

IMPORTANT: a warning notice is not the final decision of the FCA. Third parties who are prejudicially identified under section 393 of the Financial Services and Markets Act in a warning notice have the right to make representations to the FCA which, in the light of those representations, will decide on the appropriate action and whether to issue a decision notice.

If a decision notice is issued, the third party has the right to refer the matter to the Upper Tribunal which would reach an independent decision on the appropriate action for the FCA to take, if any.

GAM International Management Limited (GIML) and the Financial Conduct Authority (FCA) have agreed to resolve the FCA's findings arising from its investigation into GIML. Post discount a financial penalty of £9.1 million has been agreed.

On 15 December 2021, the FCA gave GIML a warning notice proposing to take action in respect of the conduct summarised in this statement. The FCA considers that a third party is prejudicially identified in this warning notice and so the FCA is providing the third party with rights in accordance with section 393 of the Financial Services and Markets Act 2000, before issuing a decision notice and publishing a final notice.

The following is a summary of the reasons why the FCA gave GIML a warning notice:

The FCA considers that:

- Between 28 November 2014 and 25 October 2017, GIML breached Principle 2 of the FCA's Principles for Business by failing to conduct its business with due care, skill and diligence. In particular, the FCA considers that GIML failed to ensure that its systems and controls for the identification, management and prevention of conflicts of interest operated effectively during this period.
- Between 20 October 2016 and 8 March 2018, GIML breached Principle 8 of the FCA's Principles for Business by failing to manage conflicts of interest fairly between itself and its customers and different customers. In particular, the FCA considers that GIML failed to adequately control the conflicts of interest arising out of three specific investments made by the GIML Absolute Return and Long Only team during this period.

When reaching this resolution, the FCA has taken into account that GIML has cooperated fully with the Authority's investigation and has committed significant time and resources in doing so. The FCA has also taken into account the steps that GIML has subsequently taken in seeking to remediate the issues identified.