**This Decision Notice has been referred to the Upper Tribunal to determine whether to dismiss the reference or remit it to the Authority with a direction to reconsider and reach a decision in accordance with the findings of the Tribunal.**

**The findings in Mr Joukovski's Decision Notice are therefore provisional and reflect the FCA's belief as to what occurred and how it considers his behaviour should be characterised. The proposed action outlined in Mr Joukovski's Decision Notice will have no effect pending the determination of the reference by the Tribunal whose decision will be made public on its website.**

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# DECISION NOTICE

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To: **Roman Joukovski**

Reference Number: **RXJ01096**

Date: **30 June 2026**

## 1. ACTION

1.1. For the reasons given in this Decision Notice, the Financial Conduct Authority ("the Authority") has decided to make an order prohibiting Roman Joukovski ("Mr Joukovski") from performing any function in relation to any regulated activities carried on by any authorised or exempt persons, or exempt professional firm, pursuant to section 56 of the Financial Services and Markets Act 2000 ("the Act").

## 2. SUMMARY OF REASONS

2.1. Mr Joukovski is the co-founder and co-owner (via a Liechtenstein foundation) of Dolfin Financial (UK) Limited ("Dolfin"), a firm regulated by the Authority which is in special administration. Whilst Mr Joukovski was not: (a) registered at Companies House as a director of Dolfin; (b) registered with the Authority as a controller of Dolfin; and/or (c) approved by the Authority to perform controlled functions at Dolfin, in reality, he and another individual, Individual A, were the two most senior people and the key decision-makers at Dolfin. As such, Mr Joukovski was a controller of Dolfin without the requisite notice having been provided to the Authority and he was a shadow director of Dolfin without having obtained approval from the Authority to perform controlled functions.

2.2. Dolfin provided wealth management services to retail and professional clients in relation to a range of investments and products, such as shares, government and corporate bonds, and investment funds. As part of its offering, Dolfin also provided services to Tier 1 investor visa clients (i.e. foreign nationals wishing to apply for a Tier 1 investor visa in order to reside in the UK) who were introduced to Dolfin by immigration agents (i.e. companies which provided assistance to foreign nationals wishing to live and/or work in the UK).

2.3. On 12 March 2021, the Authority imposed restrictions on Dolfin to prevent it from conducting virtually all regulated activities (see the First Supervisory Notice which sets out the reasons for this action). This action was taken by the Authority because of a variety of concerns, including the fact that Dolfin had been operating a complex funding scheme for its Tier 1 investor visa clients, which was designed to circumvent the requirements of the Home Office's Immigration Rules ("the visa loan business"). Thereafter, the new management team in place at Dolfin (who had not been involved in operating the visa loan business) decided that Dolfin could no longer carry on trading and independent special administrators were appointed to formally wind-down the business on 30 June 2021.

2.4. The visa loan business was a service provided to foreign nationals seeking to obtain Tier 1 investor visas who were introduced to Dolfin by immigration agents, in particular, a firm of regulated immigration advisers referred to in this Notice as "Immigration Agent A":

(1) Mr Joukovski and Individual A were the main organisers of the visa loan business, assisted by a third individual, Individual B.

(2) Following discussions with Immigration Agent A, Mr Joukovski took a central role in the design, implementation and oversight of the visa loan business which was a pre-ordained multi-step scheme comprising of a series of transactions that, in most instances, sought to enable Dolfin's visa loan business clients to obtain a Tier 1 investor visa for a fee of £400,000, rather than by using their own funds to make the minimum £2 million investment in the UK, as required by the Immigration Rules.

2.5. Consistent with the fact that it was designed to circumvent the Immigration Rules, the visa loan business was inherently artificial in that it was comprised of a series of contrived transactions which had no genuine commercial rationale and, when viewed as a whole, it gave a false or misleading impression that an investment had been made in compliance with the Immigration Rules.

2.6. This Notice relates to misconduct by Mr Joukovski dating from December 2013 (at which point a change of control application was notified to the Authority in relation to Dolfin) to October 2022, which is the last of a number of occasions on which Mr Joukovski sought to mislead the Authority on matters related to the visa loan business ("the Relevant Period").

2.7. The Authority has not identified any contemporaneous evidence which categorically states the overall profit generated by the visa loan business for the entire period that it operated but estimates from the available information that, from their participation in the visa loan business, Dolfin-connected companies secured gross fee revenue of at least £35.5 million from the foreign nationals who used the scheme. Of this amount, the Authority estimates that £25.2 million was net profit following £10.3 million being paid as commission to the immigration agents who introduced clients to Dolfin. This net profit was dispersed amongst individuals and corporate entities connected to Mr Joukovski and Individual A. In this way, the misconduct set out in this Notice was motivated by financial gain and it was companies controlled by Mr Joukovski that were the principal financial beneficiaries of the scheme.

2.8. During the Relevant Period, Mr Joukovski demonstrated that he is not a fit and proper person on the basis that he lacks honesty and/or integrity, as follows:

(1) He sought to mislead the Authority by deliberately failing to reveal his involvement with Dolfin during the Relevant Period, including in two change of control applications and/or thereafter.

(2) He was a controller of Dolfin in circumstances where (a) the requisite notice had not been provided to the Authority; and (b) he had already been warned by the Authority, on a previous occasion, that acquiring a controlling interest without making the requisite notification amounted to a criminal offence.

(3) He acted as a shadow director of Dolfin without having obtained approval from the Authority to perform controlled functions.

(4) He was central to the design, implementation and oversight of the visa loan business, which: (a) was created to enable Dolfin's Tier 1 investor visa clients to circumvent the requirements of the Home Office's Immigration Rules; and (b) was inherently artificial and, when viewed as a whole, gave a false or misleading impression that an investment had been made in compliance with the Immigration Rules.

(5) When interviewed by the Authority, he deliberately made a series of false and/or misleading claims when questioned about his knowledge of and involvement in the visa loan business. Thereafter, he continued to try to distance himself from the visa loan business and downplay his influence at Dolfin in post-interview submissions.

2.9. Given: (a) its inherently artificial nature; (b) its express purpose of enabling foreign nationals to circumvent the Immigration Rules; (c) the fact that Mr Joukovski was one of the two most senior people/key decision-makers at Dolfin and, as such, was acting as a shadow director (regardless of the fact that he was not an approved person); and (d) his companies were the principal beneficiaries of the scheme, coupled with the fact that there was limited knowledge of immigration law within Dolfin, Mr Joukovski was also reckless and/or negligent in relation to the design and set up of the visa loan business in:

(1) Failing to ensure that Dolfin obtained independent professional advice in relation to the legality of the visa loan business and/or the risk that it would be challenged by the Home Office.

(2) Taking false comfort from the fact that Immigration Agent A, which was involved with the visa loan business and introduced clients to Dolfin, was a regulated immigration adviser in circumstances where (a) Immigration Agent A was not independent and had a conflict of interest as it stood to gain financially through commission payments from Dolfin operating the visa loan business; and (b) in any event, Mr Joukovski had failed to make reasonable enquires of Immigration Agent A concerning the compliance of the visa loan business with the Immigration Rules.

(3) Failing to ensure that Dolfin complied with its Principle 11 obligations by giving the Authority notice that it was commencing the provision of the visa loan business as a high-risk new service to clients, in circumstances

where he had previously (a) acknowledged his failure to make notifications to the Authority in the context of other firms and (b) assured the Authority in a 'personal statement' that "*I now fully understand and appreciate the importance of FCA's Principle 11"*.

2.10. Mr Joukovski was also reckless and/or negligent in implementing and overseeing the visa loan business, which was an important source of revenue for Dolfin, despite: (a) Dolfin staff members repeatedly expressing concerns as to its legality (culminating in three staff members handing in their resignations); and (b) the Home Office refusing the applications for visa extension and Indefinite Leave to Remain of a large number of Tier 1 investor visa applicants who had been involved in a scheme which had similarities to the visa loan business.

2.11. In light of the conduct summarised at paragraphs 2.8 to 2.10 above, the Authority considers that Mr Joukovski is not a fit and proper person due to a lack of: (a) honesty and integrity; and/or (b) competence and capability, and further that he poses a risk to consumers and to the integrity of the UK financial system. In this regard, Mr Joukovski has consistently refused to accept any culpability on his part in relation to the visa loan business, contending instead that he only had a limited role in relation to it (which is not accepted by the Authority). In this way, Mr Joukovski has failed to take responsibility for his actions or given any indication of improvement on his part. The Authority therefore has decided to make an order prohibiting Mr Joukovski from performing any function in relation to any regulated activities carried on by any authorised or exempt persons, or exempt professional firm, pursuant to section 56 of the Act.

## 3. DEFINITIONS

3.1. The definitions below are used in this Notice:

"the Act" means the Financial Services and Markets Act 2000;

"the Authority" means the body corporate previously known as the Financial Services Authority and renamed on 1 April 2013 as the Financial Conduct Authority;

"Conflicted Securities" means bonds which were issued by companies that Dolfin or its directors had an interest in;

“Conflicted Securities A” means bonds issued by Issuer A that were distributed by Dolfin Connected Company Y to Dolfin Tier 1 investor visa clients;

“Conflicted Securities Z” means bonds issued by Dolfin Connected Company Z;

“Dolfin Client H” means a specific Tier 1 investor visa client who used the visa loan business to obtain her visa;

“Dolfin Connected Company Y” means the offshore company controlled by Individual A which was a key component of the visa loan business;

“Dolfin Connected Company Z” means the offshore company of which Individual A was a Director from September 2015 to March 2019 and his immediate family member the ultimate beneficial owner, and which was a key component of the visa loan business;

“Dolfin” and/or “the Firm” means Dolfin Financial (UK) Limited which is in special administration;

“Immigration Agent A” means the firm of regulated immigration advisers who were involved with the visa loan business and introduced Tier 1 investor visa clients to Dolfin;

“Issuer A” means a company connected to Mr Joukovski, Individual A, Individual B and Dolfin that issued Conflicted Securities A which were distributed by Dolfin Connected Company Y to Dolfin Tier 1 investor visa clients;

“RDC” means the Regulatory Decisions Committee of the Authority (see further under Procedural Matters below);

“the Relevant Period” means 2 December 2013 to 31 October 2022;

“SPV” means Special Purpose Vehicle;

“Tier 1 investor visa clients” means foreign nationals wishing to apply for a Tier 1 investor visa in order to reside in the UK;

"Tier 1 team" means the employees at Dolfin who had relevant language skills in Mandarin and/or Cantonese and focused primarily on servicing clients from China for Dolfin's Tier 1 investor visa business;

"the Tribunal" means the Upper Tribunal (Tax and Chancery Chamber);

"visa loan business" means the complex funding scheme operated by Dolfin and involving Dolfin connected companies which was an integral part of Dolfin's Tier 1 investor visa business;

"VREQ" means voluntary requirements imposed on Dolfin following its application under section 55L(5)(a) of the Act; and

"the Warning Notice" means the Warning Notice issued to Mr Joukovski dated 16 January 2026.

## 4. FACTS AND MATTERS

### Background

4.1. Dolfin was incorporated on 5 November 2010 and has been authorised by the Authority since 25 October 2011.

4.2. Individual A was appointed as a director and the CEO of Dolfin on 20 September 2013. Soon after, Individual A and Mr Joukovski bought the company with funds in part provided by Mr Joukovski. Individual A and Mr Joukovski bought Dolfin to form part of a business venture with Mr Joukovski's multi-family office business. Despite providing funding and his business interests being a key part of the business plan for Dolfin, there was no reference at all to Mr Joukovski in the change of control application submitted to the Authority on 2 December 2013. On the purchase of Dolfin, Individual A was recorded as being the shareholder in respect of a significant majority of the shares whilst Mr Joukovski was not recorded as owning any shares at all although Mr Joukovski has since stated that, at this time, he owned a "majority 'economic' share".

4.3. Dolfin provided custody, brokerage and asset management services to private clients, financial advisers and institutional investors in respect of a range of investments and products, such as bonds, commodities, currencies, derivatives, funds and shares. Dolfin also provided services to Tier 1 investor visa clients who were introduced by immigration agents. Historically, such services had been of a conventional nature however, in November 2015, Dolfin, following discussions with Immigration Agent A, commenced the development of a new business line, referred to in this Notice as the "visa loan business", which was to be offered to prospective Tier 1 investor visa clients.

4.4. At this time, the Home Office Tier 1 investor visa programme provided the opportunity of UK residence in return for investment whereby wealthy non-EU foreign nationals could obtain visas to live and work in the UK, provided that they invested at least £2 million into share capital or loan capital in active and trading UK registered companies. The visa loan business was used by foreign nationals who either did not have the required funds or, if they did, wished to use a lesser sum in order to obtain a Tier 1 investor visa. As well as Dolfin, there were several other companies connected to Dolfin, Mr Joukovski and Individual A that were engaged in the visa loan business activities described in this Notice.

4.5. In 2016, as part of a restructuring, Dolfin became part of a corporate group that consisted of various other companies, several of which were registered overseas ("the Dolfin Group"). Following this restructuring, Individual A was recorded as the ultimate controller of the companies in the Dolfin Group, including Dolfin, through his majority shareholding in the group parent company which was registered in Bermuda. Mr Joukovski was also heavily involved in the Dolfin Group and a foundation registered in Liechtenstein, of which he was the settlor and the first beneficiary, was the second largest shareholder in the group parent company (such that, following the restructuring, Mr Joukovski owned over 60% of the economic shares (specifically, Class B Non-Voting Shares)).

4.6. Although, once again, there was no mention of Mr Joukovski in the change of control application submitted to the Authority as part of the restructuring, the Authority considers that, in reality, Mr Joukovski was able to exercise significant influence over the management of the Dolfin Group, such that he was a controller of the Dolfin Group, including Dolfin. In this way, Mr Joukovski did not reveal his involvement with Dolfin to the Authority despite the fact that (a) on a previous occasion and in the context of a separate firm that he was involved with, the Authority had warned Mr Joukovski of its concerns around a lack of transparency in relation to the ownership structure of that firm and (b) on another previous occasion and in the context of an additional separate firm that he was involved with, he had acquired a controlling interest without making the requisite notification to the Authority and had subsequently been warned that this amounted to a criminal offence.

4.7. The Authority considers that, in failing to reveal his involvement with Dolfin, Mr Joukovski was motivated by the fact that, over the course of 2007-2014, the Authority's Authorisations Department had informed Mr Joukovski that it was minded to refuse three consecutive regulatory applications as a result of concerns in relation to his fitness and propriety.

4.8. As at the time of the restructuring in 2016, the directors of Dolfin registered at Companies House were Individual A, Individual B and two other individuals. These four directors were all approved by the Authority to perform the CF1 (Director) controlled function and, in addition, Individual A was approved to perform the CF3 (Chief Executive), CF11 (Money Laundering Reporting) and CF30 (Customer) controlled functions, while Individual B was approved to perform the CF10a (CASS Oversight) controlled function and a fifth individual was approved to perform the CF10 (Compliance Oversight) function.

4.9. Although Mr Joukovski was not registered as a director or an approved person, the Authority considers that, in reality, Mr Joukovski and Individual A were, together, the two most senior people and the key decision-makers at Dolfin (albeit that Individual A had a greater role in the day-to-day activities of the company). In this regard, one Dolfin employee described their seniority at Dolfin in the following terms: "*As with everything involving [Individual A] and Roman, everyone else's participation was reactive, passive … So, [Individual A] and Roman would lead and everyone else would speak when spoken to.*"

4.10. A person who is not registered at Companies House as a director may nonetheless be a 'shadow director' where the directors of the company are accustomed to act in accordance with his directions or instructions. In this way, despite having no formal position on the executive board, Mr Joukovski was acting as a shadow director of Dolfin and had the ability to, and did, exercise a significant influence over Dolfin's activities. Each matter set out below is relevant in its own right, but their significance is properly assessed when considered collectively, and taken together in the round. The matters demonstrating that Mr Joukovski was acting as a shadow director are as follows:

(1) Dolfin was founded with funds put up by Mr Joukovski when Mr Joukovski and Individual A bought Dolfin in late 2013. Mr Joukovski has stated that he owned a "majority 'economic' share" in Dolfin from this time until March 2022.

(2) In his own CV, Mr Joukovski described his role from September 2013 onwards, as follows: "*The original founder and Managing partner of the group responsible for: • Strategic business plan development and implementation • New products and services development • Investment expertise development and enhancement • Client relationship and transactions origination • Organizational structure development*".

(3) Mr Joukovski was the primary ongoing source of capital for Dolfin which also became reliant on funds raised from the sale of Conflicted Securities issued by a company connected to Mr Joukovski ("Issuer A").

(4) Mr Joukovski described himself and a small number of other members of senior management at Dolfin as 'partners' in the business and, according to his own CV, he was a director of two group companies which were subsidiaries of Dolfin.

(5) From November 2015, Mr Joukovski was central to the design, implementation and oversight of the visa loan business (see paragraphs 4.19 to 4.36 below) which far outweighed other revenue generating business areas within the Dolfin Group (see paragraphs 4.44 to 4.48 below).

(6) Mr Joukovski exercised ultimate control over the destination of funds generated by the visa loan business, which were channelled from the Dolfin client account of Dolfin Connected Company Y through companies that Mr Joukovski controlled and were then transferred onward to Dolfin/other companies in the Dolfin Group.

(7) When Dolfin became part of the Dolfin Group following the restructuring in 2016, Mr Joukovski's Liechtenstein foundation was the second largest shareholder (after only Individual A) in the group parent company. Mr Joukovski owned over 60% of the economic shares (specifically, Class B Non-Voting Shares) and, as at November 2019, this had increased to

approximately 70%. As a result of this ownership structure, Mr Joukovski has stated to the Authority that he remained the holder of the "majority 'economic' share" in Dolfin Group following the restructuring in 2016, a fact which was understood by Dolfin senior management.

(8) For a period of 18 months (from October 2016 to March 2018), Mr Joukovski represented himself to Dolfin directors, staff and clients, as well as third parties, as the Chairman of the Dolfin Group. Mr Joukovski was known throughout Dolfin as the Chairman and he was presented as the Chairman in certain Dolfin marketing materials.

(9) Mr Joukovski was a member of the Dolfin Group Advisory Board from March 2018 to March 2020, which met on a monthly basis with the executive directors to provide guidance on matters raised by the executive directors, and he played a key role in selecting other members of the Advisory Board. He was also a member of the Dolfin Mergers & Acquisitions Committee.

(10) Mr Joukovski led strategy and operational meetings involving Dolfin directors and senior managers, which included discussions on what resources Mr Joukovski would put up to fund Dolfin projects,

(11) Mr Joukovski instructed Dolfin directors via email about Dolfin's commercial activities, business practices and relationship with connected companies. As an example, in January 2018, by email identifying Mr Joukovski as Chairman, Mr Joukovski emailed Individual B and a Dolfin employee, with Individual A copied, curtly criticising a consolidated budget report they had produced and presented to him requesting further information and asking them '*to take more time to prepare a higher quality report, please communicate it to me as opposed to wasting time on creating a report in a rush which does not make sense (ima [sic] referring here to the revenue numbers estimated by you without proper input of departmental heads). My understanding now is that [Individual A] is creating a process which will help us to achieve a higher quality budget*.'

(12) Mr Joukovski led all-staff 'Town Hall' meetings, giving updates to the staff on Dolfin's performance, clients and direction and strategy.

(13) Mr Joukovski played a direct role in overseeing the performance of client portfolios as is apparent from the meeting notes from the meeting of 6 April 2016, opened by Mr Joukovski, in which Mr Joukovski points out in relation to a particular client that '*numbers show that the portfolio has not earned any money…The issue has not been communicated properly to CRM team or RJ who needs to face the client*.'

(14) Dolfin became reliant on ongoing support from certain family members of Mr Joukovski to meet its regulatory capital requirements. On 14 September 2020, Dolfin entered into an agreement with a family member of Mr Joukovski for the subscription of up to £6 million of capital in the form of convertible non-voting shares, of which £2 million was subscribed for in September 2020.

(15) Mr Joukovski controlled other companies, some of which had virtually no existence independent of Dolfin and were treated by Dolfin directors as being within the 'Dolfin Group'. There were significant fund flows between these companies and Dolfin client and business bank accounts. Five members of Dolfin's senior management team (including three directors) were partners of one of the companies.

4.11. The Authority first identified significant concerns with Dolfin following supervisory work in the period July 2019 to November 2019. This looked at the services provided to Tier 1 investor visa clients, with a focus on Dolfin's management of conflicts of interest. The crux of the concerns related to the fact that Dolfin had distributed a large number of bonds issued by companies that Dolfin or its directors had an interest in ("Conflicted Securities") to foreign nationals on an execution-only basis. As a result of these concerns, on 19 December 2019, a set of voluntary requirements ("VREQ") was agreed between Dolfin and the Authority which prevented Dolfin from accepting new Tier 1 investor visa clients, except on a discretionary basis, and from distributing Conflicted Securities.

4.12. Thereafter, on 12 March 2021 (following further supervisory work during the intervening period which is described at paragraphs 4.50 to 4.51 of this Notice), the Authority exercised its own-initiative powers to prevent Dolfin carrying out any regulated activities. In addition to the issues pertaining to conflicts of interest which gave rise to the initial VREQ in December 2019, the Authority's concerns with Dolfin had expanded to encompass (amongst other things) the fact that

Dolfin appeared to have operated the visa loan business, a scheme designed to enable its clients to obtain a Tier 1 investor visa whilst circumventing the financial thresholds in the Immigration Rules.

4.13. Thereafter, the new management team at Dolfin (who had not been involved in operating the visa loan business) decided that Dolfin could no longer carry on trading and Dolfin subsequently entered special administration on 30 June 2021.

4.14. The Authority's action against Mr Joukovski, as set out in this Notice, is taking place alongside Home Office investigations into a number of foreign nationals who used the visa loan business to obtain their Tier 1 investor visa in the UK. The Home Office has already taken action against many of the visa loan business clients by refusing their applications for Leave to Remain and Indefinite Leave to Remain in the UK. This is on the basis that the Home Office concluded that the visa loan business is a non-compliant scheme that was designed to circumvent the requirements of the Immigration Rules.

4.15. The Home Office has closed the Tier 1 investor visa route of entry to the UK from 17 February 2022.

**The Immigration Rules**

4.16. The intended purpose of the Tier 1 investor visa programme was to enable high net worth foreign nationals to make a substantial financial investment in the UK in exchange for residence and, to this end, the Immigration Rules explicitly imposed (amongst other things) the following requirements:

(1) A minimum investment of £2 million, using the applicant's own money, in UK government bonds or in the share capital or loan capital of active and trading UK registered companies;

(2) The investment had to be maintained for the whole of the period of the applicant's leave to remain in the UK;

(3) The assets and investment had to be wholly under the control of the applicant for the Tier 1 investor visa; and

(4) Fees (for example those charged by institutions for managing the portfolio and transaction costs incurred through buying and selling investments) could not be paid for from the investment funds.

4.17. In stark contrast with these requirements, the visa loan business was a pre-ordained multi-step scheme comprising of a series of transactions that, in most instances, sought to enable visa loan business clients to obtain a Tier 1 investor visa for a fee of £400,000 rather than by using their own funds to make the minimum £2 million investment in the UK, as required by the Immigration Rules. Consistent with the fact that it was designed to circumvent the Immigration Rules, the visa loan business was inherently artificial in that it was comprised of a series of contrived transactions which had no genuine commercial rationale and, when viewed as a whole, it gave a false or misleading impression that an investment had been made in compliance with the Immigration Rules.

4.18. In essence, in its most common form (i.e. the service known as "Gold"), the visa loan business meant that, for the fee of £400,000, the Tier 1 investor visa applicant would be provided with funding by Dolfin connected companies to purchase Conflicted Securities with a nominal value of £2 million which they would hold for a five year period and Dolfin would certify compliance with the Immigration Rules. Further details of the precise nature of the visa loan business and the transactional framework underlying it are set out in Annex B of this Notice.

**Mr Joukovski's role in the design, implementation and oversight of the visa loan business**

4.19. The visa loan business was a service provided to foreign nationals seeking to obtain Tier 1 investor visas, who were introduced to Dolfin by immigration agents, in particular, Immigration Agent A. Mr Joukovski was central to the design, implementation and oversight of the visa loan business.

4.20. Mr Joukovski referred to the visa loan business with his own code name, 'Mao Zedong', named after the Chairman of the Chinese Communist Party from 1943 to 1976. In addition to generating substantial fee revenues to be distributed to his companies, Mr Joukovski considered the visa loan business as an opportunity for Dolfin to attract many clients from China, to whom Dolfin could later aim to cross-sell other services.

4.21. From November 2015, following discussions with Immigration Agent A and in conjunction with Individual A, Mr Joukovski oversaw the design by Dolfin staff of the documents comprising the transactional framework for the visa loan business and shared these documents with Immigration Agent A and other immigration agents who were to act as introducers of Tier 1 investor visa clients to Dolfin. In an early process map explaining the structure of the visa loan business, key companies were even referred to as 'RJ SPV 1' and 'RJ SPV 2' (standing for Roman Joukovski Special Purpose Vehicle) indicating that Mr Joukovski was an integral part of the arrangements.

4.22. The transactional structure of the visa loan business was designed from the outset with the intention of raising fee revenue for companies controlled by Mr Joukovski and there was never any prospect that the foreign nationals using the scheme would make an economic gain on their purchase of Conflicted Securities.

4.23. In conjunction with Individual A, Mr Joukovski also made ready the Dolfin connected companies that would be used as part of the transactional framework underlying the visa loan business (as explained in detail at Annex B of this Notice).

4.24. Despite the obviously high-risk nature of the visa loan business and bearing in mind that he was one of the two most senior people/key decision-makers at Dolfin and, as such, was acting as a shadow director (regardless of the fact that he was not an approved person), Mr Joukovski did not take steps to ensure that Dolfin complied with its Principle 11 obligations by giving the Authority notice that it was commencing the provision of the visa loan business as a high risk new service to clients. This was despite the fact that:

a) In a 'personal statement' dated 14 January 2014, in commenting on previous failures, including a failure to disclose material information, Mr Joukovski had assured the Authority that "*I made a number of mistakes, which I now understand and would not repeat again*";

b) In the same personal statement, Mr Joukovski had expressly confirmed that *"I now fully understand and appreciate the importance of FCA's Principle 11"*;

c) Mr Joukovski had already been warned, in the context of a separate firm that he was involved with, about failing to notify the Authority in relation to the commencement of high-risk activities;

d) Mr Joukovski had further been warned, in the context of a third firm that he was involved with, in relation to other material non-disclosures; and

e) In the Authority's response to his personal statement, dated 20 January 2014, the Authority had specifically informed Mr Joukovski that the above matters "*caused concern in respect of your honesty and integrity as well as your ability to be open and transparent with the Authority… Specifically, you have demonstrated a pattern of behavior [sic] which, as is apparent from the matters set out above, undermines your honesty and integrity to be an approved person in that you appear to be unwilling to comply with your regulatory obligations and regulatory standards*".[111]

4.25. Immigration Agent A and a number of other immigration agents based both in the UK and abroad introduced visa loan business clients to Dolfin and Mr Joukovski oversaw the negotiations in relation to the commissions payable to them. For the most commonly used visa loan business service (which was known as "Gold") the total commissions ranged from £100,000 to £110,000 for each foreign national introduced (along with potential bonus payments if they met certain overall targets for introducing clients).

4.26. Mr Joukovski played a leading role in managing the relationship between Dolfin and Immigration Agent A, who acted as the main introducer to Dolfin's visa loan business and the proprietor of Immigration Agent A was a longstanding acquaintance of Mr Joukovski. Mr Joukovski was also called upon by the immigration agents to make decisions in response to certain requests from foreign nationals, such as variations to the fee payment terms.

4.27. Dolfin developed a team to support the visa loan business ("the Tier 1 team"). The role of the Tier 1 team was to implement the visa loan business service and it included meeting clients, processing their onboarding documentation and accepting and processing their instructions, as well as introducing clients to other Dolfin teams for cross-sales. The Tier 1 team primarily focused on the visa loan business, as this was by far the largest revenue generator for both the Tier 1 team and the Dolfin Group as a whole. While the Tier 1 team reported directly to

Individual A (who had a greater role in its day to day activities), Mr Joukovski also played a leading role in overseeing the Tier 1 team, for example, in relation to strategy and business development opportunities. In conjunction with Individual A, Mr Joukovski led meetings involving the Tier 1 team, Individual B and certain employees on the Dolfin Finance team ("the Finance team"), where they discussed the visa loan business and its client pipeline.

4.28. From July 2016 onwards, there was a steady stream of foreign nationals wishing to take advantage of the visa loan business, the majority of whom had been introduced to Dolfin by Immigration Agent A with a smaller number introduced by other immigration agents. For each visa loan business client, the Tier 1 team produced a package of transactional documents, based on templates which had been prepared internally at Dolfin. These transactional documents were necessary in order to put into effect the arrangements underlying the visa loan business which comprised a complex and highly artificial series of transactions (as described at Annex B of this Notice). The transactional documents were then sent to the immigration agents who would have the clients, and their relatives, sign them, before returning them to the Tier 1 team.

4.29. Once the documents had been signed by the clients, the Tier 1 team followed a specific process to ensure the transactions were executed in the coordinated manner required. The Tier 1 team also liaised with members of the Finance team, headed by Individual B, to ensure that there was enough cash on the client accounts of the relevant Dolfin connected companies, so that the scheme and the circulation of funds could function. The Finance team reported directly to Mr Joukovski and regularly updated him on the cash position of all the companies involved in the visa loan business.

4.30. The Tier 1 team also liaised with the immigration agents to manage the pipeline and onboarding of visa loan business clients, kept Mr Joukovski and others updated, and, when required, would advise the immigration agents on how the visa loan business worked and the total costs associated with it, so that the immigration agents could explain it to potential clients and their sub-agents.

4.31. Mr Joukovski sought to justify the fact that he had paid no attention to the marketing undertaken by the immigration agents (which significantly understated the risks associated with the visa loan business) by claiming that the visa loan business was not "*a Dolfin scheme*" such that the responsibility for accurately marketing it lay with the immigration agents. The Authority considers that the suggestion that the visa loan business was not "*a Dolfin scheme*" is not credible on the basis that, as summarised above, it is clear that the visa loan business was designed, implemented and overseen by Dolfin.

4.32. In November 2016, Mr Joukovski reviewed and commented upon several different drafts of promotional material in Russian for the visa loan business that were sent to him by a Dolfin employee who played a key role in creating the visa loan business transactional documents.

4.33. As translated into English, one document summarised the services offered, as follows:

> *"We open an investment account for you on our depository platform in London.*
>
> *We invest your funds from your account with us in zero coupon corporate bonds issued by a British public company under our control (the "Bonds"). This type of investment meets the requirements of the UK immigration authorities.*
>
> *We provide the necessary reports for the immigration authorities throughout the life of the investment and before you receive permanent residence."*

4.34. The document went on to present two "investment" options for a prospective Tier 1 investor visa client, both of which provided a means for them to circumvent the financial threshold of £2 million in the Immigration Rules:

(1) Option 1 stated: "*You invest £2 million, we give you back £1.6 million … This way you get your invested funds back at your disposal (minus our £400,000 service fee)*."

(2) Option 2 stated: "*You only invest £400,000.00 … We help you fund your account up to £2 million and invest in Bonds … Your investment of £400,000.00 is non-refundable and is held by us as a commission for our services. After 5 years (upon receiving permanent residence), the Bonds recall mechanism is triggered: Company-1 returns the Bonds from your account"*.

4.35. Mr Joukovski was also directly involved with the setup of a bespoke visa loan business structure for an ultra-high-net worth client of Dolfin and her husband to obtain their Tier 1 investor visas in 2017. Companies controlled by Mr Joukovski were components of this funding scheme and he continued to manage the client relationship in subsequent years. This included hosting a client meeting at Dolfin's offices to discuss the transactional structure.

4.36. In this way, between July 2016 and March 2019, Mr Joukovski's role in bringing the visa loan business into effect enabled at least 99 foreign nationals to obtain Tier 1 investor visas from the Home Office in circumstances where they had not met the requirements of the Immigration Rules.

**Failing to seek independent professional advice and continuing the visa loan business in the face of high levels of risk**

4.37. Given: (a) the inherently artificial nature of the visa loan business; (b) its express purpose of enabling foreign nationals to circumvent the Immigration Rules; (c) the fact that Mr Joukovski was one of the two most senior people/key decision-makers at Dolfin and, as such, was acting as a shadow director; and (d) his companies were the principal beneficiaries of the scheme, coupled with the fact that there was very limited knowledge of immigration law within Dolfin, there was a clear need for Mr Joukovski to ensure that Dolfin took appropriate steps to ensure that the visa loan business was lawful and to assess the risks associated with it, before launching the new service. However, despite this, prior to and during the set-up of the visa loan business, Mr Joukovski did not take any steps to ensure that Dolfin sought independent professional advice on whether the visa loan business was compliant with the Immigrations Rules and/or the risks associated with it.

4.38. The Authority considers that Mr Joukovski's failure to ensure Dolfin obtained independent professional advice on the visa loan business, when considered in conjunction with the fact that: (a) he did not ensure that Dolfin complied with its Principle 11 obligations by giving the Authority notice that it was commencing the provision of the visa loan business as a high risk new service to clients; and (b) his subsequent participation in an attempt to conceal the visa loan business from the Authority (see paragraphs 4.50 to 4.53 below), gives rise to a strong inference that he knew the scheme was unlikely to be deemed to comply with the

Immigration Rules. Despite this, Mr Joukovski pressed ahead with the operation of the visa loan business in circumstances where he must have been aware of the risks to both Dolfin and its clients if the true nature of the scheme was unearthed and it was challenged by the Home Office.

4.39. Rather than obtaining independent professional advice, Mr Joukovski claims to have taken comfort from the fact that Immigration Agent A, which was involved in the visa loan business and introduced clients to Dolfin, was a regulated immigration adviser. The Authority considers that this should not have provided Mr Joukovski with any comfort at all as this immigration agent had a clear conflict of interest as it stood to gain financially from Dolfin operating the visa loan business. In any event, at his interview with the Authority, Mr Joukovski acknowledged that, even in respect of this immigration agent, Dolfin did not seek or obtain any formal advice, based upon his claim that the visa loan business was not "*a Dolfin scheme*" such that the responsibility for it lay with the immigration agents.

4.40. Mr Joukovski continued with this approach, failing to ensure Dolfin obtained independent professional advice throughout the entirety of the operation of the visa loan business at Dolfin and, due to its importance as a source of revenue for Dolfin, continued the scheme until March 2019 despite the fact that:

(1) members of the Tier 1 team had long-running concerns about the legality of the visa loan business and the behaviour of Immigration Agent A that was introducing clients to the scheme, which they escalated directly to Mr Joukovski. In fact, such was the level of concern in relation to the visa loan business that, ultimately, three members of the Tier 1 team handed in their resignations. Mr Joukovski responded by claiming, amongst other things, that the scheme "*exploits loopholes"*; and

(2) Mr Joukovski was aware of the Home Office taking action in late 2017 by refusing the applications for Leave to Remain and Indefinite Leave to Remain of a large number of foreign nationals who had obtained their Tier 1 investor visas by using a funding scheme with similarities to the visa loan business, which had been operated by another authorised firm (albeit prior to November 2014 when the Immigration Rules were materially different).

**Circulation of funds**

4.41. The Conflicted Securities purchased by Tier 1 investor visa clients in purported compliance with the Immigration Rules were issued by certain companies that Dolfin or its directors had an interest in (such that they were effectively under the control of Dolfin). The Conflicted Securities were not sold by the issuers themselves but were instead loaned unsecured to other Dolfin connected companies, namely Dolfin Connected Company Y and Dolfin Connected Company Z. These companies then distributed the Conflicted Securities to the Tier 1 investor visa clients, who paid for them from their Dolfin client accounts into the Dolfin client accounts of the Dolfin connected companies.

4.42. The Authority considers that the issuers of the Conflicted Securities featured as a component of the scheme solely to give the impression that £2 million had been invested into UK trading companies. In reality, the foreign nationals who used the Gold service: (a) paid just £400,000, and that sum was a fee collected by Dolfin connected companies; and (b) had no genuine prospect of a commercial return on the Conflicted Securities (or on their £400,000 fee).

4.43. In fact, the issuers of the Conflicted Securities did not receive the vast majority of the proceeds from the sale of the Conflicted Securities by Dolfin Connected Company Y and Dolfin Connected Company Z. Most of the proceeds (which, in large part, comprised of the funding arranged by Dolfin) were recirculated through Dolfin's client accounts to provide funding to new foreign national clients of Dolfin who wished to take advantage of the visa loan business.

**Financial performance of the visa loan business**

4.44. The £400,000 payment deposited in Dolfin accounts by each of the foreign nationals who used the Gold service was considered by Mr Joukovski and others to be fee revenue to be distributed to various related parties.

4.45. Fee spreadsheets circulated between Mr Joukovski and others show that deductions were made from the £400,000 for the commission which was payable to the immigration agents and the balance of the fee was onward transferred to Dolfin connected companies. The Authority has not identified any contemporaneous evidence which categorically states the overall profit generated by the visa loan business for the entire period that it operated but estimates from the information available to it that, during the Relevant Period, in total Dolfin connected companies gained gross fee revenue of at least £35.5 million from the visa loan business and net profit (after a portion of the fee revenues were diverted to immigration agents) was £25.2 million with the vast majority of this profit (£22.3 million) generated by the Gold service.

4.46. The fee revenue generated by the visa loan business was never recognised as fee revenue in Dolfin's audited financial statements, however it was recorded in non-published financial reports for the Dolfin Group and Dolfin connected companies, showing that it quickly became very important, far outweighing other revenue generating business areas. For example, in the calendar year 2018, revenue from the Gold service alone was forecast to be £17.6 million, which was 76% of the forecasted revenue for the consolidated Dolfin Group. In addition, for calendar year 2018, the forecast revenues for the Gold service made up 97.5% of the total forecasted revenues to be generated by the work of the Tier 1 team. The success of Dolfin was, therefore, intertwined with the success of the visa loan business and Mr Joukovski was acutely aware of this, closely monitoring the fee revenue generated by the scheme throughout its operation.

4.47. The balance of the fee revenue (after the immigration agents had been paid their commission fees) was distributed from the Dolfin client account of Dolfin Connected Company Y to other Dolfin connected companies (often owned by Mr Joukovski), notionally as interest free 'loans'. Directions were given by Individual B to Dolfin Connected Company Y to make these payments. These directions were given using an encrypted messenger service, seemingly in an attempt to keep them private and to avoid creating an audit trail which would show that there was no distinction as between decision-making at Dolfin and the Dolfin connected companies.

4.48. The funds were usually then further transferred to Dolfin and to other Dolfin connected companies (again usually owned by Mr Joukovski), including on occasion to the business bank account of Dolfin in order to pay operational expenses. At least £8.4 million of the visa loan business fee revenue was transferred to Dolfin's Bermudan parent company in order to make capital injections into Dolfin and other Dolfin connected companies, and to fund a corporate acquisition. Mr Joukovski kept himself aware of these coordinated fund movements and it was companies controlled by Mr Joukovski that were the principal financial beneficiaries of the scheme.

**Misleading the Authority**

*Knowledge of the visa loan business within Dolfin*

4.49. Knowledge within Dolfin of how the visa loan business operated was limited beyond the Tier 1 team and a number of other individuals (including Mr Joukovski, Individual A and Individual B), as illustrated by the following examples:

(1) In March 2018, a group 'Advisory Board' was set up. Mr Joukovski was on the Advisory Board throughout its operation until March 2020 and he played a key role in selecting the other members, who were senior external hires, including the Chair of the Advisory Board. Mr Joukovski informed the Authority at interview that "*I was instrumental in bringing [the Chair] in and he was the one that took over essentially from [Individual A] and me".* Mr Joukovski did not brief the other members about the scheme and the Advisory Board was not provided with information about the visa loan business and Dolfin's role within it.

(2) Neither Dolfin's incoming Head of Legal, who had been in role since November 2018, nor its incoming Head of Compliance, who held the position from November 2019, were briefed about the visa loan business upon taking up their new roles.

(3) In February 2020, a senior management committee was established to assist Dolfin with its interactions with the Authority, which had significantly increased in the latter stages of 2019 when Dolfin had first agreed to restrictions pursuant to the VREQ being placed upon it. Between February and April 2020, the committee was trying to understand more about Conflicted Securities A. However, the information requested had not been provided.

*Misleading the Authority in response to Supervisory scrutiny and at interview*

4.50. As referred to above, the Authority first identified significant concerns with Dolfin following supervisory work in the period July 2019 to November 2019. This looked at the services provided to Tier 1 investor visa clients and, during this time, the Authority was seeking to understand Dolfin's role in relation to the Conflicted

Securities (with a focus on its management of conflicts of interest). As a result of these concerns, on 19 December 2019, a VREQ was agreed between Dolfin and the Authority which prevented Dolfin from accepting new Tier 1 investor visa clients, except on a discretionary basis, and from distributing Conflicted Securities. Self-evidently, given the nature of its concerns in relation to Dolfin's Tier 1 investor visa business and the Conflicted Securities, the visa loan business was central to the Authority's enquiries. However, during November and December 2019, when questions and concerns were raised in relation to Dolfin's Tier 1 investor visa business and in the correspondence between the Authority and Dolfin which continued over the ensuing months, at no point was an explanation of the facts relating to the visa loan business provided to the Authority. Individual A, who was directly involved in much of this correspondence with the Authority, kept Mr Joukovski informed of the developing situation.

4.51. It was not until 27 January 2021 that Dolfin wrote to the Authority to disclose the existence of the visa loan business, following Dolfin's senior management team having unearthed its existence without Mr Joukovski's assistance.

4.52. During an interview with the Authority in May 2022, Mr Joukovski deliberately sought to mislead the Authority when questioned about his knowledge of and involvement in the visa loan business. In particular:

(1) Mr Joukovski claimed that he had little understanding of the key features of the visa loan business. In reality, as a result of Mr Joukovski's central role in the design, implementation and oversight of the visa loan business and his close monitoring of its financial performance, he had a comprehensive understanding of its key features which he sought to conceal at interview. For example:

a) When he was asked about the transactional framework underlying the visa loan business, Mr Joukovski variously claimed: "*I wasn't involved in designing the scheme at all and my understanding of that scheme was very approximate at the time*"; "*I am not familiar with the details and I know that I didn't design the scheme*"; "*I did not create those documents [comprising the transactional framework underlying the visa loan business], I didn't supervise creation of those documents, I was not consulted on creation of those documents and no contribution was made by me*"; and "*you are *asking me to explain things which I did not design, did not contribute to … I wasn't the one who put it together".* In fact, in conjunction with Individual A, Mr Joukovski oversaw the design by Dolfin staff of the documents comprising the transactional framework underlying the visa loan business.

b) When he was asked about different visa loan business services such as Gold and Jade, Mr Joukovski claimed "*I was always a bit confused with all those different services … I didn't quite get to the bottom of them".* In fact, Mr Joukovski had a detailed understanding of all such matters and even sent himself a spreadsheet entitled 'Terms Mao Zedong' (this being his code name for the visa loan business) which clearly summarised the key features of the different visa loan business services, including Gold and Jade.

c) Likewise, when he was asked how much visa loan business clients contributed in order to use the Gold service (£400,000), Mr Joukovski claimed not to know, stating that the Authority was "*digging into the pool of knowledge I simply do not have, you are asking me to explain things which I did not design, did not contribute to*". In fact, Mr Joukovski knew full well that visa loan business clients contributed £400,000 in order to use the Gold service as reflected in numerous documents in his possession, including the fee spreadsheets referred to at paragraph 4.45 and the abovementioned spreadsheet entitled 'Terms Mao Zedong' (which specifically referred to the Gold service involving a 'Deposit' of £400,000 and a 'Top Up' of £1,600,000).

(2) In the same vein, Mr Joukovski sought to distance himself from the Russian promotional materials, described at paragraphs 4.32 – 4.34 above, which were sent to him by a Dolfin employee who played a key role in creating the visa loan business transactional documents. Mr Joukovski claimed that he had no idea why the Dolfin employee had sent him these promotional materials or what he meant in replying "*lots of comments, please dont do anything until we speak*" and he even suggested that his involvement might have been limited to commenting on style or checking the Russian spelling. The Authority considers that, in reality, Mr Joukovski's interest in the Russian promotional

materials and the visa loan business generally went far beyond superficial matters such as commenting on style or correcting spelling.

(3) Likewise, Mr Joukovski sought to downplay his involvement in and knowledge of how (as explained at paragraphs 4.44 – 4.48 above) the fee revenues collected by Dolfin Connected Company Y were distributed to other Dolfin connected companies (often owned by Mr Joukovski) and then further transferred to Dolfin and to other Dolfin connected companies (again usually owned by Mr Joukovski), stating "*I didn't have anything to do with distribution of this money"* (which he attributed to Individual B). In reality, Mr Joukovski exercised ultimate control over the destination of funds generated by the visa loan business and it was his companies that were the principal financial beneficiaries of the scheme.

4.53. Following his interview, Mr Joukovski reiterated his attempts to distance himself from the visa loan business and the Russian promotional materials in post-interview submissions dated 31 October 2022. Mr Joukovski further claimed that he "*had a very limited and passive role as an economic investor*" in Dolfin which is demonstrably untrue in light of the matters referred to in this Notice.

## 5. FAILINGS

5.1. The regulatory provisions relevant to this Notice are referred to in Annex A.

5.2. By reason of the facts and matters above, during the Relevant Period, Mr Joukovski demonstrated that he is not a fit and proper person on the basis that he lacks honesty and/or integrity, as follows:

(1) He sought to mislead the Authority by deliberately failing to reveal his involvement with Dolfin during the Relevant Period, including in two change of control applications and/or thereafter.

(2) He was a controller of Dolfin in circumstances where (a) the requisite notice had not been provided to the Authority and (b) he had already been warned by the Authority, on a previous occasion, that acquiring a controlling interest without making the requisite notification amounted to a criminal offence.

(3) He acted as a shadow director of Dolfin without having obtained approval from the Authority to perform controlled functions.

(4) He was central to the design, implementation and oversight of the visa loan business, which: (a) was created to enable Dolfin's Tier 1 investor visa clients to circumvent the requirements of the Home Office's Immigration Rules; and (b) was inherently artificial and, when viewed as a whole, gave a false or misleading impression that an investment had been made in compliance with the Immigration Rules.

(5) When interviewed by the Authority, he deliberately made a series of false and/or misleading claims when questioned about his knowledge of and involvement in the visa loan business. Thereafter, he continued to try to distance himself from the visa loan business and downplay his influence at Dolfin in post-interview submissions.

5.3. Given: (a) its inherently artificial nature; (b) its express purpose of enabling foreign nationals to circumvent the Immigration Rules; (c) the fact that Mr Joukovski was one of the two most senior people/key decision-makers at Dolfin and, as such, was acting as a shadow director (regardless of the fact that he was not an approved person); and (d) his companies were the principal beneficiaries of the scheme, coupled with the fact that there was limited knowledge of immigration law within Dolfin, Mr Joukovski was also reckless and/or negligent in relation to the design and set up of the visa loan business in:

(1) Failing to ensure that Dolfin obtained independent professional advice in relation to the legality of the visa loan business and/or the risk that it would be challenged by the Home Office.

(2) Taking false comfort from the fact that Immigration Agent A, which was involved with the visa loan business and introduced clients to Dolfin, was a regulated immigration adviser in circumstances where (a) Immigration Agent A was not independent and had a conflict of interest as it stood to gain financially through commission payments from Dolfin operating the visa loan business; and (b) in any event, Mr Joukovski had failed to make reasonable enquires of Immigration Agent A concerning the compliance of the visa loan business with the Immigration Rules.

(3) Failing to ensure that Dolfin complied with its Principle 11 obligations by giving the Authority notice that it was commencing the provision of the visa loan business as a high-risk new service to clients in circumstances where he had previously (a) acknowledged his failure to make notifications to the Authority in the context of other firms and (b) assured the Authority in a 'personal statement' that "*I now fully understand and appreciate the importance of FCA's Principle 11*".

5.4. Mr Joukovski was also reckless and/or negligent in relation to the implementation and oversight of the visa loan business in carrying on the visa loan business, which was an important source of revenue for Dolfin, despite: (a) Dolfin staff members repeatedly expressing concerns as to its legality (culminating in three staff members handing in their resignations); and (b) the Home Office refusing the applications for visa extension and Indefinite Leave to Remain of a large number of Tier 1 investor visa applicants who had been involved in a scheme which had similarities to the visa loan business.

## 6. PROHIBITION

6.1. The Authority has the power to prohibit individuals under section 56 of the Act if it appears to the Authority that the individual is not a fit and proper person.

6.2. In light of the serious nature of Mr Joukovski's misconduct, involving a lack of: (a) honesty and integrity; and/or (b) competence and capability, the Authority considers that Mr Joukovski poses a risk to consumers and to the integrity of the UK financial system and is not a fit and proper person to perform any function in relation to any regulated activities carried on by an authorised or exempt person, or exempt professional firm. The Authority considers that it is therefore appropriate and proportionate in all the circumstances to make an order prohibiting Mr Joukovski from performing any function in relation to any regulated activities carried on by any authorised or exempt persons, or exempt professional firm.

6.3. The Authority considers the action set out in this Notice will advance its operational objectives of securing an appropriate degree of protection for consumers and protecting and enhancing the integrity of the UK financial system. The Authority has also had regard to the guidance in Chapter 5 of the Enforcement Guide ("ENFG"), the relevant provisions of which are set out in Annex A to this Notice.

## 7. REPRESENTATIONS

7.1 Annex C contains a brief summary of the key representations made by Mr Joukovski, in response to the Warning Notice and how they have been dealt with. In making the decision which gave rise to the obligation to give this Notice, the Authority has taken account of all of the representations made by Mr Joukovski, whether or not set out in Annex C.

## 8. PROCEDURAL MATTERS

8.1. This Notice is given to Mr Joukovski under section 57 and in accordance with section 388 of the Act.

8.2. The following statutory rights are important.

**Decision maker**

8.3. The decision which gave rise to the obligation to give this Notice was made by the RDC. The RDC is a committee of the Authority which takes certain decisions on behalf of the Authority. The members of the RDC are separate to the Authority staff involved in conducting investigations and recommending action against firms and individuals. Further information about the RDC can be found on the Authority's website:

https://www.fca.org.uk/about/who-we-are/committees/regulatory-decisions-committee.

**The Tribunal**

8.4. Mr Joukovski has the right to refer the matter to which this Notice relates to the Tribunal. Under paragraph 2(2) of Schedule 3 of the Tribunal Procedure (Upper Tribunal) Rules 2008, Mr Joukovski has 28 days from the date on which this Notice is given to him to refer the matter to the Tribunal. A reference to the Tribunal is made by way of a signed reference notice (Form FTC3) filed with a copy of this Notice. The Tribunal's contact details are: Upper Tribunal, Tax and Chancery Chamber, Fifth Floor, Rolls Building, Fetter Lane, London EC4A 1NL (tel: 020 7612 9730; email: fs@hmcts.gov.uk).

8.5. Further information on the Tribunal, including guidance and the relevant forms to complete, can be found on the HM Courts and Tribunal Service website:

http://www.justice.gov.uk/forms/hmcts/tax-and-chancery-upper-tribunal

8.6. A copy of Form FTC3 must also be sent to the Authority at the same time as filing a reference with the Tribunal. A copy should be sent to Gareth Buttrill at the Financial Conduct Authority, 12 Endeavour Square, London E20 1JN.

8.7. Once any such referral is determined by the Tribunal and subject to that determination, or if the matter has not been referred to the Tribunal, the Authority will issue a Final Notice about the implementation of that decision.

**Access to evidence**

8.8. Section 394 of the Act applies to this Notice.

8.9. The person to whom this Notice is given has the right to access:

(1) the material upon which the Authority has relied in deciding to give this Notice; and

(2) any secondary material which, in the opinion of the Authority, might undermine that decision.

**Third party rights**

8.10. A copy of this Notice is being given to Dolfin as a third party identified in the reasons above and to whom in the opinion of the Authority the matter to which those reasons relate is prejudicial. A copy of this Notice is also being given to Individual A under section 393(5) of the Act as a third party to whom the Warning Notice was copied. Dolfin and Individual A have similar rights to those mentioned in paragraphs 8.4 and 8.9 above in relation to the matters which identify them.

**Confidentiality and publicity**

8.11. This Notice may contain confidential information and should not be disclosed to a third party (except for the purpose of obtaining advice on its contents). In accordance with section 391 of the Act, a person to whom this Notice is given or copied may not publish the Notice or any details concerning it unless the Authority has published the Notice or those details.

8.12. The Authority must publish such information about the matter to which a Decision Notice or Final Notice relates as it considers appropriate. A Decision Notice or Final Notice may contain reference to the facts and matters contained in this Notice.

**Authority contacts**

8.13. For more information concerning this matter generally, contact Sam Nason at the Authority (email: sam.nason@fca.org.uk).

**Alison Potter**
**Chair, Regulatory Decisions Committee**

## ANNEX A

## RELEVANT STATUTORY AND REGULATORY PROVISIONS

### RELEVANT STATUTORY PROVISIONS

1.1. The Authority's statutory objectives, set out in section 1B(3) of the Act, include securing an appropriate degree of protection for consumers (section 1C of the Act) and protecting and enhancing the integrity of the UK financial system (section 1D of the Act).

1.2. Section 56 of the Act provides that the Authority may make an order prohibiting an individual from performing a specified function, any function falling within a specified description or any function, if it appears to the Authority that that individual is not a fit and proper person to perform functions in relation to a regulated activity carried on by an authorised person, exempt person or a person to whom, as a result of Part 20, the general prohibition does not apply in relation to that activity. Such an order may relate to a specified regulated activity, any regulated activity falling within a specified description, or all regulated activities.

### RELEVANT REGULATORY PROVISIONS

The Fit and Proper Test for Approved Persons

1.3. The part of the Authority's Handbook entitled "The Fit and Proper Test for Approved Persons" ("FIT") sets out the criteria that the Authority will consider when assessing the fitness and propriety of a candidate for a controlled function. FIT is also relevant in assessing the continuing fitness and propriety of an approved person.

1.4. FIT 1.3.1G states that the Authority will have regard to a number of factors when assessing the fitness and propriety of a person. The most important considerations will be the person's honesty, integrity and reputation, competence and capability and financial soundness.

1.5. FIT 2.1.1G provides that, in determining a person's honesty and integrity, the Authority will have regard to all relevant matters, including, but not limited to, those set out in FIT 2.1.3G which may have arisen either in the United Kingdom or elsewhere.

1.6. FIT 2.1.3G sets out a non-exhaustive list of the matters referred to in FIT 2.1.1G which the Authority will have regard to in determining a person's honesty and integrity, including the following:

(5) whether the person has contravened any of the requirements and standards of the regulatory system or the equivalent standards or requirements of other regulatory authorities (including a previous regulator), clearing houses and exchanges, professional bodies, or government bodies or agencies;

(9) whether the person has been a director, partner, or concerned in the management, of a business that has gone into insolvency, liquidation or administration while the person has been connected with that organisation or within one year of that connection;

(10) whether the person, or any business with which the person has been involved, has been investigated, disciplined, censured or suspended or criticised by a regulatory or professional body, a court or Tribunal, whether publicly or privately; and

(13) whether, in the past, the person has been candid and truthful in all their dealings with any regulatory body and whether the person demonstrates a readiness and willingness to comply with the requirements and standards of the regulatory system and with other legal, regulatory and professional requirements and standards.

1.7. FIT 2.2.1G provides that, in determining a person's competence and capability, the Authority will have regard to all relevant matters, including, but not limited to those set out at FIT 2.2.1G(1) to FIT 2.2.1G(3), which include the following:

- FIT 2.2.1G(2) - whether the person has demonstrated by experience and training that they are suitable, or will be suitable if approved, to perform the controlled function.

The Enforcement Guide ("ENFG")

1.8. The Authority's policy in relation to prohibition orders is set out in Chapter 5 of ENFG.

1.9. ENFG 5.1.1G states that the Authority may exercise this power where it considers that, to achieve any of its statutory objectives, it is appropriate either to prevent an individual from performing any functions in relation to regulated activities or to restrict the functions which he may perform.

1.10. ENFG 5.2 sets out the Authority's general policy on making prohibition orders. In particular:

- ENFG 5.2.1G states that the Authority will consider all the relevant circumstances;

- ENFG 5.2.3G states that the Authority has the power to make a range of prohibition orders depending on the circumstances of each case and the range of regulated activities to which the individual's lack of fitness and propriety is relevant; and

- ENFG 5.2.4G states that the scope of a prohibition order will depend on, among other things, the reasons why the individual is not fit and proper and the level of risk he poses to consumers or the market generally.

1.11. ENFG 5.4.1G states that where the Authority is considering making a prohibition order against an individual who is not an approved person, the Authority will consider the level of the risk posed by the individual and may prohibit the individual where it considers this is appropriate to achieve one or more of its statutory objectives. For that, the Authority will consider all the relevant circumstances of the case, including the factors set out in ENFG 5.3.2G, if appropriate.

1.12. The factors set out in ENFG 5.3.2G include the following:

(2) Whether the individual is fit and proper to perform functions in relation to regulated activities;

(5) The relevance and materiality of any matters indicating unfitness;

(6) The length of time since the occurrence of any matters indicating unfitness;

(7) The particular controlled function the individual was performing, the nature and activities of the firm concerned and the markets in which they operate;

(8) The level of risk which the individual poses to consumers and to confidence in the UK financial system;

(9) The previous disciplinary record and general compliance history of the individual.

<u>Principles for Businesses and the Supervision Manual</u>

1.13. Principle 11 of the Authority's Principles for Businesses ("PRIN") states that a firm must deal with its regulators in an open and cooperative way, and must disclose to the Authority appropriately anything relating to the firm of which that regulator would reasonably expect notice.

1.14. SUP 15.3.8G(1)(c) of the Supervision manual ("SUP") states that compliance with Principle 11 includes, but is not limited to, giving the appropriate regulator notice of commencing the provision of a new type of product or service (whether in the UK or overseas).

# ANNEX B

## THE VISA LOAN BUSINESS

1.1. The visa loan business was a complex funding scheme operated by Dolfin for its Tier 1 investor visa clients, which was designed to circumvent the requirements of the Home Office's Immigration Rules.

1.2. In short, the visa loan business was a pre-ordained multi-step scheme comprising of a series of contrived transactions which had no genuine commercial rationale and which, in most instances, sought to enable Dolfin's clients to obtain a Tier 1 investor visa for a fee of £400,000, rather than by using their own funds to make the minimum £2 million investment in the UK, as required by the Immigration Rules.

1.3. The most commonly used visa loan business service was known as the "Gold" service. The key features of the Gold service offered as part of the visa loan business were as follows:

(1) The foreign national paid £400,000 of their own money into their client account at Dolfin. The £400,000 was a fee which would ultimately be divided up among: (a) the immigration agents who introduced the foreign national to Dolfin as a Tier 1 investor visa client; and (b) companies connected to Dolfin;

(2) The foreign national signed a package of transactional documents created by Dolfin staff which, when executed, would make it appear as if qualifying investments worth at least £2 million were being invested in by the foreign national;

(3) The £2 million used to purchase the Conflicted Securities was made up of the £400,000 fee paid by the foreign national and £1.6 million of financing that would originate from a Dolfin connected company registered in the British Virgin Islands ("Dolfin Connected Company Y"). The £1.6 million would be circulated in a series of contrived transactions between different Dolfin client accounts, passing temporarily though the client account of the foreign national, before returning back to its source, the Dolfin client account

of Dolfin Connected Company Y (as a purchase of Conflicted Securities for consideration of £2 million);

(4) Foreign nationals using the visa loan business could only purchase the Conflicted Securities which, in all instances, were bonds that had been issued by companies that Dolfin or its directors had an interest in (such that those issuers were under their control);

(5) Introducer fees were paid to the immigration agents, typically totalling between £100,000 and £110,000, and these were calculated as fees to be deducted from the £400,000 fee paid by the foreign national;

(6) After the deductions of fees to immigration agents, the majority of the remaining balance of the £400,000 fee was distributed by Dolfin Connected Company Y to Dolfin, its Bermudan parent company and other Dolfin connected companies;

(7) Under a Call Option Agreement (and often an associated Power of Attorney giving Dolfin power to implement the call option) entered into by the foreign national and a Dolfin connected company, Dolfin could reclaim the Conflicted Securities purchased by the foreign national at the end of the five-year period that the foreign national was required to hold qualifying investments under the Immigration Rules; and

(8) Dolfin would write to the Home Office making misleading representations to the effect that the foreign national had satisfied the Immigration Rules by investing at least £2 million in UK businesses.

1.4. The methods by which Dolfin provided finance to foreign nationals who participated in the visa loan business in order to create the impression that they were investing £2 million of their own funds, took on different iterations and evolved over time but operated in largely the same way. The common feature was that the foreign national made a payment (of varying amounts) significantly below that required to be invested under the Immigration Rules (and which in any event was absorbed as a fee), with Dolfin connected companies providing the balance to make up the shortfall to purchase the Conflicted Securities.

1.5. There were numerous options offered within the visa loan business scheme. The key ones were:

(1) Gold, which involved the foreign national depositing £400,000 and being financed by Dolfin connected companies for the remaining £1.6 million to purchase Conflicted Securities for £2 million. This was the minimum amount required to be invested to obtain indefinite leave to remain in five years. The fee to the client for this service was £400,000.

(2) Jade, which involved the foreign national depositing £2 million for the purchase of Conflicted Securities, but with £1.6 million of that being returned to them within a short period (approximately within a week). The fee to the client for this service was £400,000.

(3) Silver, which involved the foreign national depositing £1 million and being financed by Dolfin connected companies for the remaining £1 million to purchase Conflicted Securities for £2 million. The foreign national would receive back £950,000 after five years and the fee to them for this service was £50,000.

(4) Platinum, which involved the foreign national depositing £2 million and being financed by Dolfin connected companies with £3 million in order to purchase Conflicted Securities for £5 million. This was the minimum amount required to be invested in order to obtain indefinite leave to remain in three years (rather than five years). The foreign national would have £1.9 million returned to them after three years and the fee to them for this service was £100,000; and

(5) Palladium, which involved the foreign national depositing £3 million and being financed by Dolfin connected companies with £7 million to purchase Conflicted Securities for £10 million. This was the minimum amount required to be invested in order to obtain indefinite leave to remain in two years (rather than three or five years). The foreign national would have £2.85 million returned to them after two years and the fee to them for this service was £150,000.

1.6. The Gold service was by far the most popular with foreign nationals, with 77 of the 99 Tier 1 investor visa clients who engaged with Dolfin using it during the Relevant Period.

**Example of a client that used the Gold service**

1.7. Described below is an example of how the visa loan business operated in relation to a specific foreign national (referred to as "Dolfin Client H"), who used the Gold service. All the relevant parties referred to below had accounts with Dolfin, thus enabling the scheme to be put into effect using only Dolfin's account infrastructure.

(1) On 21 March 2017, a SPV was set up in the British Virgin Islands and, on 24 April 2017, it opened a client account with Dolfin. The SPV was connected to Dolfin Client H by way of her husband being its sole director and shareholder.

(2) Over the period 7 to 18 April 2017, Dolfin Client H deposited funds totalling £400,000 into her previously inactive Dolfin client account.

(3) On 24 April 2017, Dolfin Client H emailed the Tier 1 team, asking when the full £2 million would be available and when she would receive a refund agreement in case the investment was unsuccessful.

(4) Letters in the folder for Dolfin Client H maintained by the Tier 1 team stated that Dolfin agreed to refund the £400,000 fee if the investment was found to be non-compliant by the Home Office.

(5) On 28 April 2017, the SPV borrowed Conflicted Securities Z from Dolfin Connected Company Z with a purported value of £1.6 million.

(6) On the same day, the SPV sold the Conflicted Securities Z it had just borrowed from Dolfin Connected Company Z to Dolfin Connected Company Y for £1.6 million.

(7) The £1.6 million proceeds from the sale of the Conflicted Securities Z to Dolfin Connected Company Y were transferred on the same day from the SPV's account to Dolfin Client H's account, notionally as a "gift", where it was combined with the £400,000 that Dolfin Client H had previously paid into it from her own funds.

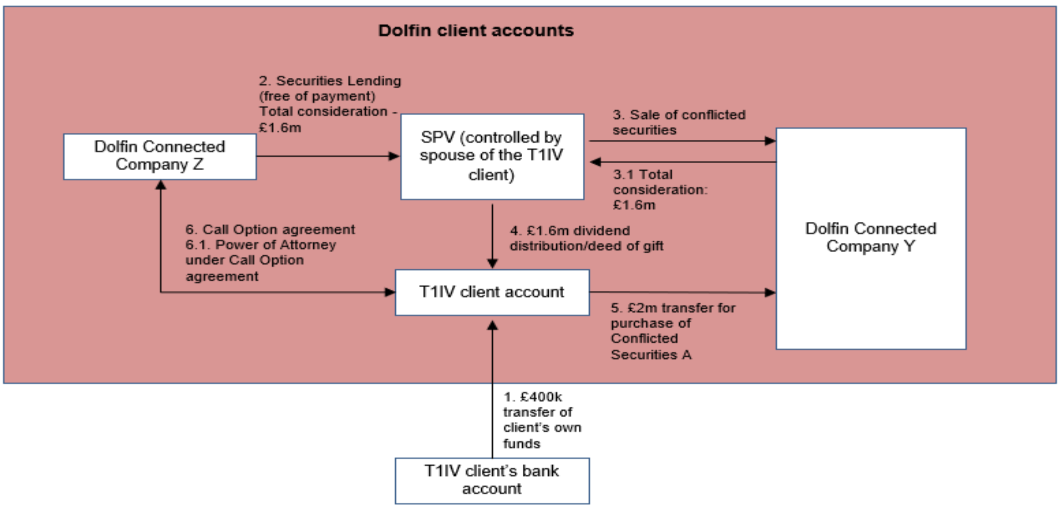
(8) On 2 May 2017, Dolfin Client H bought Conflicted Securities A with a 0% coupon from Dolfin Connected Company Y (acting as distributor for Issuer A) for consideration of £2 million. This consideration comprised the £1.6 million, which had originated from Dolfin Connected Company Y, and the £400k that Dolfin Client H had deposited into her Dolfin account.

(9) On 2 May 2017, Dolfin Client H also entered into a Call Option Agreement with Dolfin Connected Company Z. This required that, upon notice from Dolfin Connected Company Z, Dolfin Client H would have to deliver up her holding in Conflicted Securities A, in exchange for the release of the SPV from its obligations to Dolfin Connected Company Z (as referred to at (paragraph 1.7(5)) above).

1.8. The Call Option Agreements that Dolfin Client H and other foreign nationals entered into included onerous terms that meant that the Conflicted Securities they purchased remained under the control of Dolfin at all times.

1.9. A process chart showing these transactional arrangements is set out below.

**Gold Service**




**Step 1.** The Tier 1 Investor visa client ("T1IV client") transfers £400k from her bank account into her Dolfin client account.

**Step 2.** Dolfin Connected Company Z lends conflicted securities with nominal value of £1.6m to a SPV registered in the BVI
Document: Securities lending agreement

**Step 3.** The SPV sells conflicted securities to Dolfin Connected Company Y and receives total consideration of £1.6m.
Document: Bond sale instruction given by director and owner of the SPV (husband of the Tier 1 investor visa client)

**Step 4.** The SPV transfers £1.6m to the Client as a "gift"
Document: Gift Deed Transfer

**Step 5.** Client purchases Conflicted Securities A (total £2m) from Dolfin Connected Company Y (this places £1.6m back to its original source).
Document: Bond purchase instruction

**Step 6.** Dolfin Connected Company Z and T1IV Client enters into a Call Option agreement
Document: Call Option agreement - In five years, upon notice from Dolfin Connected Company Z, the T1IV client delivers up Conflicted Securities A, in exchange for right of claim on bonds issued by Dolfin Connected Company Z. This right of claim is used to release the family SPV from its obligations to Dolfin Connected Company Z, arising from the Securities Lending agreement (see Step 2) and the claims are offset; The T1IV Client gives a Power of Attorney to Dolfin to transfer Conflicted Securities A under the Call Option Agreement.

1.10. By contrast with the complex funding scheme operated by Dolfin which is described above, a foreign national could have obtained a Tier 1 investor visa by simply investing £2 million of their own money in (for example) shares in a FTSE 100 company or companies. Thus, the series of contrived transactions comprising the visa loan business, which had no genuine commercial rationale, were designed solely to circumvent the requirements of the Immigration Rules.

## ANNEX C

**Roman Joukovski's Representations**

1. A summary of the key representations made by Mr Joukovski, and of the Authority's conclusions in respect of them (in bold type), is set out below.

Burden and Standard of proof

2. The Authority has not proven any of its case to the requisite standard of proof. It depends on a series of inferences drawn from financial flows, commercial associations and retrospective witness interpretations of events rather than on documentary evidence demonstrating that Mr Joukovski exercised managerial control over Dolfin or designed the visa loan business structure in question.

3. **The Authority considers that Mr Joukovski's representations consist, in substance, of a series of bare denials, without the advancement of any positive case. He has offered few, if any, substantive explanations in rebuttal of the case set out in the Warning Notice. Contrary to his assertions, the Authority's case has been established to the requisite standard of proof and does not depend merely or solely on a series of inferences drawn from financial flows, commercial associations, or retrospective witness accounts. Rather, it is supported by cogent documentary evidence and corroborative interview material which, taken together, are capable of demonstrating Mr Joukovski's involvement in the management of Dolfin and in the design of the relevant visa loan business structure.**

Shadow director[1]

4. Mr Joukovski submits that the Court of Appeal decision in *Secretary of State for Trade and Industry v Deverell [2001] Ch 340* ("Deverell") supports his position that he was not a shadow director. Mr Joukovski observed that the test for a shadow director requires evidence that directors were accustomed to act in accordance with the individual's directions or instructions, demonstrating genuine influence over the board's decision-making; rather than mere involvement in discussions, commercial participation or the provision of advice. Accordingly, participation in meetings, receipt of information or economic involvement in a business does not, in itself, establish the degree of managerial control required to satisfy the test to be a shadow director.

5. Mr Joukovski observes that the Authority has asserted that Mr Joukovski was one of the two most senior individuals at Dolfin (whilst acknowledging that Individual A had the greater role in the day-to-day management of Dolfin), and exercised significant influence over Dolfin's management and affairs, and on that basis acted as a shadow director. Mr Joukovski considers that the documentary evidence does not support that characterisation.

[1] See paragraph 4.10, and the reference to the statutory test: A person who is not registered at Companies House as a director may nonetheless be a 'shadow director' where the directors of the company are accustomed to act in accordance with his directions or instructions.

6. The Authority has not produced contemporary documentary evidence establishing that Dolfin's directors were accustomed to act in accordance with Mr Joukovski's instructions, or that he exercised executive authority over Dolfin's management. In particular, there is no documentary evidence indicating that: (1) Dolfin's directors habitually acted on Mr Joukovski's instructions, (2) Mr Joukovski directed Dolfin's executive management to take a particular courses of action, (3) Mr Joukovski approved transactions in the capacity of a decision maker, (4) Mr Joukovski otherwise exercised managerial authority over Dolfin's directors or staff.

7. On the contrary, the documentary evidence demonstrates that operational decisions within Dolfin were taken by its executive management and staff.

8. Instead, Mr Joukovski observes that, to purport to show that Mr Joukovski acted as a shadow director, the Authority relies largely on a series of inferences drawn from financial flows, commercial associations and retrospective witness interpretation. These inferences derive from: (1) Mr Joukovski's economic interest in the wider Dolfin group structure, (2) his participation in certain business discussions and meetings, and (3) his receipt of financial information regarding aspects of the business.

9. Mr Joukovski observes that the Authority has placed considerable weight on financial flows associated with the activities within the visa loan business. However, the existence of financial flows between companies does not, in itself, demonstrate who designed the structure, exercised operational control over it, or authorised the relevant transactions. These financial flows do not, therefore, establish that Mr Joukovski was the architect of the structure or that he exercised control over the relevant transactions in question.

10. It is entirely commonplace for investors, lenders, founders or associated commercial participants to receive information about a company's performance, participate in strategic discussions or comment on business proposals without exercising executive authority over a company's operations. Mr Joukovski's requests for information concerning aspects of the business indicate that he was seeking to understand Dolfin's performance rather than directing its management.

11. Mr Joukovski acknowledges that, at one stage, he used the title "Chairman" of the Dolfin Group Limited (Bermuda) ("Dolfin Group") on certain documents. However, this was titular only and did not reflect an operational role, nor did it have any effect on whether directors of Dolfin were accustomed to act in accordance with Mr Joukovski's directions or instructions.

12. Mr Joukovski considers that the Authority has relied significantly on evidence provided by a particular Dolfin employee[2] ("the Dolfin Employee") in support of the allegation that directors were accustomed to act in accordance with his directions or instructions. This retrospective evidence is testimonial in nature, reflects the employee's interpretation of events and his personal perception of the business, it is not direct knowledge of the corporate ownership structure or financial control arrangements, and is not supported by documentary evidence. There is no contemporaneous documentary evidence to substantiate the employee's retrospective assertions.

[2] For example: the Dolfin employee referred to in paragraph 4.9.

13. Taken as a whole, the evidence demonstrates Mr Joukovski's commercial association with Dolfin, rather than the ability to direct the Firm's management. None of these matters, whether taken individually or collectively, satisfies the statutory test to be a shadow director.

14. ***Deverell* provides guidance[3] on the circumstances in which a person may be regarded as a shadow director: *"the purpose of the legislation is to identify those, other than professional advisers, with real influence in the corporate affairs of the company. But it is not necessary that such influence should be exercised over the whole field of its corporate activities … What is needed is that the board is accustomed to act on the directions or instructions of the shadow director … nor is it necessary to demonstrate a degree of compulsion in excess of that implicit in the fact that a board are accustomed to act in accordance with them".***

15. **The Authority relies upon a substantial body of contemporaneous documentary evidence, corroborated by interview evidence, in support of its finding that Mr Joukovski acted as a shadow director of Dolfin and had the ability to, and did, exercise significant influence over Dolfin's activities, as set out in paragraph 4.10 of this Notice. Contrary to Mr Joukovski's submission, the ability of the Authority's case to succeed does not depend upon the existence of formalised documentary instructions in every instance; the statutory test may properly be satisfied by a combination of documentary and other evidence and appropriate inference as to how influence was in practice exercised and implemented.**

16. **The fact that day-to-day operational decisions were implemented by executive management does not preclude a finding of shadow directorship; rather, it is consistent with a structure in which directors and senior management were accustomed to act in accordance with the directions or wishes of an individual exercising overarching influence.**

17. **Mr Joukovski only appears to have challenged the factual accuracy of sub-paragraphs (5) (Mr Joukovski was central to the design of the visa loan business)[4] and (6) (Mr Joukovski exercised control over destination of funds generated by visa loan business)[5] of paragraph 4.10 of the Decision Notice. He has not challenged sub-paragraphs (1)-(4) and (7)-(14). He has not challenged the factual accuracy of, amongst other things: (1) his own CV's articulation of his pivotal leadership role within the Dolfin Group, (2) Dolfin's reliance on his/his family's funding, (3) the fact that he viewed himself and a small number of other members of senior management at Dolfin as 'partners' in the business, (4) the fact that he was a member of the Dolfin Group Advisory Board from March 2018 to March 2020.**

18. **During the Relevant Period, Mr Joukovski owned a majority economic share in Dolfin. Consistent with this, the fact that companies under his control received substantial payments is probative of his ultimate control over the destination of funds generated by the visa loan business, irrespective of whether those payments were channelled through a**

[3] At paragraphs 35 and 36.
[4] See paragraphs 34 to 43 for Mr Joukovski's representations and the Authority's response.
[5] See paragraphs 9 and 18.

**separate company. The financial flows form part of a broader evidential matrix demonstrating that Mr Joukovski exercised overarching control in respect of those funds. Individual A's involvement, as one of the two most senior individuals at Dolfin, is consistent with the Authority's finding that together, Mr Joukovski and Individual A, were the two most senior individuals at Dolfin and controllers of the Dolfin Group, including Dolfin.**

19. **In relation to the contention that the Authority has not identified any contemporaneous document in which Mr Joukovski approved transactions in the capacity of a decision maker; whilst, for example, payment instructions were issued by Individual B to a director of Dolfin Connected Company Y, the Authority considers that Individual B was implementing Mr Joukovski's wishes. The absence of formal documentation explicitly recording those directions is not determinative; the relevant question is whether, in substance, Mr Joukovski's wishes were acted upon, and the Authority considers that the evidence supports the inference that this was the case.**

20. **Whilst the Authority accepts that investors, lenders, founders or associated commercial participants may receive information about a company's performance, without necessarily meeting the statutory test to be a shadow director, the evidence shows that Mr Joukovski's role extended materially beyond this. He did not merely receive information about Dolfin's performance or participate in strategic discussions; instead, his involvement encompassed substantive influence over decision-making and operations, together with significant economic and strategic control.**

21. **The Authority notes Mr Joukovski's account that he viewed his use of "Chairman" being titular and not reflecting an operational role, but considers that, take as a whole, the evidence does not support the assertion that the title was merely titular and thus not relevant to his actual role. In relation to this element and the other matters set out in paragraph 4.10, each matter , whilst being relevant in its own right (including the use of the title "Chairman"), should be assessed by being considered collectively, and should be taken together in the round.**

22. **The Authority considers that the Dolfin Employee was well-placed, in his particular, and senior, role, to comment on Mr Joukovski's involvement and influence at Dolfin. He had direct knowledge of the events in question. His evidence is credible and consistent with the contemporaneous documentary evidence. The Authority does not consider that the evidence he provides is merely his interpretation of events and his personal perception of the business.**

23. **Accordingly, the Authority considers that Mr Joukovski exercised significant influence over the management of the Dolfin Group, including Dolfin, and that the directors were accustomed in act in accordance with the directions and instructions of Mr Joukovski. The statutory test is therefore satisfied. Mr Joukovski acted as a shadow director of Dolfin during the Relevant Period.**

Controller

24. Mr Joukovski submits that, in the present case, the statutory definition of "controller", under section 422 of the Act[6], focuses on the ability of a person to exercise significant influence over the management of the regulated entity. This is typically carried out through voting power, the power to appoint or remove directors, or other mechanisms conferring governance authority. The existence of an economic interest alone does not satisfy the statutory definition unless it is accompanied by the ability to influence the management of a firm.

25. The shareholding interests associated with Mr Joukovski were held through a family foundation, established for the benefit of his family. This family foundation held economic, non-voting shares in the Dolfin Group which, through intermediate holding companies, ultimately owned Dolfin. Those non-voting shares conferred financial rights to dividends and/or sale proceeds but did not carry voting rights or the ability to influence corporate governance. The family foundation was administered by professional trustees, and Mr Joukovski did not exercise control over its decision-making.

26. In those circumstances, the mere existence of this economic interest (without voting rights) does not establish that Mr Joukovski was a "controller" within the meaning of the statutory definition.

27. Mr Joukovski further notes that the Authority places significant reliance on the fact that entities connected with him held economic interests within the wider Dolfin Group structure. However, economic participation in a corporate group is not equivalent to the exercise of regulatory control required to satisfy the statutory definition.

28. The factual matters referenced and relied upon by Mr Joukovski in the section above under the heading "Shadow Director" (in addressing whether directors were accustomed to act in accordance with his directions or instructions) also apply in this section when considering whether he was able to exercise significant influence over the management of Dolfin. The Authority has failed to demonstrate that Mr Joukovski exercised, or was able to exercise, significant influence over the management of Dolfin.

29. **Section 422(2) of the Act states as follows:**

    ***"(1) In this Act "controller", in relation to an undertaking ("B"), means a person ("A") who falls within any of the cases in subsection (2).***

    ***(2)The cases are where A holds—***
    ***(a) 10% or more of the shares in B or in a parent undertaking of B ("P");***
    ***(b) 10% or more of the voting power in B or P; or***

[6] https://www.legislation.gov.uk/ukpga/2000/8/section/422
See paragraph 29.

***(c) shares or voting power in B or P as a result of which A is able to exercise significant influence over the management of B".***

30. **The Authority rejects Mr Joukovski's submission that section 422(2) should be construed narrowly so as to exclude economic (non-voting) shareholdings. The statutory language distinguishes between "*shares*" and "*voting power*", as reflected in the separate limbs at sub-sections (2)(a) and (2)(b). That distinction indicates that the holding of shares for the purposes of sub-section (2)(a) is not limited to shares carrying voting rights.**

31. **Mr Joukovski accepts that, during the Relevant Period, he owned a majority economic share (without voting rights) in Dolfin (held through his family foundation, established for the benefit of his family). This interest is, in itself, sufficient to satisfy section 422(2)(a).**

32. **Further, as set out in the "Shadow Director" section above, the Authority has determined that Mr Joukovski was able to exercise significant influence over the management of the Dolfin Group, including Dolfin. That finding (together with Mr Joukovski's shares) separately satisfies section 422(2)(c).**

33. **Accordingly, Mr Joukovski was a "controller" under section 422(1).**

<u>Development of visa business</u>

34. The activities relating to the Tier 1 investor visa clients developed through the interaction of several professional participants performing distinct roles. The provision of investment services to Tier 1 investor visa applicants was not unique to Dolfin, and several wealth management firms provided investment services to individuals seeking to satisfy the investment requirements of the Tier 1 investor visa programme.

35. In Dolfin's case, most Tier 1 investor visa clients were introduced to them by specialist immigration advisers. The advisers marketed investment opportunities and provided advice to applicants regarding the Immigration Rules and the investment structures through which the required investments could be made and maintained. Their expertise lay in the interpretation and application of immigration law rather than in the provision of regulated investment services. Dolfin's role in this process was to provide regulated investment services to the Tier 1 investor clients, including the custody, execution and administration of investments held within portfolios. Clients might also have made use of administrative or private office services provided by associated service providers, the services including client administration and secretarial support. The visa loan business that developed therefore involved multiple distinct participants, each performing separate professional roles.

36. The activities should be seen as involving several independent professional participants operating within a broader commercial ecosystem, each acting within their respective areas of expertise. The contemporaneous documentation depicts a commercial arrangement involving these participants operating within their

respective areas of expertise, and is consistent with such a "multi-party commercial ecosystem" rather than a structure designed and directed by a single individual.

37. The Authority has not identified contemporaneous documents evidencing that Mr Joukovski (1) proposed the structures as described in the notice, (2) instructed the implementation and/or (3) directed the operation. There is therefore no documentary evidence demonstrating that Mr Joukovski was central to the design, implementation and oversight of the development of the visa loan business.

38. Whilst Mr Joukovski participated in discussions concerning aspects of the visa loan business, and received information regarding its financial performance, such participation does not equate to designing or directing a complex business structure. In commercial arrangements involving multiple professional participants, it is common for different individuals or participants to contribute to discussions concerning aspects of the business without exercising operational control over the underlying activities.

39. Accordingly, the Authority has not established that Mr Joukovski was central to the design, implementation and/or oversight of the development of the visa loan business.

40. **There is a large amount of contemporary documentary evidence, together with corroborative interview evidence, supporting the finding that Mr Joukovski was central to the design, implementation and oversight of the development of the visa loan business.**

41. **The Authority observes that Mr Joukovski has not advanced a positive case, and has instead simply denied that the Authority has discharged its burden of proof in relation to his role in relation to the visa loan business. He has made no attempt to address the particularised findings set out at paragraphs 4.19 to 4.36 of this Notice concerning his involvement in the design, implementation and oversight of that business, including: (1) in conjunction with Individual A, overseeing the design by Dolfin staff of the documents comprising the transactional framework; (2) overseeing the negotiations in relation to the commissions payable to Immigration Agent A and other immigration agents; (3) playing a leading role in managing the relationship between Dolfin and Immigration Agent A (the principal introducer to Dolfin's visa loan business), whose proprietor was a long standing acquaintance of Mr Joukovski; and (4) receiving direct reports from the Finance Team, including regular updates on the cash position of all the companies involved in the visa loan business. The evidence identified in paragraphs 4.19 to 4.36 of the Decision Notice demonstrates Mr Joukovski's involvement in the proposal, implementation and direction of the visa loan business.**

42. **The Authority's assessment of the visa loan business is that it was a pre-ordained, multi-step scheme which was inherently artificial, in that it comprised of a series of contrived transactions lacking any genuine commercial rationale. The Authority rejects Mr Joukovski's characterisation of the "*multi-party commercial ecosystem*", in so far as it suggests that there was any underlying commercial reality to the transactions comprising the visa loan business. The Authority also rejects Mr Joukovski's suggestion that the visa loan business was in reality "*multi-***

***party*". Although it was structured to appear that way and involved various corporate entities, it was, in fact, a structure designed and controlled by Mr Joukovski and Individual A.**

43. **As set out in the section entitled "Shadow Director", the Authority considers that Mr Joukovski's role extended well beyond participation in discussions concerning aspects of the visa loan business and receiving information regarding its financial performance. Accordingly, Mr Joukovski was a central participant of the design, implementation and/or oversight of the visa loan business.**

<u>Reliance on others</u>

44. The Tier 1 investor visa programme was governed by complex Immigration Rules administered by the Home Office. The interpretation and application of those rules fell within the expertise of specialist immigration advisers.

45. In the case of Dolfin's Tier 1 investor visa clients, those clients were introduced to Dolfin by professional immigration advisers who: (1) advised applicants in relation to their visa applications and the structures through which the required investments could be made, and (2) marketed the structure internationally as a compliant solution for visa applicants. Promotional material produced by Immigration Agent A described the structure as compliant with the requirements of the Immigration Rules and referred to communications with immigration authorities.

46. Those advisers were regulated professionals operating within the immigration advisory sector and were responsible for advising their clients as to the immigration law aspects of the arrangements proposed.

47. In commercial arrangements involving specialised areas of law, it is both common and entirely appropriate for participants to rely upon the expertise of professional advisers within their respective fields.

48. In the absence of any warning from those advisers that the proposed arrangements were inconsistent with the Immigration Rules, there was no reason for Mr Joukovski (who was also not a director) to assume that the immigration aspects of the structure were problematic. Where specialist immigration advisers developed and marketed the scheme, and confirmed its compatibility with the Immigration Rules, it was reasonable for Mr Joukovski to rely upon that professional expertise.

49. The Authority has not identified documentation showing that Mr Joukovski was advised that the arrangements described in the notice were inconsistent with the Immigration Rules. There is no evidence that he acknowledged that the structure was designed to circumvent the Immigration Rules. The Authority instead seeks to rely on an inference that the arrangements, as described, must have been obviously improper. This inference is difficult to sustain in circumstances where specialist immigration advisers were actively involved in introducing Tier 1 investor visa clients, advising applicants, and presenting the structure as compliant with the Immigration Rules.

50. In addition, Dolfin had a compliance department, which did not raise any concern that the arrangements were inconsistent with the Immigration Rules.

51. The Authority also relies on a retrospective assessment of the arrangements in question. The fact that a structure may subsequently be regarded as problematic does not establish that participants understood it to be problematic at the time.

52. The Authority's case implies that Mr Joukovski ought to have identified an immigration law issue which specialist immigration advisers, responsible for advising clients, did not identify and expressly represented to be compliant. There is no evidence that Mr Joukovski was informed that the arrangements were inconsistent with the Immigration Rules. In those circumstances, it was not unreasonable for him to rely on the immigration advisers in the manner that he did.

53. **The Authority considers that it was Dolfin, not Immigration Agent A, that designed and implemented the scheme. It is not, therefore, the case on the facts that Mr Joukovski relied on the immigration advisers in the manner he has described.**

54. **The visa loan business was obviously improper. It involved a complex chain of artificial transactions designed to give the Home Office a misleading impression as to the value of clients' investments. It did not require regulatory guidance to reveal that such a scheme was improper. Given his role in the scheme, Mr Joukovski must have been aware of its impropriety at the time. This is not a retrospective assessment of the arrangements.**

55. **Whilst Mr Joukovski asserts that it was reasonable for him to rely on the professional expertise of specialist immigration advisers, those advisers had a clear conflict of interest, in that they stood to gain financially from Dolfin operating the visa loan business. It was, therefore, not reasonable for Mr Joukovski to rely on any advice he may or may not have been given by conflicted immigration advisers and in any event no evidence of any such advice was provided by Mr Joukovski.**

56. **As the visa loan business was plainly improper, the Authority does not need (1) to identify a document demonstrating that Mr Joukovski was advised that the arrangements were unlawful or inconsistent with the Immigration Rules, or (2) to identify a communication in which he acknowledged that the structure was designed to circumvent those rules, in order to establish that Mr Joukovski's conduct in relation to the visa loan business lacked integrity.**

57. **Whilst Mr Joukovski has claimed that the Firm's compliance department did not raise a concern that the arrangements were inconsistent with the Immigration Rules, as paragraph 4.40 of this Notice states, (1) members of the Tier 1 team had long-running concerns about the legality of the visa loan business and the behaviour of Immigration Agent A, which they escalated directly to Mr Joukovski; and (2) Mr Joukovski was aware of the Home Office taking action in late 2017 by refusing the applications for Leave to Remain and Indefinite Leave to Remain of a large number of foreign nationals who had obtained their Tier 1 investor visas by using a funding scheme with similarities to the visa loan business.**

58. **In addition, Mr Joukovski did not seek independent professional advice at any stage during the operation of the visa loan business at Dolfin.**

59. **The Authority: (1) considers that Mr Joukovski did not rely on the immigration advisers in the manner he has asserted, and (2) rejects his suggestion that the way in which the visa loan scheme was marketed by Immigration Agent A negated or mitigated his misconduct.**

Misleading the Authority

60. The allegation that Mr Joukovski misled the Authority rests on inference rather than evidence of deliberate deception.

61. During his interview with the Authority, Mr Joukovski did not make a series of false and/or misleading claims about his knowledge of, or involvement in, the visa loan business, nor did he downplay his influence. The answers he provided at interview were consistent with the documentary record, which indicates that the operational management of Dolfin was conducted by its executive leadership. There were no contradictions between Mr Joukovski's answers and the contemporaneous documentary evidence relied upon by the Authority.

62. Mr Joukovski received certain documents relating to aspects of the visa loan business. However, the mere receipt of documents does not demonstrate that an individual understood their contents, approved the underlying arrangements, or exercised decision-making authority over them. It is common for senior participants to receive reports or documents relating to activities conducted by other parts of the business without exercising operating responsibility for those activities. The evidence relied upon by the Authority demonstrates, at most, that Mr Joukovski was aware of aspects of the business and received certain information about its financial performance. It does not demonstrate that he knowingly provided false information to the Authority or sought to conceal the existence of the arrangements.

63. Accordingly, the Authority has not satisfied the test for dishonesty as set out in *Ivey v Genting Casinos [2017][7].*

64. **Mr Joukovski has not advanced a positive case and merely denies that the Authority has discharged the burden of proof and has made no attempt to address the findings at paragraphs 4.49 - 4.55 of this Notice, or explain his involvement in the relevant sequence of events.**

65. **Paragraph 4.52 of this Notice identifies key examples of Mr Joukovski's attempts to mislead the Authority during interview, together with the underlying evidence and the Authority's analysis, including contemporaneous emails and documentation prepared by Mr Joukovski.**

[7] Ivey v Genting Casinos [2017] UKSC 67 (para 74).
(1) The fact-finding tribunal must first ascertain (subjectively) the actual state of the individual's knowledge or belief as to the facts…; and
(2) Once that state of mind is established, the question whether the conduct was honest or dishonest is determined by applying the (objective) standards of ordinary decent people. There is no requirement that the defendant must appreciate that what he has done is, by those standards, dishonest.

66. **The answers Mr Joukovski provided at interview are not borne out by the evidence. In particular, the contemporaneous material demonstrates that, inter alia, major decisions at Dolfin were taken by Mr Joukovski, and that he had detailed knowledge of the visa loan business and its operation. His account sought to distance himself from the visa loan business and downplay his influence at Dolfin in a manner not reflective of his true role. This was misleading.**

67. **Applying the test for dishonesty in *Ivey v Genting,* Mr Joukovski's conduct was dishonest.**