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PRESS RELEASE

CySEC fines and prohibits directors of Falcon Brokers Limited from exercising professional activity related to the financial sector

Ruling concludes eighteen-month investigation into online forex trading firm

NICOSIA – The Cyprus Securities and Exchange Commission (“CySEC”) has today announced a series of financial penalties on the directors of Falcon Brokers Limited (www.new.falconbrokers.com; the “Company”), and has banned all key persons of the Company from exercising professional activity related to the financial sector for a number of years.

This decision marks the conclusion of CySEC’s eighteen-month investigation into suspected failings at the Company, an investment firm that provided online retail trading products in forex. The imposition of financial penalties and prohibition measures on the directors follows CySEC’s suspension of the Company’s license on 24 September 2015 and its ultimate withdrawal on 18 April 2016 for related failings.

A collective sum of €195,000 has been imposed on the Company’s:

- Sole shareholder, executive director and senior manager, Mr. Mohammed Yahya Amin Al Ansari;
- Executive director and senior manager, Mr. Marwan El Daouk;
- Independent non-executive director, Mr. Khalid Ahmad Emran Abdo;
- Independent non-executive director, Mr. Wael Ata Elayyan Jaber.

In addition to the financial penalties imposed on them, as of this date, Mr. Amin Al Ansari, Mr. Abdo and Mr. Jaber are banned from exercising professional activity related to the financial sector for five years, two years and two years, respectively. The aforementioned individuals failed to have in place and strictly follow the operational requirements to safeguard clients’ funds from use in the Company’s own account. Per the Investment Services and Activities and Regulated Markets Law of 2007 (the “Law”), the failure to protect investor money is a very serious infringement.

In doing so, all the directors in question failed to assess and periodically review the effectiveness of the policies, arrangements and procedures put in place by the Company to comply with the obligations under the Law and to take appropriate measures to address any deficiencies.

As a result, CySEC considers that these individuals are not fit to perform any professional activity related to the financial sector as they individually and collectively, and particularly in relation to the identified failings at the Company, pose a significant threat to investor protection.

On 31 October 2016, CySEC ordered the Company to consider and resolve any and all customer complaints and return any money owed to all customers within a period of three months, following the established procedures for this purpose in accordance with the Law and Directives in place. CySEC ruled that the Company was unable to immediately fulfil this duty towards its clients and so triggered the process of compensation payment by the Investor Compensation Fund (“ICF”).

Demetra Kalogerou, Chair of the CySEC, said: *“The senior managers of Falcon Brokers Limited wholly neglected their duties to ensure the Company had the correct measures in place to protect investors, which resulted in serious failings to safeguard client funds. Having limited investor detriment through the suspension and withdrawal of the Company’s license in 2015 and 2016, imposing multiple fines on key persons and banning three directors from regulated activities concludes CySEC’s eighteen-month investigation. As is consistently stated, CySEC will not hesitate to pursue regulatory action against current or former directors should they or their licensed company be found to be in violation of the legislation we consistently enforce.”*

The initiation of the ICF in October 2016 aims to ensure the swift remediation of any valid claim, up to €20,000 each, in line with CySEC’s commitment to limit consumer detriment.

ENDS.