



**Statement by the QFC Regulatory Authority regarding  
the result of regulatory actions taken in relation to  
Corecap Merchant Bank LLC ("CCMB") under the QFC  
Financial Services Regulations ("the Regulations")**

**Doha, Qatar: 23<sup>rd</sup> of June 2010**

On the 22<sup>nd</sup> of June 2010, following the conclusion of an investigation into the affairs of CCMB, CCMB agreed, and the Qatar Financial Centre **Regulatory Authority** (the "Regulatory Authority") imposed, the following regulatory action:

- (i) the Regulatory Authority accepted CCMB's withdrawal of its Authorisation under Article 29;
- (ii) the Regulatory Authority accepted payment by CCMB of a financial penalty in the amount of US\$200,000; and
- (iii) the Regulatory Authority accepted payment by CCMB of the costs and expenses of the investigation conducted by the Regulatory Authority.

This action was taken with the consent of CCMB and by the Regulatory Authority on the grounds that the Regulatory Authority was satisfied that:

**CCMB was failing to satisfy the criteria for authorisation stipulated in Article 29(2) - (5) of the Regulations.**

**CCMB had contravened the relevant requirements set out in Regulations and Regulatory Authority Rules in that:**

- (i) it did not carry on any Regulated Activities for which it had been Authorised to undertake;
- (ii) it did not satisfy on an ongoing basis the Fitness and Propriety criteria on the General Rulebook;
- (iii) it did not comply with certain rules of the Controls Rulebook;
- (iv) it did not comply with certain rules of the Individual Rulebook;
- (v) it did not comply with certain rules of the Conduct of Business Rulebook;
- (vi) it did not comply with certain rules relating to customer identification documentation of the Anti-Money Laundering Rulebook;
- (vii) it did not comply with certain provisions relating to customer identification documentation of the QFC Anti-Money Laundering Regulations; and
- (viii) it did not comply with accepted corporate governance procedures.



**CCMB has contravened the following provisions of the Regulatory Authority's Principles Rulebook:**

- (i) Principle 2, by failing to act with due skill, care and diligence in the conduct of its business and to provide effective management oversight of the operations and activities;
- (ii) Principle 4, by failing to have effective systems and controls including risk management systems and adequate human and technological resources;
- (iii) Principle 8, by failing to communicate information to clients in a way which is clear, fair and not misleading; and
- (iv) Principle 13, by failing to deal with regulators in an open and co-operative manner and to keep the Regulatory Authority promptly informed of matters of which the Regulatory Authority would reasonably expect notice.

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