

Statements

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Statement on Wave Crest Holdings Limited

10 Dec 18

Regulatory Settlement Agreements have been entered into between the Financial Services Commission (GFSC), Wave Crest Holdings Limited (Wave Crest), Brent Almeida, John Racine and Colin Piri related to failings identified with Wave Crest's AML/ CFT systems and controls.

Wave Crest is a Gibraltar company licenced under the Financial Services (Banking) Act 1992 to conduct the business of an electronic money institution [Licence number FSC0056BNK]. Wave Crest has held this licence since 13 August 2010.

Mr. Almeida was Chief Executive Officer (CEO) of Wave Crest from 29 April 2015 to February 2018, until the appointment as CEO of Mr. Racine, who had been non-executive Chairman of Wave Crest since 15 April 2015.

Mr. Piri was a Compliance Officer at Wave Crest from 28 December 2011, Money Laundering Regulatory Officer (MLRO) as from 2013 until March 2018.

Regulatory Outcome:

Wave Crest has acknowledged and accepted that in several respects its AML/ CFT systems and controls during at least part of the period of 1 January 2017 to May 2018, fell below the standard expected of it for regulatory purposes.

In February 2018, Wave Crest voluntarily agreed not to take on any new business, and it has been agreed that this voluntary restriction is to remain in place until further notice by the GFSC.

Wave Crest has agreed to pay a financial penalty of £250,000 by way of agreed regulatory settlement with the GFSC.

Mr Almeida

Mr Almeida has agreed to voluntarily stand down from his position as a director of Wave Crest , and has further agreed that he will not during a period of 2 years, seek approval from the GFSC for any notifiable position in any financial services business authorised by the GFSC in Gibraltar, unless and until he has undertaken a programme of continued professional development in relation to AML/ CFT functions, duties and responsibilities of such a position and he satisfies the GFSC that his skills to oversee AML/CFT functions meet the required standards in accordance with legal requirements and current industry best practices. The GFSC has not made any adverse finding as to Mr Almeida's fitness and propriety.

Mr Racine

Mr Racine has agreed to voluntarily stand down from his position as director and CEO of Wave Crest, and has further agreed that he will not during a period of 2 years, seek approval from the GFSC for any notifiable position in any financial services business authorised by the GFSC in Gibraltar, unless and until he has undertaken a programme of continued professional development in relation to AML/ CFT functions, duties and responsibilities of such a position and he satisfies the GFSC that his skills to oversee AML/CFT functions meet the required standards in accordance with legal requirements and current industry best practices. The GFSC has not made any adverse finding as to Mr Racine's fitness and propriety.

Mr Piri

Mr Piri has voluntarily agreed that he will not, during a period of 2 years, seek approval from the GFSC for any notifiable position in any financial services business authorised by the GFSC in Gibraltar, unless and until he has undertaken a programme of continued professional development in relation to AML/ CFT functions, duties and responsibilities of such a position and he

satisfies the GFSC that his skills to oversee AML/CFT functions meet the required standards in accordance with legal requirements and current industry best practices. The GFSC has not made any adverse finding as to Mr Piri's fitness and propriety.

The agreed regulatory outcome reflects the serious shortcomings identified and, taking into account (i) the considerable remedial action implemented by Wave Crest between October 2017 and May 2018 (ii) the collaborative approach of Wave Crest, Mr Racine, Mr Almeida and Mr Piri (iii) their previous good regulatory records in financial services, the GFSC is satisfied that the above outcome is proportionate and in the public interest.

For any queries with respect to this statement please contact us at media@gfsc.gi (<mailto:media@gfsc.gi>)