
FINAL NOTICE

To: **Sovereign Worldwide Limited**

Address: Dalkeith, Edinburgh

FRN: 449143

Date: 4 July 2013

1. ACTION

1.1 The Authority hereby cancels Sovereign's permission.

1.2 The Authority gave Sovereign a Decision Notice on 4 March 2013 (the "Decision Notice") which notified it that, for the reasons given below, the Authority had decided to cancel Sovereign's permission.

1.3 Sovereign has not referred the matter to the Tribunal within 28 days of the date on which the Decision Notice was given to it. Accordingly, the Authority today cancels Sovereign's permission.

2. SUMMARY OF REASONS

2.1 The Authority has concluded, on the basis of the facts and matters set out below, that Sovereign is failing, or is likely to fail, to satisfy the threshold conditions.

3. DEFINITIONS

3.1 The definitions below are used in this Final Notice.

- a) the "Act" means the Financial Services and Markets Act 2000;
- b) the "Authority" means the body corporate previously known as the Financial Services Authority and renamed on 1 April 2013 as the Financial Conduct Authority;
- c) "Mr Khan" is Amir Khan, Sovereign's sole director, employee and approved person;
- d) "Sovereign" means Sovereign Worldwide Limited, which also operates under the trading style "wpfinancial";
- e) "Sovereign's permission" means the permission granted to Sovereign pursuant to Part IV and (from 1 April 2013 onwards) Part 4A of the Act;
- f) "threshold conditions" means the threshold conditions set out in Schedule 6 to the Act; and
- g) the "Tribunal" means the Upper Tribunal (Tax and Chancery Chamber).

4. RELEVANT STATUTORY PROVISIONS

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

5. FACTS AND MATTERS

5.1 By a Decision Notice dated 4 March 2013 given to Mr Khan, the Authority decided to withdraw Mr Khan's approval to perform controlled functions in relation to Sovereign on the basis that he had been found to lack fitness and propriety in terms of his honesty, integrity, competence and capability. Mr Khan has not referred the decision to withdraw his individual approval to the Tribunal.

5.2 Consequently Sovereign is failing, and will continue to fail, to:

- a) have adequate resources as a result of having inadequate human resource in relation to the regulated activities that it carried on; and
- b) satisfy the Authority that it is fit to have permission due to its connection with Mr Khan.

5.3 As Sovereign is failing, and will continue to fail, to satisfy the threshold conditions, the Authority hereby cancels its permission.

6. PROCEDURAL MATTERS

Decision maker

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

Important

6.2 This Final Notice is given to Sovereign in accordance with section 390(1) of the Act.

Publicity

6.3 Sections 391(4), 391(6) and 391(7) of the Act apply to the publication of information about the matter to which this Final Notice relates. Under those provisions, the Authority must publish such information about the matter to which this Final Notice relates as the Authority considers appropriate. The information may be published in such manner as the Authority considers appropriate. However, the Authority may not publish information if such publication would, in the opinion of the

Authority, be unfair to Sovereign or prejudicial to the interests of consumers or detrimental to the stability of the UK financial system.

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

Authority contact

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

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Bill Sillett

Enforcement and Financial Crime Division
Financial Conduct Authority

ANNEX

STATUTORY PROVISIONS, REGULATORY GUIDANCE AND POLICY

Authority's objectives

- 1.1 The Authority's operational objectives include securing an appropriate degree of protection for consumers and protecting and enhancing the integrity of the UK financial system.

The threshold conditions

- 1.2 Section 55B and Schedule 6 to the Act sets out the threshold conditions which are conditions that the Authority must ensure a firm will satisfy, and continue to satisfy, in relation to regulated activities for which it has permission.
- 1.3 The Authority is authorised by section 55J of the Act to cancel an authorised person's permission where it appears that an authorised person is failing, or likely to fail, to satisfy the threshold conditions.
- 1.4 Part 2D of Schedule 6 to the Act states that the resources of a person must, in the opinion of the Authority, be appropriate in relation to the regulated activities that it seeks to carry on or carries on.
- 1.5 Part 2E of Schedule 6 to the Act states that a person must be fit and proper having regard to all the circumstances, including its connection with any person.

Authority's policy on exercising its power to cancel an authorised person's permission

- 1.6 The Authority's policy on exercising its power to cancel an authorised person's permission is set out in Chapter 8 of the Enforcement Guide ("EG").
- 1.7 EG 8.13(1) states that the Authority will consider cancelling a firm's permission in circumstances including where the Authority has very serious concerns about a firm, or the way its business is or has been conducted.

Guidance on appropriate resources

- 1.8 The part of the Authority's Handbook entitled "Threshold Conditions" ("COND") gives guidance on the threshold conditions set out in Schedule 6 to the Act.
- 1.9 COND 2.4.1A states that the resources of the person concerned must, in the opinion of the Authority, be appropriate in relation to the regulated activities that he seeks to carry on, or carries on.
- 1.10 COND 2.4.2G(2) provides that the Authority will interpret the term 'appropriate' as meaning sufficient in terms of quantity, quality and availability, and 'resources' as

including all financial resources, non-financial resources and means of managing its resources such as, for example, human resources and effective means by which to manage risks.

- 1.11 COND 2.4.4G(1) states that the Authority may have regard whether the firm has taken reasonable steps to identify and measure any risks of regulatory concern that it may encounter in conducting its business and has installed appropriate systems and controls and appointed appropriate human resources to measure them prudently at all times.

Guidance on suitability

- 1.12 COND 2.5 gives guidance as to whether an authorised person is fit and proper to perform regulated activities.
- 1.13 COND 2.5.1C(2) states that the matters which are relevant in determining whether an authorised person satisfies this threshold condition include the authorised person's connection with any person.
- 1.14 COND 2.5.4(2) states that a particular example of the kind of consideration the Authority may have is whether the authorised person is connected with a person who has contravened any provisions of the Act.