

Vladimir Bolelyy has referred this Decision Notice to the Upper Tribunal to determine: (a) in relation to the FCA's decision to impose a financial penalty, what (if any) is the appropriate action for the FCA to take, and remit the matter to the FCA with such directions as the Upper Tribunal considers appropriate and (b) in relation to the prohibition order, whether to dismiss the reference or remit it to the FCA with a direction to reconsider and reach a decision in accordance with the findings of the Upper Tribunal.

David Rowland, exercising third party rights, has also referred this Decision Notice to the Upper Tribunal which will determine whether to dismiss that reference or remit it to the FCA with a direction to reconsider and reach a decision in accordance with the findings of the Upper Tribunal.

Therefore, the findings outlined in this Decision Notice are provisional in that they reflect the FCA's belief as to what occurred and how it considers the behaviour described should be characterised. The Upper Tribunal's decision will be made public on its website.



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DECISION NOTICE

To: Mr Vladimir Bolelyy

Individual
Reference
Number: 6094196

Date: 17 January 2023

1. ACTION

1.1. For the reasons given in this Notice, the Authority has decided to:

1.1.1. impose on Mr Vladimir Bolelyy a financial penalty of £14,200 pursuant to section 66 of the Act; and

1.1.2. make an order, pursuant to section 56 of the Act, prohibiting Mr Bolelyy from performing any function in relation to any regulated activity carried on by any authorised or exempt person, or exempt professional firm.

2. SUMMARY OF REASONS

2.1. During the Relevant Period, Mr Bolelyy, whilst an employee of the Firm, created and disseminated a document, namely the Presentation, which contained obviously

improper advice for potential investors by recommending manipulative trading strategies, including recommending conduct which could be a criminal offence, had it taken place in the UK.

- 2.2. The Presentation set out the Strategy. The Strategy comprised a multi-faceted approach that included conduct aimed at creating a false or misleading impression as to the market in, or the price of, Qatari bonds, with the objective of harming the economy of Qatar. Creating a false or misleading impression as to the market in, or the price of, Qatari bonds would be an extremely serious matter and potentially a criminal offence, if it were to take place in the UK (contrary to section 90 of the Financial Services Act 2012). Section 1H of the Act provides that an offence involving such misconduct amounts to “financial crime” for the purpose of the Act.
- 2.3. The Strategy included regulated advice (pursuant to article 53 of the Regulated Activities Order and section 22(1) of the Act) aimed at the UAE and/or other states in the Middle East region because it advised those potential investors to transfer their existing holdings of Qatari bonds into a “protected cell company” to “preserve integrity” before manipulative trading intended to destabilise the Qatari economy took place, which trading was to include the purchase of CDS and the sale and purchase of Qatari bonds.
- 2.4. Mr Bolelyy created the Presentation knowing that it was likely to be disseminated for the purposes that included marketing the Firm’s services to potential investors (namely representatives of the UAE and/or other states in the Middle East region, who Mr Bolelyy knew others in the Firm believed might have reasons to want to put economic pressure on Qatar). Mr Bolelyy, on instructions from Mr Rowland, provided a copy of the Presentation to an employee at an Abu Dhabi sovereign wealth fund.
- 2.5. The Presentation signalled to potential clients that the Firm was willing to facilitate manipulative trading.
- 2.6. By virtue of the misconduct described in this Notice, Mr Bolelyy failed to act with integrity in breach of Individual Conduct Rule 1 (COCON 2.1.1R) and demonstrated that he is not a fit and proper person to perform any function in relation to any regulated activities.
- 2.7. The Authority has decided to (i) impose on Mr Bolelyy a financial penalty of £14,200 pursuant to section 66 of the Act, and (ii) make an order prohibiting Mr Bolelyy from performing any function in relation to any regulated activities carried on by

any authorised or exempt person, 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 Financial Conduct Authority;

“CDS” means credit default swap;

“COCON” means Code of Conduct in the Authority’s Handbook;

“Currency Peg” means a policy in which a national government sets a specific fixed exchange rate for its currency with a foreign currency or a basket of currencies;

“DEPP” means the Decision Procedure and Penalties Manual, part of the Authority’s Handbook of Rules and Guidance;

“EG” means the Authority’s Enforcement Guide set out in the Authority’s Handbook;

“the Financial Institution” means a financial institution being established through a partnership of an Abu Dhabi sovereign wealth fund and the Rowland Family before, and during, the Relevant Period. It was not a project of the Firm;

“the Firm” means Banque Havilland SA;

“Head Office” means the head office of the Firm in Luxembourg;

“the Indian Article” means an article regarding the Presentation published by an Indian media organisation called the Business Standard, entitled “Gulf Crisis may affect Qatar’s security, India’s economic interests” on 12 October 2017;

“Individual A” means the individual engaged by the Firm to market its services in the UAE and the wider Middle East region;

“the Intercept” means a media organisation called The Intercept.com;

“the Intercept Article” means an article regarding the Presentation published by the Intercept on 9 November 2017;

“London Branch” means the branch of the Firm based in London;

"MLRO" means Money Laundering Reporting Officer;

"PERG" means the Perimeter Guidance Manual in the Authority's Handbook;

"the Presentation" means the document drafted by the Firm setting out a series of steps which could be to harm the economy of Qatar, by using manipulative trading practices aimed at creating a false or misleading impression as to the market in or the price of Qatari bonds;

"the Regulated Activities Order" or "the RAO" means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;

"the Relevant Period" means the period from 12 September 2017 to 9 November 2017;

"Mr Rowland" means Edmund Lloyd Rowland;

"the Rowland Family" means the family of David Rowland;

"the SFNH Document" means a document created by David Edward Weller on 14 September 2017 entitled "*Setting Fire to the Neighbour's House fund*" setting out details of a series of steps to devalue the Qatari Riyal by increasing and encouraging selling pressure;

"the Strategy" means the series of steps as set out in the Presentation which could be taken to harm the economy of Qatar by using manipulative trading practices aimed at creating a false or misleading impression as to the market in or the price of Qatari bonds;

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

"UAE" means United Arab Emirates;

"Warning Notice" means the Warning Notice given to Mr Bolelyy dated 14 October 2021; and

"Wash trades" means a sale or purchase of an instrument where there is no change in beneficial interest or market risk, or where the transfer of beneficial interest or market risk is only between parties acting in concert or collusion, other than for legitimate reasons.

4. FACTS AND MATTERS

Background

Mr Bolelyy and the Firm

- 4.1. The Firm was established in 2009 by the Rowland Family and described itself, during the Relevant Period, on its website "*as being managed with the financial conservatism which is the family's hallmark*". The Firm's head office is in Luxembourg. It has various branch offices in London. The Firm was also described on its website as "*an integral part of the [Rowland] Family's interest on both a professional and personal level*".
- 4.2. During the Relevant Period, Mr Bolelyy was employed by the Firm as a senior investment analyst, and frequently acted as an assistant to Mr Rowland (see below), reporting directly to him. He held no approved function at the Firm.
- 4.3. The key individuals involved in this matter were all employed in the London Branch, namely, Mr Bolelyy, Mr Rowland and David Edward Weller. During the Relevant Period:
 - 4.3.1 Mr Rowland was approved by the Authority to carry out the EEA branch senior manager function ("SMF21") at the Firm. Those holding SMF21 are employees who have a significant responsibility for one or more significant business units of a branch of an incoming EEA firm in the UK. Mr Rowland was Chief Executive of the London Branch for almost three years before stepping down in April 2017, after which he retained his SMF21 status. He was formally re-appointed as Chief Executive on 26 September 2017 (part way through the Relevant Period) and continued in this role until his resignation on 13 December 2017. Throughout the Relevant Period, Mr Rowland was Mr Bolelyy's line manager and more senior than Mr Weller.
 - 4.3.2 Mr Weller was the Head of Asset Management at the London Branch and was also approved by the Authority as a SMF21; he reported to Mr Rowland and to the Firm's Group Head of Asset Management.
- 4.4 Throughout the Relevant Period, Mr Bolelyy, Mr Rowland and Mr Weller were employed by, and received salary from, the Firm only.

Marketing in the UAE

- 4.5 On 18 April 2017, the Firm engaged the services of Individual A to provide "*consulting and professional assistance in developing Banque Havilland in the*

United Arab Emirates". His professional assistance was defined as to expand "the undertaking of Banque Havilland in the UAE and broader Middle East, with specific assistance in terms of strategic marketing, local networking or anything else which will be agreed by the Parties as useful to serve the present purpose". Individual A was paid a monthly fee of USD 10,000 for these services. In addition to this consultancy role, Individual A was also a special adviser to the Crown Prince of Abu Dhabi (Abu Dhabi is the capital of the UAE).

The Qatar diplomatic crisis

- 4.6 In June 2017, as was widely reported in the press, a Saudi-led coalition of Gulf states (including the UAE) severed diplomatic relations with Qatar, citing Qatar's alleged support for terrorism as the main reason. The Qatari Riyal had a currency peg with the US Dollar throughout the Relevant Period.

30 August 2017 meeting

- 4.7 On 30 August 2017, at a meeting organised by Individual A, Mr Rowland and David Rowland (Mr Rowland's father and the ultimate controller of the Firm) met with a senior representative of a UAE sovereign wealth fund. Prior to that meeting, on 27 August 2017, Mr Rowland had referred to the forthcoming meeting and stated to a colleague: "they have another potential opportunity they want me to look at also". Mr Rowland told the Authority during an interview that at this meeting it was made clear to him, in the absence of David Rowland, that the UAE sovereign wealth fund's representatives were concerned about the substantial exposure that Emirati banks had in the interbank market to Qatar and particularly to the local banking sector. This was due to the situation between Qatar and the UAE and the representatives' fears that the stand-off would be significantly extended as no rapprochement seemed to be on the horizon. This was a reference to the political tensions in that region which had worsened since June 2017.

The Presentation

- 4.8 At some point after the 30 August 2017 meeting and no later than 12 September 2017, Mr Rowland tasked Mr Bolelyy to begin preparing a written presentation as to how economic pressure might be put on Qatar. Subsequently, on 12 September 2017 Mr Bolelyy sent himself an email recording the following matters in a number of bullet points, all of which he then included in the first draft: "Bond exposure; What matters [sic] is western view; Foreign reserves; Currency peg break; Cash to

pay for insurance; "Sanctions don't work unless everyone is doing it"; Currency peg pressure is effective when thought by everyone; Avoid jargon; Segregated vehicle".

- 4.9 The first draft of the document which became the Presentation, prepared by Mr Bolelyy on 12 September 2017 in the form of slides, was named "Qatar Opportunity" and proposed a series of steps with the purpose of devaluing the Qatari Riyal and breaking its peg to the US Dollar.

13 September 2017 meeting

- 4.10 On the following day, 13 September 2017, a meeting was convened at short notice of various individuals in the London Branch; these individuals were Mr Bolelyy, Mr Rowland, Mr Weller, another employee of the Firm and an individual not employed by the Firm.
- 4.11 At the meeting, which appears to have lasted for about a quarter of an hour and was subsequently described by Mr Weller as a brain-storming session, Mr Rowland asked for ideas on how negatively to impact the Qatari economy by undermining the value of the country's currency. Mr Rowland explained that Saudi Arabia, Abu Dhabi [sic] and Egypt were keen as nation states to persuade Qatar to stop some of its [terrorist] funding activities. He further explained that the 3 countries had a combined \$23 billion of Qatari assets that they were prepared to use to pressure the Qatari Riyal. Mr Rowland went on to state that the potential economic interest for the Rowland Family would come from being able to charge a small fee on the assets which would be transferred to a vehicle arranged by the Rowland Family.
- 4.12 The Authority infers that Mr Bolelyy understood it was intended that the Presentation would be presented to representatives of the UAE and/or other states in the Middle East region who Mr Rowland considered might have reasons to want to put economic pressure on Qatar, and that Mr Bolelyy understood that Mr Rowland was motivated by the potential to earn fees for Rowland Family interests, which included the Firm. Regardless of whether the Strategy as set out in the Presentation was practicable or likely to be accepted by such representatives, the Authority concludes that it was a way of signalling to potential clients that the Firm was willing to countenance improper market conduct in order to advance its interests.

- 4.13 Following this meeting, none of the attendees raised any concerns with the Firm's MLRO or to any other senior manager. In addition, no concerns were raised to Head Office or via the Firm's whistle-blowing procedures.

Iterations of the Presentation

- 4.14 Later that day, 13 September 2017, Mr Bolelyy emailed the attendees of the earlier meeting to request their "*credible, high-level ideas re: a possible transaction structure*" and asked that they "*jot something coherent down*". He explained that what he described as the "*winning idea*" would go into a presentation, the drafting of which he would take care of, and that it would be shared and discussed at a "*high level*", which the Authority infers meant at least Mr Rowland, who was copied into this request.
- 4.15 On 14 September 2017, Mr Bolelyy emailed a draft of the Presentation to Mr Rowland and stated as follows: "*Attached is a work in progress based on fragments of information exchanged so far. As discussed yesterday, it will be useful for all of us to sit down and nail down the basic skeleton. When can you do today?*".
- 4.16 This version of the Presentation included further details of the Strategy, specifically regarding the stated aim of putting pressure on the Qatari Riyal to such an extent that the Qatar National Bank would need to deploy significant portions of Qatar's foreign exchange reserves to maintain its value in relation to the US Dollar.
- 4.17 This version of the Presentation also explicitly stated that "*maintaining the [currency] peg requires extensive use of central bank foreign exchange reserves. Existing G\$15bn [sic] of Qatari bonds represent close to 50% of all central bank reserves available*" and noted that "*the selling pressure [generated by the Strategy] creates upward pressure on the Qatari Riyal-US Dollar peg and forces Qatar National Bank to defend it by decreasing available foreign exchange reserves*".
- 4.18 The Presentation envisaged the purchasing of Qatari bonds, deployment of long CDS and long credit forwards with the express aim of negatively impacting the value of the Qatari Riyal against the US Dollar.
- 4.19 Later on 14 September 2017, in response to Mr Bolelyy's previous request for contributions to what he described as '*a possible transaction structure*', Mr Weller emailed a document to Mr Bolelyy which contained his ideas. Mr Weller has subsequently stated that this document reflected what had been discussed amongst

the participants at the meeting on the previous day, together with some research he had conducted through open sources on the internet. The document was entitled "Setting Fire to the Neighbour's House fund" ("the SFNH Document") and set out more details of the Strategy, namely, to devalue the Qatari Riyal by increasing and encouraging selling pressure. The SFNH Document ended with a cartoon depicting Qatar and the statement "*Repeat as desired*". Mr Weller has subsequently stated that he did not regard the contents of the SFNH Document as representing a serious proposal and that it was simply reflective of a subject Mr Rowland wished to explore.

- 4.20 The steps set out in the SFNH Document proposed to "[q]uietly pick up some Qatar paper", or bonds "2026s and 2030s", using "old school account painting" to "get some ownership" which would be used to "[c]ontrol the yield curve" by co-operating parties "acting in concert" trading back and forth at incrementally lower prices. The final step in this stage would be to "dump" these holdings on the open market, driving the bond "price further down and [to be then] picked back up [by] the original seller".
- 4.21 Following this, the plan was to "[e]stablish positions in Forwards on Riyal, options where possible", (...) "get long the CDS slowly with larger houses, just enough to move the price to make it news worthy".
- 4.22 Next, "[f]ire up the PR machine... to remind people there is [a] problem with Qatar...". A further increase of the CDS position was advised and then, "PR wave two" stating that "despite the massive SWF [sovereign wealth fund], pressure is building that could see Qatar having restricted access to Dollar... [and] credit rating may be affected with the long-term future of the country now in doubt... Peg won't break, though credit markets will be looking shambolic...Once fire fully alight clear out the [UAE Dirham] specs for a profit".
- 4.23 Accordingly, the SFNH Document proposed a way in which the Qatari Riyal/US Dollar currency peg might be attacked. In summary, the SFNH Document suggested a series of steps namely (1) building up a portfolio of specific Qatari debt without attracting attention by parties acting in concert in a series of wash trades, (2) later dumping the position in order to create a false impression in the market of a flight from Qatari debt, (3) opening a CDS position on the debt (bonds) and then 'dumping' the said debt to drive the price down, (4) increasing and closing the CDS position in order to add negative pressure on Qatari assets/currency/economy, to profit from the manipulative bond trading, and increasingly stressed markets,

and (5) using a PR campaign deliberately magnifying the false impression to increase selling of the Qatari Riyal or Qatari bond holdings and encourage other market participants to do likewise.

4.24 In the evening of 14 September 2017, Mr Bolelyy took most of the content from the SFNH Document and added it to the draft Presentation, including the content set out in the bullet points in the paragraph below.

4.25 Thereafter until 18 September 2017 Mr Bolelyy actively worked on the Presentation which in its final form was entitled "Distressed Countries Fund" and set out in detail the Strategy, which included, the following:

- *"To preserve integrity of existing Qatari bond holdings, an in-situ transfer will be arranged into a protected cell company";*
- *"Gear up to control the yield (and thus bond prices)" by purchasing "medium and long-term Qatar paper", as it "should favourably affect CDS pricing at later stage";*
- *"Establish a crossing transaction arrangement whereby another affiliated party sells the same bond holdings back to the original seller and thereby creates additional "downward pressure";*
- *"Purchase CDS on Qatar (...) to move the price sufficiently to make it newsworthy";*
- *"Fire up the PR Machine to remind people there is a problem with Qatar";*
- *"Increase the positions", by "buying additional CDS" to lead to "falling of bond price, raising rates, and escalation in CDS premia";*
- *"Refresh the PR message to add more fuel to the fire", as it will "focus on the prospect of restricted access to US Dollar and now-doubtful stability of the country";*
- *"FIFA Option...Qatar has committed to \$200BN of spending for its hosting of 2022 World Cup...negative publicity can resurface around the original award of the tournament...If Qatar now spends its reserves on protecting the currency*

and domestic credit markets, there is less dry powder to fund the infrastructure spending”.

- 4.26 The finalised Presentation therefore outlined how to impact the economy of Qatar negatively through manipulative trading practices, including direct reference to crossing transactions between two parties working in conjunction with the stated aim of artificially driving down the price of Qatari government-backed bonds, therefore weakening Qatar financially, in other words Wash Trades. The Strategy included a coordinated PR strategy designed to increase the pressure placed upon Qatar in addition to the existing sanctions and force the Qatari government to utilise its central bank foreign exchange reserves to maintain the currency peg between the Qatari Riyal and the US Dollar. As such, the Presentation clearly contemplated manipulative trading which aimed to create a false or misleading impression as to the market in or the price of Qatari bonds which, if conducted in the UK could amount to a criminal offence (contrary to section 90 of the Financial Services Act 2012).

What then happened to the Presentation

- 4.27 On 18 September 2017, in preparation for a scheduled visit to Abu Dhabi by Mr Rowland, David Rowland and Mr Bolelyy, Mr Bolelyy emailed a copy of the Presentation to his personal email account and, at Mr Rowland’s request, printed off two copies of the Presentation for Mr Rowland to take with him to Abu Dhabi.
- 4.28 Following a request from Mr Rowland to send him a soft copy of “*the Qatar presentation in the morning*”, Mr Bolelyy also emailed him the final version of the Presentation at approximately 7pm on 18 September 2017. Mr Bolelyy informed Mr Rowland that it was the latest and the same as Mr Bolelyy had given him that afternoon “*for review*”.
- 4.29 Mr Rowland immediately forwarded the Presentation to Individual A, with whom he had had a meeting at the Firm’s London Branch five days’ earlier. He also forwarded a copy of the Presentation to David Rowland.
- 4.30 Mr Rowland explained in interview with the Authority that he requested Mr Bolelyy to print copies of the Presentation “*because it was related to the UAE*” and confirmed that the Abu Dhabi trip was an opportunity potentially to discuss the Presentation with senior individuals, including from an Abu Dhabi sovereign wealth

fund. During the trip, on instructions from Mr Rowland, Mr Bolelyy provided a copy of the Presentation to an employee of this Abu Dhabi sovereign wealth fund.

- 4.31 For an authorised firm to contemplate such a course of action (including recommending conduct which could be a criminal offence if it took place in the UK), intending it to be presented to potential investors indicates a clear lack of integrity. This is regardless of whether the Strategy set out in the Presentation was achievable in reality (either by the Firm or by potential investors or recipients of the Presentation). Mr Bolelyy knowingly made significant contributions to the Presentation's creation and disseminated the Presentation externally.

Press reports and the Firm's response

- 4.32 Mr Bolelyy, Mr Rowland and David Rowland visited Abu Dhabi from 21 to 25 September 2017. The Presentation was later reported in the media to have reached the email inbox of the UAE Ambassador to the US between 18 September and 12 October 2017 and was said to have been stored under the heading "Rowland Banque Havilland". The UAE Ambassador to the US subsequently stated to the Firm's legal advisers in New York (through his own legal advisers) that he "*did not receive the Presentation*". The Presentation eventually became publicly available on the internet (see below).

9 November 2017

- 4.33 On 9 November 2017, the Intercept published the Intercept Article stating the Presentation had been found in the inbox of UAE Ambassador to the US and providing copies of some of the Presentation slides. The article was titled "*Leaked Documents Expose Stunning Plan To Wage Financial War On Qatar (...)*" and explained that "*economic warfare involved an attack on Qatar's currency using bond and derivatives manipulation....The outline, prepared by Banque Havilland, (...) laid out a scheme to drive down the value of Qatar's bond and increase the cost of insuring them, with the ultimate goal of creating a currency crisis that would drain the country's cash reserves*".
- 4.34 The content of the pages featured in the Intercept Article were identical to the Presentation as drafted by Mr Bolelyy and sent by Mr Rowland to Individual A and David Rowland on 18 September 2017. The Intercept Article identified Mr Bolelyy as the creator of the Presentation, according to the metadata of the document obtained by Intercept.

- 4.35 The publication of the Intercept Article led to the immediate resignation of Mr Bolelyy on 9 November 2017, and an internal investigation was initiated by Head Office on 13 November 2017.
- 4.36 The Firm, via Mr Rowland, contacted the Authority on 14 November 2017 by telephone, providing limited information regarding the events referred to above and the involvement of the Firm. This was followed up by an email from Mr Rowland to the Authority on 15 November 2017 noting what was said in the call, as follows: "1. An article mentioning a junior analyst name [sic] for the creation of a non bank presentation. 2. A forensic investigation being held. 3. The groups [sic] regulator CSSF was informed. 4. The PR firm the group uses has clarified the facts. 5. We will share the findings of the investigation once complete subject to CSSF approval".
- 4.37 On 13 December 2017 Mr Rowland resigned as an employee, Chief Executive of the London Branch and member of the executive management of the Firm on 13 December 2017 with immediate effect and Mr Weller left the Firm on 10 April 2018.

5. FAILINGS

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

Individual Conduct Rule 1: You must act with integrity

- 5.2. Individual Conduct Rule 1 required Mr Bolelyy to act with integrity in relation to the performance by him of functions relating to the carrying on of activities (whether or not regulated activities) by the Firm. During the Relevant Period, Mr Bolelyy breached this requirement, whilst acting as an employee of the Firm's London Branch, by creating and disseminating the Presentation.
- 5.3. Mr Bolelyy failed to act with integrity by creating the Presentation, which set out a multi-faceted approach that included conduct aimed at creating a false or misleading impression as to the market in or the price of Qatari bonds, with the objective of harming the economy of Qatar. Mr Bolelyy disseminated the Presentation for purposes that included marketing the Firm's services to potential investors (namely representatives of the UAE and/or other states in the Middle East region, who Mr Bolelyy knew others in the Firm believed might have reasons to

want to put economic pressure on Qatar) and he was aware that Mr Rowland hoped the Presentation would generate fees for Rowland Family interests.

Not Fit and Proper

- 5.4. The Authority considers that Mr Bolelyy's actions as described in this Notice demonstrate that he lacks fitness and propriety because he lacks integrity.

6. SANCTION

Financial penalty

- 6.1. The Authority's policy for imposing a financial penalty is set out in Chapter 6 of DEPP. DEPP 6.5B sets out the details of the five-step framework that applies in respect of financial penalties imposed on individuals in non-market abuse cases.

Step 1: disgorgement

- 6.2. Pursuant to DEPP 6.5B.1G, at Step 1 the Authority seeks to deprive an individual of the financial benefit derived directly from the breach where it is practicable to quantify this.
- 6.3. The Authority has not identified any financial benefit that Mr Bolelyy derived directly from his breach.
- 6.4. Step 1 is therefore £0.

Step 2: the seriousness of the breach

- 6.5. Pursuant to DEPP 6.5B.2G, at Step 2 the Authority determines a figure that reflects the seriousness of the breach. That figure is based on a percentage of the individual's relevant income. The individual's relevant income is the gross amount of all benefits received by the individual from the employment in connection with which the breach occurred, and for the period of the breach.
- 6.6. As Mr Bolelyy's breach lasted less than 12 months, the relevant income will be that earned by him in the 12 months preceding the last day of his breach, being 9 November 2017. The Authority considers Mr Bolelyy's relevant income for this period to be £47,452.

6.7. In deciding on the percentage of the relevant revenue that forms the basis of the Step 2 figure, the Authority considers the seriousness of the breach and chooses a percentage between 0% and 40%. This range is divided into five fixed levels which represent, on a sliding scale, the seriousness of the breach; the more serious the breach, the higher the level. For penalties imposed on individuals in non-market abuse cases there are the following five levels:

Level 1 – 0%

Level 2 – 10%

Level 3 – 20%

Level 4 – 30%

Level 5 – 40%

6.8. In assessing the seriousness level, the Authority has taken into account various factors which reflect the impact and nature of the breach, and whether it was committed deliberately or recklessly. DEPP 6.5B.2G(12) lists factors which are likely to be considered 'level 4 or 5 factors'. Of these, the Authority considers the following factors to be most relevant:

6.8.1. Mr Bolelyy knew it was likely that the Presentation would be used to encourage conduct which potentially could be a criminal offence, and financial crime were it to take place in the UK;

6.8.2. Mr Bolelyy failed to act with integrity;

6.8.3. his breach was committed deliberately.

6.9. DEPP 6.5B.2G(13) lists factors likely to be considered 'level 1, 2 or 3 factors'. Of these, the Authority considers the following factor to be relevant:

6.9.1. Mr Bolelyy made no profit as a result of the breach.

6.10. Taking all of these factors into account, the Authority considers the seriousness of the breach to be level 4 and so the Step 2 figure is 30% of £47,452.

6.11. Step 2 is therefore £14,235.

Step 3: mitigating and aggravating factors

6.12. Pursuant to DEPP 6.5B.3G, at Step 3 the Authority may increase or decrease the amount of the financial penalty arrived at after Step 2, but not including any amount to be disgorged as set out in Step 1, to take into account factors which aggravate or mitigate the breach.

6.13. The Authority considers that there were no factors which aggravate or mitigate the breach.

6.14. Step 3 is therefore £14,235.

Step 4: adjustment for deterrence

6.15. Pursuant to DEPP 6.5B.4G, if the Authority considers the figure arrived at after Step 3 is insufficient to deter the individual who committed the breach, or others, from committing further or similar breaches, then the Authority may increase the penalty.

6.16. The Authority considers that the Step 3 figure of £14,235 is sufficient in relation to the breaches to meet its objective of credible deterrence.

6.17. Step 4 is therefore £14,235.

Step 5: settlement discount

6.18. Pursuant to DEPP 6.5B.5G, if the Authority and the individual on whom a penalty is to be imposed agree the amount of the financial penalty and other terms, DEPP 6.7 provides that the amount of the financial penalty which might otherwise have been payable will be reduced to reflect the stage at which the Authority and the individual reached agreement.

6.19. Mr Bolelyy and the Authority did not reach an agreement to settle so no discount applies to the Step 4 figure. The Step 5 figure is therefore £14,235. This has been rounded down to £14,200.

Penalty

6.20. The Authority therefore has decided to impose a total financial penalty of £14,200 on Mr Bolelyy for breaching Individual Conduct Rule 1 (COCON 2.1.1R).

Prohibition Order

- 6.21. As stated above the Authority considers that Mr Bolelyy's actions as described in this Notice demonstrate that he lacks fitness and propriety because he lacks integrity. As such, the Authority believes that it is appropriate to prohibit Mr Bolelyy from performing any function in relation to any regulated activity carried on by any authorised person, exempt person or exempt professional firm.

7. REPRESENTATIONS

- 7.1. Annex B contains a brief summary of the key representations made by Mr Bolelyy, and by David Rowland as a third party, 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 Bolelyy, and by David Rowland as a third party, whether or not set out in Annex B.

8. PROCEDURAL MATTERS

- 8.1. This Notice is given under sections 57 and 67 of the Act and in accordance with section 388 of the Act.

Decision maker

- 8.2. 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/committees/regulatory-decisions-committee-rdc>

The Tribunal

- 8.3. Mr Bolelyy 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 Bolelyy 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.gsi.gov.uk).

- 8.4. 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>

- 8.5. 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 Victoria Chaloyard at the Financial Conduct Authority, 12 Endeavour Square, London E20 1JN.
- 8.6. 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

- 8.7. Section 394 of the Act applies to this Notice.
- 8.8. 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) the secondary material which, in the opinion of the Authority, might undermine that decision.

Third Party Rights

- 8.9. A copy of this Notice is being given to David Rowland 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. As a third party, David Rowland has similar rights to those mentioned in paragraphs 8.3 and 8.8 above in relation to the matter which identifies it.

Confidentiality and publicity

8.10. 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.

8.11. However, the Authority must publish such information about the matter to which a Decision Notice or Final Notice relates as it considers appropriate. The persons to whom this Notice is given or copied should therefore be aware that the facts and matters contained in this Notice may be made public.

Authority contacts

8.12. For more information concerning this matter generally, contact Victoria Chaloyard at the Authority: direct line: 020 7066 3108/ email: victoria.chaloyard@fca.org.uk.

Tim Parkes

Chair, Regulatory Decisions Committee

ANNEX A

RELEVANT STATUTORY PROVISIONS

- 1.1. The Authority's operational objectives, set out in section 1B(3) of the Act, include the integrity objective of protecting and enhancing the integrity of the UK financial system which includes it not being used for a purpose connected with financial crime.
- 1.2. Section 56 of the Act provides that the Authority may make a prohibition order if it appears to the Authority that an 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.
- 1.3. Section 66 of the Act provides that the Authority may take action against a person if it appears to the Authority that he is guilty of misconduct and the Authority is satisfied that it is appropriate in all the circumstances to take action against him.
- 1.4. Section 66A of the Act provides that for the purposes of action by the Authority under section 66, a person is guilty of misconduct if any of conditions A to C is met in relation to the person. Section 66A(2) sets out Condition A, which during the Relevant Period stated that:

'(a) the person has at any time failed to comply with rules made by the FCA under section 64A, and

(b) at that time the person was –

 - (i) an approved person,
 - (ii) an employee of a relevant authorised person, or
 - (iii) a director of an authorised person.'
 - 1.5. Section 66(3)(a) and (b) of the Act provides that if the Authority is entitled to take action against a person under section 66, it may impose a penalty on him of such amount as it considers appropriate, and publish a statement of his misconduct.
 - 1.6. Section 1H of the Act provides:

“(3) “Financial crime” includes any offence involving

(a) fraud or dishonesty,

(b) misconduct in, or misuse of information relating to, a financial market.

(4) “Offence” includes an act or omission which would be an offence if it had taken place in the United Kingdom.”

1.7. Section 90 of the Financial Services Act 2012 provides that:

“(1) a person (“P”) who does any act or engages in any course of conduct which creates a false or misleading impression as to the market in or the price or value of any relevant investments commits an offence if—

(a) P intends to create the impression, and

(b) the case falls within subsection (2) or (3) (or both).

(2) The case falls within this subsection if P intends, by creating the impression, to induce another person to acquire, dispose of, subscribe for or underwrite the investments or to refrain from doing so or to exercise or refrain from exercising any rights conferred by the investments.

(3) The case falls within this subsection if—

(a) P knows that the impression is false or misleading or is reckless as to whether it is, and

(b) P intends by creating the impression to produce any of the results in subsection (4) or is aware that creating the impression is likely to produce any of the results in that subsection.

(4) Those results are—

(a) the making of a gain for P or another, or

(b) the causing of loss to another person or the exposing of another person to the risk of loss.”

1.8. Article 53(1) of the Regulated Activities Order provided that advising a person is a specified kind of activity if the advice is-

(a) given to the person in his capacity as an investor, or potential investor, or in his capacity as agent for an investor or a potential investor; and

(b) advice on the merits of his doing any of the following (whether as principal or agent)-

(i). buying, selling, subscribing for or underwriting a particular investment which is a security, structured deposit or a relevant investment, or

(ii). exercising any right conferred by such an investment to buy, sell, subscribe for or underwrite such an investment.

1.9 Section 22(1) of the Act provides that an activity is a regulated activity for the purpose of the Act if it is an activity of a specified kind which is carried on by way of business and (a) relates to an investment of a specified kind.

2. **RELEVANT REGULATORY PROVISIONS**

2.1. The Code of Conduct Sourcebook (COCON) was issued under section 64A of the Act. COCON sets out the rules of conduct which apply to individuals within the scope of COCON, which during the Relevant Period included employees of a relevant authorised firm according to COCON 1.1.2(6)R.

2.2. COCON 1.1.7R provided, during the Relevant Period, that 'a person (P) subject to COCON who is not an approved person, COCON applies to the conduct of P in relation to the performance by P of functions relating to the carrying on of activities (whether or not regulated activities) by:

(1) (in the case of a board director of a firm) that firm; or

(2) (in any other case) P's employer.

Individual conduct rules

2.3. Chapter 2 of COCON sets out the Individual Conduct Rules. COCON 2.1.1R (Individual Conduct Rule 1) provides that a person must act with integrity.

The Fit and Proper Test for Employees and Senior Personnel ("FIT")

2.4. 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.

- 2.5. 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. In the Authority's view, the most important consideration will be the person's honesty, integrity and reputation; competence and capability; and financial soundness.

Enforcement Guide ("EG")

- 2.6. The Authority's policy for exercising its power to make a prohibition order is set out in Chapter 9 of EG.

EG 9.1 states that the Authority may exercise this power where it considers that, to achieve any of its regulatory 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.

Decision Procedure and Penalties Manual ("DEPP")

- 2.7. Chapter 6 of DEPP, which forms part of the Authority's Handbook, sets out the Authority's statement of policy with respect on the imposition of a financial penalty or public censure. In particular, DEPP 6.5B sets out the five steps for penalties imposed on individuals in a non-market abuse case in respect of conduct taking place on or after 6 March 2010.

ANNEX B: REPRESENTATIONS

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

Mr Bolelyy's Representations

Mr Bolelyy's standing and his role

2. Mr Bolelyy's job title and description at the Firm, namely, "Senior Investment Analyst" was not the reality during his employment at the Firm from October 2016 to November 2017; the reality was that Mr Bolelyy was Mr Rowland's personal assistant. Accordingly, COCON does not apply to him, since COCON 1.1.2R(6)(r) specifically excludes, inter alia, personal assistants or secretaries from the jurisdiction of COCON¹.
3. Mr Bolelyy described examples of his work, and interaction with more senior members of staff, during his employment at the Firm. These demonstrate the reality. Some of the examples that Mr Bolelyy referred to were as follows:
 - Mr Bolelyy's role as Mr Rowland's personal assistant during his relatively short time at the Firm largely consisted of preparing slide decks. His junior role and administrative duties were apparent from the development of a set of slides he helped prepare for the Financial Institution, and the interaction with more senior colleagues. His was a secretarial function: effecting changes proposed by others and submitting even that work back to them for repeated review. He had no discretion, say or authority as to the content of the slides and this presentation, or even as to the layout but would merely action the wishes of his more senior colleagues. This was the work of someone engaged in presentations, not in economic analysis. The "analysis" in presentations was analysis that had been provided by others not independently by him.

¹ COCON 1.1.2R sets out a Table: To whom does COCON apply? This includes any employee of an SMCR firm not coming within [specified exemptions as set out within the Table]. An exemption includes an employee of an SMCR firm who only performs functions falling within the scope [inter alia] of the following role: (r) personal assistant or secretary.

- Exchanges of emails when assisting on an agreement to onboard Individual A to the Firm indicate that he was Mr Rowland's assistant, liaising and coordinating with other parties (including Human Resources and Legal).
 - Mr Bolelyy made table reservations rather than attended dinners; he booked rooms for Mr Rowland and he considered options for the office layout and office furniture for the Financial Institution's proposed office in Abu Dhabi.
 - On the occasions Mr Bolelyy attended meetings his responsibility was to take notes and not to speak.
 - Mr Bolelyy proof-read documents for Mr Rowland and others, including Mr Weller.
4. Mr Bolelyy was not described or treated by more senior members of staff as a "Senior Investment Analyst"; rather, he was described variously as "*Ed's wingman*", "*a bag-carrier type character for Edmund*" and "*the personal assistant of Mr Rowland*".
 5. David Rowland described him as "*a junior Bank employee who also used to run errands for my son, Edmund*" and as someone who "*sometimes booked restaurants, he was like the guy who ran around and did odds and ends in the office – it was that type of thing.*"
 6. Mr Bolelyy was not treated by the Firm as a Senior investment Analyst: he was not certified by the Firm under the Senior Managers and Certification Regime (SMCR).
 7. Mr Bolelyy had completed his Chartered Financial Analyst (CFA) qualification, the examination finished in June 2016 and his work experience in June 2017. His role at the Firm did not need any particular financial literacy; he was recruited because Mr Rowland's previous personal assistant had left, and Mr Rowland needed a replacement who could speak Russian. Accordingly, the Firm did not pay for Mr Bolelyy to become a CFA. The Firm did not train Mr Bolelyy up, nor did he work with the Firm's asset managers or private bankers or as a CFA, whilst employed by the Firm. Mr Bolelyy had a desire to appear more than just a personal assistant; in truth he was a junior person who wanted to be a banker, but was not, and he talked up his role within the Firm.
 8. It made no difference to Mr Bolelyy nor did he differentiate, whether he was assisting Mr Rowland in work which related to the Firm's business or not.

9. **The Authority's views on who would be in scope with respect to its Conduct Rules was set out in two Consultation Papers on Strengthening accountability in banking (which were referenced by Mr Bolelyy in his written representations). In the first Consultation Paper CP 14/13² it stated as follows:**

(a) "The FCA intends to cover all those individuals who would be in a position to impact its statutory objectives, but not those who have no realistic prospect of doing so" (paragraph 5.11);

(b) "This would mean that the only employees of a relevant firm who would not be caught in scope would be those whose role would be fundamentally the same as it would be if they worked in a non-financial services firm. To be clear about who is caught, the Authority will define this by exception (i.e. everyone whose role is not listed below will be covered by the rule)" (paragraph 5.13);

(c): "The effect of this proposal is that the rules will cover a wide population" (paragraph 5.14).

10. **Following consultation, in its second Consultation Paper, CP 15/9³ the Authority confirmed its proposal set out in the first paper and stated: "As a result, we have no plans to narrow the range of staff who are subject to the rules on which we consulted. In finalising the rules, we will seek to make sure that we achieve our aim of applying the Conduct Rules to all employees except for staff carrying out purely ancillary functions (i.e. staff carrying out a role which would be fundamentally the same in a non-financial services firm)".⁴**

11. **Mr Bolelyy was a Chartered Financial Analyst; he worked in the financial services sector in the following roles: in 2010 as an analyst in a boutique corporate finance firm; between 2011-2012 as an analyst at a financial services company; between 2013-2015 as an analyst at a telecommunications company; and subsequently in an investment management firm, monitoring the performance of various funds. He then joined the Firm, as a "Senior Investment Analyst".**

² Consultation Paper ***FCA CP14/13/PRA CP14/14: Strengthening accountability in banking: a new regulatory framework for individuals, July 2014

³ Strengthening accountability in banking: a new regulatory framework for individuals – Feedback on ***FCA CP14/13 / PRA CP14/14 and consultation on additional guidance, March 2015

⁴ Emphasis added

12. **The Authority has taken into account the work that Mr Bolelyy has stated that he did in practice, including his account of the work he did on other presentations and slides and the level of input and direction he received from senior members of staff; his administrative tasks on instruction from Mr Rowland; and his attendance and involvement at meetings and proof-reading documents. However, Mr Bolelyy's work was not purely administrative.**

13. **For example, Mr Bolelyy has stated to the Authority that: "*I helped a lot of presentations... then we, then classed, just by a couple of sort of key projects for helping sort of understanding the economics of setting up a... branch in the UAE for the bank. So, the sort of, yes, economic analysis-type of scenarios...I guess what we call presentations, it's more like analysis...It would mostly be wholesale and trying to understand investment opportunities in general. And then sometimes help the private bankers sort of fill, what do you call it?...like a credit proposal note*".**

14. **With respect to the creation of the Presentation, Mr Bolelyy says he was tasked to "*produce a research note to examine efficient ways of hedging multi-billion asset holdings held in the UAE banking system*". Undertaking economic and investment analysis, including by researching how to hedge a bond portfolio (whether or not the researcher has prior knowledge of hedging) would have gone further than carrying out purely ancillary functions and had a realistic prospect of impacting the Authority's statutory objectives.**

15. **The Authority has concluded that the Presentation was regulated advice pursuant to section 22 of the Act. By section 22 of the Act, a "*regulated activity*" is, in summary: (1) a specified activity, (2) relating to an *investment of a specified kind*, and which is (3) carried on *by way of business*. During the Relevant Period, under Article 53 (Advising on investments) of the RAO, advising a person was a specified activity if the advice was (a) *given* to a person in his capacity as an *investor or potential investor*, or in his capacity as agent for an investor or potential investor; and (b) *advice on the merits* of the investor or potential investor buying, selling, subscribing for or underwriting a particular investment which is a security or a contractually based investment.**

16. **The Authority has concluded that Article 53 of the RAO, and section 22 of the Act, are satisfied.**

- **During the trip, Mr Bolelyy provided a copy of the Presentation to an employee of an Abu Dhabi sovereign wealth fund;**
- **the sovereign wealth fund is owned by the government of Abu Dhabi (one of the seven Emirates of the UAE). It was therefore an investor, a potential investor and/or an agent of the UAE, which was itself an investor or potential investor.**
- **the Authority considers that the Presentation contains a significant element of evaluation, value judgement and persuasion, going beyond the mere provision of information. Accordingly, it is “advice on the merits”.**
- **the Authority considers that both the advice regarding the Protected Cell Company and the Underlying Investment, are sufficiently specific or “particular” for the purpose of Article 53(b)(i) of the RAO.**
- **the activity was carried on by way of business.**

17. **For the reasons set out in its Decision Notice given to the Firm, the Authority has concluded that the Presentation itself was regulated activity. Mr Bolelyy played an active role in its creation. For example, he sought a meeting of colleagues to discuss “*the special sit*” and, following the meeting on 13 September 2017 with, amongst others, Mr Rowland, he emailed those who had attended to ask for credible and coherent ideas which he would decide how to present and suggested reconvening the next day. He was proactively moving matters forward and taking an active part in discussions and internal thinking as what was credible and coherent and how to present the ideas in question. On 14 September 2017 Mr Bolelyy sent a draft document to Mr Rowland saying it was a “*work in progress*” and that it would be “*useful for all of us to sit down and nail for the basic skeleton*”. The Authority considers that Mr Bolelyy was expressing a view that the existing draft needed further work to get the “*basic skeleton*” right.**

18. **In the period 12-18 September 2017 Mr Bolelyy created multiple drafts of the Presentation which involved more than simply cutting and pasting the contents of the SFNH Document (see paragraphs 38 and 39 below).**

19. **Playing an active role⁵ in the creation of the Presentation, which was regulated activity pursuant to section 22 of the Act, is not something that “would be fundamentally the same in a non-financial services firm”.**
20. **COCON 1.1.2R(6)(A) uses the term “only” before “performs functions falling within the scope of [a personal assistant]”. Although Mr Bolelyy’s role at the Firm in practice included some administrative functions, the Authority considers that it was different to that of a personal assistant or secretary (even taking into account Mr Bolelyy’s case that he talked up his role within the Firm).**
21. **The Authority also takes the view that assisting Mr Rowland on specific personal, or non-Firm matters, did not preclude Mr Bolelyy from working for the Firm on Bank Business. Mr Bolelyy’s salary was exclusively paid by the Firm.**
22. **Accordingly, the Authority considers that Mr Bolelyy does not come within the personal assistant or secretary exemption contained in COCON 1.1.2R(6)(r) and that COCON applied to Mr Bolelyy during the Relevant Period.**

The Presentation

23. Mr Bolelyy refers to the divergent accounts between him and Mr Weller as to the development of the Presentation and the account of the meeting on 13 September 2017. Much of Mr Weller’s account of the events, during this period, is not credible.
24. Mr Weller was interested in Qatar from June 2017 and had shown initiative and enthusiasm for matters relating to Qatar before the 13 September 2017 meeting. Mr Weller assisted Mr Bolelyy by providing guidance to him before the 13 September 2017 meeting on the task allocated to Mr Bolelyy by Mr Rowland. Mr Bolelyy’s “Email to Self⁶” reflected ideas that were Mr Weller’s from the outset and remained his ideas throughout. Mr Weller was, therefore, aware what Mr Bolelyy’s vague reference to “*special sit*” within the meeting invitation, sent in the first email of 13 September 2017, meant.

⁵ It has not been asserted by the Authority that Mr Bolelyy was the main driver of the Strategy and the Presentation.

⁶ “E-mail to Self” dated 12 September 2017 at 10.48:38 (see paragraph 4.8)

25. Mr Bolelyy was not capable of understanding Mr Rowland's instructions and dealing with it himself. This is shown by his fundamental lack of knowledge and understanding of concepts as simple as credit default swaps, which feature as "{XXX}" in Slides (v1)-(v4); writing "*avoid jargon*"; and using the term "*cash to pay for insurance*" which is a layman's formulation not that of a literate investment analyst, whether senior or junior.
26. Mr Bolelyy did wish to demonstrate his capabilities in performing a research task independently, so due to his lack of practical experience he had to resort to reliance on Mr Weller. Mr Bolelyy requested the meeting as he was unable to make progress further with his task without the assistance of Mr Weller. As an employee at the meeting noted, Mr Bolelyy did not talk at the meeting, Mr Weller gave the most input and Mr Bolelyy typed it up. Mr Bolelyy was coordinating a presentation and was reliant on Mr Weller to provide the content. Upon receiving it, he was to make it available to his principal, Mr Rowland.
27. Mr Bolelyy sent a second email on 13 September 2017 to the attendees of the meeting held earlier that day; consistent with his observational role at the meeting, he did not have the independent understanding or financial literacy necessary to take the matters forward himself. He added that he would take care of how this content would be presented. This is indicative of the work of a personal assistant not an analyst (co-ordinating and gathering information from qualified people and putting it into a presentation or a document for their principal).
28. Mr Weller's SFNH Document was the sole source of the content of the Presentation. Mr Bolelyy sought to transpose the contents of this into the Slides to create the Presentation. After the SFNH Document had been emailed by Mr Weller to Mr Bolelyy, the two of them discussed the content of the Slides – Mr Weller sending the SFNH Document was not the end of his discussions with Mr Bolelyy and not the end of his input into the Presentation. The added specificity regarding "*protected cell company*" came from Mr Weller. In addition, Mr Weller subsequently provided a review, or a partial review, of the slides.
29. Mr Bolelyy was impressionable and admired Mr Weller. He pointed to Mr Weller being generous in spirit and enthusiastic about sharing ideas and views based on his considerable financial experience. He regarded Mr Weller as a knowledgeable, experienced and responsible teacher, from whom he may have learned something. In addition, Mr Bolelyy believed that any guidance given was in good faith and

motivated by a benevolent wish to help him enter the world of banking. Mr Bolelyy perceived the Strategy as one presented to him by an experienced banker, whom Mr Bolelyy trusted and admired and whom he thought as a benevolent sponsor and guide. He did not think Mr Weller would wish him to engage in anything inappropriate. Mr Weller had influence over Mr Bolelyy, and Mr Bolelyy relied on Mr Weller during the process.

30. Mr Weller has sought to minimise his conduct, by overstating Mr Bolelyy's conduct, and his account as to the genesis of the Presentation should not be preferred, as being more credible than the account of Mr Bolelyy. Mr Bolelyy's account reflects the contemporaneous documentation and should be preferred.

31. Mr Bolelyy did not realise at the time that there was anything in the Presentation that was obviously inappropriate; the subject matter of George Soros and his "*breaking of the pound*" was discussed at the September 2017 meeting in the context of his having engaged in an investment and trading strategy that caused economic harm to the UK economy; and this activity was not seen as anything but legitimate and/or lawful. The neutral and/or approving public commentary on Mr Soros's conduct only served to cause Mr Bolelyy to understand what Mr Soros had done to be a legitimate, if unorthodox, template for Mr Weller's own seemingly legitimate, if unorthodox, Strategy. This also needs to be considered with the backdrop of sanctions against Qatar and a diplomatic and trade blockade by Saudi Arabia, the UAE, Bahrain and Egypt, the blockade being motivated by the belief that Qatar was supporting Islamic terrorism.

32. The evidence provides a basis to infer why a person as junior and uninformed as Mr Bolelyy would not automatically have considered a proposal to apply additional economic pressure on an already sanctioned country thought to be sponsoring terrorism, to be necessarily untoward. Mr Bolelyy's failure to understand impropriety could also be understood as being the result of his belief in the good faith of the senior, experienced, kindly (and regulatory unblemished) Mr Weller and stem from Mr Bolelyy's lack of experience and practical understanding of the unusual situation which Mr Weller and others had been discussing.

33. How the Presentation was disseminated is of no material relevance to Mr Bolelyy. However, any tasks he undertook were limited to the tasks of a personal assistant/ secretary, namely, printing the Presentation (and other documents for the trip to Abu Dhabi) and providing two copies of each to Mr Rowland.

34. **The Authority has concluded that Mr Rowland initiated the creation of the Presentation and attended the meeting on 13 September 2017 alongside Mr Bolelyy, Mr Weller and two others.**
35. **The Authority does not consider that Mr Weller would have taken it upon himself to persuade Mr Bolelyy to go far beyond what Mr Bolelyy says Mr Rowland their boss wanted and instead produce a highly improper plan about an “*opportunity*” which involved breaking the Qatari currency peg (as opposed to a “*vanilla hedging note*”). The Authority considers that only Mr Rowland would have had the motivation and seniority to have suggested the Strategy.**
36. **The SFNH Document was not the sole source of the Presentation. Following receipt of the SFNH Document, on 14 September 2017, Mr Bolelyy created drafts of the Presentation which contained additional material that was not included in the SFNH Document. For example, the SFNH Document makes no mention of the use of a “*protected cell company*”, yet that concept appears in the Presentation. Consistent with this, Mr Bolelyy’s email to himself on 12 September 2017 (i.e. before the SFNH Document was created) referred to a “*segregated vehicle*” (with no other details) and the Presentation expanded on that concept (related to the protection of bond holdings). The Authority considers that, whilst Mr Weller looked at enough of the then current draft of the Presentation to correct a typographical error, the added specificity regarding “*protected cell company*” did not come from him.**
37. **Mr Bolelyy did not simply “*transpose the ideas of Mr Weller into a Power Point presentation, without independent understanding of the brief*”. He co-ordinated, considered, developed and incorporated ideas provided to him into the Presentation and re-worked and expanded them to include them in the version that was subsequently disseminated outside the Firm.**
38. **The Authority recognises the difference in experience in financial services between Mr Bolelyy and Mr Rowland and Mr Weller. The Authority has also taken into account Mr Bolelyy’s account of his admiration of Mr Weller and whether this may have had an impact on his understanding at the time as to whether or not there was anything in the Presentation that was obviously inappropriate.**

39. The Authority refers to some of the extracts from the Presentation referred to in paragraph 4.25 of the Decision Notice:

- *Establish a crossing transaction arrangement whereby another affiliated party sells the same bond holdings back to the original seller and thereby creates additional “downward pressure”;*
- *Purchase CDS on Qatar (...) to move the price sufficiently to make it newsworthy;*
- *Fire up the PR Machine to remind people there is a problem with Qatar;*
- *Increase the positions”, by “buying additional CDS” to lead to “falling of bond price, raising rates, and escalation in CDS premia;*
- *Refresh the PR message to add more fuel to the fire”, as it will “focus on the prospect of restricted access to US Dollar and now-doubtful stability of the country.*

40. These extracts, when taken together with Mr Bolelyy’s comments to himself on 12 September 2017 including, inter alia, reference to the proposed “*currency peg break*” and “*currency peg pressure is effective when thought by everyone*” (see paragraph 4.8 of the Decision Notice) demonstrate the obvious nature of the impropriety in the Presentation. To understand such obvious impropriety did not require deep professional acumen and experience, and the Authority has concluded that Mr Bolelyy (a Chartered Financial Analyst by qualification who had worked since 2010 in a variety of analyst roles) sufficiently understood the contents of the Presentation to comprehend and appreciate its impropriety.

41. The Authority notes that Mr Bolelyy does not deny that he understood the Presentation was likely to be disseminated for purposes that included marketing the Bank’s services to potential clients. The Authority infers that Mr Bolelyy must have been aware that Mr Rowland might use the Presentation at the meetings Mr Rowland had in Abu Dhabi.

42. Mr Bolelyy signed a statement dated 15 November 2017, stating that during the visit he had handed a single copy of the Presentation to a (named) senior employee of an Abu Dhabi sovereign wealth fund. Mr Bolelyy subsequently withdrew that statement. He then added he might have given the Presentation to a junior employee (as it transpired that the senior employee had been in Brazil at the time of the trip to Abu Dhabi).

The Authority considers that it is likely that Mr Bolelyy did in fact provide a copy of the Presentation to a representative of the Abu Dhabi sovereign wealth fund during the trip.

Matters of Law and Principle

43. Section 66(1)(b)⁷ of the Act requires the Authority to be satisfied that it is appropriate in all the circumstances to take action, under this section, against Mr Bolelyy. It would not be appropriate to pursue misconduct proceedings against him in any event (regardless as to whether he fell within the personal assistant exception) for the reasons set out in paragraphs 44 and 45 below.
44. There was a significant disparity in power, influence and experience as between Mr Bolelyy and Mr Weller; and between Mr Bolelyy and Mr Rowland. Mr Bolelyy was very junior, and both professionally and personally immature. He embarked on the task at the direction of his boss, Mr Rowland. Having been unable to undertake the task independently due to his lack of financial understanding and experience, he was specifically directed as to the content of the Presentation by the senior and experienced Mr Weller, whom, at the time, Mr Bolelyy trusted, admired and believed to be experienced. Mr Bolelyy was impressionable and acted under the direction of his seniors. In addition, Mr Bolelyy did not consider what had been presented to him involved misconduct.
45. This was, in reality, a junior employee caught up in events far bigger than himself and the responsibilities of his role and of far greater seriousness than his limited knowledge, experience and understanding enabled him to appreciate, at the relevant time. He was a very junior person led astray by very senior people who appeared reputable. In addition, Mr Rowland was not someone Mr Bolelyy was in a position to query or challenge.
46. The Presentation was not created on behalf of the Firm in the course of regulated activity. Mr Bolelyy points to the following reasons as to why he did not consider it to be "Bank Business":

⁷ Section 66(1): the [Authority] may take action against a person under this section...if—

(a) it appears to the [Authority] that he is guilty of misconduct; and
(b) the [Authority] is satisfied that it is appropriate in all the circumstances to take action against him.

- Mr Bolelyy did not consider it to be Bank Business at the time and nor did other employees of the Firm whose evidence the Authority relies upon as being credible;
- Mr Bolelyy was aware of the distinction at the time between the Firm's business and the Rowland Family business;
- Mr Bolelyy saved the Presentation and several of its prior iterations to his personal repository and created a new folder on his personal account, titled "Qatar case".

47. In addition, Mr Bolelyy adopts the submissions made on behalf of the Firm in respect of whether the production of the Presentation was "Bank Business".

48. Mr Bolelyy has had no involvement in financial services since January 2018, and has no aspiration to return to work within the financial services sector. He has studied law at his parents' expense and hopes to practise law in England and Wales. Mr Bolelyy could not return to work in the regulated sector, whether as a certified employee or as an approved person, without the knowledge and permission (and likely intervention and scrutiny) of the Authority. In addition, Mr Bolelyy cannot practise law without an assessment of his fitness and propriety by either the Solicitors Regulation Authority or the Bar Standards Board. These are relevant factors, when considering the proportionality of making a prohibition order.

49. All the factors Mr Bolelyy refers to in paragraphs 44 and 45, when considering whether it is appropriate in all the circumstances to pursue misconduct proceedings pursuant to section 66, are also relevant when considering the proportionality of imposing a prohibition. The events in the case are over five years old and his life has changed dramatically in the meantime.

50. **The Authority considers that, inter alia, the following points indicate that the creation of the Presentation was "Bank Business":**

- **the Presentation was created in the Firm's London Office premises, using the Firm's resources in terms of employees and IT systems, and was disseminated from Mr Rowland's email account at the Firm;**
- **all the key employees involved in the creation and dissemination of the Presentation received their salary exclusively from the Firm during the Relevant Period;**
- **employees' views (particularly those with very limited involvement in the matter) as to whether the Presentation was Bank Business or**

Rowland Family business, are of limited relevance. The assessment as to whether the Presentation was Bank Business or not is an objective one, taking into account all the circumstances and evidence.

- **the clearly inappropriate nature of the Presentation makes it likely that Mr Bolelyy would not have filed it in the usual place within the Firm's IT systems, where it would have been accessible to other employees of the Firm not involved in assisting with the preparation of the Presentation.**

51. COCON 1.1.7R provides that for a person (P) subject to COCON who is not an approved person [Mr Bolelyy was not an approved person], COCON applies to the conduct of P in relation to the performance by P of functions relating to the carrying on of activities (whether or not regulated activities) by P's employer. The Authority considers that the creation of the Presentation was an activity carried out by P's employer, namely the Firm.

52. COCON applies to the conduct of Mr Bolelyy, whether or not the Presentation was regulated (as the Authority has concluded it was), or unregulated, activity.

53. The Authority considers that, for the reasons set out above, Mr Bolelyy did not fall within the excepted role of a personal assistant or secretary, and that COCON applies to him. Accordingly, the Authority is permitted to take disciplinary action against Mr Bolelyy, provided the two limbs set out in section 66(1) are satisfied⁸.

54. The Authority has taken into account all relevant factors to determine whether it is satisfied that it is appropriate, in all the circumstances, to take disciplinary action against Mr Bolelyy. The Authority considers that the following are particularly relevant:

- **The Authority has concluded that Mr Bolelyy sufficiently understood the contents of the Presentation to comprehend and appreciate its obvious impropriety.**

⁸ See footnote 7

- **The Presentation’s impropriety of the Strategy was particularly serious, and Mr Bolelyy knowingly and willingly involved himself in formulating a plan to undertake manipulative trading, with a view to undermining the Qatari Riyal’s currency peg.**
- **Mr Bolelyy must have been aware that the Presentation was likely to be disseminated for purposes that included marketing the Bank’s services to potential clients. The Authority infers that Mr Bolelyy must have been aware Mr Rowland might use the Presentation at the meetings Mr Rowland had in Abu Dhabi from 21-25 September 2017.**
- **The Authority considers that Mr Bolelyy gave the Presentation to an Abu Dhabi sovereign wealth fund during the visit to Abu Dhabi.**
- **Mr Bolelyy had worked in the financial services industry, in a variety of analyst roles, since 2010, and had joined the Firm in 2016 as a “Senior Investment Analyst”.**
- **Mr Bolelyy was a Chartered Financial Analyst, completing his examinations in June 2016 and his work experience in June 2017.**

55. Accordingly, the Authority is satisfied that it is appropriate to take disciplinary action against Mr Bolelyy.

56. In addition to the factors referred to as to the appropriateness of taking disciplinary action, Mr Bolelyy has also pointed to further factors to be considered by the Authority in its determination of whether it is proportionate for it to make a prohibition order pursuant to section 56 of the Act. These factors include the passage of time, his no longer being involved in financial services, and that any future professional body would need to make an assessment on his fitness, before he is able to work in that industry.

57. Having taken these factors into account, the Authority nonetheless considers that Mr Bolelyy’s lack of integrity is sufficiently serious that he is not a fit and proper person to perform functions in relation to a regulated activity, and has decided that it is proportionate and reasonable to impose a prohibition order on him.

David Rowland’s Representations

58. The 30 August 2017 meeting was organised by Individual A, because the senior representative of an Abu Dhabi sovereign wealth fund was due to be in London on other business. It was an informal, unstructured meeting, with no agenda. David Rowland attended the meeting to advance his interest in the Financial Institution, which was a proposed partnership between the Abu Dhabi sovereign wealth fund and David Rowland. This project was discussed in addition to personal greetings and probably matters related to UK politics. The meeting lasted at most 20 minutes, the Firm was not mentioned, and no mention was made of anything which could have related to what became the contents of the Presentation. As the meeting concluded, David Rowland went downstairs to use the cloakroom, leaving Mr Rowland talking with the senior representative. Mr Rowland subsequently briefly mentioned to David Rowland something about the Abu Dhabi sovereign wealth fund "*hedging their exposure*".
59. David Rowland's attendance at the August Meeting had no significance and was not relevant to the subsequent creation of the Presentation, nor did he have any "behind the scenes" role in its creation. His involvement with the UAE is wholly unrelated to the Firm. David Rowland does not think he has ever discussed the Firm with the senior representative of the Abu Dhabi sovereign wealth fund or with the Ruler of the UAE, whom David Rowland regards as a very close personal friend.
60. David Rowland has never attended any Board Meetings of the Firm or any management meetings, nor has he been involved, or interfered, in any manner in the management of the Firm. David Rowland's attendance at the August Meeting does not indicate that the Presentation was Bank Business, or that Bank Business was discussed. David Rowland may have been Honorary President of the Firm, but it meant nothing and gave him no authority in the Firm, it was a fiction. The title was merely there to demonstrate his support for, and underwriting of, the Firm and to give confidence to depositors.
61. David Rowland went to Abu Dhabi with Mr Rowland in late September 2017. He did not discuss, read or look at the Presentation with Mr Rowland or anyone else during this visit. It was inconceivable that Mr Rowland would have not mentioned the Presentation to David Rowland, had he intended to hand over the Presentation to promote the interests of the Rowland Family. Bank Business had no relevance to the trip and the Firm has, and had, no relationship with the UAE.
62. The Presentation was not "disseminated". The term dissemination is only used to describe an act of distributing widely; this did not happen, as it was only sent to

David Rowland and Individual A, and there was no intention by either David Rowland or Individual A to disseminate the Presentation. David Rowland was not aware at the time he received the Presentation that he had received it by email and did not open, read, print or forward it or give a copy to anyone else. The Presentation was deleted from David Rowland's computer by the automatic seven-day deletion policy on his email system. The UAE Ambassador confirmed to David Rowland, at the Abu Dhabi Grand Prix towards the end of November 2017, that he had never received a copy. Accordingly, there was no meaningful "dissemination", and as this term is pejorative, it should not be used.

63. David Rowland was not aware of the Presentation, or its contents, until The Intercept made contact. The telephone calls between David Rowland and Mr Rowland on 12, 13 and 19 October 2017 do not indicate that David Rowland was aware of the contents of the Presentation. Throughout these telephone calls David Rowland and Mr Rowland were concerned about their communications being hacked by agents of Qatar. The Presentation was not discussed; David Rowland's concerns related to a document regarding the Financial Institution and whether his phone had been hacked. They therefore talk about what he and Mr Rowland should do with their phones and their email addresses. The telephone calls were unguarded conversations between father and son and do not show any attempt at a cover-up.

64. David Rowland has no idea what the references to "*their office*" refers to but speculates that it could be Qatar or the office of Individual A who had also been hacked by Qatar. The reference in the telephone calls to "*badge of honour*" is nothing to do with the Presentation, nor to an economic warfare strategy. It concerned the bad publicity resulting from being attacked by Qatar, due to David Rowland's friendship with and connection to the UAE. The Presentation could not be used as a badge of honour; it was nonsense and a hugely embarrassing document.

65. The Authority has not asserted that David Rowland was present during the conversation between Mr Rowland and the senior representative of the Abu Dhabi sovereign wealth fund, when the request for advice is said to have occurred. Discussions at the August Meeting regarding the Financial Institution did not preclude discussions on other matters which could be taken forward as Bank Business. Such matters include the Presentation. The Authority has not asserted that David Rowland had a "behind the scenes" role in the creation of the Presentation.

66. **Mr Rowland forwarded a copy of the Presentation to Individual A and David Rowland using their email addresses outside the Firm. The Authority has not asserted that David Rowland forwarded the Presentation. Having taken into account all the relevant evidence, including that of Mr Bolelyy and Mr Rowland, and the contents of the telephone calls on 12, 13 and 19 October 2017 between David Rowland and Mr Rowland, the Authority has concluded that Mr Bolelyy did provide a copy of the Presentation to a representative of the Abu Dhabi sovereign wealth fund during the trip to Abu Dhabi. Accordingly, the Authority considers that it is appropriate to state that the Presentation was “disseminated”.**
67. **The Authority refers to the fact that between April 2014 and June 2018 (which includes the Relevant Period) the Firm’s website referred to David Rowland as its Honorary President and that, during the telephone call on 19 October 2017, David Rowland stated to Mr Rowland “*don’t let’s put anything on the Bank emails...and you can put that Vladimir [Bolelyy], make him have one on, with Liwathon...and as soon as we can we take him off the Bank’s payroll*”. The Authority infers that, in practice, David Rowland had a level of influence and management within the Firm.**
68. **In the telephone call between David Rowland and Mr Rowland on 12 October 2017, David Rowland asked Mr Rowland how he thought the “*thing in the Indian paper got there*”. Mr Rowland replied “*probably, I assume – probably a leak from their office I would imagine*”. Mr Rowland then said he was aware that the content of the Presentation had been discussed with “*their*” office. The Authority infers that “*their office*” refers to the office of the Abu Dhabi sovereign wealth fund, which had been provided with a copy of the Presentation during the visit. Mr Rowland also stated to David Rowland “*Never been talked to anyone else*”. The Authority infers that Mr Rowland was saying that the Presentation had not been discussed with anyone other than the Abu Dhabi sovereign wealth fund. Mr Rowland appeared to regard publication of the Firm’s involvement as “*a badge of honour when we go and see them next time*”, and David Rowland stated that “*you can, we can capitalise on this*” [with respect to the Abu Dhabi sovereign wealth fund]. The Authority infers that at the time of the telephone calls David Rowland is likely to have been aware that the Presentation had been provided to the Abu Dhabi sovereign wealth fund.**