

18 June 2020

CYSEC Decision

Announcement date:	18.06.2020	CySEC Decision date:	15.06.2020
Regarding:	A. Daweda Exchange Ltd B. Hamed Sepasdar Tehran, James Cabrera		
Legislation:	The Investment Services and Activities and Regulated Markets Law		
Subject:	Withdrawal of CIF authorisation Violation/Administrative sanctions to members of the BoD		
Judicial Review:	Click here	Judicial Review Ruling:	Click here

A. The Cyprus Securities and Exchange Commission ('the CySEC') announces that, at its meeting of 13 May 2020, decided to **wholly withdraw** the Cyprus Investment Firm authorisation of **Daweda Exchange Ltd** ('the Company'), with **number 289/16**, pursuant to articles 71(6)(c) and 8(1)(d) of the Investment Services and Activities and Regulated Markets Law of 2017 ('the Law'), due to the Company's non-compliance with article 25(1) of the Law, as it did not act honestly, fairly and professionally when providing investment services to clients, in accordance with the best interests of its clients.

More specifically, the CySEC has reached the above decision, taking into consideration, inter alia, that the Company did not take the necessary steps to safeguard the privately owned URL (domain) of www.daweda.com, from being used by Daweda Ltd (BVI). Evidence supports that Daweda Ltd (BVI) was using the email address account@dawedafx.com, in order to send to its clients their login ID and password information to connect to the MT4, thus giving the impression that they were clients of the Cyprus Investment Firm Daweda Exchange Ltd.

Daweda Ltd (BVI) and Daweda Exchange Ltd do not belong in the same group of companies.

Due to the wholly withdrawal of the Company's authorisation, and in accordance with paragraphs 4 and 5 of CySEC Directive DI87-05 for the Withdrawal and Suspension of Authorisation, the Company should:

- (i) Ensure it does not provide investment and ancillary services.
- (ii) Immediately and without delay, ensure that all references in its websites and anywhere else, relating to the provision/carrying out of investment services/activities, as well as references to its licensing and regulation by the CySEC, are deleted.
- (iii) Return all funds and financial instruments which belong to/are attributable to its clients, including any profits.
- (iv) Examine and resolve any clients' complaints/reports filed against the CIF.

B. Furthermore, the CySEC announces that, at its meeting of 13 May 2020, decided that the Executive Members of the Company's Board of Directors, **Mr. Hamed Sepasdar Tehran and Mr. James Cabrera, have not complied with article 10(1)(a) of the Law**, since, at the material time and while they were members of the board of directors of the Company,

they did not define the governance arrangements that ensure the effective and prudent management of the CIF, in a manner that promotes the integrity of the market and the interest of clients. In particular, they did not comply with the principle of article 10(1)(b)(iv) of the Law, since they did not supervise effectively the senior management of the Company.

For their non-compliance with article 10(1)(a) of the Law, the CySEC has decided, pursuant to article 71(6)(d) of the Law, to impose a **temporary ban** against Mr. **Hamed Sepasdar Tehran** and Mr. **James Cabrera** to **exercise management functions in CIFs**, and more specifically for a **period of six (6) months**.

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