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**FINAL NOTICE**

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To: **AFG SARAFI LTD**

Address: **6 Cotford Parade  
Brigstock Road  
Thornton Heath  
London  
CR7 7JG**

FRN: **911232**

Dated: **24 March 2026**

**ACTION**

1. For the reasons set out in this Final Notice, the Authority hereby cancels AFG Sarafi Ltd's ("the Firm") registration as a Small Payment Institution under the Payment Services Regulations 2017 ("the PSRs").
2. The Authority issued to the Firm the Decision Notice, which notified it that for the reasons given in this notice and pursuant to 10(1)(a), 10(1)(e) and 10(1)(h) of the PSRs, the Authority had decided to take the action specified above.
3. The Firm has not referred the matter to the Tribunal within 28 days of the date on which the Decision Notice was issued to it.

4. Accordingly, the Authority has today cancelled the Firm's registration. The cancellation takes effect from the date of this Final Notice.

## **SUMMARY OF REASONS**

5. The Firm is no longer meeting the conditions for registration as an SPI under the PSRs. In particular, the Firm has failed to comply with a requirement of The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 ("the MLRs") to be included in a register maintained under the MLRs.
6. The Firm has failed to provide payment services since registration.
7. The cancellation action set out in paragraph 1 above has been imposed in order to advance the Authority's consumer protection and integrity objectives (sections 1C and 1D of the Act).

## **DEFINITIONS**

8. The definitions below are used in this Final Notice (and in the Annex):

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

"the Authority" means the Financial Conduct Authority;

"the Decision Notice" means the Decision Notice given to the Firm on 12 February 2026;

"ENFG" means the Authority's Enforcement Guide;

"the Firm" means AFG SARAFI LTD;

"the Handbook" means the Authority's Handbook of rules and guidance;

"HMRC" means His Majesty's Revenue and Customs;

"the HMRC Register" means the register maintained by HMRC under the MLRs;

"the MLRs" means The Money Laundering, Terrorist Financing and Transfer of Funds(Information on the Payer) Regulations 2017;

"the PSRs" means the Payment Services Regulations 2017;

"the Returns" means the regulatory reports to be submitted to the Authority by the Firm using forms FSA057 Payment Services Directive Transactions Return and REP017 Payments Fraud Reports;

"SPI" means small payment institution as defined by regulation 2(1) of the PSRs; and

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

## **RELEVANT STATUTORY PROVISIONS**

9. The statutory and regulatory provisions relevant to this Final Notice are set out in the Annex.

## **FACTS AND MATTERS**

10. The Firm was registered by the Authority on 29 November 2019 as an SPI.
11. As a condition of its registration, the Firm is required to comply with a requirement of the MLRs to be included in a register maintained under the MLRs. As the Firm is registered to carry out money remittance services only, the Firm is required to be included in a register maintained by HMRC.
12. The Firm is not included on the HMRC register. The Authority has seen no evidence that the Firm has ever been registered with HMRC under the MLRs since being registered by the Authority as an SPI.
13. The Firm is also required by rules made by the Authority under the PSRs to report certain information to the Authority, by way of the Returns. The Returns include details of the payment services and money remittances provided by the Firm in the preceding year.
14. The Firm has submitted the Returns for each of the years ending 2020 to 2024. In each of the Returns, it reported having undertaken no payment transactions and no money remittances.
15. On 13 January 2024, the Firm signed an undertaking agreeing to not carry out any payment services until such time as it was registered with HMRC.
16. On 8 November 2024, the Firm submitted an application with HMRC for registration under the MLRs. On 22 August 2025, the application was refused.
17. To date, the Firm does not appear on a register maintained under the MLRs and is therefore not meeting the conditions for registration and has failed to provide payment services or money remittances since being registered by the Authority as an SPI.

## **FAILINGS**

18. The Authority has concluded that, on the basis of the facts and matters described above:
  - i. the Firm has not been included on a register maintained under the MLRs, as is required by regulation 14(11) of the PSRs and is therefore failing to meet the conditions of its registration. This provides a basis for cancelling the Firm's registration in accordance with regulation 10(1)(e) (as applied by regulation 15) of the PSRs;
  - ii. the Firm did not provide payment services within 12 months beginning with the date on which the registration took effect. This provides a basis for cancelling the

Firm's registration in accordance with Regulation 10(1)(a) (as applied by regulation 15) of the PSRs.

- iii. Furthermore, the Firm has not provided payment services since being registered by the Authority as an SPI and therefore it no longer requires its registration. The Authority has therefore decided that it is desirable to cancel the Firm's registration as an SPI in order to protect the interests of consumers, in accordance with Regulation 10(1)(h) (as applied by regulation 15) of the PSRs.

19. For the reasons set out in this Final Notice, the Authority has cancelled the Firm's registration as an SPI in order to protect the interests of consumers, pursuant to 10(1)(h) (as applied by regulation 15) of the PSRs.

## **REPRESENTATIONS**

20. Through the Warning Notice, the Authority gave notice that it proposed to take the action described above and the Firm was given the opportunity to make representations to the Authority about that proposed action.
21. Annex B contains a brief summary of the key representations made by the Firm and how they have been dealt with. In making the decision which gave rise to the obligation to give this Final Notice, the Authority has taken into account all the representations made by the Firm, whether or not set out in Annex B.

## **PROCEDURAL MATTERS**

22. This Final Notice is given to the Firm in accordance with section 390 of the Act (as applied by paragraph 10 of Schedule 6 of the PSRs).

### **Decision maker**

23. The decision which gave rise to the obligation to give this Final Notice was made by an Authority staff member under the executive procedures.

### **Publicity**

24. Sections 391(4), 391(6) and 391(7) of the Act (as applied by paragraph 10 of Schedule 6 of the PSRs) apply to the publication of information about the matter to which this Final Notice relates. Under those provisions, the Authority must publish such information about the matter to which this Final Notice relates as the Authority considers appropriate. The information may be published in such manner as the Authority considers appropriate. However, the Authority may not publish information if such information would, in the opinion of the Authority, be unfair to the Firm or prejudicial to the interests of consumers.
25. The Authority intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

### **Authority contact**

26. For more information concerning this matter generally, the Firm should contact [case officer name] at the Authority (direct line: 020 7066 6760 / email: Sheena.Baldev2@fca.org.uk).

**Jeremy Parkinson**  
**Enforcement and Market Oversight Division**

## **ANNEX A**

### **RELEVANT STATUTORY PROVISIONS**

#### **The Act**

1. The Authority's operational objectives established in section 1B(3) of the Act include protecting and enhancing the integrity of the UK financial system and securing an appropriate degree of protection for consumers. Section 1C of the Act provides further information on the consumer protection objective and section 1D of the Act provides further information on the integrity objective.

#### **The PSRs**

2. Regulation 15 of the PSRs provides:

"Regulations 7 to 12 apply to registration as a small payment institution as they apply to authorisation as a payment institution as if—

- (a) references to authorisation were references to registration;

[...]

- (d) in regulation 10(1) (cancellation of authorisation) for sub-paragraph (e) there were substituted—

"(e) the person does not meet, or is unlikely to meet, any of the conditions set out in regulation 14(4) to (11) (conditions for registration as small payment institution) or the financial limit referred to in regulation 8 or does not inform the FCA of a major change in circumstances which is relevant to its meeting those conditions or that requirement, as required by regulation 37 (duty to notify change in circumstance);"

[...]."

3. Under regulation 10(1)(a) (as applied by regulation 15) of the PSRs, the Authority may cancel the registration of an SPI where the firm does not provide payment services within 12 months beginning with the date on which the registration took effect.
4. Under regulation 10(1)(e) (as applied by regulation 15) of the PSRs, the Authority may cancel the registration of an SPI where the person no longer meets, or is unlikely to meet, any of the conditions for registration set out in regulation 14(4) to (11) of the PSRs.
5. Under regulation 10(1)(h) (as applied by regulation 15) of the PSRs, the Authority may cancel the registration of an SPI where the cancellation is desirable in order to protect the interests of consumers.
6. Regulation 14(11) of the PSRs provides that the applicant must comply with a requirement of the MLRs to be included on a register maintained under the MLRs where such a requirement applies to the applicant.
7. Regulation 2 of the PSRs defines 'money remittance' as a service for the transmission of money (or any representation of monetary value), without any payment accounts being created in the name of the payer or the payee, where -

funds are received from a payer for the sole purpose of transferring a corresponding amount to a payee or to another payment service provider acting on behalf of the payee; or

funds are received on behalf of, and made available to, the payee;

8. Paragraph 1 of Part 1 of Schedule 1 to the PSRs provides that subject to the exclusions in Part 2 of Schedule 1 to the PSRs the following, when carried out as a regular occupation or business activity are payment services:

[...]

(f) money remittance;

[...].

### **The MLRs**

9. Regulation 3(1) of the MLRs provides the following relevant definitions:

“the Commissioners” means the Commissioners for HMRC;

“money service business” means an undertaking which by way of business operates a currency exchange office, transmits money (or any representation of monetary value) by any means or cashes cheques which are made payable to customers;”

10. Regulation 54(2) of the MLRs requires the Commissioners to maintain a register of relevant persons who are not included in a register maintained by the Authority under paragraph (1) and are:

[...]

(b) money service businesses;

[...]

### **RELEVANT HANDBOOK PROVISIONS**

11. In exercising its powers to cancel the registration of an SPI the Authority must have regard to guidance published in the Handbook and in regulatory guides, such as ENFG. The main considerations relevant to the action stated in this Notice are set out below.

#### **Enforcement Guide**

12. The Authority’s policy in relation to exercising its enforcement powers is set out in ENFG, the relevant provisions of which are summarised below.
13. ENFG App 2.1.2G and ENFG App 2.2.2G state that the Authority’s approach to the exercise of its powers under the PSRs is consistent with the use of its powers under FSMA and the Authority’s general policy outlined in ENFG unless stated otherwise.

14. The statutory grounds for cancelling a firm's Part 4A permission under Schedule 6A and s.55J of FSMA include where the firm has failed, during a period of at least 12 months, to carry on a regulated activity to which its Part 4A permission relates.

**The Supervision manual**

15. As of 3 June 2025, the Authority's policy in relation to the cancellation of permissions on its own initiative are set of in SUP 6B.

## **ANNEX B**

### **REPRESENTATIONS**

1. A summary of the key representations made by the Firm, and the Authority's conclusions in respect of them (in bold type), is set out below.
2. No consumer harm or risk has arisen, as the Firm has never onboarded customers, accepted funds, or executed payment transactions.
3. Delays and non-compliance were caused by personal and commercial circumstances affecting the Firm's director.
4. The Firm complied with a supervisory undertaking dated 13 January 2024.
5. The Firm has actively pursued HMRC registration and requests additional time for the HMRC process to conclude.
6. **The Authority notes that regulation 10(1)(a) of the PSRs does not require evidence of consumer harm or consumer risk in order to cancel a firm's registration. The statutory test is whether the Firm has failed to provide payment services within 12 months beginning with the date on which the registration took effect. The Firm did not provide payment services within 12 months of becoming registered as an SPI and, to date, has failed to provide any payment services.**
7. **The Authority further considers that the Firm's continued registration while not providing payment services gives rise to inherent regulatory and consumer risk, irrespective of the absence of transactional activity. In particular, prolonged unused registration may mislead consumers about the regulatory status of the Firm and the products/services it can offer. There is a risk that firms that are not providing payment services and therefore not using their registration under the PSRs may be exploited because of the "halo effect" it creates, to the detriment of consumers. In this regard, since January 2021, the Authority has been actively undertaking a 'use it or lose it' exercise reminding firms approved under Part 4A of the Financial Services and Markets Act 2000 ("FSMA") to regularly review their permission and to ensure they are up to date and removed if not needed. Likewise, the Authority expects SPIs to regularly review whether they are providing payment services (and therefore need to remain registered with the Authority) and to apply for cancellation when they are not doing so.**
8. **Accordingly, the Authority considers that the Firm's reliance on the absence of consumer harm does not address the underlying regulatory concern, namely that the Firm has not provided payment services for an extended period, as evidenced by its own regulatory returns. Specifically, the Firm did not provide payment services within 12 months of the date it was registered as a SPI and therefore does not displace the statutory grounds for cancellation under regulation 10(1)(a) of the PSRs.**
9. **The Firm does not specify what personal or commercial circumstances are relied upon, nor do they provide any supporting evidence. To the extent that the Authority understands what the Firm may be referring to, this is based on matters raised in earlier correspondence from January 2024 rather than on the content of the representations themselves. In addition, following escalation to the Authority's**

Enforcement division, the Firm responded to the Letter Before Action (“LBA”) issued on 13 February 2024 by correspondence dated 19 February 2024, in which it referred to certain commercial circumstances only, associated with changes to the Firm’s business structure and operations. The Firm asserted that, during this period, issues arose in relation to its position with HMRC and that it had engaged with HMRC and had been advised to submit an application which it described as pending approval. Whilst the Authority acknowledges that these matters were raised previously, the Authority notes that they are not articulated or relied upon in the Firm’s representations, and that the Firm has not explained how those matters are said to justify its prolonged inactivity or failure to meet the conditions for registration. In addition, a further LBA was issued to the Firm in August 2025, providing an additional opportunity to engage, to which the Firm did not respond.

10. **The Authority notes that this has been a long-running matter, with supervisory engagement commencing in November 2023, during which the Firm has had a prolonged period in which to address the issues identified and to take appropriate steps to comply with its regulatory obligations. However, the Firm has failed to adequately explain or justify the length and extent of its non-compliance. The Firm has not provided any payment services since registration in 2019, as confirmed by its regulatory returns from 2020 onwards. The personal and commercial matters referred to in early 2024 do not account for the Firm’s failure to provide payment services, or to take appropriate steps in relation to its registration as an SPI over the preceding four-year period.**
11. **The Authority is of the view that compliance with the supervisory undertaking dated 13 January 2024 does not remedy the underlying failure to meet mandatory conditions for registration, nor does it override the statutory requirements of the PSRs. In particular, the undertaking did not remedy the Firm’s failure to obtain HMRC registration and therefore meet the conditions for registration, as set out in the PSRs which the Firm has consistently breached since it was registered as an SPI in 2019. Accordingly, the undertaking has no bearing on the statutory assessment.**
12. **The Firm has never obtained HMRC registration, contrary to regulation 14(11) of the PSRs. As set out in the Authority’s publicly available guidance, HMRC registration is a mandatory and ongoing condition for registration under the PSRs. The Authority’s ‘Payment Services and Electronic Money – Our Approach’ document treats AML supervision, including HMRC registration where applicable, as a precondition to registration, rather than a requirement that may be satisfied on a provisional or future basis. An application for HMRC registration that has not been approved does not amount to compliance with the PSRs. This is supported by regulation 14(11) of the PSRs, which requires that a firm is registered with HMRC for anti-money laundering supervision, where applicable. The regulation does not provide for an exception where an application is pending or under consideration.**
13. **The Firm’s assertion that HMRC registration is being actively pursued does not alter this position. The Authority notes in particular that (i) the Firm’s most recent HMRC application in August 2025 was refused on fit and proper grounds; (ii) the Firm has provided no evidence of a resubmitted or progressing application, nor of any imminent approval; and (iii) the Firm has been registered as an SPI since 2019 and therefore has had ample opportunity to obtain HMRC registration.**

14. **The Authority does not accept that cancellation would address only a temporary or procedural issue. The deficiencies identified are substantive and long-standing, including prolonged non-provision of payment services and failure to meet mandatory conditions for registration. The Firm has had ample opportunity to comply with the conditions for registration and to commence providing payments services. In assessing proportionality and consistency, the Authority has considered comparable cases where firms were cancelled for similar reasons. Previous cases demonstrate that cancellation is a consistent regulatory response where firms remain registered while failing to provide payment services and/or failing to meet mandatory conditions under the PSRs. Applying the same approach in the present case therefore supports, rather than undermines, the proportionality of the proposed action.**
15. **The Authority disagrees with the submissions on proportionality, which in the Authority's view is assessed by reference to the Firm's current regulatory position and established non-compliance, rather than on the basis of potential future remediation. Assertions that compliance may be achieved at a later stage do not outweigh the need to act where the conditions for registration are not met at the time of the decision. Additionally, the Firm has provided no evidence to support its assertion that it is making assertive remediation efforts.**

## **CONCLUSION**

16. **For the reasons set out above and in the Notice, the Authority is of the view that the Firm is in breach of the PSRs and therefore its registration as an SPI should be cancelled. Specifically, the Firm has: (i) provided no payments services within 12 months beginning with the date on which its registration as an SPI took effect; (ii) not provided a single payment service since registration as an SPI in 2019; and, (iii) consistently breached the conditions for registration, as set out in the PSRs, by failing to obtain HMRC registration, in breach of regulation 14(11) of the PSRs.**