

QFC Authority imposes USD 280,000 fine on Horizon Crescent Wealth LLC for failing to comply with QFCA Rules

Doha, Qatar, 30 April 2020: The QFC Authority announced today that on 6th October 2019 it had imposed a financial penalty of USD 280,000 on Horizon Crescent Wealth LLC (“HCW”) for failing to comply with General Rules and Licensed Firm Assets Rules, which are enshrined in the QFCA Rules. The financial penalty imposed on HCW reflects the seriousness of the contraventions of QFCA Rules, especially when handling Client Money.

HCW is a QFC firm which is licensed to perform Administration of Trusts, and as such is required to comply with its legal obligations in the QFCA Rules.

After irregularities were noticed by the Monitoring & Enforcement Department, the QFC Authority commenced a formal investigation into HCW in March 2018. HCW was required to provide copies of documentation and its officers were compelled to give recorded statements, and as a result, the investigation was concluded in June 2018.

HCW was found to have contravened several Licensed Firm Assets Rules when: it failed to ensure that Client Money was paid into a Client Bank Account as soon as possible; failed to have procedures for identifying Client Money received by it and promptly recording the receipt of that money into a register; and failed to maintain records to demonstrate its compliance with the Licensed Firm Assets Rules. HCW was also found to have contravened General Rules when it: failed to properly certify copies of original documents; and failed to adhere to QFC Principles of Conduct when it engaged in transactions outside their stated purpose, and made unauthorized or inappropriate transfers to Senior Management.

A Notice of Proposed Action was served in April 2019, but HCW did not admit the contraventions and did not avail itself a Settlement Discount in line with the QFC Authority Policy Statement on ‘Financial Penalties and Public Censures’. Consequently, the QFC Authority needed to devote resources to the matter, and having taken into account HCW’s written representations, the QFC Authority issued a Decision Notice in October 2019 and imposed a financial penalty in the sum of USD 280,000 on HCW. The financial penalty was imposed because HCW contravened five Relevant Requirements pursuant to Compliance and Enforcement Rule 6.1.1(A) of the QFCA Rules.

HCW appealed the QFCA’s decision, and on 9 March 2020 in Case No.4 of 2019 the QFC Regulatory Tribunal ordered that the appeal be dismissed.

According to article 23.7 of the QFC Regulatory Tribunal Regulations and Rules, the decision of the Regulatory Tribunal is final and binding and shall not be subject to any further appeal or review save to the Appellate Division of the Court in accordance with article 35.2 of the QFC Civil and Commercial Court Regulations and Procedural Rules.



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About the QFC Authority

The QFC Authority is a body established in 2005 by Article 3 of the QFC Law to operate the QFC in accordance with its objectives in Article 5 of the QFC Law. It licenses and administers firms that conduct business in or from the QFC. It has a broad range of powers to license, monitor and, when necessary, discipline non-regulated firms and individuals in accordance with the QFCA Enforcement Policy 2019. Further details are available on the website www.qfc.qa

