
FINAL NOTICE

To: Mr Ahmed

Date: 4 December 2024

ACTION

1. For the reasons listed below and pursuant to sections 185(1)(b)(ii) and 189(4)(b)(ii) of the Financial Services and Markets Act 2000 (the "Act"), the FCA (the "Authority") has objected to the Proposed Acquisition.

SUMMARY OF REASONS

2. By its Warning Notice the Authority gave notice that it proposed to object to the Proposed Acquisition and that Mr Ahmed was entitled to make representations to the Authority about that proposed action. No representations to the Warning Notice were received.
3. Subsequently, a Decision Notice was issued but no representations (or substantive representations were received.
4. Having considered the facts and matters of the Notification and having regard to sections 185(2)(a) - (c), and 185(3)(a) of the Act, the Authority has objected to the Notification, on the following bases:

- (i) Mr Ahmed has not demonstrated due skill, care, diligence and compliance with the relevant standards in his past dealings with the Authority as a controlling shareholder (section 186(a) of the Act), nor does he possess the relevant knowledge, skills and experience to direct the activities of Olampicaran Limited ("Olampicaran") (section 186(b) of the Act); and
 - (ii) there are reasonable grounds to suspect that, in connection with the Proposed Acquisition, the risk of money laundering or terrorist financing being committed or attempted could increase (section 186(f)(ii) of the Act).
- 5. The Authority has requested further information on numerous occasions to assist it in carrying out a full assessment of the Proposed Acquisition. Mr Ahmed has failed to comply with these requests or to respond at all. Mr Ahmed's failure to comply with these requests demonstrates that he is not able, or willing, to provide such information to the Authority which casts doubt on his professional competence and, consequently, his ability to direct a UK authorised firm.
- 6. Olampicaran appears to be a dormant company in negative equity. Mr Ahmed has (in addition to the above) failed to respond to the Authority's requests for information surrounding the reasons for the Proposed Acquisition, the future intentions relating to the running of the business and the business rationale for the Proposed Acquisition. These failures are exacerbated by Olampicaran not being registered with the relevant supervisor for anti-money laundering purposes, His Majesty's Revenue and Customs ("HMRC"). The Firm's absence from HMRC's register means that the Authority cannot be satisfied that there is not an increased risk of money laundering or terrorist financing as a result of the Proposed Acquisition.
- 7. The Authority has subsequently received a request to cancel the regulatory permissions of Olampicaran but has received no correspondence from Mr Ahmed in respect of his intentions to proceed or discontinue the Proposed Acquisition. Mr Ahmed's failure to respond to the Authority's requests for information means that the Authority is unable to carry out a complete assessment of his skills, knowledge and experience.
- 8. Mr Ahmed also appears to have proceeded with an acquisition of shares in another UK authorised firm, Company A, without seeking prior approval from the Authority in breach of section 191F(1) of FSMA. He also appears to have disposed of those

shares without notifying the Authority as required under Part XII of the Act, another breach under section 191D. To date, Mr Ahmed has provided no explanation for these serious breaches, nor has he sought to rectify them; both of which further demonstrate, at the very least, a lack of professional competence.

DEFINITIONS

8. The definitions below are used in this Final Notice:

“the Act” means the Financial Services and Markets Act 2000 (as modified and applied by the PSRs)

“API” means Authorised Payment Institution

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

“Company A” means the FCA registered firm which Mr Ahmed acquired without prior FCA approval

“HMRC” means His Majesty’s Revenue and Customs

“Level 3 Guidelines” means the Joint Guidelines on the prudential assessment of acquisitions and increases of qualifying holdings in the financial sector, published by the Joint European Supervisory Authorities; and applicable from 1 October 2017

“Mr Ahmed” means “the Proposed Controller”

“Mr Iyow” is “the Notice-giver” or “the Current Controller” and means “Mr Abdiwahid Mohamed Iyow”

“the Notification” means the individual controller form and supporting documents submitted on 30 March 2023 (and any subsequent information provided) relating to the Proposed Acquisition

“Olampicaran” or “the Firm” means the target firm, Olampicaran Limited (Company number: 07069787, Firm Reference Number: 514766)

“the Proposed Acquisition” means the proposed acquisition of 100% of the shares and voting rights in Olampicaran by Mr Ahmed.

“PSRs” means The Payment Services Regulations 2017

“Regulations” means Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017

“SPI” means Small Payment Institution; a person registered as a small payment institution pursuant to regulation 14 and included by the FCA in the register pursuant to regulation 4(1)(b) (the register of certain payment service providers); or a person included by the FCA in the register pursuant to regulations 151 and 153(1) (transitional provisions)

“Warning Notice” means the warning notice dated 5 September 2023 given by the Authority to Mr Ahmed by which the Authority proposed to object to the Proposed Acquisition

FACTS AND MATTERS

The Target Firm

9. Olampicaran was incorporated on 8 November 2009. It was registered by the Authority on 6 January 2010 as an SPI with permission to carry out money remittance activities. The Firm is wholly owned by Mr Iyow.
10. Olampicaran was re-registered on 26 September 2018 to carry out the same activities under the PSRs. The business of Olampicaran is considered to constitute a money service business according to HMRC and therefore requires registration with HMRC as the relevant anti-money laundering supervisor. The Authority has seen no evidence that the firm is currently registered with HMRC as required under its conditions for registration in the PSRs.
11. Further, Olampicaran appears to have had consecutive negative equity for the financial years of 2020 and 2021. According to its most recent accounts filed at Companies House, Olampicaran appeared to be in negative equity of -£1,724 for the period ending 30 November 2021. For the financial year ending 30 November 2020 Olampicaran was in negative equity of -£1,143.
12. On 5 April 2023 the Authority informed Mr Iyow, as the Notice-giver, that the Notification was incomplete. During its review of the Notification, the Authority

identified that Olampicaran had reported negative equity to Companies House for the financial year ending 30 November 2021. In order to understand the intentions of Mr Ahmed, the Authority requested further information regarding the reasons for the Proposed Acquisition, the value attributed to it, a business plan and management accounts. The request was sent to Mr Iyow via email.

13. On 13 April 2023 Mr Iyow responded to confirm via return email that the information would be provided but requested additional time to do so. The Authority confirmed an extension to 21 April 2023.
14. On 20 April 2023 Mr Iyow provided the requested information which was sufficient for the Authority to deem the Notification complete. On 21 April 2023 the Authority confirmed that it had commenced the statutory assessment period of the Notification, as at that date, pursuant to section 189(1) of the Act.
15. On 17 May 2023 the Authority emailed Mr Iyow to explain that it appeared Olampicaran had not carried out regulatory activities for which it had permission over the course of the last 12 months, and that it appeared to be a dormant company. The Authority requested a response to the email by 23 May 2023.
16. The Authority did not receive a response to this request despite following up on 30 May, 7 June, and 12 June 2023.
17. On 15 June 2023, the Authority requested further information under section 190(1) of the Act which resulted in the assessment period being paused. The Authority sought to better understand, amongst other things, the cost-benefit analysis carried out on the Proposed Acquisition by Mr Ahmed, the Firm's forecasted future financial performance, the assumptions underpinning the 3-year financial forecasts, and whether Olampicaran was registered with HMRC as the relevant authority for anti-money laundering purposes. The request was made by email on 15 June 2023 with a deadline of 22 June 2023.
18. As the Notification was a joint submission, the Authority deemed it effective to contact Mr Iyow on Mr Ahmed's behalf, as Mr Iyow had sufficient knowledge to provide a response to our questions. It was also reasonably expected that Mr Ahmed, as the proposed acquirer, would be aware of the business of the Firm and its current position in respect of that business.

19. When the Authority did not receive a response from Mr Ahmed, the Authority made several attempts to follow this up by email and telephone on 23 June, 19 July and 9 August 2023. During this time, the Authority also attempted to contact Mr Ahmed directly and was unsuccessful.
20. The Authority has contacted Mr Ahmed a total of seven times by email and telephone communication. As at the date of this Final Notice, no response to the Authority's request has been provided either by Mr Ahmed or Mr Iyow.
21. On 23 August 2023, the Authority contacted Mr Ahmed by telephone. He informed the Authority he would like to withdraw the Notification. The Authority has requested written confirmation. However, this was never received. Consequently, the Authority had been left with no alternative but to refuse the Proposed Acquisition.

The Proposed Controller

22. On 12 November 2019, Mr Ahmed registered as a Payment Services Agent for Company A. Company A is an SPI registered by the Authority on 20 February 2017 and re-registered under the PSRs on 16 November 2018.
23. According to Companies House records, on 1 July 2019 Mr Ahmed was appointed as a director of Company A. On 23 July 2019 he acquired 50% control of Company A but filed this increase in shares with Companies House over two years later, on 14 December 2021. Under section 178(1) FSMA Mr Ahmed was required to give the Authority notice in writing before making any acquisitions or increases of control of 10% or more in a UK-authorized firm. Company A is UK-authorized and any changes to qualifying holdings are subject to Part XII of the Act as set out in the FCA's Approach Document for Payment Services and Electronic Money (first issued on 19 September 2017). Under section 191F(1) it is a criminal offence to acquire or increase control in a UK-authorized firm without the Authority's prior approval. Mr Ahmed appears not to have notified the Authority, to date, of his acquisition of shares in Company A.
24. Mr Ahmed submitted two applications to the Authority to act as a Person Responsible for Payment Services for Company A. The initial application was submitted on 13 November 2019 alongside an API application. The Authority deemed that Mr Ahmed failed to meet the required standards for applicants. In particular, the Authority recognised that there were two entries for Company A on the Financial Services

register, one being recorded as an agent of an authorised firm and another as an SPI. The Authority wanted clarification on how Mr Ahmed would ensure the separation of these services from those he would offer to himself. The Authority also noted concerns that his application contained multiple shortcomings and lacked sufficient detail relating to governance arrangements, fraud controls, business continuity plans and sensitive payment data security. Subsequently, Mr Ahmed withdrew his application on 23 February 2020.

25. Mr Ahmed then submitted a further API application (in respect of Company A) and as part of the application he applied to be a Person Responsible for Payment Services. Mr Ahmed (voluntarily) withdrew this application on 22 February 2022 explaining that he had difficulty meeting the requirements for an API. Specifically, he faced two issues, one regarding a loan agreement and another relating to difficulty obtaining a safeguarding account. He mentioned he needed more time to be ready to become an API company.

The Proposed Acquisition

26. On 30 March 2023, Mr Iyow submitted the Notification. In respect of the Proposed Acquisition. This advised that Mr Ahmed proposed to acquire 100% of the shares and voting rights in Olampicaran. The Notification was submitted as a joint notification with Mr Iyow, the current controller of Olampicaran, being the point of contact for queries relating to the Notification.
27. The Notification stated that Mr Ahmed intended to pay £6,000 to complete the Proposed Acquisition and that the funding would be derived from the sale of his shares in Company A. Mr Ahmed provided a bank statement confirming adequate funding to cover the cost of the Proposed Acquisition. Companies House records indicate that the shares of Company A were transferred to the new owner on 7 December 2022.

The Authority's assessment

28. The Authority has refused the Proposed Acquisition under sections 186(a), (b) and (f) of the Act.

The Authority's concerns: (i) failure to demonstrate care, diligence and compliance with the relevant standards as a controlling shareholder

29. To date, Mr Ahmed has ceased to respond to the Authority's requests for further information. His repeated and unexplained failure to respond to the Authority, suggests that he is not suitable to control and/or direct the business of the Firm. In accordance with the Level 3 Guidelines, professional competence relates to, inter alia, the proposed acquirer's technical and management competence. Management competence relates to the proposed acquirer's previous experience in acquiring and managing holdings whilst technical competence relates to their experience of operating and managing financial institutions as a controlling shareholder. In either case the proposed acquirer must demonstrate due skill, care, diligence and compliance with the relevant standards. Mr Ahmed's failure to interact with the Authority in the time and manner expected (or indeed at all) demonstrates, in the Authority's view, a serious lack of professional competence.

The Authority's concerns: (ii) the lack of knowledge, skills and experience to direct the business of the Firm

30. The Authority notes that Mr Ahmed intends to be appointed as the sole director of Olampicaran following the Proposed Acquisition, and therefore a Person Responsible for Payment Services.
31. Mr Ahmed failed to notify the Authority and seek the Authority's approval before he acquired control of Company A on 23 July 2019 which is a serious matter and amounts to a criminal offence under the Act.
32. Mr Ahmed also failed to notify the Authority of his disposition of control in Company A. Section 191D(1) of the Act requires a person who decides to reduce or cease control over a UK authorised person to give the appropriate regulator notice in writing before making the disposition. Under section 191F(1) of the Act any person who fails to comply with this obligation to notify is guilty of an offence. Through the sale of his shares Mr Ahmed therefore appears to have facilitated another non-notification by the person to whom he was selling. To date, the Authority has not received a notification from the persons to whom the shares were sold.

33. It is the Authority's view that by the time that he completed the individual controller form (at the latest) as part of the Notification Mr Ahmed would have understood that the Authority was required to be notified of certain acquisitions, increases and disposals of control and that there was (as a minimum) a risk that he had failed to give such notice previously:
- a) Mr Ahmed signed the individual controller form. It is reasonable to assume that Mr Ahmed understood the reason the notice was required (i.e. as the Authority's prior approval is required for certain changes in control over UK-authorized firms) – especially in circumstances where the form itself makes this clear in Section 1.
 - b) Question 1.7 of the individual controller form prompts the proposed controller to advise the Authority of any instances of post notification within the last five calendar years. The question further clarifies that the notice giver must advise, amongst other things: the dates on which the acquisition/increase in control occurred without prior approval, the date the person became aware of such acquisition/increase, and the date on which the Authority was made aware of the post-notification.
34. The Authority is therefore concerned by Mr Ahmed's failure to disclose his previous acquisition and disposal of control in Company A as part of this Notification (or subsequently).
35. The Authority further notes that Mr Iyow applied to cancel the regulatory permissions of Olampicaran on 15 June 2023. Such a course of action is plainly at odds with the Proposed Acquisition, the purpose of which is to acquire an authorised firm. One possible explanation for this is that there is no longer a desire for Mr Ahmed to continue with the Proposed Acquisition. However, due to Mr Ahmed's continued lack of communication with the Authority, the Authority is unclear of Mr Ahmed's intentions and/or the current status of the transaction.
36. Mr Ahmed's failure to provide the requested information over the protracted period between 17 May 2023 and 19 July 2023 gives the Authority serious concerns that Olampicaran would not be supervised effectively. Despite the Authority using a variety of contact methods, namely eight emails and eight telephone calls, no response has been received. Mr Ahmed has failed to not only address the Authority's concerns but has also failed to respond to repeated requests. The Authority's

concerns are further reinforced as a result of Mr Ahmed's previous failure to notify the Authority of his disposition of control in Company A. As such, this presents an apparent lack of competence, skill and knowledge.

The Authority's concerns: (iii) increased risk of money laundering or terrorist financing

37. The Authority notes that Olampicaran does not appear on HMRC's Supervised Business Register. According to HMRC's website, businesses that transfer money, including money remitters and SPIs, must follow the EU funds transfer regulation in order to reduce the risk of money laundering and terrorist financing. They must register with HMRC under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the "Regulations"). A firm must not run a money service business until HMRC has confirmed that they have been successfully registered. As the Firm is unable to demonstrate compliance with the requirement to register with HMRC for the purposes of anti-money laundering supervision, the Authority cannot be satisfied that, in connection with the Proposed Acquisition, the risk of money laundering or terrorist financing will not increase.
38. Noting the poor, and sometimes lack of, historic financial performance, and its current insolvent position, the Authority has concerns regarding the future prospects of the Firm and the value that Mr Ahmed was attributing to it as a commercially viable proposition. The rationale behind the acquisition and Mr Ahmed's business intentions remain unclear. The Authority has attempted to contact Mr Ahmed regarding these concerns on numerous occasions, but no response has been received.
39. Accordingly, the Authority is not assured that, post-acquisition, Mr Ahmed will run the Firm in a way which complies with all relevant regulations, including those pertaining to anti-money laundering. Therefore, the Authority cannot be satisfied that, in connection with the Proposed Acquisition, the risk of money laundering or terrorist financing will not increase.

IMPACT ON THE ASSESSMENT CRITERIA

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

41. The Authority considers that Mr Ahmed has not demonstrated due skill, care, diligence and compliance with the relevant standards in his past dealings with firms regulated in the financial sector. Mr Ahmed also appears not to possess the relevant knowledge, skills and experience to direct Olampicaran. The Authority considers there are reasonable grounds to object to the Proposed Acquisition pursuant to section 186(a) and (b) of the Act and does so on the basis of Mr Ahmed's lack of professional competence. This has been shown by Mr Ahmed's:
- (i) failure to respond to the Authority's repeated requests for further information, including not advising the Authority as to the status of the Notification given that the Firm appears to have applied to cancel its regulatory permissions;
 - (ii) failure to explain that he understands, and will comply with, the responsibilities placed on Olampicaran to register with HMRC under the Regulations; and
 - (iii) failure to seek approval from the Authority prior to the acquisition and disposal of 50% shareholding in Company A.
42. The Authority considers that the risk of money laundering or terrorist financing could increase as a result of the Proposed Acquisition (section 186(f)) due to:
- (i) the lack of regard for regulatory requirements, in particular compliance with the change in control provisions set out in Part XII of the Act, having committed two criminal offences due to non-notification;
 - (ii) the failure to alleviate concerns regarding his rationale for the Proposed Acquisition and lack of explanation as to the future running of the Firm; and
 - (iii) the failure of Mr Ahmed to demonstrate that he understands the regulatory requirements placed on Olampicaran to be registered with HMRC for anti-money laundering purposes.

PROCEDURAL MATTERS

IMPORTANT NOTICES

43. This Final Notice is given under section 390 of the Act.

Publication

44. Sections 391(4), 391(6) and 391(7) of the Act apply to the publication of information about the matter to which this Notice relates. Under those provisions, the authority must publish such information about the matter to which this 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 publication would, in the opinion of the authority, be unfair to you or prejudicial to the interests of consumers or detrimental to the stability of the UK financial system.

45. The Authority intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

FCA contacts

46. For more information concerning this matter, contact David Nelson (direct line: 020 70663316 / email: David.Nelson3@fca.org.uk).

David Nelson

ANNEX A – REGULATORY PROVISIONS RELEVANT TO THIS FINAL NOTICE

Relevant Statutory Provisions

1. Section 122 of, and Schedule 6 to, the PSRs apply various provisions of the Act subject to certain modifications. Amongst other provisions, Part 12 of the Act is so applied.
2. The requirement to notify the Authority when deciding to acquire control of an authorised firm is set out in section 178 of the Act. It states that:
 - a) A person who decides to acquire or increase control over a UK authorised person must give the Authority notice in writing before making the acquisition.
 - b) For the purposes of calculations relating to this section, the holding of shares or voting power by a person (“A1”) includes any shares or voting power held by another (“A2”) if A1 and A2 are acting in concert.
 - c) In this Part, a notice given under this section is a “section 178 notice” and a person giving notice is a “section 178 notice-giver”.
3. Acquiring control of a firm is defined in section 181 of the Act, as varied by regulations issued under section 192 of the Act, as beginning to hold: 20% or more of the shares in the firm, or its parent undertaking, 20% of the voting power in the firm or shares or voting power as a result of which a person is able to exercise significant influence over the management of the firm.
4. Section 185 of the Act provides that:
 - a) Where [the Authority] receives a section 178 notice, it must—
 - i. determine whether to approve the acquisition to which it relates unconditionally; or

- ii. propose to—
 - i. approve the acquisition subject to conditions (see section 187); or
 - ii. object to the acquisition.
5. [The Authority] must—
- a) consider the suitability of the section 178 notice-giver and the financial soundness of the acquisition in order to ensure the sound and prudent management of the UK authorised person;
 - b) have regard to the likely influence that the section 178 notice-giver will have on the UK authorised person; and
 - c) disregard the economic needs of the market.
6. [The Authority] may only object to an acquisition—
- a) if there are reasonable grounds for doing so on the basis of the matters set out in section 186; or
 - b) if the information provided by the section 178 notice-giver is incomplete.
7. Section 186 provides that the matters specified in section 185(3)(a) are—
- a) the reputation of the section 178 notice-giver;
 - b) the reputation, knowledge, skills and experience of any person who will direct the business of the UK authorised person as a result of the proposed acquisition;
 - c) the financial soundness of the section 178 notice-giver, in particular in relation to the type of business that the UK authorised person pursues or envisages pursuing;
 - d) whether the UK authorised person will be able to comply with its prudential requirements (including the threshold conditions in relation to all of the regulated activities for which it has or will have permission);
 - e) if the UK authorised person is to become part of a group as a result of the acquisition, whether that group has a structure which makes it possible to—

- i. exercise effective supervision;
 - ii. exchange information among regulators; and
 - iii. determine the allocation of responsibility among regulators; and
 - f) whether there are reasonable grounds to suspect that in connection with the proposed acquisition—
 - i. money laundering or terrorist financing (as defined in regulation 3(1) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017) is being or has been committed or attempted; or
 - ii. the risk of such activity could increase.
8. Section 189 sets out the procedure by which the Authority must assess the section 178 notice. It provides:
- a) The Authority must act under section 185 within a period of 60 working days beginning with the day on which the Authority acknowledges receipt of the section 178 notice (“the assessment period”).
 - b) The assessment period may be interrupted, no more than once, in accordance with section 190.
 - c) The Authority must inform the section 178 notice-giver in writing of—
 - i. the duration of the assessment period;
 - ii. its expiry date; and
 - iii. any change to the expiry date by virtue of section 190.
 - d) The Authority must, within two working days of acting under section 185 (and in any event no later than the expiry date of the assessment period)—
 - i. notify the section 178 notice-giver that it has determined to approve the acquisition unconditionally; or
 - ii. give a Warning Notice stating that it proposes to—
 - (i) approve the acquisition subject to conditions; or

- (ii) object to the acquisition.
- e) Where the Authority gives a Warning Notice stating that it proposes to approve the acquisition subject to conditions—
 - i. it must, in the Warning Notice, specify those conditions; and
 - ii. the conditions take effect as interim conditions.
- f) The Authority is treated as having approved the acquisition if, at the expiry of the assessment period, it has neither—
 - i. given notice under subsection (4); nor
 - ii. informed the section 178 notice-giver that the section 178 notice is incomplete.
- g) If the Authority decides to approve an acquisition subject to conditions or to object to an acquisition it must give the section 178 notice-giver a Final Notice.
- h) Following receipt of a Decision Notice under this section, the section 178 notice-giver may refer the Authority's decision to the Tribunal.
- i) Part XII of the Act (control over authorised persons) applies with the following modifications –
 - i. References to a UK authorised person are to be read as references to an authorised payment institution or small payment institution other than one included in the register pursuant to regulation 153(1) (transitional provisions).

The Payment Services Regulations 2017

- 9. Regulations 14 of the PSRs sets out the conditions for registration as a small payment institution.
 - a) The FCA may refuse to register an applicant as a small payment institution only if any of the conditions set out in paragraphs (2) to (11) is not met.
 - b) The application must comply with the requirements of, and any requirements imposed under, regulations 13 and 20.

- c) The monthly average over the period of 12 months preceding the application of the total amount of payment transactions executed by the applicant, including any of its agents in the United Kingdom, must not exceed 3 million euros.
- d) The business to which the application relates must not include the provision of account information services or payment initiation services. (3
- e) None of the individuals responsible for the management or operation of the business has been convicted of—
 - i. an offence under Part 7 of the Proceeds of Crime Act 2002 (money laundering)(1) or under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
 - ii. an offence under section 15 (fund-raising), 16 (use and possession), 17 (funding arrangements), 18 (money laundering) or 63 (terrorist finance: jurisdiction) of the Terrorism Act 2000(2);
 - iii. an offence under the 2000 Act;
 - iv. an offence under regulation 3, 4 or 6 of the Al-Qaida and Taliban (Asset-Freezing) Regulations 2010(3), or regulation 10 of the ISIL (Da'esh) and Al-Qaida (Asset-Freezing) Regulations 2011 (contravention and circumvention of prohibitions)(4);
 - v. an offence under section 11, 12, 13, 14, 15 or 18 of the Terrorist Asset-Freezing etc Act 2010 (offences relating to the freezing of funds etc. of designated persons)(5);
 - vi. an offence under these Regulations or the Electronic Money Regulations 2011(6); or
 - vii. any other financial crimes.
- f) Where the applicant is a partnership, an unincorporated association or a body corporate, the applicant must satisfy the FCA that any persons having a qualifying holding in it are fit and proper persons having regard to the need to ensure the sound and prudent conduct of the affairs of a small payment institution.
- g) The applicant must satisfy the FCA that—

- i. where the applicant is a body corporate, the directors;
- ii. the persons responsible for the management of the institution; and
- iii. where relevant, the persons responsible for the management of payment services,

are of good repute and possess appropriate knowledge and experience to provide payment services.

- h) If the applicant is a body corporate which has close links with another person ("CL") the applicant must satisfy the FCA—
 - i. that those links are not likely to prevent the FCA's effective supervision of the applicant; and
 - ii. if it appears to the FCA that CL is subject to the laws, regulations or administrative provisions of a territory which is not an EEA State ("the foreign provisions"), that neither the foreign provisions, nor any deficiency in their enforcement, would prevent the FCA's effective supervision of the applicant.
- i) Regulation 6(10) (conditions for authorisation: definition of close links) applies for the purposes of paragraph (8) of this regulation as it applies for the purposes of regulation 6(9).
- j) The applicant's head office, registered office or place of residence, as the case may be, must be in the United Kingdom.
- k) The applicant must comply with a requirement of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 to be included in a register maintained under those Regulations where such a requirement applies to the applicant. (
- l) For the purposes of paragraph (3) where the applicant has yet to commence the provision of payment services, or has been providing payment services for less than 12 months, the monthly average may be based on the projected total amount of payment transactions over a 12 month period.

m) In paragraph (5) "financial crime" includes any offence involving fraud or dishonesty and, for this purpose, "offence" includes any act or omission which would be an offence if it had taken place in the United Kingdom.