
SECOND SUPERVISORY NOTICE

To: BBP Bandenia PLC

**Address: Holland House
Gherkin Piazza
1 – 4 Bury Street
London
EC3A 5AW**

FRN: 716365

Dated: 8 April 2020

ACTION

1. By a First Supervisory Notice dated 4 November 2019, the Authority decided to vary the permission granted to the Firm pursuant to Part 4A of the Act, by removing all regulated activities from the Firm with immediate effect. Accordingly, the Firm's Part 4A permission no longer includes the regulated activities of:

- (a) agreeing to carry on a regulated activity;
 - (b) entering into a bill of sale loan agreement as lender;
 - (c) entering into a regulated credit agreement as lender (excluding high-cost short term credit, bill of sale agreement, and home collected credit agreement);
 - (d) exercising or having the right to exercise the lender's rights and duties under a bill of sale loan agreement; and
 - (e) exercising / having the right to exercise lender's rights and duties under a regulated credit agreement (excluding high-cost short-term credit, bill of sale agreement, and home collected credit agreement).
2. The Authority further decided to impose on the Firm the following requirements, pursuant to section 55L of the Act, with immediate effect:
- (a) The Firm must, within 3 days of the date of the First Supervisory Notice, include on the Website a prominent statement that "BBP Bandenia PLC does not have permission to conduct any regulated activities in the UK"; and
 - (b) The Firm must, within 3 days of the date of the First Supervisory Notice, confirm to the Authority that it has done so.
3. For the reasons set out in this Second Supervisory Notice, and pursuant to section 55Y(7) of the Act, the Authority has decided not to rescind the variation and requirements set out in paragraphs 1 and 2 above.

REASONS FOR ACTION

4. On the basis of the facts and matters described below, the Authority considers that it is desirable to take the above-mentioned action as the Firm failed, during a period of at least 12 months, to carry on a regulated activity to which its Part 4A permission related, and appears to be failing to comply with, or likely to fail to comply with, the effective supervision and suitability Threshold Conditions

because it has failed to notify the Authority of a winding-up petition brought against it.

5. In addition, the Authority considers that it is desirable to take the above-mentioned action in order to advance its consumer protection and market integrity objectives (set out in sections 1C and 1D of the Act) because the Authority has serious concerns that the Firm may have represented that it was authorised as a banking and advisory firm without regulatory approval or oversight and may pose a significant risk to consumers and the integrity of the UK financial system.

DEFINITIONS

6. The definitions below are used in this Second Supervisory Notice:
 - (a) "the Act" means the Financial Services and Markets Act 2000;
 - (b) "the Annual Report and Financial Statements" means the Firm's Annual Reports and Financial Statements for the year ended 31 December 2018;
 - (c) "the Authority" means the Financial Conduct Authority;
 - (d) "COND" means the part of the Handbook entitled "Threshold Conditions";
 - (e) "the effective supervision Threshold Condition" means the Threshold Condition set out in paragraph 2C of Schedule 6 of the Act;
 - (f) "the Firm" means BBP Bandenia PLC;
 - (g) "First Supervisory Notice" means the First Supervisory Notice issued to the Firm on 4 November 2019;
 - (h) "GEN" means the General Provisions module of the Handbook;
 - (i) "the Handbook" means the Authority's Handbook of rules and guidance;

- (j) "RDC" means the Regulatory Decisions Committee of the Authority (see further under Procedural Matters below);
- (k) "SUP" means the part of the Handbook entitled "Supervision";
- (l) "the suitability Threshold Condition" means the Threshold Condition set out in paragraph 2E of Schedule 6 of the Act;
- (m) the "Threshold Conditions" means the threshold conditions for which the Authority is responsible, set out in Schedule 6 to the Act;
- (n) "the Tribunal" means the Upper Tribunal (Tax and Chancery Chamber);
and
- (o) "the Website" means the website www.bandenia.com.

FACTS AND MATTERS

The Firm

7. The Firm was authorised from 23 March 2017 with a narrow suite of permissions. The Firm's former permissions, set out above at paragraph 1, primarily permitted it to conduct logbook lending activities. Logbook lending allows customers to borrow money against the value of a vehicle. The Firm's permissions also allowed it to undertake private discounting arrangements.
8. The Website, which gives the name of the Firm and its registered address in the "Contact Info" section, advertises on its home page "*private, investment and corporate banking solutions*" and "*specialist consultancy on all international financial matters*" and also offers the opportunity to "*speak to one of our team today about opening an account*". Prior to the issue of the First Supervisory Notice, the Website advertised "advisory service" (sic), and it currently retains other references to advice. However, the Firm does not have (and did not have) appropriate permissions to conduct any banking, investment or advisory services in the UK.

9. The Annual Report and Financial Statements were filed at Companies House on 30 September 2019.
10. In the Annual Report and Financial Statements, the Firm refers to being "*Britain's investment and financial services Company*" and states that it "*holds the activity license issued by FCA (Financial Services Conduct Authority) which allows Bandenia to carry out all financial operations*". The Firm then states that it was "*established to provide services of trade finance, treasury services, correspondent banking, commercial banking, private banking and asset management to corporate and personal customers*". The Firm also states that "*our principal activities during 2018 were the provision of financing, banking and related services*".

No regulated activities

11. The Firm's annual regulatory reports submitted to the Authority show no regulated activities being conducted between 1 July 2016 – 30 June 2017 and 1 July 2017 – 30 June 2018.
12. The Firm's regulatory report for the period 1 July 2018 – 30 June 2019 has not been submitted to the Authority, and remains outstanding as at the date of this Second Supervisory Notice.
13. The Firm sent an email to the Authority on 23 September 2019 in which it confirmed that it had not used its permissions and had made no log-book loans, but said it nonetheless wished to retain its permissions.

Representing that it is authorised as a bank

14. As set out above at paragraph 8, the Website advertises "*banking*" and refers to the giving of advice, which is consistent with statements made in the Annual Report and Financial Statements.
15. The Firm is complying with the requirement, set out at paragraph 2(a) above, as to the inclusion of clarificatory wording on its website.

Winding-up petition

16. Relevant provisions of the Handbook requiring the disclosure of certain matters to the Authority are set out in Annex A.
17. On 19 February 2020, a winding-up petition was served on the Firm by the plaintiff in proceedings in the General Court of Justice in North Carolina, in respect of a judgment debt arising from those proceedings. Despite the fact that the Firm was in regular contact with the Authority at and after this time, it did not disclose the existence of the winding-up proceedings to the Authority.
18. The Firm has accepted that it should have informed the Authority of this matter, notwithstanding it disputes the judgment on which the winding-up petition is based.

FAILINGS, RISKS TO OPERATIONAL OBJECTIVES AND EFFECT ON THE THRESHOLD CONDITIONS

19. The regulatory provisions relevant to this Second Supervisory Notice are set out in Annex A.
20. From the facts and matters described above the Authority considers that the Firm failed, for a period of at least 12 months, to carry on a regulated activity to which its Part 4A permission related.
21. In addition, from the facts and matters described above, and having regard to its regulatory objectives the Authority has serious concerns that:
 - (a) The Firm has used its status as a regulated entity, with narrow permissions, to create a misleading impression as to activities it is authorised to undertake. As set out above at paragraph 8, the Website, which remains active as at the date of this Second Supervisory Notice and which gives the Firm's name and registered London office in its "Contact Info" section, advertises "*banking services*" (and formerly advertised "*advisory service*", and still retains references to advice) in circumstances where the Firm does not have (and did not have) the appropriate

permissions to conduct such activities. This would be in breach of GEN 4.5.3R and section 20 of the Act.

(b) As set out above at paragraphs 9 and 10, the Annual Report and Financial Statements make statements which are likely to give a significantly misleading impression as to the activities that the Firm is authorised to undertake, including that its principal activities include "*banking and related services*".

22. Without the removal of the Firm's permissions and the continued inclusion on the Website of a statement that the Firm does not have permission to conduct regulated activities there is a risk that potential new customers may form the impression that the Firm is authorised by the Authority as a bank and as a result seek to use the Firm's banking and advisory services, thereby exposing them to a risk of significant financial loss.

23. Further, it appears to the Authority that the Firm is failing, or likely to fail, to satisfy the effective supervision and suitability Threshold Conditions as it has failed to notify the Authority of a winding-up petition brought against it.

24. The Authority considers that taking this action (imposed with immediate effect) remains appropriate and proportionate in order to advance its consumer protection and market integrity objectives: in particular, as the Website remains active, to prevent any further potential consumer detriment.

REPRESENTATIONS

25. Annex B contains a brief summary of the key representations made by the Firm and how they have been dealt with. In making the decision which gave rise to the obligation to give this Second Supervisory Notice, the Authority has taken into account all of the representations made by the Firm, whether or not set out in Annex B.

PROCEDURAL MATTERS

26. This Second Supervisory Notice is given to the Firm under section 55Y(7) and in accordance with section 55Y(9) of the Act.

27. The following paragraphs are important.

Decision Maker

28. This decision was taken by the RDC. The RDC is a committee of the Authority which takes certain decisions on behalf of the Authority. The members of the RDC are separate to the Authority staff involved in conducting investigations and recommending action against firms and individuals. Further information about the RDC can be found on the Authority's website:

<https://www.fca.org.uk/about/committees/regulatory-decisions-committee-rdc>

The Tribunal

29. The Firm has the right to refer the matter to which this Second Supervisory Notice relates to the Tribunal. Under paragraph 2(2) of Schedule 3 of the Tribunal Procedure (Upper Tribunal) Rules 2008, the Firm has 28 days from the date on which this Second Supervisory Notice is given to it to refer the matter to the Tribunal.

30. A reference to the Tribunal can be made by way of a signed reference notice (Form FTC3) and filed with a copy of this Second Supervisory Notice. The Tribunal's contact details are: The Upper Tribunal, Tax and Chancery Chamber, 5th Floor, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL (telephone: 020 020 7612 9730; email: uttc@hmcts.gsi.gov.uk).

31. For further information on the Upper Tribunal (including the power to vary time periods) the Firm should refer to the HM Courts and Tribunal Service website which will provide guidance and the relevant form to complete. The relevant page on HM Courts and Tribunal Service website can be accessed via the following link:

<http://www.justice.gov.uk/forms/hmcts/tax-and-chancery-upper-tribunal>

32. A copy of Form FTC3 must also be sent to Alexander Banerjea at the Authority, 12 Endeavour Square, London, E20 1JN at the same time as filing a reference with the Tribunal.

Confidentiality and Publicity

33. The Firm should note that this Second Supervisory Notice may contain confidential information and should not be disclosed to a third party (except for the purpose of obtaining advice on its contents).

34. The Firm should note that section 391 of the Act requires the Authority, when the Second Supervisory Notice takes effect (and this Second Supervisory Notice takes immediate effect), to publish such information about the matter as it considers appropriate.

Contact

35. For more information concerning this matter generally, the Firm should contact Alexander Banerjea at the Authority (direct line: 020 706 67206).

Tim Parkes

Chair, Regulatory Decisions Committee

ANNEX A

RELEVANT STATUTORY AND REGULATORY PROVISIONS

RELEVANT STATUTORY PROVISIONS

1. The Authority's operational objectives established in section 1B of the Act include the consumer protection objective. Section 1C(1) of the Act provides that the consumer protection objective is "securing an appropriate degree of protection for consumers".
2. The Authority's integrity operational objective is set out in section 1D of the Act as "protecting and enhancing the integrity of the UK financial system". The integrity of the UK financial system includes the "orderly operation of the financial markets".
3. Section 55J of the Act allows the Authority to vary or cancel the permission of an authorised person to carry on a regulated activity if it appears to the Authority that: the authorised person is failing, or is likely to fail, to satisfy the Threshold Conditions; the authorised person has failed, during a period of at least 12 months, to carry on a regulated activity to which that permission relates; or that it is desirable to exercise the power in order to advance one or more of the Authority's operational objectives (section 55J(1)(c)(i)). The permission may be varied by removing a regulated activity from those to which the permission relates (section 55J(2)(a)(ii)). This power is referred to as the Authority's "own-initiative variation power".
4. Section 55L of the Act allows the Authority to impose a new requirement on an authorised person or to vary a previous requirement (section 55L(3)(a) and (b)), if it appears to the Authority that: the authorised person is failing, or is likely to fail, to satisfy the Threshold Conditions; the authorised person has failed, during a period of at least 12 months to carry on a regulated activity to which its Part 4A permission relates, or that it is desirable to exercise the power in order to advance one or more of the Authority's operational objectives (section 55L(2)(c)). This power is referred to as the Authority's own-initiative requirement power.

5. Section 55N of the Act allows a requirement to be imposed under section 55L of the Act so as to require the person concerned to take or to refrain from taking specified action (section 55N(1)).
6. Section 55Y of the Act allows the Authority's own-initiative variation power or its own initiative requirement power to take effect immediately (or on a specified date) only if the Authority, having regard to the ground on which it is exercising its own-initiative variation power or its own-initiative requirement power, reasonably considers that it is necessary for the variation, or the imposition or variation of the requirement to take effect immediately (or on that date).
7. Section 391 of the Act provides that:

"[...]

- (5) When a supervisory notice takes effect, the [Authority] must publish such information about the matter to which the notice relates as it considers appropriate.

[...]

- (6) The [Authority] may not publish information under this section if in its opinion, publication of the information would be –
 - (a) unfair to the person with respect to whom the action was taken (or was proposed to be taken),
 - (b) prejudicial to the interests of consumers

[...]

- (7) Information is to be published under this section in such manner as the [Authority] considers appropriate."

8. Section 20 of the Act provides that:

"(1) If an authorised person other than a PRA-authorised person carries on a regulated activity in the United Kingdom, or purports to do so, otherwise than in accordance with permission-

- (a) given to that person under Part 4A, or
- (b) resulting from any other provision of this Act,

he is to be taken to have contravened a requirement imposed on him by the [Authority] under this Act.”

9. Section 22 of the Act provides that a regulated activity is an activity specified in an order made by the Treasury which is carried on by way of business and relates to an investment specified in an order made by the Treasury.
10. Part 1B of Schedule 6 to the Act sets out the Threshold Conditions relevant to the Firm. These include:
 - (a) at paragraph 2C, the effective supervision Threshold Condition which provides that a person carrying on, or seeking to carry on regulated activities that do not consist of or include a PRA-regulated activity must be capable of being supervised by the Authority having regard to all the circumstances including (among other things) the nature (including the complexity) of the regulated activities it carries on or seeks to carry on; and
 - (b) at paragraph 2E, the suitability Threshold Condition which provides that a person carrying on, or seeking to carry on regulated activities that do not consist of or include a PRA-regulated activity must be a fit and proper person having regard to all the circumstances, including (among other things) whether it has complied and is complying with requirements imposed by the Authority in the exercise of its functions relating to the provision of information to the Authority.

RELEVANT REGULATORY PROVISIONS

GEN

11. Chapter 4 of GEN contains relevant provisions in relation to firm’s implying they are authorised to provide services they are not. In particular, GEN 4.5.3R provides: “*A firm must not indicate or imply that it is authorised by the [Authority] in respect of business for which it is not so authorised*”.

Principles for Businesses

12. Principle 11 of the Authority's Principles for Businesses provides: "*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.*"

SUP

13. SUP 15.3.21R provides: "*A firm must notify the [Authority] immediately of any of the following events:*

...

(3) the presentation of a petition for the winding up of the firm".

COND

14. COND sets out guidance on the Threshold Conditions.

The effective supervision Threshold Condition

15. COND 2.3.3)(1)G states that, in assessing the effective supervision Threshold Condition, factors which the Authority will take into consideration include, among other things, whether it is likely that the Authority will receive adequate information from the firm to enable it to determine whether the firm is complying with the requirements and standards under the regulatory system for which the Authority is responsible and to identify and assess the impact on its statutory objectives; this will include consideration of whether the firm is ready, willing and organised to comply with Principle 11.

The suitability Threshold Condition

16. COND 2.5.6(1)G states that the kind of particular considerations to which the Authority may have regard when assessing whether a firm will satisfy, and continue to satisfy, this Threshold Condition include whether the firm has been open and co-operative in all its dealings with the Authority (see Principle 11 (Relations with regulators)) and is ready, willing and organised to comply with the requirements and standards under the regulatory system.

EG

17. EG 8.1.1 reflects the provisions of sections 55J and 55L of the Act that the Authority may use its own-initiative power to vary or cancel the permission of an authorised firm, or to impose requirements, where a firm has not carried on a regulated activity to which the permission relates for a period of at least 12 months (EG 8.1.1(3)), or where it is desirable to exercise the power in order to advance one or more of its operational objectives (EG 8.1.1(3)).

Imposing requirements on the Authority's own initiative

18. EG 8.2.1 provides that the Authority will have regard to its statutory objectives and the range of regulatory tools that are available to it, when it considers how it should deal with a concern about a firm. The Authority will also have regard to: (1) the responsibilities of a firm's management to deal with concerns about the firm or about the way its business is being or has been run; and (2) the principle that a restriction imposed on a firm should be proportionate to the objectives the Authority is seeking to achieve.
19. EG 8.2.3 provides that the Authority will exercise its formal powers under section 55J or 55L of the Act, where the Authority considers it is appropriate to do so to ensure a firm meets its regulatory requirements. EG 8.2.3(1) specifies that the Authority may consider it appropriate to exercise its powers where it has serious concerns about a firm or the way its business is being or has been conducted.

Use of the own-initiative powers in urgent cases

20. EG 8.3.1 states that the Authority may impose a requirement so that it takes effect immediately or on a specified date if it reasonably considers it necessary for the requirement to take effect immediately (or on the date specified), having regard to the ground on which it is exercising its own-initiative powers.
21. EG 8.3.2 provides that the Authority will consider exercising its own initiative power as a matter of urgency where the information available to it indicates serious concerns about the firm or its business that need to be addressed immediately, and circumstances indicate that it is appropriate to use statutory powers immediately to require and/or prohibit certain actions by the firm in order to ensure the firm addresses these concerns).

22. EG 8.3.3 sets out a non-exhaustive list of characteristics which situations that will give rise to such serious concerns are likely to include. These include: (EG 8.3.3(1)) information indicating a significant loss, risk of loss or other adverse effects for consumers, where action is necessary to protect their interests; and (EG 8.3.3(2)) information indicating that a firm's conduct has put it at risk of being used for the purposes of financial crime, or of being otherwise involved in crime.

23. EG 8.3.4 states that the Authority will consider the full circumstances of each case when it decides whether an urgent variation of Part 4A permission or an imposition of a requirement is appropriate. A non-exhaustive list of factors it may consider includes: the extent of any loss, or risk of loss, or other adverse effect on consumers (EG 8.3.4(1)); the extent to which customer assets appear to be at risk (EG 8.3.4(2)); the firm's conduct (EG 8.3.4(8)); and the impact which the use of the Authority's own-initiative powers will have on the firm's business and on its customers (EG 8.3.4(9)).

ANNEX B

REPRESENTATIONS

1. The Firm's representations (in italics) and the Authority's conclusions in respect of them are set out below.

The Firm wishes to remain authorised

2. *The Firm accepts (indeed, it informed the Authority in its regulatory returns) that it has not carried on regulated activities for more than 12 months, but wishes to remain authorised, and "put its house in order".*
3. *It is not the case that the Firm was seeking to obtain Authority authorisation as a "badge for credibility". At the time of its original application to the Authority for authorisation in 2017, the Firm's senior management team considered the "logbook loan" line of business to be promising. The commercial environment, including the market for such logbook loans, changed shortly after such permissions were granted by the Authority and this line of business was not pursued. The Firm also underwent a "seismic shift" in strategic direction subsequent to the wholesale shutdown within a 24-hour period of the Bandenia Financial Group's operations within Spain.*
4. *In retrospect, the Firm would perhaps have been better off initiating a dialogue with the Authority on potentially varying its permissions. It aspires to conduct the regulated activities of financial intermediation and believes it has found a good quality, prospective target firm that would enable it to enter that business. It also aspires to become involved in fintech and cryptoassets activities.*
5. *It now wishes to pursue the business of logbook loans, having recently received numerous potential referrals of customers in that field. While this does represent a commercial opportunity for the Firm, it is a first step to demonstrate to the Authority that it is a credible organisation committed to "[Authority] principles of business". It asks the Authority to permit it to carry on this business for a probationary period to be specified by the Authority. This would give the Firm an opportunity to demonstrate by its conduct that it is so committed.*
6. *The Firm is genuinely committed to resolving the deficiencies identified by the Authority and believes it has already made progress in this direction.*

7. It is not appropriate for the Authority to reinstate the Firm's permissions for a 'probationary period'. It would not be appropriate to revoke the variation of permission set out in paragraph 1 of this Notice unless the Authority were satisfied, at the present time, that the Firm had addressed the Authority's concerns such that it was not now failing, or likely to fail, to meet the Threshold Conditions and that it was no longer desirable to exercise its variation power in the interests of consumer protection and market integrity.
8. The Firm has not produced any evidence (such as a current business plan) to indicate that it has either the organisational capability or the competence to carry on a logbook lending business, having failed to carry on such a business for over two years after being granted permission by the Authority to do so. The Authority does not agree that the Firm has made any real progress towards resolving the issues identified by the Authority in the First Supervisory Notice. For example, the Authority notes that the Firm has not, so far, fulfilled its stated intention to retain the services of a compliance professional; given the Firm's previous compliance failings the Authority can have no confidence in the Firm's present ability to conduct its proposed business in compliance with the Authority's requirements. And, as set out in greater detail below, the Authority is not satisfied that the Firm has amended the Website so as to remove any potential for customer confusion. Accordingly, the Authority is not satisfied that the Firm has addressed its concerns such that it is now appropriate to permit it to carry on the logbook lending (or any other) regulated activities.
9. It is open to the Firm at any time in the future to reapply to the Authority for the permissions it wishes to obtain and seek to demonstrate through its application that it satisfies the Authority's requirements for the relevant areas of business; this would require it to provide a full business plan to enable the Authority to assess whether the Firm was adequately resourced, with appropriate systems and controls, to conduct the relevant activities and capable of meeting the Threshold Conditions.
10. The Firm has also not explained how it intends to expand its UK business from one solely concerned with logbook lending to one that also operates in the unconnected sectors of fintech and cryptoassets. This stated ambition to expand into these business areas (combined with the lack of any indication of how it intends to carry on the logbook loan business) causes the Authority concern that the Firm's stated renewed desire to specialise in the regulated activity of logbook lending may not be

genuine. Instead, the Authority is concerned that the Firm may be seeking to retain permissions from the Authority for reputational reasons only.

Website and Annual Report and Financial Statements

11. *The Firm had no input into the Website, which relates to the whole Bandenia Group. It accepts the Authority's observations on the potentially misleading statements on the Website.*
12. *The Firm is complying with the requirement to include the statement specified in paragraph 2(a) of this Notice on the Website. The Website has been revised; this includes referring to Bandenia Global Capital Group and not to the Firm or a specific subsidiary group company. It has added an explanatory paragraph which reads 'Bandenia Global Capital Group is a leading conduit to financial services and investments, established in 2003, today our group has a great experience of providing innovative finance solutions that help consumers and businesses grow and prosper.' As at today's date, it does not agree that the impression conveyed on the Website could reasonably lead consumers to believe the Firm is authorised to offer banking and investment services within the UK. It has an ongoing objective to be explicit on this point.*
13. *The Firm also accepts that the Annual Report and Financial Statements do contain certain statements that could be construed as the Firm representing itself as authorised to carry out banking and advisory services, as set out above. Equally, however, it contains other statements which explain the position accurately. It is unlikely consumers will research and read the Annual Report and Financial Statements, but it is accepted that there is room for improvement going forward as to the presentation of information in such documents, in particular the clear separation between the BBP Bandenia PLC information and that of the rest of the Bandenia Group. The Firm will undertake to review the layout and presentation of its annual reports with the objective of improving clarity.*
14. Given the way the Firm and its activities are currently described on the Website (as set out in this Notice), the Authority considers the continued inclusion of the statement specified in paragraph 2(a) of this Notice to be essential. It does not agree that, without the statement, the revised wording of the Website could no longer lead to customer confusion as to the services offered by the Firm. The 'explanatory paragraph' offers no assistance to customers who are seeking clarity as to what,

specifically, the Firm's structure is, what its relationship is with 'Bandenia Global Capital Group' and what business the Firm is regulated to provide in the UK.

15. The Authority disagrees with the Firm's view that customers (or potential customers) are unlikely to research and read the Annual Report and Financial Statements. It does not consider that any factually correct statements which there may be in that document are sufficient to counteract any confusion that may be caused by the misleading ones identified by the Authority. It considers that the Annual Report and Financial Statements exacerbate the lack of clarity on the Website.

Failure to notify the Authority of the winding-up petition

16. *It is accepted that the Firm should have notified the Authority of the presentation of the winding-up petition although the grounds on which the petition is based are flawed and the underlying civil action is ongoing. This oversight occurred not as a matter of wilful omission, but rather due to delays in securing the services of a qualified UK barrister.*
17. *BBP is also considering retention of a dedicated legal and compliance function professional on a part-time basis. This will further ensure that such Authority reporting obligations are met in a timely manner.*
18. The Authority notes the admission by the Firm. The explanation offered provides no excuse for the Firm's failure to comply with its obligation to notify this matter to the Authority. The fact that the Firm is considering employing a compliance professional provides no comfort to the Authority as to the Firm's present ability to comply with its regulatory obligations.