



QFC Regulatory Authority fines Horizon Crescent Wealth QAR 30,000,000 for Regulatory Violations

Doha, Qatar, 29 March 2020: The QFC Regulatory Authority (the "QFCRA") today announced that it had taken enforcement action against Horizon Crescent Wealth LLC ("HCW") and that it had imposed a fine of QAR 30,000,000 on HCW as a result of serious legal and regulatory breaches.

The enforcement action taken by the QFCRA followed an investigation of the firm that identified significant failings by HCW in its compliance with the Anti-Money Laundering and Combating Terrorist Financing Rules 2010 ("AML/CFTR"). The investigation also identified that HCW had held itself out as conducting an asset management business without authorisation from the QFCRA, which is a violation of the Qatar Financial Centre Law No. (7) of 2005 ("QFC Law") and the Financial Services Regulations ("FSR").

HCW was licensed in the Qatar Financial Centre ("QFC") on 4 February 2015 as a trust administrator. While trust administration does not require authorisation from the QFCRA, HCW was nevertheless required to comply with the AML/CFTR.

During its investigation, the QFCRA identified serious deficiencies at HCW relating to its customer due diligence and the due diligence conducted by HCW on its customers' source of funds and the nature of their economic activities. These requirements, which are set forth in the AML/CFTR, are essential to protecting the QFC from abuse by illicit finance. The QFCRA's investigation also identified that HCW had taken deliberate steps to mislead the QFCRA regarding its activities and that the firm had also marketed itself as providing asset management services when it was not authorised to do so by the QFCRA, which is a violation of the QFC Law and the FSR.

The QFCRA took immediate steps at the commencement of the investigation to freeze all of HCW's accounts and related customer accounts. The accounts remain frozen.

Following the action taken by the QFCRA, HCW appealed the enforcement action and the QAR 30 million fine to the Regulatory Tribunal. The appeal by HCW challenged whether the action taken by the QFCRA was correct and whether the fine was excessive. On 19 March 2020, the Tribunal issued its decision finding in favour of the QFCRA. The Tribunal's decision also required HCW to pay the costs and expenses of the QFCRA's investigation and a portion of its costs relating to the appeal.

The QFCRA has expressed its gratitude for the close cooperation and significant assistance provided by the Qatar Central Bank, the Qatar Financial Information Unit, and the Public Prosecution Office during the course of the investigation. The cooperation and assistance provided by each of the authorities was instrumental in ensuring a successful outcome to the investigation.

Mr Michael Ryan, CEO of the QFCRA, welcomed the decision of the Tribunal, commenting:

“Compliance with AML/CFT rules and regulations are essential to protect the reputation of the QFC. The action taken emphasises the importance that the QFC and the State of Qatar places on protecting the financial system from illicit finance, and underscores the fact that firms and individuals that do not comply fully with the relevant laws and regulations will be subject to significant consequences.”

The Tribunal's decision relating to HCW can be found [HERE](#).

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About the QFC Regulatory Authority

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