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## FINAL NOTICE

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To: **Afriexchange Limited**

Of: **Gloucester House  
399 Silbury Boulevard  
Milton Keynes  
MK9 2HL**

FSA Reference  
Number: **522891**

Dated: **11 December 2012**

### ACTION

1. For the reasons set out in this Final Notice, the Financial Services Authority (the "FSA") hereby takes the following action against Afriexchange Limited ("Afriexchange").
2. The FSA gave Afriexchange a Decision Notice on 31 October 2012 (the "Decision Notice") which notified Afriexchange that for the reasons given below and pursuant to Regulation 10(1)(h) of the Payment Services Regulations 2009 (the "PSR"), the FSA had decided to cancel the authorisation granted to Afriexchange as an authorised payment institution under the PSR.
3. Afriexchange has not referred the matter to the Upper Tribunal (Tax and Chancery Chamber) within 28 days of the date on which the Decision Notice was given to Afriexchange.
4. Accordingly, the FSA has today cancelled Afriexchange's authorisation as an authorised payment institution.

### REASONS FOR ACTION

5. On the basis of the facts and matters and conclusions described in the Warning Notice dated 18 September 2012 (the "Warning Notice"), and in the Decision Notice (an extract of the Decision Notice is attached to and forms part of this Notice), the FSA has concluded that Afriexchange has failed to submit the Authorised Payment Institution Capital Adequacy Return (the "FSA056 return"), for the year ended 31

December 2011 which was due to be submitted by 13 February 2012, and to respond adequately to repeated FSA requests that it do so.

6. These failings lead the FSA to conclude that Afriexchange has failed to comply with the requirement that it submit the FSA056 return to the FSA, that Afriexchange has failed to demonstrate a readiness and willingness to comply with its ongoing regulatory obligations and to deal with the FSA in an open and co-operative way. It is therefore desirable to cancel Afriexchange's authorisation as an authorised payment institution in order to protect the interests of consumers, in accordance with Regulation 10(1)(h) of the PSR.

## **DECISION MAKER**

7. The decision which gave rise to the obligation to give this Final Notice was made by the Regulatory Decisions Committee.

## **IMPORTANT**

8. This Final Notice is given to Afriexchange in accordance with section 390(1) of the Financial Services and Markets Act 2000 (the "Act") (as applied by paragraph 7(b) of Part 1 of Schedule 5 to the PSR).

## **Publicity**

9. Sections 391(4), 391(6) and 391(7) of the Act (as applied by paragraph 7(c) of Part 1 of Schedule 5 of the PSR) apply to the publication of information about the matter to which this Final Notice relates. Under those provisions, the FSA must publish such information about the matter to which this Final Notice relates as the FSA considers appropriate. The information may be published in such manner as the FSA considers appropriate. However, the FSA may not publish information if such publication would, in the opinion of the FSA, be unfair to Afriexchange or prejudicial to the interests of consumers.
10. The FSA intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

## **FSA contact**

11. For more information concerning this matter generally please contact Stephanie Prowse at the FSA (direct line: 020 7066 9404/fax: 020 7066 9405).

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**John Kirby**  
**FSA Enforcement and Financial Crime Division**

**EXTRACT FROM THE DECISION NOTICE DATED 31 OCTOBER 2012 ISSUED BY THE FSA TO AFRIEXCHANGE LIMITED**

**“FACTS AND MATTERS RELIED ON**

4. Afriexchange was authorised by the FSA on 21 April 2011 as an authorised payment institution.
5. Afriexchange has failed to submit the FSA056 return for the year ended 31 December 2011 which was due to be submitted by 13 February 2012, and to respond adequately to the FSA’s repeated requests that it does so.

**REPRESENTATIONS, FINDINGS AND CONCLUSION**

6. Afriexchange made representations on the matters which are the subject of this Decision Notice in writing on 02 October 2012, 04 October 2012 and on 24 October 2012.
7. Below is a summary of the key representations made by Afriexchange in this matter and how they have been dealt with. In making the decision which gave rise to the obligation to give this Notice, the FSA has taken account of all of Afriexchange’s representations, whether or not explicitly set out below.

**Representations and Findings**

8. In its representations Afriexchange apologised for its late response to the FSA’s Warning Notice dated 18 September 2012 (“Warning Notice”) and stated that the person responsible for its management and the management of its payment services had to resolve an issue with his visa which required his return to Cameroon. Notwithstanding this, Afriexchange appeared to assert that it is able to undertake the payment services it had been authorised to undertake.
9. The FSA has accepted the reasons provided by Afriexchange for its belated response to the Warning Notice. However, the FSA notes that Afriexchange has failed to submit the FSA056 return for the year ended 31 December 2011 which had to be submitted by 13 February 2012, and failed to respond adequately to the FSA’s repeated requests that it does so.
10. Afriexchange submitted that it is ready to pay all fees required by the FSA.
11. The FSA has noted Afriexchange’s assertion that it is ready to pay all fees required by the FSA. However, the FSA has found that the basis upon which the FSA issued the Warning Notice to Afriexchange, is Afriexchange’s failure to submit the FSA056 return and its failure to respond adequately to the FSA’s requests that it do so. Afriexchange’s submission that it is ready to pay all fees required by the FSA does not alter its ongoing failure to submit the FSA056 return and its failure to respond adequately to the FSA’s requests that it does so.

12. Afriexchange submitted that it was unaware that it had to register a principal user on the GABRIEL system to receive information on how to complete and submit the FSA056 return. Afriexchange stated that it relied on the FSA's assistance to do so.
13. The FSA has found that the person responsible for its management and the management of its payment services is registered personally as Afriexchange's principal user on the GABRIEL system. Accordingly, the FSA does not accept Afriexchange's submission that it was unaware that it had to register a principal user on the GABRIEL system to receive information on how to complete and submit the FSA056 return. The FSA notes that Afriexchange has had (and continues to have), the opportunity to contact the FSA to seek any help it requires in accessing the GABRIEL system.
14. Afriexchange also asserted that there had been an error, or a misunderstanding in the type of authorisation granted to Afriexchange by the FSA.
15. The FSA has found that Afriexchange was authorised by the FSA on 21 April 2011 as an API under the PSR and as long as Afriexchange remains authorised, it is obliged to submit the FSA056 return. Afriexchange cannot now (over 18 months after it was authorised) seek to dispute its status as an API."

**END OF EXTRACT**