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**FINAL NOTICE**

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To: **Mr Amir Khan**

Individual  
Reference  
Number: **AXK01532**

Date: **26 August 2016**

**ACTION**

1. For the reasons given in this notice, the Authority hereby:
  - (a) publishes a statement of Mr Khan's misconduct ("a public censure"), pursuant to section 66 of the Act for failing to comply with Statements of Principle 1 and 6. Mr Khan provided verifiable evidence of serious financial hardship. Had it not been for his reduced financial circumstances the Authority would have imposed a financial penalty of £80,000; and
  - (b) makes an order, pursuant to section 56 of the Act, prohibiting Mr Khan from performing any function in relation to any regulated activity carried on by an authorised person, exempt person or

exempt professional firm. This order will take effect from 26 August 2016.

2. The public censure takes the form of this Final Notice which will be published on 26 August 2016 on the Authority's website.
3. On 4 March 2013 the Authority gave Mr Khan a Decision Notice which notified him that it had decided to:
  - a) impose a financial penalty of £80,000 on him for breaches of Statements of Principle 1 and 6;
  - b) withdraw the approval granted to Mr Khan, pursuant to section 63 of the Act, to perform controlled functions; and
  - c) make an order, pursuant to section 56 of the Act, prohibiting Mr Khan from performing any function in relation to any regulated activities carried on by any authorised or exempt persons, or exempt professional firm, on the grounds that he is not a fit and proper person.
4. On 28 March 2013 Mr Khan referred elements of the Authority's Decision Notice to the Tribunal. While he did not dispute the imposition of the prohibition order, Mr Khan challenged the Authority's categorisation of the breach of Statement of Principle 1 and the size of the financial penalty determined by the Authority.
5. The Tribunal, in a written decision dated 8 April 2014 [<http://www.tribunals.gov.uk/financeandtax/Documents/decisions/Amir-Khan-v-FSA.pdf>], determined that Mr Khan acted dishonestly when submitting personal mortgage applications to lenders. The Tribunal directed the Authority to impose a financial penalty of £80,000 on Mr Khan for breaches of Statements of Principle 1 and 6.
6. On 15 June 2016, Mr Khan provided verifiable evidence of serious financial hardship. Had it not been for his reduced financial circumstances the Authority would have imposed a financial penalty of £80,000. Following Mr Khan's provision of evidence of his reduced financial circumstances, the Authority has issued this Final Notice.
7. Following Mr Khan's withdrawal of his reference to the Court of Session the Authority has issued this Final Notice.

## **SUMMARY OF REASONS**

8. Mr Khan is the sole owner, director and employee of Sovereign. Through Sovereign, Mr Khan arranged regulated mortgage contracts for retail customers on a non-advised basis. The Authority cancelled Sovereign's permission to carry on regulated business by a Final Notice dated 4 July 2013.
9. In its Decision Notice of 4 March 2013, the Authority concluded that Mr Khan had acted without integrity, in breach of Statement of Principle 1, by knowingly submitting a personal mortgage application to a lender through Sovereign in 2009 which contained false and misleading information about his income, including in the form of false payslips.
10. The Tribunal determined that Mr Khan had acted dishonestly in this regard.
11. In its Decision Notice, the Authority concluded that Mr Khan had failed to act with due skill, care and diligence in performing his significant influence function at Sovereign, in breach of Statement of Principle 6, by failing to take adequate steps to counter the risk that Sovereign might be used to further financial crime. Mr Khan did not contest the Authority's conclusion that he had breached Statement of Principle 6.
12. At the Tribunal hearing the Authority sought to argue that Mr Khan had intentionally certified copies of two customers' passport photos as true likenesses of the customers, despite never having met the customers. The Tribunal determined that the Authority had not proved this element of the case.

## **DEFINITIONS**

13. The definitions below are used in this Final Notice.
  - a) "Act" means the Financial Services and Markets Act 2000;
  - b) "Authority" means the Financial Conduct Authority, the body corporate previously known as the Financial Services Authority and renamed on 1 April 2013;
  - c) "Mr Khan" means Amir Khan;
  - d) "relevant period" means the period from 5 March 2007 to 10 May 2011;

- e) "Sovereign" means Sovereign Worldwide Limited;
- f) "Statements of Principle" means the Authority's Statements of Principle and Code of Practice for Approved Persons; and
- g) "Tribunal" means the Upper Tribunal (Tax and Chancery Chamber).

**PROCEDURAL MATTERS**

- 14. This Final Notice is given under, and in accordance with, section 390 of the Act.

**Publicity**

- 15. 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 Mr Khan or prejudicial to the interests of consumers or detrimental to the stability of the UK financial system.

**Authority contacts**

- 16. For more information concerning this matter generally, contact Rachel West (direct line: 020 7066 0142 /fax: 020 7066 0143) of the Enforcement and Financial Crime Division of the Authority.

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**Rebecca Irving**

**Head of Department, Retail**

**Enforcement and Market Oversight Division**