue 6: Was Mr Rollet knowingly concerned in LT's contraventions arising from its provision of the Cash Service?

14. *Mr Rollet submits that he was unaware of the fact that LT was not entitled to provide the Cash Service to clients and was not made aware of that fact by LT's Compliance team or by external advisers who had knowledge of the process. In circumstances where Mr Rollet was unaware of any contravention by LT, it follows that he was not and cannot have been "knowingly" concerned with any such contravention.*
15. *As regards LT's dishonest, misleading and deceptive use of false invoices to facilitate the Cash Service, Mr Rollet submits that he cannot be held accountable for the inaccuracies in those invoices which rendered them false. This is because he was not involved in the creation or content of those invoices, and was not generally copied to them, so cannot have known they did not accurately describe the services provided by Companies A and B.*
16. For a person to be "*knowingly concerned*" in a contravention, knowledge of the facts which amount to a contravention is enough – it is not required that the person knew the facts amounted to a relevant contravention. Mr Rollet similarly contended that he was unaware that LT's conduct breached the Client Money Rules. Given the definition of knowingly concerned in Article 86(7), and having regard to the

principle identified by the High Court in *FCA v Capital Alternatives & Ors* (Claim No. 2013 000531, 26 March 2018, unreported), ignorance of the contravention is immaterial to being knowingly concerned.

17. As regards Mr Rollet's knowledge of the inaccurate descriptions of services contained in the invoices provided by Companies A and B, the description of the services in those invoices is only one aspect of what makes them false. Mr Rollet was aware of the use of invoices by Companies A and B in the absence of any instructions from clients to obtain services from those companies. He was also aware the invoices were for amounts which did not solely represent the fees due to those companies. He therefore had sufficient knowledge of relevant facts to be knowingly involved in LT's contraventions arising from their use.

Issue 7: Did Mr Rollet reasonably rely on competent expert advice?

18. *In the context of being knowingly concerned, Mr Rollet submits in the alternative that, where an individual responsibly and reasonably relies on professional advice which turns out to be incorrect, any resulting technical breach of regulatory requirements does not provide an adequate justification to punish that individual. Mr Rollet claims that he acted reasonably in placing reliance on LT's Compliance team and external advisers, including the Consultants. Mr Rollet submits that the Consultants were aware of the Cash Service and yet raised no objections in their advice to LT. He was not therefore knowingly concerned in LT's breaches such that he should be punished and, for the same reasons, he did not breach the Authorised Individual Principles 1, 5 or 6.*
19. Mr Rollet did not receive reassurance of the appropriateness and legality of the Cash Service from any of the external advisers to which he refers, prior to his instigation or approval of it.
20. Further, there is no clear evidence that the Consultants or other external advisers were asked to advise on the legality of the Cash Service and, even if they had some incidental or inferred knowledge of some aspects of it, their lack of objection is insufficient for an SEO to reasonably rely upon determining that the use of Cash

Services was permissible. In any event, there is no suggestion that the Consultants were aware of the involvement of Companies A, B, or C in the Cash Service.

21. In relation to the reassurance Mr Rollet submits he received from LT's Compliance team, on the balance of probabilities the evidence (including accounts from members of LT's Compliance team and documentary records) demonstrates that, while LT's Compliance team may not have specifically advised Mr Rollet that the Cash Service would contravene DFSA administered legislation, members of that team were uncomfortable with the arrangements and raised concerns with Mr Rollet regarding the provision of the Cash Service. The views of LT's Compliance team did not, therefore, give Mr Rollet a reasonable basis to conclude that the Cash Service was permissible.

Issue 8: When did Mr Rollet effectively cease his role as SEO and a Licensed Director?

22. *Mr Rollet submits that some facts relied on to establish a contravention post-date Mr Rollet's departure from LT. Mr Rollet stated that he ceased to have any dealings with the activities of LT from 26 December 2016 and any involvement after that date was either de minimis or required by the terms of an agreement transferring his shareholding in LT.*
23. The form applying to withdraw Mr Rollet's status as SEO was submitted to the DFSA on 16 January 2017 and indicated that Mr Rollet ceased his function as a Licensed Director on 12 January 2017. The contraventions in the Decision Notice other than those relating to Mr Rollet's interview by the DFSA are all described as finishing on 11 January 2017. There is evidence, supported by emails, that Mr Rollet remained involved in the management and operations of LT and so, effectively its SEO until that date.

Issue 9: Was the use of the Cash Letter misleading or deceptive?

24. *Mr Rollet submits that the use of the Cash Letter [the template letter that was used on one occasion in September 2016 by an employee of LT when transferring physical cash through Dubai airport to Switzerland and, on another occasion by*

Mr Rollet in November 2016] was not misleading or deceptive. Mr Rollet submits that he would have amended the inaccuracies in the Cash Letter before using it in November 2016 and, insofar as an LT employee used a similar letter containing inaccurate information, in circumstances where Mr Rollet was not aware that the employee had used such language, Mr Rollet cannot be held responsible for this.

25. The employee in question directly contradicts Mr Rollet's position and states that Mr Rollet had signed the inaccurate letter used by the employee. It seems clear that Mr Rollet was aware of the letter being used by the employee since he requested a copy of it via email when Mr Rollet needed a similar letter. This Cash Letter incorrectly stated the beneficial ownership of client funds and so was misleading or deceptive. Considering the available evidence and on the balance of probabilities, Mr Rollet did sign the letter and it was in its misleading form.

Issue 10: Did Mr Rollet provide false or misleading information to the DFSA?

26. *Concerning breaches of Article 66 of the Regulatory Law, Mr Rollet denies that he provided false, misleading or deceptive information to the DFSA during his interview. When the interview transcripts are considered fairly and objectively, Mr Rollet submits it is clear that he was struggling to recall matters that had taken place some four years earlier. Given the passage of time, this is not surprising. It is also regrettable that despite informing Mr Rollet that he would receive a written transcript shortly after the interview, the transcript was not in fact provided until service of the Preliminary Notice; had the DFSA provided the transcript sooner, Mr Rollet would have promptly corrected any inaccuracies. However, insofar as Mr Rollet's recollection of certain events was incorrect, it is denied that there was any deliberate intention on his part to mislead or otherwise deceive the DFSA; rather, it reflects his poor recall of the precise factual events.*
27. It is regrettable that a copy of the transcript was not provided to Mr Rollet by the DFSA as promised. In the circumstances, given the qualified nature of two of Mr Rollet's responses to questions in his DFSA interview relied upon in the Preliminary Notice as evidence of breaches of Article 66 (both of which included a caveat that the answer in question was "to his recollection"), neither of those

two answers should be found to constitute a breach. However, the other three answers referred to in paragraphs 79 and 80 of this Notice are sufficiently unqualified, definitive and certain to what was, in each case, a clear and direct question that they had the effect of being false or misleading. Additionally, there is no need to establish any deliberate intention to mislead the DFSA to found a breach of Article 66 of the Regulatory Law; it is sufficient that Mr Rollet was at least reckless as to whether the information provided was false, misleading or deceptive.

ANNEX B – RELEVANT STATUTORY AND REGULATORY PROVISIONS

1. RELEVANT LEGISLATION

Regulatory Law No. 1 of 2004 (Regulatory Law 2004)

Article 8(3) of the Regulatory Law 2004 sets out the DFSA's objectives.

8. *The Powers, Functions and Objectives of the DFSA*

(...)

(3) *In performing its functions and exercising its powers, the DFSA shall pursue the following objectives:*

(...)

(d) *to prevent, detect and restrain conduct that causes or may cause damage to the reputation of the DIFC or the financial services industry in the DIFC, through appropriate means including the imposition of sanctions;*

(e) *to protect direct and indirect users and prospective users of the financial services industry in the DIFC;*

(...)

41. *The Financial Services Prohibition*

(1) *Subject to Article 41(9) and Article 42(3), a person shall not carry on a Financial Service in or from the DIFC.*

(2) *The DFSA shall make Rules prescribing the activities which constitute a Financial Service.*

(3) *The prohibition in Article 41(1) is referred to in the Law as the "Financial Services Prohibition".*

(4) *The DFSA may make Rules adding to, removing activities from, or otherwise modifying the list of Financial Services made under Article 41(2).*

(5) *A person shall, in engaging in activity constituting a Financial Service, or in engaging in any like activity that may constitute a Financial Service except for the form and manner in which the activity is carried out, comply with Federal Law to the extent that such law applies in the DIFC.*

(6) DELETED

(7) DELETED

(8) DELETED

(9) A Fund is exempt from the Financial Services Prohibition with respect to any Financial Service which is carried on for the purposes of, or in connection with, the Fund if the Fund has a Fund Manager or External Fund Manager that falls within Article 42(3) (a) or (b). This exemption applies to a Fund even where it does not have legal personality.

41B. General prohibition against misconduct

(1) A person must not, in or from the DIFC, engage in conduct in connection with a Financial Product or a Financial Service that is:

(a) misleading or deceptive or likely to mislead or deceive;

(b) fraudulent; or

(c) dishonest.

(2) The DFSA shall make Rules prescribing what constitutes a Financial Product for the purposes of Article 41B(1).

(3) Nothing in this Article limits the scope or application of any other provision in legislation administered by the DFSA.

42. Authorised Firms, Authorised Market Institutions and Financial Services

(...)

(3) A person may carry on one or more Financial Services in or from the DIFC if such person is:

(a) an Authorised Firm whose Licence authorises it to carry on the relevant Financial Services;

(...)

59. Restricting persons from performing functions in the DIFC

(1) If the DFSA believes on reasonable grounds that a person is not a fit and proper person to perform any functions in connection with the provision of Financial Services in or from the DIFC, it may restrict the person from performing all or any such functions.

(2) A restriction under this Article may relate to a function whether or not it is a Licensed Function.

(3) The DFSA may vary or withdraw a restriction imposed under this Article.

(4) A person who performs a function in breach of a restriction under this Article commits a contravention.

(5) The procedures in Schedule 3 apply to a decision of the DFSA under Article 59(1).

(6) If the DFSA decides to exercise its power under Article 59(1), the person may refer the matter to the FMT for review.

66. False or Misleading Information

A person shall not:

(a) provide information which is false, misleading or deceptive to the DFSA; or

(b) conceal information where the concealment of such information is likely to mislead or deceive the DFSA.

78. Power of the DFSA to conduct an investigation

(1) The DFSA may conduct such investigation as it considers appropriate and expedient under Chapter 2 of Part 5:

(a) where it has reason to suspect that a contravention of the Law or of the Rules or of any other legislation administered by the DFSA is being or may have been committed; or

(b) further to a request made under Article 39.

(2) A person is entitled to legal representation during the course of an investigation.

86. Involvement in contraventions

(1) If a person is knowingly concerned in a contravention of the Law or Rules or other legislation administered by the DFSA committed by another person, the aforementioned person as well as the other person commits a contravention and is liable to be proceeded against and dealt with accordingly.

(2) If an officer of a body corporate is knowingly concerned in a contravention of the Law or Rules or other legislation administered by the DFSA committed by a body corporate, the officer as well as the body corporate commits a contravention and is liable to be proceeded against and dealt with accordingly.

(3) If the affairs of a body corporate are managed by its members, Article 86(2) applies in relation to the acts and defaults of a member in connection with his functions of management as if he were a director of the body corporate.

(4) If a partner (or a person purporting to act as a partner) is knowingly concerned in a contravention of the Law or Rules or other legislation administered by the DFSA committed by a partnership or by all or some of its constituent partners, he as well as the partnership or its constituent partners as the case may be commits a contravention and is liable to be proceeded against and dealt with accordingly.

(5) If an officer of an unincorporated association (other than a partnership) or a member of its governing body is knowingly concerned in a contravention of the Law or Rules or other legislation administered by the DFSA committed by the association, that officer or member as well as the association commits a contravention and is liable to be proceeded against and dealt with accordingly.

(6) For the purposes of Article 86, "officer" means a director, member of a committee of management, chief executive, manager, secretary or other similar officer of the body corporate or association, or a person purporting to act in such capacity, and an individual who is a controller of the body.

(7) For the purposes of Article 86, a person is 'knowingly concerned' in a contravention if, and only if, the person

(a) has aided, abetted, counselled or procured the contravention;

(b) has induced, whether by threats or promises or otherwise, the contravention;

(c) has in any way, by act or omission, directly or indirectly, been knowingly involved in or been party to, the contravention; or

(d) has conspired with another or others to effect the contravention.

(8) In Article 86, 'person' does not include the DFSA or President.

90. Sanctions and directions

(1) Where the DFSA considers that a person has contravened a provision of any legislation administered by the DFSA, other than in relation to Article 32, the DFSA may exercise one or more of the powers in Article 90(2) in respect of that person.

(2) For the purposes of Article 90(1) the DFSA may:

(a) fine the person such amount as it considers appropriate in respect of the contravention;

(b) censure the person in respect of the contravention;

(c) make a direction requiring the person to effect restitution or compensate any other person in respect of the contravention within such period and on such terms as the DFSA may direct;

(d) make a direction requiring the person to account for, in such form and on such terms as the DFSA may direct, such amounts as the DFSA determines to be profits or unjust enrichment arising from the contravention;

(e) make a direction requiring the person to cease and desist from such activity constituting or connected to the contravention as the DFSA may stipulate;

(f) make a direction requiring the person to do an act or thing to remedy the contravention or matters arising from the contravention; or

(g) make a direction prohibiting the person from holding office in or being an employee of any Authorised Person, DNFBP, Reporting Entity or Domestic Fund.

(...)

(5) If the DFSA decides to exercise its power under this Article in relation to a person, the person may refer the matter to the FMT for review.

(...)

116. Publication by the DFSA

(...)

(2) The DFSA may publish in such form and manner as it regards appropriate information and statements relating to decisions of the DFSA and of the Court, censures, and any other matters which the DFSA considers relevant to the conduct of affairs in the DIFC.

2. RELEVANT DFSA RULEBOOK PROVISIONS

Conduct of Business (COB)

A5.2.1

(1) The provisions of this appendix [App5 of COB] are referred to as the Client Money Provisions.

A5.4.1

A Client Account in relation to Client Money is an account which:

- (a) is held with a Third Party Agent;*
- (b) is established to hold Client Assets;*
- (c) is maintained in the name of;*
- (i) if a Domestic Firm, the Authorised Firm; or*
- (ii) if a non-Domestic Firm, a Nominee Company controlled by the Authorised Firm; and*
- (d) includes the words 'Client Account' in its title.*

A5.8.2

Subject to Rule A5.8.3, a Segregated Client's Client Money must remain in a Client Account until it is:

- (a) due and payable to the Authorised Firm;*
- (b) paid to the Client on whose behalf the Client Money is held;*
- (c) paid in accordance with a Client instruction on whose behalf the Client Money is held;*
- (d) required to meet the payment obligations of the Client on whose behalf the Client Money is held; or*
- (e) paid out in circumstances that are otherwise authorised by the DFSA.*

A6.2.1

(1) The provisions of this appendix [App6 of COB] are referred to as the Safe Custody Provisions.

A6.2.2

An Authorised Firm must:

- (a) comply with the Safe Custody Provisions; and*
- (b) have adequate systems and controls in place to be able to evidence compliance with the Safe Custody Provisions.*

General Module (GEN)

2.2 Financial Service Activities

2.2.1 *An activity constitutes a Financial Service under the Regulatory Law and these Rules where:*

- (a) it is an activity specified in Rule 2.2.2; and*

(b) *such activity is carried on by way of business in the manner described in section 2.3.*

2.2.2 *The following activities are specified for the purposes of Rule 2.2.1:*

(...)

(c) *Providing Money Services;*

(...)

2.2.3 *Each activity specified in Rule 2.2.2:*

(a) *is to be construed in the manner provided under these Rules; and*

(b) *is subject to exclusions under these Rules which may apply to such an activity.*

2.2.4 *Pursuant to Article 42(1)(a) of the Regulatory Law 2004 an Authorised Firm, subject to the Rules, may carry on any one or more Financial Services other than Providing Money Services.*

2.3 By way of business

2.3.1 *Subject to Rules 2.3.2 and 2.3.3, for the purpose of these Rules a Person carries on an activity by way of business if the Person:*

(a) *engages in the activity in a manner which in itself constitutes the carrying on of a business;*

(b) *holds himself out as willing and able to engage in that activity; or*

(c) *regularly solicits other Persons to engage with him in transactions constituting that activity.*

2.6 Providing money services

2.6.1

(1) *In Rule 2.2.2, Providing Money Services means providing currency exchange or money transmission.*

(2) *In (1) 'money transmission' means:*

(a) *selling or issuing payment instruments;*

(b) *selling or issuing stored value; or*

(c) *receiving money or monetary value for transmission, including electronic transmission, to a location within or outside the DIFC.*

Exclusions

2.6.2 *A Person who is an Authorised Firm does not Provide Money Services if it does so in relation to the carrying on of another Financial Service where Providing Money Services is in connection with and a necessary part of that other Financial Service.*

Chapter 4 – Core Principles

(...)

4.2 The Principles for Authorised Firms

Principle 1 - Integrity

4.2.1 *An Authorised Firm must observe high standards of integrity and fair dealing.*

(...)

Principle 9 - Customer assets and money

4.2.9 *Where an Authorised Firm has control of or is otherwise responsible for assets or money belonging to a customer which it is required to safeguard, it must arrange proper protection for them in accordance with the responsibility it has accepted.*

4.4 The Principles for Authorised Individuals

Principle 1 - Integrity

4.4.1 *An Authorised Individual must observe high standards of integrity and fair dealing in carrying out every Licensed Function.*

(...)

Principle 5 – Management, systems and control

4.4.5 *An Authorised Individual who has significant responsibility must take reasonable care to ensure that the business of the Authorised Firm for which he is responsible is organised so that it can be managed and controlled effectively.*

Principle 6 - Compliance

4.4.6 *An Authorised Individual who has significant responsibility must take reasonable care to ensure that the business of the Authorised Firm for which he is responsible complies with any legislation applicable in the DIFC.*

Chapter 7 – Authorisation

(...)

7.6 Application for Authorised Individual Status

(...)

Consideration and assessment of applications

7.6.3 *An individual will only be authorised to carry on one or more Licensed Functions if the DFSA is satisfied that the individual is fit and proper to be an Authorised Individual. In making this assessment, the DFSA will consider:*

- (a) the individual's integrity;*
- (b) the individual's competence and capability;*
- (c) the individual's financial soundness;*
- (d) the individual's proposed role within the Authorised Firm; and*
- (e) any other relevant matters.*

3. OTHER RELEVANT REGULATORY PROVISIONS

The DFSA's policy in relation to the following is set out in the DFSA's Regulatory Policy and Process Sourcebook (RPP) (February 2020 Edition):

- its approach to authorisation, including assessing the fitness and propriety of Authorised Individuals, is set out in Chapter 2;*
- its approach to supervisory and enforcement powers, including its power to restrict individuals, is set out in Chapter 4;*
- its approach to enforcement is set out in Chapter 5; and*
- its approach to imposing a penalty, which includes a financial penalty, and the matters that the DFSA will take into account when determining a penalty, is set out in Chapter 6.*

ANNEX C – DEFINITIONS

Defined Term	As Defined in the Notice
<i>AML</i>	Anti-money laundering requirements (in a general sense)
<i>Cash Letter</i>	The template letter that was drafted on the headed paper of LT and used by individuals when transporting large amounts of physical cash from Dubai to Switzerland as part of the Cash Process
<i>Cash Process</i>	The process that was used by LT to provide the Cash Service from around 13 November 2015 to 11 January 2017, as described at paragraph 30 of the Notice
<i>Cash Service</i>	The physical cash withdrawal service provided by LT to certain of its customers
<i>Cash Withdrawal File</i>	The hard copy folder of documents where LT kept receipts and other documents related to the Cash Service
<i>Company A</i>	The unregulated third-party company based in Dubai, which was used by LT to facilitate the Cash Service from around 13 November 2015 to 27 October 2016
<i>Company B</i>	The unregulated third-party company based in Dubai, which was used by LT to facilitate the Cash Service from around 27 October 2016 to 11 January 2017
<i>Company C</i>	The company believed to have been connected via common ownership to Company A and Company B, and which operated a regulated money exchange business in Dubai, from whose offices the physical cash was collected as part of the Cash Process
<i>Consultants</i>	The firm of management consultants engaged by LT to carry out work in response to the RMP and the Follow-Up Work
<i>Enforcement</i>	The DFSA's Enforcement Division

Defined Term	As Defined in the Notice
<i>Fine</i>	The financial penalty imposed on Mr Rollet, as described in paragraph 1 of the Notice
<i>Follow-Up Work</i>	Work carried out by the Consultants in response to the DFSA's findings of the focused risk assessment, set out in a letter to LT in January 2016
<i>Individual A</i>	The external asset manager of LT who was connected to Company A via a relative and liaised with Company A or Company B to provide the false invoices to LT via email
<i>LT</i>	La Tresorerie Limited
<i>Notice</i>	This Decision Notice
<i>Personal Bank Account</i>	The bank account controlled by Mr Rollet, which was used to facilitate the Cash Service for LT customers
<i>Preliminary Notice</i>	The Preliminary Notice dated 29 April 2020, given to Mr Rollet under paragraph 4 of Schedule 3 to the Regulatory Law
<i>Prohibition</i>	The prohibition imposed on Mr Rollet, as described in paragraph 1 of the Notice
<i>Relevant Period</i>	Each period of time described in sub-paragraphs a. to c. of paragraph 5 of the Notice, being the duration over which each contravention respectively persisted
<i>Restriction</i>	The restriction imposed on Mr Rollet, as described in paragraph 1 of the Notice
<i>RMP</i>	The risk mitigation programme LT was required by the DFSA to carry out between April and July 2015, to address deficiencies identified by the DFSA within LT's compliance and AML framework relating to rules around customer due diligence and on-boarding
<i>SEO</i>	The Senior Executive Officer, as defined in GLO

<i>Defined Term</i>	As Defined in the Notice
<i>Suspicious Report</i>	The report made on 1 May 2017 to the DFSA by LT, in line with its regulatory obligations, concerning suspicions about transactions that indicated potential money laundering
<i>Swiss Safe</i>	The physical safe located in Locarno Switzerland that was used by LT as part of the Cash Process
<i>TMP</i>	LT's transaction monitoring process document dated 28 September 2015