# FINAL NOTICE

To: **Sanjay Maraj**

Reference Number: **SXM02506**

Date: **25 August 2026**

## 1. ACTION

1.1. For the reasons given in this Final Notice, the Financial Conduct Authority ("the Authority") hereby:

(1) imposes on Sanjay Maraj ("Mr Maraj") a financial penalty of £122,000 pursuant to section 66 of the Financial Services and Markets Act 2000 ("the Act"); and

(2) makes an order prohibiting Mr Maraj from performing any function in relation to any regulated activities carried on by any authorised or exempt persons, or exempt professional firm pursuant to section 56 of the Act. The prohibition order takes effect from the date of this Final Notice.

1.2 Mr Maraj agreed to resolve this matter and qualified for a 30% (Stage 1) discount under the Authority's executive settlement procedures. Were it not for this discount, the Authority would have imposed a financial penalty of £174,300 on Mr Maraj.

## 2. SUMMARY OF REASONS

2.1. Mr Maraj held the Non-Executive Director (CF2) controlled function (from 30 September 2013 until 3 December 2013), the Director (CF1/SMF3) controlled function (from 9 December 2013 until 23 November 2020), and the CASS Oversight (CF10a) controlled function (from 5 August 2014 until 8 December 2019) at Dolfin Financial (UK) Limited ("Dolfin"), a firm regulated by the Authority.

2.2. From 30 September 2013 until 30 September 2020, Mr Maraj was registered as a director at Companies House and he was the Chief Financial Officer ("CFO") of Dolfin. During this period, he was also responsible for managing the finances of Dolfin connected companies which were registered in the UK and abroad.

2.3. Dolfin provided wealth management services to retail and professional clients in relation to a range of investments and products, such as shares, government and corporate bonds, and investment funds. As part of its offering, Dolfin also provided services to Tier 1 investor visa clients (i.e. foreign nationals wishing to apply for a Tier 1 investor visa in order to reside in the UK) who were introduced to Dolfin by immigration agents (i.e. companies which provided assistance to foreign nationals wishing to live and/or work in the UK).

2.4. On 12 March 2021, the Authority imposed restrictions on Dolfin to prevent it from conducting virtually all regulated activities (see the First Supervisory Notice which sets out the reasons for this action). This action was taken by the Authority because of a variety of concerns, including the fact that Dolfin had been operating a complex funding scheme for its Tier 1 investor visa clients which was designed to circumvent the requirements of the Home Office's Immigration Rules ("the visa loan business"). Thereafter, the new management team in place at Dolfin (who had not been involved in operating the visa loan business) decided that Dolfin could no longer carry on trading and independent special administrators were appointed to formally wind-down the business on 30 June 2021.

2.5. The visa loan business was a service provided to foreign nationals seeking to obtain Tier 1 investor visas who were introduced to Dolfin by immigration agents, in particular, a firm of regulated immigration advisers referred to in this Notice as "Immigration Agent A":

(1) Denis Nagy was a main organiser of the visa loan business, assisted by Mr Maraj.

(2) Mr Maraj was responsible for the financial aspects of the visa loan business once it was set up. In this way, whilst Mr Maraj was not involved in the design and set up of the scheme, he managed the financial aspects of the visa loan business which was a pre-ordained multi-step scheme comprising of a series of transactions that, in most instances, sought to enable visa loan business clients to obtain a Tier 1 investor visa for a fee of £400,000

rather than by using their own funds to make the minimum £2 million investment in the UK, as required by the Immigration Rules.

2.6. Consistent with the fact that it was designed to circumvent the Immigration Rules, the visa loan business was inherently artificial in that it was comprised of a series of contrived transactions which had no genuine commercial rationale and, when viewed as a whole, it gave a false or misleading impression.

2.7. This Notice relates to misconduct by Mr Maraj dating from 8 June 2016 to 27 July 2022, which is the last of a number of occasions on which Mr Maraj misled the Authority and/or showed a lack of candour on matters related to the visa loan business ("the Relevant Period").

2.8. The Authority has not identified any contemporaneous evidence which categorically states the overall profit generated by the visa loan business for the entire period that it operated but estimates from the available information that, from their participation in the visa loan business, Dolfin-connected companies secured gross fee revenue of at least £35.5 million from the foreign nationals who used the scheme. Of this amount, the Authority estimates that £25.2 million was net profit following £10.3 million being paid as commission to the immigration agents who introduced clients to Dolfin. This net profit was dispersed amongst individuals and corporate entities connected to Mr Nagy and another individual by or under the supervision of Mr Maraj (whom the Authority accepts benefited to a lesser extent from the scheme).

2.9. During the Relevant Period, Mr Maraj demonstrated, both in his capacity as an approved person and outside this role, that he is not a fit and proper person on the basis that he lacks integrity, as follows:

(1) He managed the financial aspects of the visa loan business, which: (a) was created to enable Dolfin's Tier 1 investor visa clients to circumvent the requirements of the Home Office's Immigration Rules; and (b) was inherently artificial and, when viewed as a whole, gave a false or misleading impression.

(2) He made a number of misleading representations in letters to the Home Office and another government agency indicating that clients using the

visa loan business had met the requirements of the Immigration Rules (when they had not).

(3) In an effort to conceal the existence of the visa loan business, he misled the Authority about the true nature of Dolfin's Tier 1 investor visa business. For example:

a) Between November 2019 and May 2020, he made no reference to the existence of the visa loan business in his direct communications with the Authority and, where he was copied into correspondence involving other Dolfin employees, he turned a blind eye to those employees providing misleading and/or incomplete responses to the Authority.

b) In early 2020, he participated in misleading the Authority through the deliberate provision of incomplete and inaccurate information to an immigration lawyer instructed by Dolfin (in particular, omitting any reference to the visa loan business) so as to procure legal advice, to be shared with the Authority on a limited waiver of privilege basis, in relation to the purported legality of Dolfin's Tier 1 investor visa business.

(4) Thereafter, while Mr Maraj was no longer an Authority-approved person (following his removal from holding any controlled functions on 23 November 2020), he continued to demonstrate a lack of integrity because, when interviewed by the Authority in July 2022, he misrepresented the key features of the visa loan business and stood by Dolfin's misleading responses to the Authority in earlier communications about the scheme.

2.10. Mr Maraj also demonstrated a lack of candour in his answers to the Authority's questions during an unannounced visit and in his communications to the Authority and at interview. For example, Mr Maraj interpreted the scope of questions narrowly (where the answers to those questions related to the visa loan business) with the result that he did not reveal the true nature of the scheme in his responses.

2.11. Given: (i) its inherently artificial nature; (ii) its express purpose of enabling foreign nationals to circumvent the Immigration Rules; (iii) the fact that Mr Maraj was aware of the risks associated with the visa loan business; and (iv) the fact that he was a Director and CF1/SMF3 approved person, Mr Maraj was also reckless and/or negligent in:

(1) Failing to adequately challenge other senior personnel at Dolfin as to the legality of the visa loan business and/or the risks associated with it.

(2) Failing to ensure that Dolfin obtained independent professional advice in relation to the legality of the visa loan business and/or the risk that it would be challenged by the Home Office.

(3) Taking false comfort in relation to the purported legality of the visa loan business from assurances provided by Mr Nagy who Mr Maraj knew had limited knowledge of immigration law and had not taken independent professional advice in relation to the legality of the scheme.

(4) Failing to ensure that Dolfin complied with its Principle 11 obligations by giving the Authority notice that it had commenced the provision of the visa loan business as a high risk service to clients.

(5) Carrying on the visa loan business, which was an important source of revenue for Dolfin, despite the Home Office refusing the applications for visa extension and Indefinite Leave to Remain of a large number of Tier 1 investor visa applicants who had been involved in a scheme which had similarities to the visa loan business.

2.12. Additionally, between May and July 2018, Mr Maraj acted recklessly and/or negligently with a disregard for financial crime risks in arranging for the collection of cash in Moscow and London by two Dolfin employees from a Russian client in circumstances where Mr Maraj, according to his account at interview with the Authority, did not know the reason for these high-risk transactions, the purpose for which the cash would be used or even the reason for his role in arranging them.

2.13. The Authority considers that Mr Maraj's misconduct, as summarised at paragraphs 2.9 to 2.12 above, occurring between June 2016 and November 2020 (whilst he was approved by the Authority to perform controlled functions at Dolfin) constituted:

(1) A failure to act with integrity in contravention of both Statement of Principle 1 of the Authority's Statements of Principle and Code of Practice for Approved Persons ("APER") and Individual Conduct Rule 1 of the Authority's Code of Conduct ("COCON") rules (as applicable during the Relevant Period).

(2) A failure to be open and cooperative with the Authority and to disclose appropriately any information of which the Authority would reasonably expect notice, in contravention of Statement of Principle 4 of APER and Individual Conduct Rule 3/Senior Manager Conduct Rule 4 of COCON.

(3) As applicable to his reckless and/or negligent misconduct:

i. A failure to exercise due skill, care and diligence in managing the business of the firm for which he was responsible, in contravention of Statement of Principle 6 of APER and Individual Conduct Rule 2 of COCON.

ii. A failure to take reasonable steps to ensure that the business of Dolfin for which he was responsible complied with the requirements and standards of the regulatory system, in contravention of Statement of Principle 7 of APER and Senior Manager Conduct Rule 2 of COCON.

2.14. In light of the above contraventions of the Authority's rules, the Authority hereby imposes on Mr Maraj a financial penalty of £122,000, pursuant to section 66 of the Act.

2.15. In addition, in light of the conduct summarised at paragraphs 2.9 to 2.12 above, the Authority considers that Mr Maraj is not a fit and proper person due to a lack of: (i) integrity; and (ii) competence and capability, and further that he poses a risk to consumers and to the integrity of the UK financial system. With regard to the risk that Mr Maraj poses, he has consistently refused to accept any culpability on his part in relation to the visa loan business or even to acknowledge its inherent artificiality, contending instead that it was a real commercial enterprise involving a series of genuine transactions. In this way, Mr Maraj has failed to take responsibility for his actions or given any indication of improvement on his part. The Authority therefore hereby imposes an order prohibiting Mr Maraj from performing any function in relation to any regulated activities carried on by an 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;

"Conflicted Securities" means bonds which were issued by companies that Dolfin or its directors had an interest in;

"Conflicted Securities A" means bonds issued by Issuer A that were distributed by Dolfin Connected Company Y to Dolfin Tier 1 investor visa clients;

"Conflicted Securities Z" means bonds issued by Dolfin Connected Company Z;
"Dolfin" and/or "the Firm" means Dolfin Financial (UK) Limited;

"Dolfin Client H" means a specific Tier 1 investor visa client who used the visa loan business to obtain her visa;

"Dolfin Connected Company Y" means the offshore company controlled by Mr Nagy which was a key component of the visa loan business;

"Dolfin Connected Company Z" means the offshore company of which Mr Nagy was a Director from September 2015 to March 2019 and his immediate family member the ultimate beneficial owner, and which was a key component of the visa loan business;

"Dolfin Employee A" refers to a senior manager at Dolfin;

"Dolfin Employee B" refers to a senior manager at Dolfin;

"Immigration Agent A" means the firm of regulated immigration advisers who were involved with the visa loan business and introduced Tier 1 investor visa clients to Dolfin;

"Issuer A" means a company connected to, inter alia, Mr Maraj and Dolfin that issued Conflicted Securities A which were distributed by Dolfin Connected Company Y to Dolfin Tier 1 investor visa clients;

"the Relevant Period" means 8 June 2016 to 27 July 2022;

"SPV" means Special Purpose Vehicle;

"Tier 1 investor visa clients" means foreign nationals wishing to apply for a Tier 1 investor visa in order to reside in the UK;

"Tier 1 team" means the employees at Dolfin who had relevant language skills in Mandarin and/or Cantonese and focused primarily on servicing clients from China for Dolfin's Tier 1 investor visa business;

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

"visa loan business" means the complex funding scheme operated by Dolfin and involving Dolfin connected companies which was an integral part of Dolfin's Tier 1 investor visa business and which was designed to enable its clients to circumvent the requirements of the Immigration Rules; and

"VREQ" means voluntary requirements imposed on Dolfin following its under section 55L(5)(a) of the Act.

## 4. FACTS AND MATTERS

### Background

4.1. Dolfin was incorporated on 5 November 2010 and has been authorised by the Authority since 25 October 2011.

4.2. Mr Nagy was appointed as a director and the CEO of Dolfin on 20 September 2013 and Mr Maraj was appointed as Finance Director/CFO of Dolfin on 30 September

2013. On the purchase of Dolfin, Mr Nagy was recorded as being the shareholder in respect of a significant majority of the shares.

4.3. Dolfin provided custody, brokerage and asset management services to private clients, financial advisers and institutional investors in respect of a range of investments and products, such as bonds, commodities, currencies, derivatives, funds and shares. Dolfin also provided services to Tier 1 investor visa clients who were introduced by immigration agents. Historically, such services had been of a conventional nature however, in November 2015, Dolfin, following discussions with Immigration Agent A, commenced the development of a new business line, referred to in this Notice as the "visa loan business", which was to be offered to prospective Tier 1 investor visa clients. At this time, the Home Office Tier 1 investor visa programme provided the opportunity of UK residence in return for investment whereby wealthy non-EU foreign nationals could obtain visas to live and work in the UK, provided that they invested at least £2 million into share capital or loan capital in active and trading UK registered companies. The visa loan business was used by foreign nationals who either did not have the required funds or, if they did, wished to use a lesser sum in order to obtain a Tier 1 investor visa. As well as Dolfin, there were several other companies connected to Dolfin and, inter alia, Mr Nagy (and also to a lesser extent Mr Maraj) that were engaged in the visa loan business activities described in this Notice.

4.4. In 2016, as part of a restructuring, Dolfin became part of a corporate group that consisted of various other companies, several of which were registered overseas ("the Dolfin Group"). Following this restructuring, Mr Nagy was recorded as the ultimate controller of the companies in the Dolfin Group, including Dolfin, through his shareholding in the group parent company which was registered in Bermuda.

4.5. Mr Maraj was aware of the ownership structure of and connections between companies in the Dolfin Group. In addition to his responsibilities as Finance Director/CFO at Dolfin, Mr Maraj also held directorships at a number of companies within the Dolfin Group and was responsible for providing finance and treasury related services at many of these companies. Of particular relevance to the visa loan business, Mr Maraj was responsible for managing liquidity at Dolfin Connected Company Y and Dolfin Connected Company Z (as discussed in greater detail below).

4.6. As at the time of the restructuring in 2016, the directors of Dolfin registered at Companies House were Mr Nagy, Mr Maraj and two other individuals. These four directors were all approved by the Authority to perform the CF1 (Director) controlled function and, in addition, Mr Nagy was approved to perform the CF3 (Chief Executive), CF11 (Money Laundering Reporting) and CF30 (Customer) controlled functions, while Mr Maraj was approved to perform the CF10a (CASS Oversight) controlled function and a fifth individual was approved to perform the CF10 (Compliance Oversight) function.

4.7. The Authority first identified significant concerns with Dolfin following supervisory work in the period July 2019 to November 2019. This looked at the services provided to Tier 1 investor visa clients, with a focus on Dolfin's management of conflicts of interest. The crux of the concerns related to the fact that Dolfin had distributed a large number of bonds issued by companies that Dolfin or its directors had an interest in ("Conflicted Securities") to foreign nationals on an execution-only basis. As a result of these concerns, on 19 December 2019, a set of voluntary requirements ("VREQ") was agreed between Dolfin and the Authority which prevented Dolfin from accepting new Tier 1 investor visa clients, except on a discretionary basis, and from distributing Conflicted Securities.

4.8. Thereafter, on 12 March 2021 (following more supervisory work during the intervening period which is described at paragraphs 4.44 to 4.48 of this Notice), the Authority exercised its own-initiative powers to prevent Dolfin carrying out any regulated activities. In addition to the issues pertaining to conflicts of interest which gave rise to the initial VREQ in December 2019, the Authority's concerns with Dolfin had expanded to encompass (amongst other things) the fact that Dolfin appeared to have operated the visa loan business, a scheme designed to enable its clients to obtain a Tier 1 investor visa whilst circumventing the financial thresholds in the Immigration Rules.

4.9. Thereafter, the new management team at Dolfin (who had not been involved in operating the visa loan business) decided that Dolfin could no longer carry on trading and Dolfin subsequently entered special administration on 30 June 2021.

4.10. The Authority's action against Mr Maraj, as set out in this Notice, is taking place alongside Home Office investigations into a number of foreign nationals who used the visa loan business to obtain their Tier 1 investor visa in the UK. The Home Office has already taken action against many of the visa loan business clients by refusing their applications for Leave to Remain and Indefinite Leave to Remain in the UK. This is on the basis that the Home Office concluded that the visa loan business is a non-compliant scheme that was designed to circumvent the requirements of the Immigration Rules.

4.11. The Home Office has closed the Tier 1 investor visa route of entry to the UK from 17 February 2022.

**Immigration Rules**

4.12. The intended purpose of the Tier 1 investor visa program was to enable high net worth foreign nationals to make a substantial financial investment in the UK in exchange for residence and, to this end, the Immigration Rules explicitly imposed (amongst other things) the following requirements:

(1) A minimum investment of £2 million, using the applicant's own money, in UK government bonds or in the share capital or loan capital of active and trading UK registered companies;

(2) The investment had to be maintained for the whole of the period of the applicant's leave to remain in the UK;

(3) The assets and investment had to be wholly under the control of the applicant for the Tier 1 investor visa; and

(4) Fees (for example those charged by institutions for managing the portfolio and transaction costs incurred through buying and selling investments) could not be paid for from the investment funds.

4.13. In stark contrast with these requirements, the visa loan business was a pre-ordained multi-step scheme comprising of a series of transactions that, in most instances, sought to enable visa loan business clients to obtain a Tier 1 investor visa for a fee of £400,000 rather than by using their own funds to make the minimum £2 million investment in the UK, as required by the Immigration Rules. Consistent with the fact that it was designed to circumvent the Immigration Rules, the visa loan business was inherently artificial in that it was comprised of a series of contrived transactions which had no genuine commercial rationale and, when viewed as a whole, it gave a false or misleading impression.

4.14. In essence, in its most common form (i.e. the service known as "Gold"), the visa loan business meant that, for the fee of £400,000, the Tier 1 investor visa applicant would be provided with funding by Dolfin connected companies to purchase Conflicted Securities with a nominal value of £2 million which they would hold for a five year period and Dolfin would certify compliance with the Immigration Rules. Further details of the precise nature of the visa loan business and the transactional framework underlying it are set out in Annex B of this Notice.

**Mr Maraj's role in managing the financial aspects of the visa loan business**

4.15. The visa loan business was a service provided to foreign nationals seeking to obtain Tier 1 investor visas, who were introduced to Dolfin by immigration agents, in particular, Immigration Agent A. Mr Maraj had a key role in managing the financial aspects of the visa loan business.

4.16. In November 2015, following discussions with Immigration Agent A, Dolfin commenced the development of the visa loan business. Mr Maraj was not involved in the design or set up of the visa loan business and he was unaware of the scheme until Dolfin started taking on clients in June 2016. Once Dolfin began providing the new service to clients, Mr Maraj queried certain transactions which formed part of the visa loan business and which were unfamiliar to him, and Mr Nagy explained the scheme to him. From this point onwards, consistent with his position as Finance Director/CFO, Mr Maraj played an important role in managing the financial aspects of the visa loan business and, in doing so, developed a comprehensive understanding of the mechanics of the scheme.

4.17. Despite the obviously high risk nature of the visa loan business and taking into consideration that he was a director of Dolfin and approved to perform the CF1 controlled function, having become aware of it, Mr Maraj did not take steps to ensure that Dolfin complied with its Principle 11 obligations by giving the Authority notice that it had commenced the provision of the visa loan business as a high risk new service to clients.

4.18. Immigration Agent A and a number of other immigration agents based both in the UK and abroad introduced visa loan business clients to Dolfin. For the most commonly used visa loan business service (which was known as "Gold") the total commissions payable to immigration agents ranged from £100,000 to £110,000 for each foreign national introduced (along with potential bonus payments if they met certain overall targets for introducing clients).

4.19. Dolfin developed a team to support the visa loan business ("the Tier 1 team") which reported directly to Mr Nagy. The role of the Tier 1 team was to implement the visa loan business and it included meeting clients, processing their onboarding documentation and accepting and processing their instructions, as well as introducing clients to other Dolfin teams for cross-sales. The Tier 1 team primarily focused on the visa loan business, as this was by far the largest revenue generator for both the Tier 1 team and the Dolfin Group as a whole. It was usually Mr Nagy who guided the Tier 1 team in relation to the process for implementing the visa loan business.

4.20. From July 2016 onwards, there was a steady stream of foreign nationals wishing to take advantage of the visa loan business, the majority of whom had been introduced to Dolfin by Immigration Agent A with a smaller number introduced by other immigration agents. For each visa loan business client, the Tier 1 team produced a package of transactional documents, based on templates which had been prepared internally at Dolfin. These transactional documents were necessary in order to put into effect the arrangements underlying the visa loan business which comprised a complex and highly artificial series of transactions (as described at Annex B of this Notice). The transactional documents were then sent to the immigration agents who would have the clients and their relatives sign them, before returning them to the Tier 1 team. Once the documents had been signed by the clients, the Tier 1 team followed a specific process set by Mr Nagy to ensure the transactions were executed in the coordinated manner required.

4.21. The Tier 1 team also liaised with members of the Dolfin finance team ("the Finance team"), headed by Mr Maraj, to ensure that there was enough cash on the client accounts of the relevant Dolfin connected companies, so that the scheme and the circulation of funds could function. In this way, Mr Maraj's financial oversight of the visa loan business included managing liquidity at Dolfin Connected Company Y and Dolfin Connected Company Z and, as such, he was responsible for ensuring that there were sufficient funds available for circulation between the Dolfin client accounts of those companies and the other parties to the artificial transactions comprising the visa loan business (see Annex B for further details in this regard). In practical terms, this usually entailed a member of the Tier 1 team informing Mr Maraj that a new visa loan business client would shortly need financing in order to purchase Conflicted Securities and Mr Maraj would then liaise with Dolfin Connected Company Y and Dolfin Connected Company Z to ensure that they had the necessary funds in place such that the purchase of Conflicted Securities would be able to proceed.

4.22. The Tier 1 team also liaised with the immigration agents to manage the pipeline and onboarding of visa loan business clients, kept Mr Maraj and others updated and, when required, would advise the immigration agents on how the visa loan business worked and the total costs associated with it, so that they could explain it to potential clients and their sub-agents.

4.23. In this way, between July 2016 and March 2019, Mr Maraj's role in managing the financial aspects of the visa loan business enabled at least 99 foreign nationals to obtain Tier 1 investor visas from the Home Office in circumstances where they had not met the requirements of the Immigration Rules.

**Failing to seek independent professional advice and continuing the visa loan business in the face of high levels of risk**

4.24. Given: (i) its inherently artificial nature; (ii) its express purpose of enabling foreign nationals to circumvent the Immigration Rules; (iii) the fact that Mr Maraj was aware of the risks associated with the visa loan business; and (iv) the fact that he was a Director and CF1/SMF3 approved person, coupled with the fact that there was very limited knowledge of immigration law within Dolfin, there was a clear need for Mr Maraj to ensure that Dolfin took appropriate steps to ensure that the visa loan business was lawful and to assess the risks associated with it. However, despite this, Mr Maraj did not adequately challenge other senior personnel at Dolfin in order to satisfy himself as to the legality of the visa loan business and/or take any steps to ensure that Dolfin sought independent professional advice on whether the visa loan business was compliant with the Immigration Rules and/or the risks associated with it.

4.25. The Authority considers that Mr Maraj's failure to ensure Dolfin obtained any legal advice on the visa loan business, when considered in conjunction with the fact that: (a) he did not ensure that Dolfin complied with its Principle 11 obligations by giving the Authority notice that it was providing the visa loan business as a high risk new service to clients; and (b) the subsequent attempts to conceal the visa loan business from the Home Office and the Authority (see paragraphs 4.38 to 4.41 and 4.42 to 4.50 below respectively), gives rise to a strong inference that he knew the scheme was unlikely to be deemed to comply with the Immigration Rules. Despite this, Mr Maraj continued to perform his role in managing the financial aspects of the visa loan business in circumstances where he must have been aware of the risks to both Dolfin and its clients if the true nature of the scheme was unearthed and it was challenged by the Home Office.

4.26. Rather than adequately challenging other senior personnel at Dolfin as to whether the scheme was legal and/or obtaining independent professional advice, Mr Maraj relied on assurances from Mr Nagy regarding the compliance of the scheme with the Immigration Rules in circumstances where Mr Maraj was aware that Mr Nagy had limited knowledge of immigration law and had not taken any steps to seek independent professional advice regarding the visa loan business.

4.27. Mr Maraj continued with this approach, failing to obtain independent professional advice throughout the entirety of the operation of the visa loan business at Dolfin, and continued to manage the financial aspects of the scheme until March 2019, despite the fact that he was aware of the Home Office taking action in late 2017 by refusing the applications for Leave to Remain and Indefinite Leave to Remain of a large number of foreign nationals who had obtained their Tier 1 investor visas by using a funding scheme with similarities to the visa loan business, which had been operated by another authorised firm (albeit prior to November 2014 when the Immigration Rules were materially different).

**Circulation of Funds**

4.28. In his role as Finance Director/CFO, Mr Maraj had financial oversight of the visa loan business, a key aspect of which involved the circulation of funds, as described below.

4.29. The Conflicted Securities purchased by Tier 1 investor visa clients in purported compliance with the Immigration Rules were issued by certain companies that Dolfin or its directors had an interest in (such that they were effectively under the control of Dolfin). The Conflicted Securities were not sold by the issuers but were instead loaned unsecured to other Dolfin connected companies, namely Dolfin Connected Company Y and Dolfin Connected Company Z (both of which were companies controlled by Mr Nagy and in respect of which Mr Maraj was responsible for managing liquidity). These companies then distributed the Conflicted Securities to the Tier 1 investor visa clients, who paid for them from their Dolfin client accounts into the client accounts of the Dolfin connected companies.

4.30. The Authority considers that the issuers of the Conflicted Securities featured as a component of the scheme solely to give the impression that £2 million had been invested into UK trading companies. In reality, the foreign nationals who used the Gold service: (i) paid just £400,000 and that sum was a fee collected by Dolfin connected companies; and (ii) had no genuine prospect of a commercial return on the Conflicted Securities (or on their £400,000 fee).

4.31. In fact, the issuers of the Conflicted Securities did not receive the vast majority of the proceeds from the sale of the Conflicted Securities by Dolfin Connected Company Y and Dolfin Connected Company Z. As overseen by Mr Maraj, most of the proceeds (which, in large part, comprised of the funding arranged by Dolfin) were recirculated through Dolfin's client accounts to provide funding to new foreign national clients of Dolfin who wished to take advantage of the visa loan business.

**Financial performance of the visa loan business**

4.32. In his role as Finance Director/CFO, Mr Maraj was also responsible for the forecasting and calculation of revenues, expenses and profits generated from the visa loan business.

4.33. Fee spreadsheets circulated between Mr Maraj and others show that deductions were made from the £400,000 for the commission which was payable to the immigration agents and the balance of the fee was onward transferred to Dolfin connected companies. The Authority has not identified any contemporaneous evidence which categorically states the overall profit generated by the visa loan business for the entire period that it operated but estimates from the information available to it that, during the Relevant Period, in total Dolfin connected companies gained gross fee revenue of at least £35.5 million from the visa loan business and net profit (after a portion of the fee revenues were paid to immigration agents) was £25.2 million with the vast majority of this profit (£22.3 million) generated by the Gold service.

4.34. The fee revenue generated by the visa loan business was never recognised as fee revenue in Dolfin's audited financial statements, however it was recorded in non-publicised financial reports for the Dolfin Group and Dolfin connected companies, showing that it quickly became very important, far outweighing other revenue generating business areas. For example, in the calendar year 2018, revenue from the Gold service alone was forecast to be £17.6 million, which was 76% of the forecasted revenue for the consolidated Dolfin Group. In addition, for calendar year 2018, the forecast revenues for the Gold service made up 97.5% of the total forecasted revenues to be generated by the work of the Tier 1 team. The success of Dolfin was, therefore, intertwined with the success of the visa loan business and Mr Maraj was acutely aware of this, closely monitoring the fee revenue generated by the scheme throughout its operation.

4.35. The £400,000 payment deposited in Dolfin accounts by each of the foreign nationals who used the Gold service was considered by Mr Maraj and others to be fee revenue to be distributed to various different related parties.

4.36. As part of his financial oversight role, Mr Maraj was also responsible for the distribution of the revenue from the visa loan business. As part of this, he managed and oversaw the payment of introducer commission fees to the immigration agents, usually from the Dolfin client account of Dolfin Connected Company Y. In doing so, he gave directions to a director of Dolfin Connected Company Y to make these payments.

4.37. The balance of the fee revenue (after the immigration agents had been paid their commission fees) was distributed from the Dolfin client account of Dolfin Connected Company Y to other Dolfin connected companies , notionally as interest free 'loans'. Once again, directions were given by Mr Maraj to Dolfin Connected Company Y to make these payments. These directions were given using an encrypted messenger service, seemingly in an attempt to keep them private and to avoid creating an audit trail which would show that there was no distinction as between decision-making at Dolfin and the Dolfin connected companies. The funds were usually then further transferred to Dolfin and to other Dolfin connected companies , including on occasion to the business bank account of Dolfin in order to pay operational expenses. At least £8.4 million of the visa loan business fee revenue was transferred to Dolfin's Bermudan parent company in order to make capital injections into Dolfin and other Dolfin connected companies, and to fund a corporate acquisition.

**Misleading the Home Office and other government agencies**

4.38. Dolfin would write to the Home Office and other government bodies on behalf of its foreign national clients to confirm that the individuals had met the requirements of the Immigration Rules. The letters supported applications by the foreign nationals for initial entry, leave to remain and indefinite leave to remain in the UK after the period of required investment had expired.

4.39. The remaining supporting documentation relating to the immigration aspects of the scheme would be sent to the Home Office/other government agencies by the immigration agents for the client, which was Immigration Agent A in many cases.

4.40. Mr Maraj was one of a number of members of Dolfin senior management who signed such letters sent by Dolfin. In short, these letters certified to the Home Office that the Tier 1 investor visa applicants had invested more than £2 million in qualifying investments and had maintained that investment, in compliance with the Immigration Rules.

4.41. Key to the communications with (and assurances provided to) the Home Office was establishing the 'fact' that the foreign nationals had invested the minimum amount required by the Immigration Rules for an investor to take advantage of the Home Office's Tier 1 investor visa program. However, in reality, the visa loan business was designed precisely to ensure that foreign nationals could take advantage of the Home Office's Tier 1 investor visa program without meeting the minimum thresholds required for investment. In this way, the Authority considers that the letters Mr Maraj and other members of senior management at Dolfin sent to the Home Office were deliberately misleading as they made no reference whatsoever to the visa loan business whilst providing the Home Office with assurances that Mr Maraj knew, given his key role in managing the financial aspects of the visa loan business, to be untrue.

**Misleading the Authority**

*Knowledge of the visa loan business within Dolfin*

4.42. Once it had been set up, Mr Maraj played an important role in managing the financial aspects of the visa loan business and, in doing so, developed a comprehensive understanding of the mechanics of the scheme.

4.43. Knowledge of how the visa loan business operated within Dolfin was limited beyond the Tier 1 team and a number of other individuals, as illustrated by the following examples:

(1) In March 2018, a group 'Advisory Board' was set up. The Advisory Board was not provided with information about the visa loan business and Dolfin's role within it.

(2) Neither Dolfin's incoming Head of Legal nor its incoming Head of Compliance were briefed about the visa loan business upon taking up their new roles.

(3) In February 2020, a senior management committee was established to assist Dolfin with its interactions with the Authority, which had significantly increased in the latter stages of 2019 when Dolfin had first agreed to restrictions pursuant to the VREQ being placed upon it. Between February and April 2020, the committee was trying to understand more about Conflicted Securities A, however, the information requested had not been provided.

*Misleading the Authority while Mr Maraj was Finance Director/CFO and an approved person*

4.44. As referred to above, the Authority first identified significant concerns with Dolfin following supervisory work in the period July 2019 to November 2019. This looked at the services provided to Tier 1 investor visa clients and, during this time, the Authority was seeking to understand Dolfin's role in relation to the Conflicted Securities (with a focus on its management of conflicts of interest). As a result of these concerns, on 19 December 2019, a VREQ was agreed between Dolfin and the Authority which prevented Dolfin from accepting new Tier 1 investor visa clients, except on a discretionary basis, and from distributing Conflicted Securities. Self-evidently, given the nature of its concerns in relation to Dolfin's Tier 1 investor visa business and the Conflicted Securities, the visa loan business was central to the Authority's enquiries. However, in his direct dealings with the Authority during November 2019, when questions and concerns were raised in relation to Dolfin's Tier 1 investor visa business, Mr Maraj omitted to reveal the existence of the visa loan business and, during December 2019, he was copied into correspondence between Dolfin and the Authority in which Mr Nagy adopted the same approach.

4.45. Correspondence between the Authority and Dolfin continued over the ensuing months and, on numerous occasions, Mr Maraj maintained the same approach in that he made no reference to the existence of the visa loan business in his direct communications with the Authority and, where he was copied into correspondence involving other Dolfin employees, he turned a blind eye to those employees providing misleading and/or incomplete responses to the Authority, resulting in Dolfin providing a misleading account of the business model for its Tier 1 investor visa business. In short, during this period, at no point did Mr Maraj (or anyone else) provide an explanation of the facts relating to the visa loan business to the Authority.

4.46. Having failed to do so during the design and set up of the visa loan business, when Dolfin did eventually seek to obtain a legal opinion on the legality of its Tier 1 investor visa business in February 2020 (in response to scrutiny by the Authority), the scope of the legal opinion sought completely omitted the visa loan business and Mr Maraj assisted Mr Nagy in providing Dolfin's newly-appointed immigration lawyers with information that was incomplete. The legal opinion was based on answers in questionnaires stated to be provided by the issuers of the Conflicted Securities. However, in fact, Mr Nagy and Mr Maraj played leading roles in drafting the answers in the questionnaires prior to their submission to Dolfin's immigration lawyers. Crucially, the questionnaires did not disclose to the immigration lawyers any information about the complex and highly artificial transactions that comprised the visa loan business and did not explain how funds were recirculated amongst foreign nationals using Dolfin connected companies to enable the foreign nationals to contribute only £400,000 of their own funds towards a £2 million purchase of Conflicted Securities. This had the effect of skewing the advice that was provided (which overlooked the very issue which was most worthy of attention), making it inaccurate in contending that the Tier 1 investor visa business was compliant with the Immigration Rules. This legal opinion was provided to the Authority by Dolfin, at the behest of Mr Nagy (assisted by Mr Maraj), who wanted to conceal the existence of the visa loan business whilst misleading the Authority as to the purported legality of Dolfin's Tier 1 investor visa business.

4.47. Following further enquiries by the Authority, in April 2020, a follow-up legal opinion was provided to the Authority by Dolfin. This was again produced without Dolfin's immigration lawyers being made aware of the existence of the visa loan business. While Mr Maraj was not directly involved in preparing the information for this follow-up opinion, he was sighted on communications related to it and reviewed a final draft before it was sent to the Authority. Accordingly, Mr Maraj was aware that, once again, neither the Authority nor Dolfin's immigration lawyers had been provided with information about the visa loan business. Thereafter, Mr Maraj continued to try to conceal the visa loan business on the basis that he did not ensure that reference was made to its existence when he was consulted on the response to an information requirement the Authority issued in May 2020 (further to its Enforcement investigation) which required Dolfin to describe the business model for its Tier 1 investor visa business.

4.48. Mr Maraj's failure to disclose the existence of the visa loan business contributed to incomplete and misleading information being provided to the Authority by Dolfin in July 2020 in response to the above information requirement that required Dolfin to provide a narrative describing its Tier 1 investor visa business model, with copies of contemporaneous supporting documentation. It was not until 27 January 2021 that Dolfin wrote to the Authority to disclose the existence of the visa loan business, following Dolfin's new senior management team having unearthed its existence without Mr Maraj's assistance.

*Misleading the Authority following Mr Maraj's resignation as Finance Director/CFO and demonstrating a lack of candour*

4.49. After Mr Maraj's resignation from Dolfin on 30 September 2020 and when he was no longer an Authority-approved person (following his removal from holding any controlled functions on 23 November 2020), during an interview with the Authority in July 2022, Mr Maraj misrepresented the key features of the scheme (and also stood by Dolfin's misleading responses to the Authority in earlier communications about the scheme). In particular, Mr Maraj claimed:

(1) There was no recirculation of cash in the visa loan business. In fact, the Authority has traced the cash movements across the Dolfin client accounts and confirmed that there was a recirculation of funds that was central to the operation of the visa loan business.

(2) He never considered the £400,000 paid by the foreign nationals to use the Gold service to be a 'fee'. In fact, the financial records which were maintained in relation to the visa loan business expressly recorded that the £400,000 payments constituted a fee to the client.

4.50. Mr Maraj also demonstrated a lack of candour in his answers to the Authority's questions at interview. For example, he interpreted the scope of questions narrowly (where the answers to those questions related to the visa loan business) so as to avoid revealing the true nature of the scheme in his responses. In particular, Mr Maraj refused to acknowledge the inherent artificiality of the visa loan business, contending instead that it was a real commercial enterprise involving a series of genuine transactions.

**Arranging payments of cash for Dolfin employees**

4.51. Between 1 May 2018 and 11 July 2018, Mr Maraj and Dolfin Employee A used an encrypted messenger service to discuss arranging for Dolfin Employee A and Dolfin Employee B to collect two instalments of cash either in the UK or in Russia, from a Russian client of Dolfin. In their messages, they used a code, "B", to refer to the cash.

4.52. The messages show that on 4 May 2018, Mr Maraj personally handed over the first instalment of cash to Dolfin Employee A in a meeting room at Dolfin's offices in London.

4.53. For the second instalment, Dolfin Employee A suggested making arrangements for Dolfin Employee B to collect the cash in Russia and bring it back to the UK. Initially, Mr Maraj explained that he did not favour this approach because of the limits on the amount of cash which could be brought into the UK from overseas and suggested that Dolfin Employee A could arrange for someone else to "*deal with*" the cash in Russia on his behalf (rather than having Dolfin Employee B bring it back to the UK).

4.54. The messages then show that, throughout June 2018, there were difficulties in obtaining the second instalment of cash from the Russian client, with Mr Maraj "*chasing him daily"*. Eventually, in early July 2018, Mr Maraj arranged for Dolfin Employee B to pick up the cash in Moscow and pass a portion of that cash onto Dolfin Employee A. While the exact volume of cash in the second instalment is unknown, it appears that it amounted to between £7,500 and £15,000.

4.55. At interview with the Authority, Mr Maraj was asked about his role in arranging the payment of these instalments of cash. Mr Maraj claimed not to recall what "B" referred to and stated that he did not know what the purpose of the cash payments was, other than that he had a vague understanding that they related to the business of a Russian client of Dolfin. In this way, Mr Maraj's account at interview was that despite (a) being the Finance Director/CFO of Dolfin and a CF1 controlled function holder and (b) directly arranging these high-risk cash transactions himself, it was nonetheless not incumbent on him to have any appreciation of the reason(s) for them or the purpose for which the cash would be used.

4.56. Mr Maraj explained that he had only been involved in arranging the cash payments because of his role as the "*finance guy*" at Dolfin, such that finance-related questions and tasks generally went through him. Mr Maraj further claimed that, because he did not know the purpose of the cash payments, he did not know whether it would have been simpler to make the payments electronically, rather than in cash, which needed to be physically carried across borders. Despite claiming that he was involved in arranging the cash payments because it was a financial issue, Mr Maraj also stated that he did not account for the payments in any books or records.

4.57. At interview, Mr Maraj confirmed that he was aware that Russia is considered a high-risk country for financial crime and that the use of cash is also considered a red flag for financial crime. Despite being aware of the risks associated with cash transactions involving Russia, Mr Maraj said that he had not made enquires as to either the source of funds or the purpose of the cash payments, and even went so far as to say that he did not know the reason for his role in arranging them. Nevertheless, Mr Maraj maintained that, in his view, these cash transactions did not raise any concerns in terms of financial crime risks.

## 5. FAILINGS

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

5.2. By reason of the facts and matters above, during the Relevant Period, Mr Maraj demonstrated, both in his capacity as an approved person and outside this role, that he is not a fit and proper person on the basis that he lacks integrity, as follows:

(1) He managed the financial aspects of the visa loan business, which: (a) was created to enable Dolfin's Tier 1 investor visa clients to circumvent the requirements of the Home Office's Immigration Rules; and (b) was inherently artificial and, when viewed as a whole, gave a false or misleading impression.

(2) He made a number of misleading representations in letters to the Home Office and another government agency indicating that clients using the visa loan business had met the requirements of the Immigration Rules (when they had not).

(3) In an effort to conceal the existence of the visa loan business, he misled the Authority about the true nature of Dolfin's Tier 1 investor visa business. For example:

a) Between November 2019 and May 2020, he made no reference to the existence of the visa loan business in his direct communications with the Authority and, where he was copied into correspondence involving other Dolfin employees, he turned a blind eye to those employees providing misleading and/or incomplete responses to the Authority.

b) In early 2020, he participated in misleading the Authority through the deliberate provision of incomplete and inaccurate information to an immigration lawyer instructed by Dolfin (in particular, omitting any reference to the visa loan business) so as to procure legal advice, to be shared with the Authority on a limited waiver of privilege basis, in relation to the purported legality of Dolfin's Tier 1 investor visa business.

(4) Thereafter, while Mr Maraj was no longer an Authority-approved person (following his removal from holding any controlled functions on 23 November 2020), he continued to demonstrate a lack of integrity because, when interviewed by the Authority in July 2022, he misrepresented the key features of the visa loan business and stood by Dolfin's misleading responses to the Authority in earlier communications about the scheme.

5.3. Mr Maraj also demonstrated a lack of candour in his answers to the Authority's questions during an unannounced visit, in his communications to the Authority and at interview. For example, Mr Maraj interpreted the scope of questions narrowly (where the answers to those questions related to the visa loan business) with the result that he did not reveal the true nature of the scheme in his responses.

5.4. Given: (i) its inherently artificial nature; (ii) its express purpose of enabling foreign nationals to circumvent the Immigration Rules; (iii) the fact that Mr Maraj was aware of the risks associated with the visa loan business; and (iv) the fact that he was a Director and CF1/SMF3 approved person, Mr Maraj was also reckless and/or negligent in:

(1) Failing to adequately challenge other senior personnel at Dolfin as to the legality of the visa loan business and/or the risks associated with it.

(2) Failing to ensure that Dolfin obtained independent professional advice in relation to the legality of the visa loan business and/or the risk that it would be challenged by the Home Office.

(3) Taking false comfort in relation to the purported legality of the visa loan business from assurances provided by Mr Nagy who Mr Maraj knew had limited knowledge of immigration law and had not taken independent professional advice in relation to the legality of the scheme.

(4) Failing to ensure that Dolfin complied with its Principle 11 obligations by giving the Authority notice that it had commenced the provision of the visa loan business as a high risk service to clients.

5.5. Additionally, between May and July 2018, Mr Maraj acted recklessly and/or negligently with a disregard for financial crime risks in arranging for the collection of cash in Moscow and London by two Dolfin employees from a Russian client in circumstances where Mr Maraj, according to his account at interview with the Authority, did not know the reason for these high-risk transactions, the purpose for which the cash would be used or even the reason for his role in arranging them.

5.6. The Authority considers that Mr Maraj's misconduct, as summarised at paragraphs 5.2 (1)-(3) and 5.3 to 5.5 above, occurring between June 2016 and November 2020 (whilst he was approved by the Authority to perform controlled functions at Dolfin) constituted:

(1) A failure to act with integrity in contravention of both Statement of Principle 1 of the Authority's Statements of Principle and Code of Practice for Approved Persons ("APER") and Individual Conduct Rule 1 of the Authority's Code of Conduct ("COCON") rules (as applicable during the Relevant Period).

(2) A failure to be open and cooperative with the Authority and to disclose appropriately any information of which the Authority would reasonably expect notice, in contravention of Statement of Principle 4 of APER and Individual Conduct Rule 3/Senior Manager Conduct Rule 4 of COCON.

(3) As applicable to his reckless and/or negligent misconduct:

i. A failure to exercise due skill, care and diligence in managing the business of the firm for which he was responsible, in contravention of Statement of Principle 6 of APER and Individual Conduct Rule 2 of COCON.

ii. A failure to take reasonable steps to ensure that the business of Dolfin for which he was responsible complied with the requirements and standards of the regulatory system, in contravention of Statement of Principle 7 of APER and Senior Manager Conduct Rule 2 of COCON.

## 6. SANCTION

**<u>Financial penalty</u>**

6.1. The Authority's policy for imposing a financial penalty is set out in Chapter 6 of DEPP. In respect of conduct occurring on or after 6 March 2010, the Authority applies a five-step framework to determine the appropriate level of financial penalty. 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 Maraj derived directly from the breaches.

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. "Employment" includes, but is not limited to, employment as an advisor, director, partner or contractor (DEPP 6.5B.2 G (1)).

6.6. The period of Mr Maraj's breaches was from June 2016 to November 2020. The Authority considers Mr Maraj's relevant income for this period to be £387,522.76.

6.7. In deciding on the percentage of the relevant income 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 5 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%

In assessing the seriousness level, the Authority takes into account various factors which reflect the impact and nature of the breach, and whether it was committed deliberately or recklessly.

Impact of the breach

6.8. DEPP 6.5B.2G(8) sets out factors relating to the impact of a breach. Of these, the Authority considers the following factor to be relevant to Mr Maraj's breaches.

(1) DEPP 6.5B.2G(8)(e) - Mr Maraj's breaches were, amongst other things, a cause for the Authority to intervene by imposing restrictions on Dolfin preventing it from conducting regulated activities. Thereafter, the new management team at Dolfin decided that it could no longer carry on trading and Dolfin entered special administration on 30 June 2021. This has resulted in inconvenience and distress to Dolfin's clients.

Nature of the breach

6.9. DEPP 6.5B.2G(9) sets out the factors relating to the nature of a breach. Of these, the Authority considers the following factors to be relevant:

(1) DEPP 6.5.2G(9)(b) – Mr Maraj's breaches took place frequently and over an extended period of time.

(2) DEPP 6.5B.2G(9)(e) – Mr Maraj failed to act with integrity.

(3) DEPP 6.5B.2G(9)(k) – Mr Maraj was approved to perform various controlled functions, including the Director (CF1) controlled function (from 30 September 2013 until 3 December 2019), the Non-Executive Director (CF2) controlled function (from 9 December 2013 until 8 December 2019), the CASS Oversight (CF10a) controlled function (from 5 August 2014 until 8 December 2019) and the Executive Director (SMF3) controlled function (9 December 2019 until 23 November 2020) such that he held a senior management position at Dolfin.

6.10. DEPP 6.5B.2G(12) lists factors likely to be considered 'level 4 or 5 factors'. Of these, the Authority considers the following factors to be relevant:

(1) DEPP 6.5B.2G(12)(d) - Mr Maraj failed to act with integrity.

(2) DEPP 6.5B.2G(12)(g) - Mr Maraj's breaches were committed deliberately or recklessly.

6.11. DEPP 6.5B.2G(13) lists factors likely to be considered 'level 1, 2 and 3 factors'. The Authority considers that none of these factors apply on the basis that, in addition to negligence, the Authority considers that Mr Maraj's misconduct included a lack of integrity and recklessness.

6.12. 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 £387,522.76.

6.13. Step 2 is therefore £116,256.83.

**Step 3: aggravating and mitigating factors**

6.14. 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.

6.15. Having regard to the factors set out in DEPP 6.5B.3G, the Authority considers that there are no factors that aggravate or mitigate the breach, so the Authority has not increased or decreased the penalty at Step 3.

6.16. The Step 3 figure is therefore £116,256.83.

**Step 4: Adjustment for deterrence**

6.17. Pursuant to DEPP 6.5B.4G, if the Authority considers that 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.

6.18. The Authority considers that, in order to achieve credible deterrence, a multiplier of 1.5 should be applied to the Step 3 figure on the basis that during the Relevant Period, Mr Maraj received substantial financial benefits from another Dolfin Group company in addition to his relevant income (as set out in paragraph 6.6 above) such that the absolute value of the penalty would otherwise be too small in relation to his breaches (DEPP 6.5B.4G(1)(a)).

6.19. The Step 4 figure is therefore £174,385.25

**Step 5: settlement discount**

6.20. Pursuant to DEPP 6.5C.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.

6.21. The Authority and Mr Maraj reached agreement at Stage 1 and so a 30% discount applies to the Step 4 figure.

6.22. Step 5 is therefore £122,000 (rounded down to the nearest £100 in accordance with the Authority’s usual practice).

**<u>Penalty</u>**

6.23. The Authority therefore hereby imposes a total financial penalty of £122,000 on Mr Maraj.

**<u>Prohibition</u>**

6.24. The Authority has the power to prohibit individuals under section 56 of the Act if it appears to the Authority that the individual is not a fit and proper person.

6.25. In light of the serious nature of Mr Maraj's misconduct, involving both a lack of: (a) integrity: and (b) competence and capability, the Authority considers that Mr Maraj poses a risk to consumers and to the integrity of the UK financial system and is not a fit and proper person to perform any senior management function in relation to any regulated activities carried on by an authorised or exempt person, or exempt professional firm. The Authority considers that it is therefore appropriate and proportionate in all the circumstances to make an order prohibiting Mr Maraj from performing any function in relation to any regulated activities carried on by any authorised or exempt persons, or exempt professional firm.

6.26. The Authority considers the action set out in this Notice will advance its operational objectives of securing an appropriate degree of protection for consumers and protecting and enhancing the integrity of the UK financial system. The Authority has also had regard to the guidance in Chapter 9 of the Enforcement Guide ("EG"), the relevant provisions of which are set out in Annex A to this Notice.

## 7. PROCEDURAL MATTERS

7.1. This Notice is given to Mr Maraj under and in accordance with section 390 of the Act.

7.2. The following statutory rights are important.

**Decision maker**

7.3. The decision which gave rise to the obligation to give this Notice was made by the Settlement Decision Makers.

**Manner and time for payment**

7.4. The financial penalty must be paid in full by Mr Maraj to the Authority no later than 8 September 2026.

**If the financial penalty is not paid**

7.5. If all or any of the financial penalty is outstanding on 9 September 2026, the Authority may recover the outstanding amount as a debt owed by Mr Maraj and due to the Authority.

**Publicity**

7.6. 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.

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

**Authority contacts**

7.8. For more information concerning this matter generally, contact Sam Nason at the Authority (email: sam.nason@fca.org.uk).

**Anthony Williams**

**Head of Department**

**Financial Conduct Authority, Enforcement and Market Oversight Division**

## ANNEX A

## RELEVANT STATUTORY AND REGULATORY PROVISIONS

### RELEVANT STATUTORY PROVISIONS

1.1. The Authority's statutory objectives, set out in section 1B(3) of the Act, include securing an appropriate degree of protection for consumers (section 1C of the Act) and protecting and enhancing the integrity of the UK financial system (section 1D of the Act).

1.2. 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. A person is guilty of misconduct if, while an approved person, he has failed to comply with a statement of principle issued under section 64 of the Act, or has been knowingly concerned in a contravention by a relevant authorised person of a relevant requirement imposed on that authorised person.

1.3. Section 56 of the Act provides that the Authority may make an order prohibiting an individual from performing a specified function, any function falling within a specified description or any function, if it appears to the Authority that that 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 actives.

### RELEVANT REGULATORY PROVISIONS

<u>Statements of Principle and Code of Practice for Approval Persons</u>

1.4. The Authority's Statements of Principle and Code of Practice for Approved Persons ("APER") have been issued under section 64 of the Act.

1.5. Statement of Principle 1 states:

An approved person must act with integrity in carrying out his accountable functions.

1.6. Statement of principle 4 states:

An approved person must deal with the Authority and other regulators in an open and cooperative way and must disclose appropriately any information of which the Authority would reasonably expect notice.

1.7 Statement of Principle 6 states:

An approved person performing an accountable significant-influence function must exercise due skill, care and diligence in managing the business of the firm for which he is responsible in his accountable function.

1.8 Statement of Principle 7 states:

An approved person performing an accountable significant-influence function must take reasonable steps to ensure that the business of the firm for which he is responsible in his accountable function complies with the relevant requirements and standards of the regulatory system.

1.9 The Code of Practice for Approved Persons sets out descriptions of conduct which, in the opinion of the Authority, do not comply with a Statement of Principle. It also sets out factors which, in the Authority's opinion, are to be taken into account in determining whether an approved person's conduct complies with a Statement of Principle.

1.10 APER 4.1.3E states that deliberately misleading (or attempting to mislead) the Authority by act or omission does not comply with Statement of Principle 1.

1.11 APER 4.4.4E states that failing to report promptly in accordance with his firm'*s* internal procedures (or if none exist direct to the regulator concerned), information which it would be reasonable to assume would be of material significance to the regulator concerned, does not comply with Statement of Principle 4.

1.12 APER 4.4.9E states that failing without good reason to inform a regulator of information of which the approved person was aware in response to questions from that regulator and/or supply a regulator with appropriate documents or information when requested or required to do so and within the time limits attaching to that request or requirement, does not comply with Statement of Principle 4.

1.13 APER 4.6.4E(5) states that failing to obtain independent, expert opinion where appropriate does not comply with Statement of Principle 6.

<u>Code of Conduct Sourcebook</u>

1.14 The Authority's Code of Conduct Sourcebook ("COCON") has been issued under section 64A of the Act. From December 2019, the rules of COCON were applicable to all FCA regulated firms.

1.15 Individual Conduct Rule 1 set out in COCON 2.1.1R states:

You must act with integrity.

1.16 Individual Conduct Rule 2 set out in COCON 2.1.2R states:

You must act with due skill, care and diligence.

1.17 Individual Conduct Rule 3 set out in COCON 2.1.3R states:

You must be open and cooperative with the Authority and other regulators.

1.18 Senior Manager Conduct Rule 2 set out in COCON 2.2.2R states:

You must take reasonable steps to ensure that the business of the firm for which you are responsible complies with the relevant requirements and standards of the regulatory system.

1.19 Senior Manager Conduct Rule 4 set out in COCON 2.2.2R states:

You must disclose appropriately any information of which the Authority would reasonably expect notice.

1.20 COCON 4.1.1G(1)(c) states that misleading (or attempting to mislead) the Authority by act or omission would be in breach of Individual Conduct Rule 1.

1.21 COCON 4.1.8G(2)(E) states that failing to obtain independent, expert opinion where appropriate would be in breach of Individual Conduct Rule 2.

1.22 COCON 4.1.11G(1) states that failing to report promptly in accordance with their firm's internal procedures (or, if none exist, direct to the regulator concerned), information in response to questions from the Authority would be in breach of Individual Conduct Rule 2.

1.23 COCON 4.1.11G(2)(a) and (c) state that failing without good reason to (a) inform a regulator of information of which the approved person was aware in response to questions from that regulator and/or supply a regulator with appropriate documents or information when requested or required to do so and within the time limits attaching to that request or requirement, would be in breach of Individual Conduct Rule 3.

1.24 COCON 4.2.26G states:

*"SC4 applies to senior conduct rules staff members in addition to rule 3 in COCON 2.1.3R. Although, the rules have some overlap, they are different. Rule 3 normally relates to responses from individuals to requests from the regulator, whereas rule SC4 imposes a duty on a senior conduct rules staff member to disclose appropriately any information of which the appropriate regulator would reasonably expect, including making a disclosure in the absence of any request or enquiry from the appropriate regulator. A senior conduct rules staff member is likely to have access to greater amounts of information of potential regulatory importance and to have the expertise to recognise when this may be something of which the appropriate regulator would reasonably expect notice."*

1.25 COCON 4.2.27 states that where a senior conduct rules staff member is responsible within the firm (individually or with other senior conduct rules staff members) for reporting matters to the regulator, failing promptly to inform the regulator concerned of information of which they are aware and which it would be reasonable to assume would be of material significance to the regulator concerned, whether in response to questions or otherwise, constitutes a breach of Senior Manager Conduct Rule 4.

The Fit and Proper Test for Approved Persons

1.26 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 of a candidate for a controlled function. FIT is also relevant in assessing the continuing fitness and propriety of an approved person.

1.27 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. The most important considerations will be the person's honesty, integrity and reputation, competence and capability and financial soundness.

1.28 FIT 2.1.1G provides that, in determining a person's honesty and integrity, the Authority will have regard to all relevant matters, including, but not limited to, those set out in FIT 2.1.3G which may have arisen either in the United Kingdom or elsewhere.

1.29 FIT 2.1.3G sets out a non-exhaustive list of the matters referred to in FIT 2.1.1G which the Authority will have regard to in determining a person's honesty and integrity, including the following:

(5) whether the person has contravened any of the requirements and standards of the regulatory system or the equivalent standards or requirements of other regulatory authorities (including a previous regulator), clearing houses and exchanges, professional bodies, or government bodies or agencies;

(9) whether the person has been a director, partner, or concerned in the management, of a business that has gone into insolvency, liquidation or administration while the person has been connected with that organisation or within one year of that connection;

(10) whether the person, or any business with which the person has been involved, has been investigated, disciplined, censured or suspended or criticised by a regulatory or professional body, a court or Tribunal, whether publicly or privately; and

(13) whether, in the past, the person has been candid and truthful in all their dealings with any regulatory body and whether the person demonstrates a readiness and willingness to comply with the requirements and standards of the regulatory system and with other legal, regulatory and professional requirements and standards.

The Enforcement Guide ("EG")

1.30 EG sets out the Authority's approach to exercising its main enforcement powers under the Act.

1.31 Chapter 7 of EG sets out the Authority's approach to exercising its power to impose a financial penalty.

1.32 The Authority's policy in relation to prohibition orders is set out in Chapter 9 of EG.

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

1.34 EG 9.2 sets out the Authority's general policy on making prohibition orders. In particular:

- EG 9.2.1 states that the Authority will consider all the relevant circumstances;
- EG 9.2.2 states that the Authority has the power to make a range of prohibition orders depending on the circumstances of each case and the range of regulated activities to which the individual's lack of fitness and propriety is relevant; and
- EG 9.2.3 states that the scope of a prohibition order will depend on, among other things, the reasons why the individual is not fit and proper and the severity of risk he poses to consumers or the market generally.

1.35 EG 9.3.5 sets out examples of types of behaviour which have previously resulted in the Authority deciding to issue a prohibition order or withdraw the approval of an approved person, including the following: (1) providing false or misleading information to the Authority; (2) failure to disclose material considerations on application forms; (3) severe acts of dishonesty; (4) serious lack of competence; and (5) serious breaches of APER or COCON.

1.36 EG 9.5.1 states that where the Authority is considering making a prohibition order against an individual who is not an approved person, the Authority will consider the severity of the risk posed by the individual and may prohibit the individual where it considers this is appropriate to achieve one or more of its statutory objectives.

1.37 EG 9.5.2 states that, when considering whether to exercise its power to make a prohibition order against an individual who is not an approved person, the Authority will consider all the relevant circumstances of the case. These may include, but are not limited to, where appropriate, the factors set out in EG 9.3.2. Those factors include: (2) whether the individual is fit and proper to perform functions in relation to regulated activities (noting the criteria set out in FIT 2.1, 2.2 and 2.3); (5) the relevance and materiality of any matters indicating unfitness; (6) the length of time since the occurrence of any matters indicating unfitness; (7) the particular controlled function the approved person is (or was) performing, the nature and activities of the firm concerned and the markets in which he operates; and (8) the severity of the risk which the individual poses to consumers and to confidence in the financial system.

<u>DEPP</u>

1.38 Chapter 6 of DEPP sets out the Authority's statement of policy with respect to the imposition and amount of financial penalties under the Act.

<u>Principles for Businesses and the Supervision Manual</u>

1.39 Principle 11 of the Authority's Principles for Businesses ("PRIN") states that a firm must deal with its regulators in an open and cooperative way, and must disclose to the Authority appropriately anything relating to the firm of which that regulator would reasonably expect notice.

1.40 SUP 15.3.8G(1)(c) of the Supervision manual ("SUP") states that compliance with Principle 11 includes, but is not limited to, giving the appropriate regulator notice of commencing the provision of a new type of product or service (whether in the UK or overseas).

## ANNEX B

## THE VISA LOAN BUSINESS

1.1. The visa loan business was a complex funding scheme operated by Dolfin for its Tier 1 investor visa clients, which was designed to circumvent the requirements of the Home Office's Immigration Rules.

1.2. In short, the visa loan business was a pre-ordained multi-step scheme comprising of a series of contrived transactions which had no genuine commercial rationale and which, in most instances, sought to enable Dolfin's clients to obtain a Tier 1 investor visa for a fee of £400,000, rather than by using their own funds to make the minimum £2 million investment in the UK, as required by the Immigration Rules.

1.3. The most commonly used visa loan business service was known as the "Gold" service. The key features of the Gold service offered as part of the visa loan business were as follows:

(1) The foreign national paid £400,000 of their own money into their client account at Dolfin. The £400,000 was a fee which would ultimately be divided up among: (a) the immigration agents who introduced the foreign national to Dolfin as a Tier 1 investor visa client; and (b) companies connected to Dolfin;

(2) The foreign national signed a package of transactional documents created by Dolfin staff which, when executed, would make it appear as if qualifying investments worth at least £2 million were being invested in by the foreign national;

(3) The £2 million used to purchase the Conflicted Securities was made up of the £400,000 fee paid by the foreign national and £1.6 million of financing that would originate from a Dolfin connected company registered in the British Virgin Islands ("Dolfin Connected Company Y"). The £1.6 million would be circulated in a series of contrived transactions between different Dolfin client accounts, passing temporarily though the client account of the foreign national, before returning back to its source, the Dolfin client account

of Dolfin Connected Company Y (as a purchase of Conflicted Securities for consideration of £2 million);

(4) Foreign nationals using the visa loan business could only purchase the Conflicted Securities which, in all instances, were bonds that had been issued by companies that Dolfin or its directors had an interest in (such that those issuers were under their control);

(5) Introducer fees were paid to the immigration agents, typically totalling between £100,000 and £110,000, and these were calculated as fees to be deducted from the £400,000 fee paid by the foreign national;

(6) After the deductions of fees to immigration agents, the majority of the remaining balance of the £400,000 fee was distributed by Dolfin Connected Company Y to Dolfin, its Bermudan parent company and other Dolfin connected companies;

(7) Under a Call Option Agreement (and often an associated Power of Attorney giving Dolfin power to implement the call option) entered into by the foreign national and a Dolfin connected company, Dolfin could reclaim the Conflicted Securities purchased by the foreign national at the end of the five-year period that the foreign national was required to hold qualifying investments under the Immigration Rules; and

(8) Dolfin would write to the Home Office making misleading representations to the effect that the foreign national had satisfied the Immigration Rules by investing at least £2 million in UK businesses.

1.4. The methods by which Dolfin provided finance to foreign nationals who participated in the visa loan business in order to create the impression that they were investing £2 million of their own funds, took on different iterations and evolved over time but operated in largely the same way. The common feature was that the foreign national made a payment (of varying amounts) significantly below that required to be invested under the Immigration Rules (and which in any event was absorbed as a fee), with Dolfin connected companies providing the balance to make up the shortfall to purchase the Conflicted Securities.

1.5. There were numerous options offered within the visa loan business scheme. The key ones were:

(1) Gold, which involved the foreign national depositing £400,000 and being financed by Dolfin connected companies for the remaining £1.6 million to purchase Conflicted Securities for £2 million. This was the minimum amount required to be invested to obtain indefinite leave to remain in five years. The fee to the client for this service was £400,000.

(2) Jade, which involved the foreign national depositing £2 million for the purchase of Conflicted Securities, but with £1.6 million of that being returned to them within a short period (approximately within a week). The fee to the client for this service was £400,000.

(3) Silver, which involved the foreign national depositing £1 million and being financed by Dolfin connected companies for the remaining £1 million to purchase Conflicted Securities for £2 million. The foreign national would receive back £950,000 after five years and the fee to them for this service was £50,000.

(4) Platinum, which involved the foreign national depositing £2 million and being financed by Dolfin connected companies with £3 million in order to purchase Conflicted Securities for £5 million. This was the minimum amount required to be invested in order to obtain indefinite leave to remain in three years (rather than five years). The foreign national would have £1.9 million returned to them after three years and the fee to them for this service was £100,000; and

(5) Palladium, which involved the foreign national depositing £3 million and being financed by Dolfin connected companies with £7 million to purchase Conflicted Securities for £10 million. This was the minimum amount required to be invested in order to obtain indefinite leave to remain in two years (rather than three or five years). The foreign national would have £2.85 million returned to them after two years and the fee to them for this service was £150,000.

1.6. The Gold service was by far the most popular with foreign nationals, with 77 of the 99 Tier 1 investor visa clients who engaged with Dolfin using it during the Relevant Period.

**Example of a client that used the Gold service**

1.7. Described below is an example of how the visa loan business operated in relation to a specific foreign national (referred to as "Dolfin Client H"), who used the Gold service. All the relevant parties referred to below had accounts with Dolfin, thus enabling the scheme to be put into effect using only Dolfin's account infrastructure.

(1) On 21 March 2017, a SPV was set up in the British Virgin Islands and, on 24 April 2017, it opened a client account with Dolfin. The SPV was connected to Dolfin Client H by way of her husband being its sole director and shareholder.

(2) Over the period 7 to 18 April 2017, Dolfin Client H deposited funds totalling £400,000 into her previously inactive Dolfin client account.

(3) On 24 April 2017, Dolfin Client H emailed the Tier 1 team, asking when the full £2 million would be available and when she would receive a refund agreement in case the investment was unsuccessful.

(4) Letters in the folder for Dolfin Client H maintained by the Tier 1 team stated that Dolfin agreed to refund the £400,000 fee if the investment was found to be non-compliant by the Home Office.

(5) On 28 April 2017, the SPV borrowed Conflicted Securities Z from Dolfin Connected Company Z with a purported value of £1.6 million.

(6) On the same day, the SPV sold the Conflicted Securities Z it had just borrowed from Dolfin Connected Company Z to Dolfin Connected Company Y for £1.6 million.

(7) The £1.6 million proceeds from the sale of the Conflicted Securities Z to Dolfin Connected Company Y were transferred on the same day from the SPV's account to Dolfin Client H's account, notionally as a "gift", where it was combined with the £400,000 that Dolfin Client H had previously paid into it from her own funds.

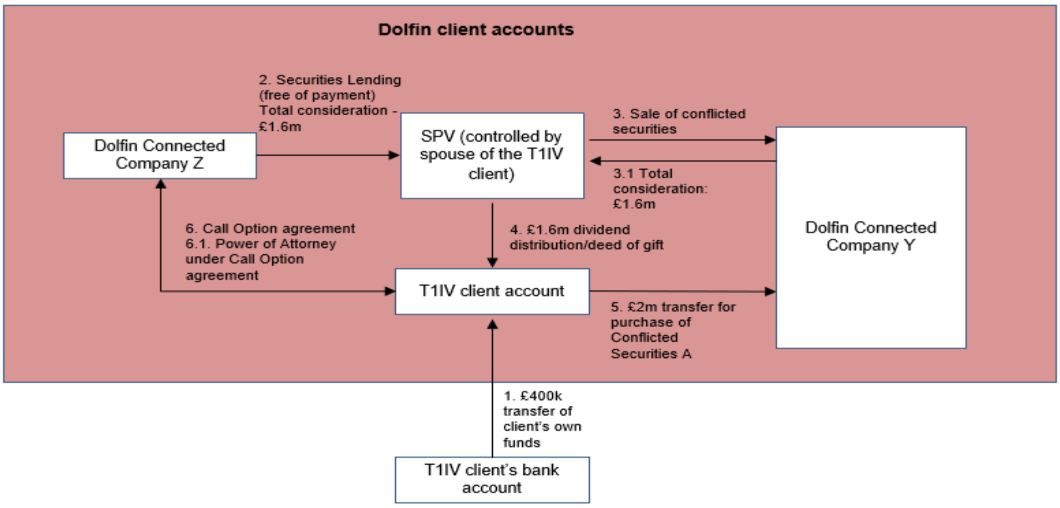
(8) On 2 May 2017, Dolfin Client H bought Conflicted Securities A with a 0% coupon from Dolfin Connected Company Y (acting as distributor for Issuer A) for consideration of £2 million. This consideration comprised the £1.6 million, which had originated from Dolfin Connected Company Y, and the £400k that Dolfin Client H had deposited into her Dolfin account.

(9) On 2 May 2017, Dolfin Client H also entered into a Call Option Agreement with Dolfin Connected Company Z. This required that, upon notice from Dolfin Connected Company Z, Dolfin Client H would have to deliver up her holding in Conflicted Securities A, in exchange for the release of the SPV from its obligations to Dolfin Connected Company Z (as referred to at (paragraph 1.7(5)) above).

1.8. The Call Option Agreements that Dolfin Client H and other foreign nationals entered into included onerous terms that meant that the Conflicted Securities they purchased remained under the control of Dolfin at all times.

1.9. A process chart showing these transactional arrangements is set out below.

**Gold Service**




**Step 1.** The Tier 1 Investor visa client ("T1IV client") transfers £400k from her bank account into her Dolfin client account.

**Step 2.** Dolfin Connected Company Z lends conflicted securities with nominal value of £1.6m to a SPV registered in the BVI
Document: Securities lending agreement

**Step 3.** The SPV sells conflicted securities to Dolfin Connected Company Y and receives total consideration of £1.6m.
Document: Bond sale instruction given by director and owner of the SPV (husband of the Tier 1 investor visa client)

**Step 4.** The SPV transfers £1.6m to the Client as a "gift"
Document: Gift Deed Transfer

**Step 5.** Client purchases Conflicted Securities A (total £2m) from Dolfin Connected Company Y (this places £1.6m back to its original source).
Document: Bond purchase instruction

**Step 6.** Dolfin Connected Company Z and T1IV Client enters into a Call Option agreement
Document: Call Option agreement - In five years, upon notice from Dolfin Connected Company Z, the T1IV client delivers up Conflicted Securities A, in exchange for right of claim on bonds issued by Dolfin Connected Company Z. This right of claim is used to release the family SPV from its obligations to Dolfin Connected Company Z, arising from the Securities Lending agreement (see Step 2) and the claims are offset; The T1IV Client gives a Power of Attorney to Dolfin to transfer Conflicted Securities A under the Call Option Agreement.

1.10. By contrast with the complex funding scheme operated by Dolfin which is described above, a foreign national could have obtained a Tier 1 investor visa by simply investing £2 million of their own money in (for example) shares in a FTSE 100 company or companies. Thus, the series of contrived transactions comprising the visa loan business, which had no genuine commercial rationale, were designed solely to circumvent the requirements of the Immigration Rules.