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**IMPORTANT AND CONFIDENTIAL
BY FIRST-CLASS POST AND EMAIL**

The Directors
Axis Mundi Global Custody Ltd
Kemp House
152-160 City Road
London
EC1V 2NX

30 October 2020

Our Ref: RDC/JW/206965764

Your Ref:

Dear Sirs

First Supervisory Notice

I am writing on behalf of the FCA's Regulatory Decisions Committee (RDC) and enclose:

1. a First Supervisory Notice dated 30 October 2020; and
2. an Enforcement Submissions Document dated 20 October 2020 and supporting material considered by the RDC.

The notice varies the regulated activities in Axis Mundi Global Custody Ltd's Part 4A permission and imposes requirements on Axis Mundi Global Custody Ltd with immediate effect. If you are in any doubt as to its meaning, or what action you should take, you may wish to seek professional advice without delay.

The FCA is required by statute, when a First Supervisory Notice takes effect, to publish such information regarding the First Supervisory Notice as it considers appropriate.

The annex to this letter contains important notes for your information. In particular, the annex provides further details in respect of the following matters.

- You have the right to make written and/or oral representations to the RDC on the First Supervisory Notice (see notes 9 to 17). The deadline for making written representations and for informing us (the Decision-Making Committees Secretariat) that you wish to make oral representations is 17 November 2020. You should inform us by 10 November 2020 if you wish to request an extension to this deadline.
- You also have the right to make a reference to the Upper Tribunal (see notes 18 to 20). The deadline for doing so is 28 days from the date the First Supervisory Notice is given.

Should you wish to make oral representations, the RDC will take all reasonable steps to try to accommodate your request. However, measures taken to address the effects of the Covid-19 virus which are in force at the time you wish to make oral representations may affect our ability to conduct an oral representations meeting in person. As the relevant measures are constantly evolving, we will write to you further about this in due course.

The Financial Services Lawyers Association may be able to provide you with free legal advice and support with respect to this matter. The Pro Bono Scheme is completely independent from the FCA and the RDC and is not endorsed by either body. Further details about the Pro Bono Scheme are available at www.fsla.org.uk/scheme, including information on how to apply.

Please ensure that all emails to us are sent to the following email address - DMCScaseinbox@fca.org.uk - and that they include the unique Case ID within the subject line. This can be found within the subject line of the email attaching this letter or in the contact details at the top of this letter. Please also copy your email to Susan.Ledger@fca.org.uk. This will ensure that your correspondence is dealt with promptly.

If you have questions about the RDC procedure, you should contact me. If you have any other questions on this matter, you should contact Susan Ledger (Tel: 020 7066 6046).

Yours faithfully

A handwritten signature in blue ink, appearing to read 'J. Williams', is positioned above the typed name and title.

Jack Williams
Decision-Making Committees Secretariat

cc. Susan.Ledger@fca.org.uk, Enforcement and Market Oversight, FCA

By email to: benjamin@axismundicustody.com

Encl.

NOTES FOR INFORMATION

Why the First Supervisory Notice is important

1. If you fail to comply with the provisions of the First Supervisory Notice, there will be civil, regulatory or criminal consequences (or a combination of these).
2. If you do not make written representations, or notify us (the Decision-Making Committees Secretariat) that you wish to make oral representations, by the specified deadline, the default procedures in the part of the FCA's Handbook known as the Decision Procedure and Penalties manual (DEPP) will apply. In particular, DEPP 2.3.3G provides that the action stated in the notice, which takes effect immediately, will continue to have effect (subject to any decision on a referral to the Upper Tribunal).

Confidentiality

3. The First Supervisory Notice, and any documents disclosed that relate to it, may contain confidential information that should not be disclosed to a third party (except to obtain advice on its contents).

The Regulatory Decisions Committee

4. The Regulatory Decisions Committee (RDC) is a committee of the FCA Board. The following page on the FCA website explains how the RDC works:

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

The FCA Handbook and statutory background

5. The First Supervisory Notice identifies sections in the Financial Services and Markets Act 2000 (the Act) and provisions in the Handbook that are relevant to it.
6. The procedures that the FCA follows in relation to supervisory notices are set out in DEPP. Please note these may vary according to the circumstances of a particular case:

<https://www.handbook.fca.org.uk/handbook/DEPP/>

7. You may, in particular, wish to refer to DEPP 3.2, which summarises the RDC procedures.
8. In accordance with section 395 of the Act and the procedures in DEPP, the decision to give the First Supervisory Notice has been taken by John Hull (RDC Deputy Chair), who was not directly involved in establishing the evidence on which the decision is based.

Representations to the Regulatory Decisions Committee

9. You can choose to make oral representations, written representations or both. If you choose to make representations, we will arrange for the RDC to consider them and decide what action, if any, the FCA should take.

Written representations

10. Written representations to the RDC should be sent to us by the deadline specified in this letter. You should copy your representations to the Enforcement team who will have an opportunity to respond to them. You will be provided with a copy of that response before the RDC considers the matter.

Oral representations

11. If you wish to make oral representations, you must notify us in writing by the deadline specified in this letter.
12. If you do not inform us of your wish to make oral representations by the deadline, that option may no longer be available to you.

The oral representations meeting

13. If you notify us that you wish to make oral representations, we will take steps to arrange a date for the oral representations meeting. We will aim to hold the meeting as soon as possible after receiving your written representations (if you make any) and any response from the Enforcement team. Typically, this is within four to eight weeks following the expiry of the written representations deadline. You should let us know of any dates you would like us to avoid and, if practicable, we will try to do so.
14. If appropriate, oral representations meetings can be arranged sooner and before the expiry of the specified deadlines. You should contact us if you need to meet urgently.
15. Your oral representations should take no longer than one hour. If you believe you will need more than one hour, you should notify us as soon as possible and provide an explanation as to why you need more time.
16. The RDC will generally have read your written representations before the oral representations meeting. Any evidence you seek to rely on should be provided with your written representations so that the Enforcement team and the RDC will have a chance to consider it in advance of the meeting. The meeting is your opportunity to supplement those representations or emphasise aspects of them. It is not the occasion to seek to ask questions of the Enforcement team or to bring witnesses. The RDC may have questions for you arising out of the representations made.
17. The Enforcement team will be invited to respond to your representations and may be asked questions by the RDC. You will be given the opportunity to make any closing remarks.

The Upper Tribunal

18. You have the right to make a reference to the Upper Tribunal. This is in addition to your right to make representations to the RDC. You will also have the right to make a reference to the Upper Tribunal if you make representations and, after considering them, the RDC decides to issue a second supervisory notice, whether or not you make a reference in relation to this First Supervisory Notice.
19. For further information on the Tribunal, you should refer to the HM Courts and Tribunal Service website. Guidance on making a reference to the Tribunal and the relevant form to complete (Form FTC3) can be accessed from the following link:

<https://www.gov.uk/government/collections/upper-tribunal-tax-and-chancery-chamber>

20. Further details on the procedure for making a reference to the Upper Tribunal are contained in the notice itself, including the need to send a copy of the reference form to the FCA. You should send the copy to the Enforcement team contact named above.

Publication

21. Section 391 of the Act requires the FCA, when a supervisory notice takes effect, to publish such information about the matter to which the notice relates as it considers appropriate. The FCA may not publish information if publishing it would, in its opinion, be unfair to the subject of the notice or prejudice the interests of consumers.

FIRST SUPERVISORY NOTICE

To: **Axis Mundi Global Custody Ltd**

Reference Number: **799100**

Address: **Kemp House
152-160 City Road
London
EC1V 2NX**

Date: **30 October 2020**

1 ACTION

1.1 For the reasons given in this First Supervisory Notice, the Financial Conduct Authority ("the Authority") has decided to impose on Axis Mundi Global Custody Ltd ("the Firm") a variation of the Firm's Part 4A permission to perform regulated activities ("the Variation") and requirements ("the Requirements"), as follows:

- (1) Pursuant to sections 55J(1)(a), 55J(1)(c)(i) and 55J(2)(a)(ii) of the Financial Services and Markets Act 2000 ("the Act"), the Authority has decided to vary the permission granted to the Firm pursuant to Part 4A of the Act by removing all regulated activities. Accordingly, the Firm's Part 4A permission no longer includes the following regulated activities:
 - a. Agreeing to carry on a regulated activity; and
 - b. Safeguarding and administration of assets (without arranging) for the customer types eligible counterparty and professional and with a range of investment types including certificates representing certain securities, commodity futures and options, debentures, emissions allowances, futures, options, rights to or interests in securities and contractually based investments, shares, units and warrants.
- (2) Pursuant to sections 55L(2)(a), 55L(2)(c) and 55L(3)(a) of the Act, the Firm

must not, without the prior written consent of the Authority, in any way accept deposits from, dispose of, withdraw, transfer, deal with, or diminish the value of any of its own assets or any Client Money (as defined below) held by the Firm.

- (3) The Firm must by 5pm on 4 November 2020:
- a. Notify in writing all firms for which it provides custodial services, and all persons who are Investor Clients (as defined below) of the imposition and effect of the Variation and Requirements in a form to be agreed in advance with the Authority;
 - b. Display, in a prominent place on its website www.axismundicustody.com a notice setting out the terms and effects of the Requirements and the Variation in a form to be agreed in advance with the Authority; and
 - c. Provide written confirmation to the Authority that it has complied with the Variation and Requirements.
- 1.2 For the avoidance of doubt, the Requirement set out at paragraph 1.1(2) above constitutes an assets requirement as defined in section 55P(4)(a) of the Act.
- 1.3 The Variation and Requirements shall take immediate effect and remain in force unless and until varied or cancelled by the Authority (either on the application of the Firm or of the Authority's own volition).

2 REASONS FOR ACTION

Summary

- 2.1 The Authority has decided to take this action because it appears to the Authority that the Firm is failing, or is likely to fail, to satisfy the following Threshold Conditions set out in Schedule 6 to the Act:
- a. The effective supervision threshold condition set out at paragraph 2C of Schedule 6 to the Act, that a firm must be capable of being effectively supervised by the Authority having regard to all the circumstances, on the basis that:
 - i. the Firm appears to the Authority to be handling Client Money but, in response to enquiries from the Authority's Supervision Division ("Supervision"), has denied that it is doing so. This lack of disclosure also appears to be in breach of Principle 11 of the Authority's Principles for Businesses, which provides that 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; and
 - ii. it appears that the Firm is passing Client Money through undesignated accounts in breach of the CASS rules and in breach of Principle 10 which requires that a firm must arrange adequate protection for clients' assets when it is responsible for them.
 - b. The appropriate resources threshold condition set out at paragraph 2D of Schedule 6 to the Act, that a firm's resources must be appropriate in relation to the regulated activities that it carries on or seeks to carry on, on the basis that the Firm does not have appropriate non-financial

resources as a result of its failure, currently and over a protracted period, to appoint a person, or persons, to perform the required senior management function roles of SMF 16 (Compliance officer) and SMF 17 (Money laundering reporting); and

- c. The suitability threshold condition set out at paragraph 2E to Schedule 6 of the Act, that a firm must be a fit and proper person having regard to all the circumstances - including the need to ensure that its affairs are conducted in an appropriate manner, having regard in particular to the interests of consumers and the integrity of the UK financial system and whether its business is being, or is to be, managed on such a way as to ensure that its affairs will be conducted in a sound and prudent manner - on the basis of:
 - i. the Firm's treatment of Client Money, in breach of the CASS rules by passing Client Money through undesignated accounts and in breach of Principle 10 which requires that a firm must arrange adequate protection for clients' assets when it is responsible for them;
 - ii. the manner in which the Firm has purportedly complied with requests for the provision of information to the Authority; and
 - iii. the Firm's failure to fill its required SMF roles.

- 2.2 It also appears to the Authority that it is desirable to exercise its power to impose the Variation and the Requirements in order to advance its operational objectives of securing an appropriate degree of protection for consumers and protecting the integrity of the UK financial system.

3 DEFINITIONS

- 3.1 The definitions below are used in this First Supervisory Notice:

"the Act" means the Financial Services and Markets Act 2000;

"the Authority" means the Financial Conduct Authority;

"the Bank Accounts" means the corporate bank accounts held by the Firm;

"CASS" means the client asset segregation rules in the Authority's Handbook;

"CASS Supervision" means the client asset segregation department within the Authority;

"Client Money" has the meaning given in Glossary to the Handbook, under the term 'client money'¹;

"Controlled Function" mean a function of a description specified in rules made by the Authority under section 59 of the Act, in accordance with the Authority's Approved

¹ <https://www.handbook.fca.org.uk/handbook/glossary/?starts-with=C;>

Persons Regime, which was replaced in December 2019 with the Senior Managers and Certification Regime;

"Custody Assets" has the meaning given in the Glossary to the Handbook, under the term 'custody assets'²;

"the Firm" means Axis Mundi Global Custody Ltd;

"the Handbook" means the Authority's online handbook of rules and guidance (as in force from time to time);

"the Hub" means the Supervision Hub, which is the Authority's contact centre for consumers and firms;

"Investor Clients" means those persons who have submitted application forms to the Firm requesting that they be accepted as self-certified sophisticated investor clients and accepted as such by the Firm;

"Part 4A permission" means a permission given by the Authority under Part 4A of the Act to carry on regulated activities;

"Principle" means one of the Authority's Principles for Businesses;

"RDC" means the Regulatory Decisions Committee of the Authority (see further under Procedural Matters below);

"Requirements" means the requirements imposed on the Firm by this Notice as set out in paragraphs 1.1(2) and (3) above;

"SMF" means senior management function, which is a type of controlled function under section 59 of the Act and as listed in section SUP 10C.4.3R of the Handbook, in accordance with the Authority's Senior Managers and Certification Regime;

"Supervision" means the Authority's Supervision Division;

"the Tribunal" means the Upper Tribunal (Tax and Chancery Chamber); and

"Variation" means the variation of permission imposed on the Firm by this Notice as set out in paragraph 1.1(1) above.

4 FACTS AND MATTERS

Background

- 4.1 The Firm has been authorised and regulated by the Authority since 20 November 2018. It has permissions for safeguarding and the administration of assets (without arranging) for the customer types eligible counterparty and professional and with a range of investment types including certificates representing certain securities, commodity futures and options, debentures, emissions allowances, futures, options, rights to or interests in securities and contractually based investments,

² <https://www.handbook.fca.org.uk/handbook/glossary/?starts-with=C>;

shares, units and warrants. Its investment activity in rights to or interests in investments (security or contractually based investment) is limited to the investment types granted for this activity. It also has permissions for agreeing to carry on a regulated activity. Pursuant to the terms of its authorisation, the Firm may hold Client Money, but must protect it and cannot lend it or use it for its own business.

- 4.2 The Firm is a private limited company, incorporated in the United Kingdom on 5 December 2017. It is owned and managed by its sole director.
- 4.3 The business model proposed by the Firm to the Authority's Authorisations Team in its application for a permission given by the Authority under Part 4A of the Act was the safekeeping of Custody Assets as a regulated activity, alongside the custody of cryptocurrency assets. The Firm's business model is solely built around third-party custody of assets. It does not offer ancillary services typical of other third-party custodians such as banking activities, analytical services such as compliance monitoring or fund related services such as fund administration.

Vacant SMF roles

- 4.4 The Firm has, since 9 December 2019, in accordance with the Authority's Senior Managers and Certification Regime, been required to identify a suitable person, or persons, for approval by the Authority to perform the SMF 16 (Compliance Oversight) and SMF 17 (Money Laundering Reporting Officer) functions. Prior to this it had a similar obligation to identify a suitable person, or persons, for approval to perform the CF10 (Compliance Oversight) and CF11 (Money Laundering Reporting Officer) functions, in accordance with the Authority's Approved Persons Regime.
- 4.5 However, shortly following the Firm's authorisation, on 21 January 2019, those persons identified to perform the CF10 and CF11 functions resigned. The Firm has subsequently failed to propose any person, or persons, who have been willing to be considered for approval by the Authority to perform these, or subsequently the SMF 16 and SMF 17, functions.
- 4.6 Throughout the period where the Firm has had vacant SMF roles, the Firm has assured the Authority that it would put forward suitable applicants for approval but failed to do so.

Transactions evidenced by the Firm's Bank Accounts

- 4.7 Bank statements for the Bank Accounts, and a statement for a payment card account in the Firm's name, were provided to Supervision by the Firm. The Firm did not explain how the Bank Accounts were used, why statements for only certain months were provided for the payment card, or whether any other accounts for the Firm existed. The total cash held by the Firm at 31 July 2020 in the Bank Accounts was £33.45.
- 4.8 The statements for the Bank Accounts show transactions, such as lump sum credits from named Investor Clients and smaller debits to these Investor Clients, and

described as “CPN”, understood by the Authority to mean “coupon”, that appear to the Authority to represent Client Money.

- 4.9 The statements for the Bank Accounts reveal several other matters of concern regarding the proper safeguarding of Client Money. For example, they are not clearly identified as Client Money accounts because they do not have “client” within the account title and, furthermore, they record debits such as payments to a food delivery outlet, a high-street coffee chain and a consulting firm, which are clearly not Client Money transactions.

Lack of transparency with the Authority

- 4.10 The Firm informed the Authority on four separate occasions, in March 2019, and April, May and August 2020, that it was not handling Client Money, in response to questions from Supervision and CASS Supervision as to whether or not it was doing so.
- 4.11 On 6 July 2020, the Firm informed CASS Supervision that it did not have any bank accounts designated for holding Client Money. But at no point did it inform the Authority that it was nevertheless handling Client Money.

Other engagement with Supervision

- 4.12 On 12 May 2020, the Authority invited the Firm to apply for a voluntary variation of its Part 4A permission by removing all regulated activities, until suitable SMF function holders had been approved, but the Firm has not applied to do so.

5 FAILINGS AND RISKS TO OPERATIONAL OBJECTIVES

- 5.1 The regulatory provisions relevant to this Notice are set out in the Annex.

Effective supervision threshold condition

- 5.2 It appears to the Authority that the Firm is failing, or is likely to fail, to satisfy the effective supervision threshold condition, on the basis that it appears to the Authority to be handling Client Money despite having denied, in response to enquiries from Supervision, that it is doing so.
- 5.3 Such conduct would also breach Principle 11 of the Principles, which provides that:
- “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”.
- 5.4 The Firm appears to be passing Client Money through undesignated accounts in breach of the CASS rules (see 5.9 below) and of Principle 10 which provides that:
- “A firm must arrange adequate protection for clients’ assets when it is responsible for them.”

This appears to the Authority to be a further breach of the effective supervision threshold condition.

- 5.5 The Authority does not believe that it has received adequate and complete

information from the Firm in its responses to the Authority's enquiries. By its responses, the Authority considers the Firm has also demonstrated it is uncooperative and has provided statements in contradiction to evidence obtained by the Authority.

Appropriate resources threshold condition

- 5.6 It appears to the Authority that the Firm is failing, or is likely to fail, to satisfy the appropriate resources threshold condition, on the basis that it does not have appropriate non-financial resources, as a result of its failure, currently and over a protracted period, to appoint a person, or persons, to perform the required senior management function roles of SMF 16 (Compliance officer) and SMF 17 (Money laundering reporting).

Suitability threshold condition

- 5.7 It appears to the Authority that the Firm is failing, or is likely to fail, to satisfy the suitability threshold condition, that a firm must be a fit and proper person having regard to all the circumstances - including the need to ensure that its affairs are conducted in an appropriate manner, having regard in particular to the interests of consumers and the integrity of the UK financial system and whether its business is being, or is to be, managed on such a way as to ensure that its affairs will be conducted in a sound and prudent manner – on the basis of:

- 1) the fact that, in relation to its treatment of Client Money, the Firm appears to have breached several provisions within CASS (Chapter 7). For example:
 - a) it appears the Firm is passing Client Money through the Bank Accounts in breach of CASS 7.13.12R which provides that where a firm sets up an account with a credit institution to receive client money³, the account must be identified as a client money bank account, separate from any accounts used to hold money belonging to the firm;
 - b) the Bank Accounts, through which Client Money appears to be passing, are in the name of the Firm and are not clearly identifiable as client money bank accounts, in breach of CASS 7.13.13(1)R which requires a firm to ensure client money is held in an account identified separately from any accounts used to hold money belonging to it;
 - c) the Bank Accounts appear to show Client Money mingling with the Firm's money in breach of CASS 7.12.2R, which provides that a firm must introduce adequate organisational arrangements to minimise the risk of loss or diminution of client money, or rights of connection with client money, as a result of misuse of client money, fraud, poor administration, inadequate record keeping or negligence;

³ Where the term "client money" is used within a rule in CASS (Chapter 7) it has the meaning given in the Glossary to the Handbook.

- d) in accordance with CASS 7.15.2R, a firm must keep such records and accounts as are necessary to enable it, at any time and without delay, to distinguish client money held for one client from client money held for any other client, and from its own money, but the Firm has failed to provide the Authority with any records adequately to demonstrate it is able to do so; and
- e) the Firm appears to be in breach of Principle 10 of the Authority's Principles, which provides that:
 - "A Firm must arrange adequate protection for clients' assets when it is responsible for them."
- 2) the manner in which the Firm has purportedly complied with requests for the provision of information to the Authority, which the Authority considers indicates a lack of probity; and
- 3) the Firm's failure to fill its required SMF roles.

Proportionality of the action

- 5.8 The Authority considers that taking this action, is desirable to further its consumer protection and integrity objectives, and is appropriate and proportionate.
- 5.9 The Authority further considers that this action should take immediate effect, to meet, or mitigate, the risks that would arise from existing and prospective Investor Clients wrongly assuming that the Firm satisfies the threshold conditions and complies with the Authority's rules, and therefore being willing to allow the Firm to handle their money, based on these misplaced assumptions.

6 PROCEDURAL MATTERS

- 6.1 The Notice is given to the Firm under section 55Y(4) and in accordance with section 55Y(5) of the Act.
- 6.2 The following paragraphs are important.

Decision Maker

- 6.3 The decision which gave rise to the obligation to give this Notice was made by a Deputy Chair of the Regulatory Decisions Committee ("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:

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

The Tribunal

- 6.4 The Firm has the right to refer the matter to which this Notice relates to the Upper Tribunal (Tax and Chancery Chamber) ("the Tribunal"). The Tax and Chancery Chamber is the part of the Tribunal which, amongst other things, hears references arising from decisions of the Authority. 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 Notice is given to it to refer the matter to the Tribunal.
- 6.5 A reference to the Tribunal can be made by way of a signed reference notice (Form FTC3) and filed with a copy of this Notice. The Tribunal's contact details are: Upper Tribunal (Tax and Chancery Chamber), 5th Floor, Rolls Building, Fetter Lane, London EC4A 1NL (telephone: 020 7612 9700; email: uttc@hmcts.gsi.gov.uk)
- 6.6 For further information on the Tribunal (including the power to vary time periods) reference should be made to the HM Courts and Tribunal Service website which provides 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>
- 6.7 A copy of Form FTC3 must also be sent to James Alleyne at the Authority, 12 Endeavour Square, London, E20 1JN at the same time as filling a reference with the Tribunal.

Representations

- 6.8 The Firm has the right to make written and oral representations to the Authority (whether or not it refers this matter to the Tribunal). The deadline for notifying the Authority that the Firm wishes to make oral representations and for providing written representations is 17 November 2020 or such later date as may be permitted by the Authority. The address for doing so is:

Jack Williams
Decision-Making Committees Secretariat
The Financial Conduct Authority
12 Endeavour Square
London
E20 1JN
Email: Decision-MakingCommitteesSecretariatInbox@fca.org.uk

Confidentiality and Publicity

- 6.9 The Firm should note that section 391 of the Act requires the Authority, when this Notice takes effect (and this Notice takes immediate effect), to publish such information about the matter as it considers appropriate.
- 6.10 The Firm should note that this Notice may contain confidential information and should not be disclosed to a third party (except for the purpose of obtaining legal advice on its contents).

Contacts

- 6.11 For more information concerning this matter generally, the Firm should contact Susan Ledger at the Authority by email at Susan.Ledger@fca.org.uk or by telephone at 020 7066 6046.
- 6.12 If the Firm has any questions regarding the procedures of the RDC, it should contact Jack Williams (direct line: 020 7066 1610 / email: Jack.Williams@fca.org.uk).

A handwritten signature in blue ink, appearing to read 'John A. Hull', with a large, stylized initial 'J' and 'H'.

John A. Hull
Deputy Chair, Regulatory Decisions Committee

Annex

RELEVANT STATUTORY PROVISIONS

1. The Authority's operational objectives established in section 1B of the Act include securing an appropriate degree of protection for consumers, and protecting and enhancing the integrity of the UK financial system.
2. Section 55J of the Act allows the Authority to vary the Part 4A permission removing a regulated activity from those to which a Part 4A permission relates, where the authorised person appears to the Authority to be failing, or likely to fail, to satisfy the threshold conditions (section 55J(1)(a)), or it is desirable to exercise the power in order to advance one or more of the Authority's operational objectives (section 55J(1)(c)).
3. Section 55L of the Act allows the Authority to impose a new requirement on an authorised person if it appears to the Authority that the authorised person is failing, or likely to fail to satisfy the threshold conditions (section 55L(2)(a)), or it is desirable to exercise the power in order to advance one or more of the Authority's operational objectives (section 55L(2)(c)).
4. 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 specified action (section 55N(1)(a)), or to refrain from taking specified action (section 55N(1)(b)).
5. Section 55P of the Act allows a requirement to be imposed under section 55L of the Act prohibiting the disposal of, or other dealing with, any of an authorised person's assets (whether in the UK or elsewhere), or restricting such disposals or dealings.
6. Section 55Y(3) of the Act allows an own-initiative power or requirement to take effect immediately (or on a specified date) if the Authority, having regard to the ground on which it is exercising its own-initiative power, reasonably considers that it is necessary for 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) But the Authority may not publish information under this section if in its opinion, publication of the information would, be unfair to the person with respect to whom the action was taken or proposed to be taken [or] prejudicial to the interests of consumers or detrimental to the stability of the UK financial system.
 - (7) Information is to be published under this section in such manner as the [Authority] considers appropriate."

The Threshold Conditions

8. The threshold conditions represent the minimum standards which a firm is required to satisfy, and continue to satisfy, in order to be given and to retain a Part 4A Permission. They are set out in Part 1B of Schedule 6 to the Act.

Effective supervision threshold condition

9. The effective supervision threshold condition, at paragraph 2C of Part 1B of Schedule 6 of the Act, provides, in relation to a person ("A") carrying on or seeking to carry on regulated activities which do not consist of or include a PRA-regulated activity, that:

"A must be capable of being effectively supervised by the [Authority] having regard to all the circumstances including—

- (a) the nature (including the complexity) of the regulated activities that A carries on or seeks to carry on;
 - (b) the complexity of any products that A provides or will provide in carrying on those activities;
 - (c) the way in which A's business is organised;
- [...]"

Appropriate resources threshold condition

10. The appropriate resources threshold condition, at paragraph 2D of Part 1B of Schedule 6 of the Act, provides, in relation to a person ("A") carrying on or seeking to carry on regulated activities which do not consist of or include a PRA-regulated activity, that:

"(1) The resources of A must be appropriate in relation to the regulated activities that A carries on or seeks to carry on.

(2) The matters which are relevant in determining whether A has appropriate resources include—

- (a) the nature and scale of the business carried on, or to be carried on, by A;
- (b) the risks to the continuity of the services provided by, or to be provided by, A;
- (c) A's membership of a group and any effect which that membership may have."

11. Paragraph 2D(4) of Part 1B of Schedule 6 of the Act, provides that the matters which are relevant in determining whether A has appropriate non-financial resources include, amongst other matters,—

"(a) the skills and experience of those who manage A's affairs."

Suitability threshold condition

12. The suitability threshold condition, at paragraph 2E of Part 1B of Schedule 6 to the Act, provides in relation to a person ("A") carrying on or seeking to carry on regulated activities which do not consist of or include a PRA-regulated activity, that:

"A must be a fit and proper person having regard to all the circumstances, including—

- (a) A's connection with any person;
- (b) the nature (including the complexity) of the regulated activities that A carries on or seeks to carry on;
- (c) the need to ensure that A's affairs are conducted in an appropriate manner, having regard in particular to the interests of consumers and the integrity of the UK financial system;

- (d) whether A has complied and is complying with requirements imposed by [the Authority] in the exercise of its functions, or requests made by [the Authority], relating to the provision of information to [the Authority] and, where A has so complied or is so complying, the manner of that compliance;
- (e) whether those who manage A's affairs have adequate skills and experience and have acted and may be expected to act with probity;
- (f) whether A's business is being, or is to be, managed in such a way as to ensure that its affairs will be conducted in a sound and prudent manner;
- (g) the need to minimise the extent to which it is possible for the business carried on by A, or to be carried on by A, to be used for a purpose connected with financial crime."

RELEVANT HANDBOOK PROVISIONS

The Enforcement Guide ("EG")

13. The Authority's approach in relation to its enforcement powers is set out in Chapter 8 of EG, certain provisions of which are summarised below.
14. EG 8.1.1 reflects the provisions of sections 55J and/or 55L of the Act by stating that the Authority may use its own-initiative power to vary a firm's Part 4A permission or to impose requirements on an authorised person where, amongst other factors, the person is failing or is likely to fail to satisfy the threshold conditions for which the Authority is responsible (EG 8.1.1(1)), or it is desirable to exercise the power in order to advance one or more of its operational objectives (EG 8.1.1(3)).
15. EG 8.2.1 states that when the Authority considers how it should deal with a concern about a firm, it will have regard to its statutory objectives and the range of regulatory tools that are available to it. It will also have regard to the principle that a variation or a requirement imposed on a firm should be proportionate to the objectives the Authority is seeking to achieve (EG 8.2.1(2)).
16. EG 8.2.3 states that in the course of its supervision and monitoring of a firm or as part of an enforcement action, the Authority may make it clear that it expects the firm to take certain steps to meet regulatory requirements. In the vast majority of cases the Authority will seek to agree with a firm those steps the firm must take to address the Authority's concerns. However, where the Authority considers it appropriate to do so, it will exercise its formal powers under sections 55J and/or 55L of the Act to vary or impose a requirement. This may include where, amongst other factors, the Authority has serious concerns about a firm, or about the way its business is being or has been conducted (EG 8.2.3(1)), or is concerned that the consequences of a firm not taking the desired steps may be serious (EG 8.2.3(2)).
17. EG 8.3.1 states that the Authority may vary or 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.
18. EG 8.3.2 states that the Authority will consider exercising its own-initiative power as a matter of urgency where: 1) the information available to it indicates serious concerns about the firm or its business that need to be addressed immediately; and 2) 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.

19. EG 8.3.3 states that it is not possible to provide an exhaustive list of the situations that will give rise to such serious concerns, but they are likely to include one or more of four listed characteristics, these include: 1) information indicating significant loss, risk of loss or other adverse effects for consumers, where action is necessary to protect their interests; 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; 3) evidence that the firm has submitted to the Authority inaccurate or misleading information so that the Authority becomes seriously concerned about the firm's ability to meet its regulatory obligations; 4) circumstances suggesting a serious problem within a firm or with a firm's controllers that calls into question the firm's ability to continue to meet the threshold conditions.
 20. EG 8.3.4 states that the Authority will consider the full circumstances of each case when it decides whether an imposition of a requirement is appropriate and sets out a non-exhaustive list of factors the Authority may consider, these include:
 - i. The extent of any loss, or risk of loss, or other adverse effect on consumers. The more serious the loss or potential loss or other adverse effect, the more likely it is that the Authority's urgent exercise of own-initiative powers will be appropriate, to protect the consumers' interests.
 - ii. The extent to which customer assets appear to be at risk. Urgent exercise of the Authority's own-initiative power may be appropriate where the information available to the Authority suggests that customer assets held by, or to the order of, the firm may be at risk.
 - iii. The nature and extent of any false or inaccurate information provided by the firm. Whether false or inaccurate information warrants the Authority's urgent exercise of its own-initiative powers will depend on matters such as:
 - (a) the impact of the information on the Authority's view of the firm's compliance with the regulatory requirements to which it is subject, the firm's suitability to conduct regulated activities, or the likelihood that the firm's business may be being used in connection with financial crime;
 - (b) whether the information appears to have been provided in an attempt knowingly to mislead the Authority, rather than through inadvertence;
 - (c) whether the matters to which false or inaccurate information relates indicate there is a risk to customer assets or to the other interests of the firm's actual or potential customers.
- (8) The firm's conduct. The Authority will take into account:
- (a) whether the firm identified the issue (and if so whether this was by chance or as a result of the firm's normal controls and monitoring);
 - (b) whether the firm brought the issue promptly to the Authority's attention;

(c) the firm's past history, management ethos and compliance culture;
and

(d) steps that the firm has taken or is taking to address the issue.

21. EG 8.3.4(9) includes the impact that use of the Authority's own-initiative powers will have on the firm's business and on its customers. The Authority will need to be satisfied that the impact of any use of the own-initiative power is likely to be proportionate to the concerns being addressed, in the context of the overall aim of achieving its statutory objectives.

The Principles for Business ("PRIN")

22. In PRIN 2.1.1 R, Principle 10 states that a firm must arrange adequate protection for clients' assets when it is responsible for them.
23. In PRIN 2.1.1 R, Principle 11 states that 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.

The Threshold Conditions ("COND")

24. COND 2.3.1A on effective supervision, states that a firm must be capable of being effectively supervised by the Authority having regard to all the circumstances, including the nature (including the complexity) of the regulated activities that the firm carries on or seeks to carry on, the complexity of any products that the firm provides or will provide in carrying on those activities, and the way in which the firm's business is organised.
25. COND 2.3.3 G states that in assessing the threshold conditions set out in paragraphs 2C [...] of Schedule 6 to the Act, factors which the Authority will take into consideration include, among other things, whether:
- (1) it is likely that the Authority will receive adequate information from the firm, and those persons with whom the firm has close links, 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 (Relations with regulators and the rules in SUP on the provision of information to the Authority".
26. COND 2.4.1A on appropriate resources, states that a firm's resources must be appropriate in relation to the regulated activities that it carries on or seeks to carry on. [...] The matters which are relevant in determining whether a firm has appropriate non-financial resources include
- (a) the skills and experience of those who manage the firm's affairs; and
- (b) whether the firm's non-financial resources are sufficient to enable the firm to comply with (i) the requirements imposed or likely to be imposed on the firm by the Authority in the course of exercising its functions [...].
27. COND 2.5.1A on suitability, states that a firm must be a fit and proper person having regard to all the circumstances, including -

- (a) The firm's connection with any person;
 - (b) The nature (including the complexity) of any regulated activity that the firm carries on or seeks to carry on;
 - (c) The need to ensure that the firm's affairs are conducted in an appropriate manner, having regard in particular to the interests of consumers and the integrity of the UK financial system;
 - (d) Whether the firm has complied and is complying with requirements imposed by the Authority in the exercise of its functions, or requests made by the Authority, relating to the provision of information to the Authority and, where the firm has so complied or is so complying, the manner of that compliance;
 - (e) Whether those who manage the firm's affairs have adequate skills and experience and act with probity;
 - (f) Whether the firm's business is being, or is to be, managed in such a way as to ensure that its affairs will be conducted in a sound and prudent manner; and
 - (g) The need to minimise the extent to which it is possible for the business carried on by the firm, or to be carried on by the firm, to be used for a purpose connected with financial crime.
28. COND 2.5.4G provides examples of the kind of general considerations to which the Authority may have regard when assessing whether a firm will satisfy, and continue to satisfy, the Suitability Threshold Condition, and include, but are not limited to, whether the firm:
- (a) conducts, or will conduct, its business with integrity and in compliance with proper standards;
 - (b) has, or will have, a competent and prudent management; and
 - (c) can demonstrate that it conducts, or will conduct, its affairs with the exercise of due skill, care and diligence.
29. COND 2.5.6G provides examples of the of the kind of particular considerations to which the Authority may have regard when assessing whether a firm will satisfy, and continue to satisfy, [the suitability] threshold condition include, but are not limited to, whether:
- (1) the firm has been open and co-operative in all its dealings with the Authority and any other regulatory body (see Principle 11 (Relations with regulators)) and is ready, willing and organised to comply with the requirements and standards under the regulatory system (such as the detailed requirements of SYSC ...
 - (1A) the firm has made arrangements to put in place an adequate system of internal control to comply with the requirements and standards for which the Authority is responsible under the regulatory system; ...

CASS

30. CASS 7.12.2R states that a firm must introduce adequate organisational arrangements to minimise the risk of the loss or diminution of client money, or of rights in connection with client money, as a result of misuse of client money, fraud, poor administration, inadequate record-keeping or negligence.
31. CASS 7.13.3R states that a firm, on receiving any client money, must promptly place this money into one or more accounts opened with any of the following: (1) a central bank [...].
32. CASS 7.13.12R states that a firm must take the necessary steps to ensure that client money deposited, in accordance with CASS 7.13.3 R, in a central bank [...] is held in an account or accounts identified separately from any accounts used to hold money belonging to the firm.
33. CASS 7.13.13(1)R states that an account which the firm uses to deposit client money under CASS 7.13.3 R (1) to CASS 7.13.3 R (3) must be a client bank account.
34. CASS 7.15.2R states that a firm must keep such records and accounts as are necessary to enable it, at any time and without delay, to distinguish client money held for one client from client money held for any other client, and from its own money.

CONFIDENTIAL

ENFORCEMENT SUBMISSIONS DOCUMENT

To: Regulatory Decisions Committee

From: Ross McDonald (Ext 12124)

Cc: Nick Miller (Ext 60602)

NAME OF FIRM/CASE:	Axis Mundi Global Custody Ltd (formerly trading as LBX Custody Ltd) (the Firm or Axis Mundi")
FIRM REF No:	799100
DATE:	20 October 2020
CONTACTS:	Susan Ledger, Interventions team (Ext 66046) Martin Watts, LLR (Ext 67140) Katie Ellis, CASS Supervision (Ext 63590)
ATTACHMENTS	Appendix 1: Draft First Supervisory Notice ("FSN") Appendix 2: Draft Disclosure List with supporting evidence bundle

1 EXECUTIVE SUMMARY

- 1.1 The purpose of this paper is to set out the basis for recommended supervisory action against the Firm. In brief terms, the Firm is unable to manage its affairs in a sound and prudent manner, and is putting consumers at risk. We recommend that the RDC issue a First Supervisory Notice to the Firm.
- 1.2 We consider that it is necessary for the RDC to use the supervisory notice procedure and exercise the power of the Financial Conduct Authority (the "Authority") with immediate effect on its own initiative to impose requirements on the Firm ("OIREQ") pursuant to sections 55L(2)(a), 55L(2)(c) and 55L(3)(a) of the Financial Services and Markets Act 2000 ("the Act") and on its own initiative to vary the Firm's Part 4A permission ("OIVOP") to remove regulated activity pursuant to sections 55J(1)(a), 55J(1)(c)(i) and 55J(2)(a)(ii) of the Act. For the avoidance of doubt, the OIREQ includes an assets requirement ("assets requirement") as defined in section 55P(4)(a) of the Act.

Reasons for action

- 1.3 The Firm has failed to propose suitable candidates to perform required SMF roles, SMF 16 (Compliance oversight) and SMF 17 (Money laundering reporting) and equivalent functions under the Approved Persons Regime previously in force, since shortly after its authorisation. The Firm also appears to be conducting regulated activity by acting as custodian for issuers of unlisted bonds which may be unsuitable for investors, while communicating to the Authority that it does not conduct any regulated activity. The custodial funds appear to pass through undesignated client money accounts held by the

Firm.

- 1.4 As a result, the Firm is failing, or is likely to fail, to satisfy the suitability Threshold Condition. It is also desirable to exercise the power in order to advance one or more of the Authority's operational objectives, which includes securing an appropriate degree of protection for consumers; in this case the protections that should be afforded to them by CASS rules 7.12.2R, 7.13.12R, 7.13.13(1)R and 7.15.2R.
- 1.5 The proposed OIREQ and OIVOP, as set out below and in the attached draft First Supervisory Notice, are intended to stop the Firm conducting regulated activities and prevent any dissipation of assets until such time as the Authority is satisfied that the Firm poses no further risks to consumers.
- 1.6 The Authority has serious concerns relating to the Firm's failure to appoint suitable SMFs and its failure to be open and transparent in its dealings with the Authority by denying it is conducting regulated activity as a custodian in spite of bank statements suggesting otherwise. The Authority has serious concerns that investors' funds are at risk as a result. Whilst our knowledge of the quantum of client money at risk is imperfect, according to the Firm's bank statements, between 7 January and 31 July 2020, 15 investors appear to have deposited £301,500 with the Firm.

The variation of permission and the requirements

- 1.7 Supervision recommends varying Axis Mundi's permissions pursuant to sections 55(J)(1)(a), 55J(1)(c)(i) and 55J(2)(a)(ii) of the Act, by removing all regulated activities with immediate effect and imposing pursuant to section 55L(2)(a), 55L(2)(c) and 55L(3)(a) of the Act the following requirements:
 - 1) Subject to para 1.9, the Firm must not, without the prior written consent of the Authority, in any way accept deposits from, dispose of, withdraw, transfer, deal with or diminish the value of any of: its own assets; any funds it holds for, or to the order of, its customers; and any funds where the Firm acts as custodian.
 - 2) The Firm must within [3] business days of receipt of the First Supervisory Notice ("FSN") notify in writing all firms for which it provides custodial services of the imposition and effect of the OIREQ and OIVOP in a form to be agreed in advance with the Authority.
 - 3) Within [3] business days of receipt of the FSN, the Firm must display, in a prominent place on its website, www.axismundicustody.com, a notice setting out the terms and effects of the OIREQ and OIVOP in a form to be agreed in advance with the Authority.
 - 4) The Firm must provide written confirmation to the Authority that it is in compliance with the OIREQ and OIVOP within [3] business days.
 - 5) The Firm must provide the Authority with a list of all payments (to include the amount, date and the investor's name, account number and sort code credited) made in the previous week pursuant to paragraph 1.2 below, by 4pm each Monday following.

1.8 The Firm may continue to make payments in its role as custodian in relation to:

- 1) Refund requests by investors.
- 2) Any interest or coupon payments to investors that the Firm would have received prior to the date of the FSN.
- 3) Payments to another custodian as part of a transfer of the custodial business, subject to consent by the Authority.

1.9 We recommend that the OIREQ and OIVOP take immediate effect and remain in force unless and until varied or cancelled by the Authority (either on the successful application of the Firm or of the Authority's own volition).

2 BACKGROUND

2.1 Axis Mundi has been authorised by the Authority and regulated since 20 November 2018. The Firm has permissions for safeguarding and the administration of assets (without arranging) for customer types including eligible counterparties and professionals and with a range of investment types including certificates representing certain securities, commodity futures and options, debentures, emissions allowances, futures, options, rights to or interests in securities and contractually based investments, shares, units and warrants. The Firm's investment activity in "rights to or interests in investments (security or contractually based investment)" is limited to the investment types granted for this activity. The Firm also has permissions for "agreeing to carry on a regulated activity".¹

2.2 Axis Mundi is a private limited company, incorporated in the UK on 5 December 2017. It is owned and managed by the sole director, Benjamin Dives. Its previous trading name was LBX Custody Ltd ("LBX Custody") until 26 Sep 2019. Mr Dives is also a shareholder and director of several businesses in this industry, demonstrating the breadth of his experience in financial services and related sectors.²

- 1) Mr Dives is sole director and shareholder of:
 - a. Mayan Block Ltd (previously LBX Trading Ltd and Moon Systems Ltd);
 - b. Axis Mundi Services Ltd (previously Drachensberg Private Wealth Ltd);
 - c. Outsauce Ltd (previously LBX Securities Ltd); and
 - d. Biggerflip Ltd.
- 2) Mr Dives has directorships and majority shareholdings in the following firms:
 - a. Launch Pay Ltd (FRN 902785) (previously LBX Pay Ltd. Mr Dives is 1 of 3 directors and sole shareholder);
 - b. Drachensberg & Co Ltd (sole Director and sole shareholder until 30 June 2020 when Mr Peter Neil Anderson acquired 25.1% shareholding),
 - c. Defiant Identity Ltd (50% shareholder and co-director along with Sameer Ismail);
 - d. Defiant Assets Ltd (50% shareholder and co-director along with Sameer Ismail); and

¹ Screenshot of FCA Register taken on 23 September 2020, page 7 of evidence bundle

² Screenshot of Companies House Directorships/shareholdings for Ben Dives taken on 25 September 2020, page 3 of evidence bundle

- e. Minton Byrne Ltd (previously LBX Peg Ltd, sole director and 70% shareholder along with Dr Kpakpo Acquaye).

Business Model

- 2.3 The business model proposed to the Authority's Authorisations team (Authorisations) was the safekeeping of client securities as a regulated activity, alongside the custody of crypto currency assets.³ The Firm's business model is solely built around third-party custody of assets. It does not offer ancillary services typical of other third-party custodians such as banking activities; analytical services such as compliance monitoring or fund related services such as fund administration.
- 2.4 Supervision had concerns as a result that the Firm may not use its permission and instead wished to enter the perimeter to enhance the profile of the director's crypto trading business. Authorisations engaged with the Firm during July 2018 to achieve a clearer separation of unregulated business from the authorised entity and alter its financial promotions accordingly in light of this concern.⁴

3 RELEVANT FACTS AND MATTERS

Failings and risks identified

Vacant SMF roles

- 3.1 Shortly following authorisation, on 21 January 2019 the persons identified to perform the CF10 (Compliance Oversight) and CF11 (Money Laundering Reporting Officer) functions, in accordance with the Authority's Approved Persons Regime, resigned from Axis Mundi - with the exception of its sole director, Mr Dives.⁵ The Firm was subsequently required from 9 December 2019 to have SMF 16 (Compliance oversight) and SMF 17 (Money laundering reporting) functions in accordance with the Authority's Senior Managers and Certification Regime.
- 3.2 The Firm applied in August 2019 for Authority approval of its candidates to perform these controlled functions but subsequently withdrew its applications, thus a gap has persisted throughout the period.⁶

Date	Application	FCA response
August 2019	SMF 16 and SMF 17 submitted for a Sameer Jaweed Ismail. Note Mr Ismail is cited above as co-director of companies at 2c & 2d	Authorisation first contacted the Axis Mundi regarding the application on 5 November 2019, requesting supporting information routinely sought for applications e.g. organisational charts and a skills and knowledge gaps assessment.

³ NFR of initial LBX Custody Limited meeting with Authorisation on 14 June 2018, page 8 of evidence bundle

⁴ Internal communication within Authorisations discussing assessment of LBX Custody Limited's application on 30 July 2018, page 12 of evidence bundle

⁵ Overview of Axis Mundi SMF Applications from FCA Register, page 14 of evidence bundle

⁶ Email from SMF16 and SMF17 candidate cancelling their Form A Application dated 2 March 2020, page 15 of evidence bundle

		The information requested was not forthcoming from the Firm.
February 2020	SMF16 and SMF17 applicant, Ms Ismail contacts FCA.	Candidate phoned Authorisations to inform he longer represented Axis Mundi and wished his application withdrawn.
March 2020	SMF 16 and SMF 17 application for Mr Ismail withdrawn.	Application withdrawn by candidate before queries from Authorisations were addressed by firm. No reason for withdrawal given by candidate.

3.3 As a short-term measure to reduce the scope for potential harm due to the lack of filled SMF roles at the Firm, the Firm was invited on 12 May 2020 to voluntarily restrict its activities (VREQ) until the requisite SMF had been approved by the Authority.⁷

3.4 The Firm declined to sign the VREQ and cited an intention to appoint a named individual as a further candidate to the Firm's required SMF positions.⁸ The Firm has not made any subsequent reference-to or submitted any approval forms to the FCA in relation to this individual.

No reported regulated activity

3.5 Authorisation expressed their concerns on 29 January 2019 that the Firm's regulated status may be intended for use in promoting Mr Dives's unregulated business, as a result of the Firm's SMF departing, in addition to the owner's association with high risk crypto currency products.⁹

3.6 Throughout the Authority's engagement, the Firm have maintained they were not conducting regulated business.¹⁰ The Firm confirmed on 3 separate occasions in March 2019, August 2019 and April 2020 that they were not conducting any regulated business, in response to challenge from FCA Supervision. FCA Supervision described its expectation that no regulated business should be conducted while the requisite SMF were not in place.

3.7 The Firm have also consistently declared they conduct no regulated activity and therefore hold no client assets in its regulatory returns.¹¹ The latest available client money and client assets return (FSA039) submitted for the quarter to 30 September 2019 disclosed zero revenues.

⁷ Email from FCA to Ben Dives with draft VREQ attached dated 12 May 2020, page 18 of evidence bundle

⁸ Email from Ben Dives to FCA confirming SMF16 and SMF17 role has been filled dated 19 May 2020, page 23 of evidence bundle

⁹ Email between FCA Authorisations and FCA Supervision expressing concerns dated 29 January 2019, page 28 of evidence bundle

¹⁰ Email chain between FCA and Ben Dives from 19 February 2019 to 21 August 2019 denying the Firm was conducting regulated activity, page 30 of evidence bundle

¹¹ FSA039 2019 client asset return for the period 01/07/2019 to 31/12/2019, page 35 of bundle

CASS Supervision interactions

- 3.8 The Authority's CASS Supervision team (CASS Supervision) had previously engaged with Axis Mundi on the CASS survey in January 2020 to determine the Firm's CASS classification.¹² CASS Supervision send an annual survey to all CASS small firms and to firms that have relevant permissions to hold client money and/or custody assets but report zero balances in the previous calendar month. CASS Supervision contacted the Firm to obtain copies of the client money account bank statements and acknowledgement letters for the accounts as part of the survey.¹³
- 3.9 Following this exchange, Axis Mundi on 6 July 2020 confirmed to CASS Supervision that it did not have any client money bank accounts. The Firm had previously explained on 30 April 2020 that the delay in client account opening was a consequence of the coronavirus pandemic and the operations at NatWest.¹⁴
- 3.10 As a result of its interactions with the Firm, CASS Supervision has concerns that the Firm may have breached Principle 10 of the Handbook and several CASS Rules by conducting CASS activity in a non-compliant manner, as set out in paras [3.33 to 3.40] below. CASS has not had recent dealings with the Firm since the update received 6 July 2020 although based on the seriousness of its concerns, CASS is supportive of the proposed action.

Callers to the Supervision Hub reported Oxville mini-bonds associated with Axis Mundi

- 3.11 Supervision became aware of the promotion of mini-bonds by the unregulated financial advisor Oxville Analytics ("Oxville Analytics") following customer complaints and queries to the Authority's Supervision Hub (the "Hub") in February 2020. Oxville Analytics is also not registered with Companies House.¹⁵
- 3.12 Reports from customers to the Hub noted that Axis Mundi's safeguarding role had been emphasised by Oxville Analytics, while bond documentation shared with the Authority heavily trailed Axis Mundi's role as a Custodian. Axis Mundi's FRN and regulated status was specifically highlighted by Oxville Analytics to customers. Note: The personal details of customers, such as their names and contact details, have been redacted from the papers, as EMO does not regard the identity of these individuals as material to the Authority's concerns, or their non-disclosure as in any way detrimental to the Firm's ability to respond to the FSN.¹⁶

- 1) The Hub received 7 different contacts regarding three Oxville Analytics mini-

¹² A firm will be classified as CASS large, medium or small depending on the value of custody assets and client money held.

¹³ Email chain between Ben Dives and FCA CARD department between 24 April 2020 and 6 July 2020 regarding CASS classification, page 36 of evidence bundle

¹⁴ Email from Ben Dives to FCA CARD department confirming the firm does not have any client accounts dated 6 July 2020, page 40 of evidence bundle

¹⁵ No firms containing the word Oxville are currently registered with Companies House. The Oxville Analytics website appears to be oxvilleanalytics.com. On the website the firm describes itself as "a quantitative research consultancy which provides professional investors with insights into emerging markets and technologies". The contact details on the website are 0207 193 2900 and admin@oxvilleanalytics.com.

¹⁶ The underlined was added by amendment to the original ESD on 23 October 2020

bonds (the "Oxville mini-bonds") between 29 January 2020 and 19 May 2020.¹⁷ Customers provided to the Authority marketing material received from Oxville Analytics.¹⁸

- a. Tantalax XR Bond (Tantalax) marketing material received by the FCA on 15 May 2020. The bond promises 10.5% annual returns over a three-year term. *"All assets placed into this bond are custodied by Axis Mundi Global Custody, an FCA regulated custodian, registration number 799100...Yield creation strategies are managed by MossLake Limited, an FCA regulated Investment Manager, registration number 922985¹⁹...An international security identification number ensures that the registered bond you are placing your funds into is legitimate, has been issued correctly and is a "real bond". You can find the Tantalax bond on Bloomberg using its registration [ISIN] LU2132837662. Its classified by Clearstream as DBFXFR, a registered bond."*²⁰
- b. Exousia Autonomous Electric Vehicle Alpha Creation (Exousia AEV Alpha) received by the FCA on 15 May 2020. The bond promises a 7% return with a monthly coupon over a 12 -month term, no rollover. It is described as a registered bond with CFI code DBFXFR. *"An international security identification number ensures that the registered bond you are placing your funds into is legitimate, has been issued correctly and is a "real" bond. Find Exousia on Bloomberg using LU2132805891. FCA Regulated Custodian. Where do your funds go to? Unless it is an FCA regulated custodian you are taking as [sic] huge risk. We are partnered with Axis Mundi Global Custody who you can find on the FCA register using their reg number 799100. FCA Regulated IM. How do you know if your funds are being placed as per the product you've applied to? The only safe way is via a regulated investment manager. We work with Moss Lake whos [sic] reg number is 801891."*²¹
- c. Blocquidity bond (Blocquidity) by Blocquidity Markets²², received by the FCA on 15 May 2020. The bond promises 13.5% returns over an 18-month term. *"We comply with all anti-money laundering regulations whilst processing you through the onboarding process with our FCA regulated custodian, Axis Mundi Global Custody (<https://axismundicustody.com/> FCA Number: 799100). You will be sent an easy to complete application form which will ensure you meet our requirements as a professional investor, along with AML and know your customer requirements...Upon completion of the application process, you will be provided with the banking details of Axis Mundi who will receive your funds into their segregated account. They will acknowledge receipt of funds directly to*

¹⁷ Screenshot of calls logged on INTACT against Oxville Analytics taken on 21 September with screenshots of two consumer Hub correspondence dated 1 April 2020 and 30 April 2020, page 45 of evidence bundle

¹⁸ Screenshot of calls logged on INTACT against Oxville Analytics taken on 21 September with screenshots of two consumer Hub correspondence dated 1 April 2020 and 30 April 2020

¹⁹ Mosslake Ltd, company number 12449135, was incorporated on 7 February 2020 with Allen Martin Goodwin as sole director and shareholder. There are no other entities similarly named that are registered on Companies House. The firm name MossLake Investment Management is also listed on p.8 in the brochure but is not registered on Companies House.

²⁰ Tantalax+Brochure - 3 year Contract 10.5 Per Annum Quarterly Returns, page 50 of evidence bundle

²¹ Exousia Brochure 1 Year Term 7 Per Annum Monthly Returns, page 58 of evidence bundle

²² A search of the name "Blocquidity" and "Blocquidity Markets" on Companies House did not return any results.

you and it at this point you will be issued with your Blocquidity bond with ISIN LU2132834305....Our FCA regulated investment manager, Moss Lake, then works diligently to maintain a consistent yield generation flow and delivers these returns to Axis Mundi, who will then make coupon payments to you automatically on the 1st day of the month following each 90 day period of your bond purchase date.” On page 11 of the brochure, Blocquidity partners listed are Axis Mundi Global Custody as custodian, Moss Lake as investment manager, Argento Access SARL as securitisation issuer, Coinbase Pro digital asset exchange, Binance digital asset exchange, and Nexo liquidity provider.²³

- 2) A customer of Oxville Analytics (“customer 1”) was sent details by email, in order to transfer their investment principle into a bank account described by Oxville Analytics as belonging to Axis Mundi. Remittance advice obtained from customer 1 provided correct NatWest account details which listed ‘Axis Mundi Global Custody’ as beneficiary, account number 4326 5758 and sort code 60-13-14 for a £5,000 investment. “You are applying to Axis Mundi to deposit the following amount which may later be applied to a Subscription in a registered bond with a fixed annual coupon of 10.50% maturing 30 April 2023” which would have been a three-year term. The term and coupon correspond to the Tantalax Bond.²⁴
- 3) According to callers to the Hub, the bonds were promoted in part through unsolicited calling by the unregulated firm Oxville Analytics, who sought to utilise the ‘Sophisticated and high net worth’ exception. A customer report to the Authority described that their challenge to Oxville Analytics of whether the advisor was appropriately regulated by the Authority to promote the bonds ended any further correspondence.²⁵
- 4) In addition, the Hub was contacted by a customer (“customer 2”) who invested with Oxville Analytics. Customer 2 confirmed having spoken with Mr Dives after contacting Axis Mundi using the register details. Customer 2 stated that Mr Dives had confirmed safekeeping of the bonds.²⁶

Concerns with the legitimacy of Oxville mini-bonds

3.13 Upon review Supervision identified the following concerns with the 3 Oxville mini-bonds:

- 1) The 3 Oxville mini-bonds do not reference any specific legal entity, corporate or business which will be paying the promised coupon through Axis Mundi, repaying the principle or the reasons for fundraising.²⁷

²³ Blocquidity Brochure Bond 18 Month Contract 9 Per Annum Quarterly Returns, page 68 of evidence bundle

²⁴ Axis Mundi Account Opening Request Form for Customer 1, page 80 of evidence bundle; Natwest Responses to s165 providing bank account details dated 27 August 2020, page 99 of evidence bundle

²⁵ Screenshot of calls logged on INTACT against Oxville Analytics taken on 21 September with screenshots of two consumer Hub correspondence dated 1 April 2020 and 30 April 2020, page 45 of evidence bundle

²⁶ Screenshot of calls logged on INTACT against Oxville Analytics taken on 21 September with screenshots of two consumer Hub correspondence dated 1 April 2020 and 30 April 2020, page 45 of evidence bundle

²⁷ Exousia Brochure 1 Year Term 7 Per Annum Monthly Returns, page 58 of evidence bundle; Blocquidity Brochure Bond 18 Month Contract 9 Per Annum Quarterly Returns, page 68 of evidence bundle; Tantalax+Brochure - 3 year Contract 10.5 Per Annum Quarterly Returns, page 50 of evidence bundle

- 2) The documents also include false statements²⁸.
 - a. Disclosure of unique ISINs for the 3 Oxville mini-bonds, with a suggestion on one bond document, that it is tradeable on an exchange as a consequence. Upon investigation by Supervision, the ISINs do not exist.
 - b. Neither MossLake Ltd or Moss Lake is authorised by the Authority. The FRNs cited do not exist.
- 3) The returns for the 3 Oxville mini-bonds (10.5%, 7%, and 13.5% respectively from preceding paragraphs) are high²⁹, a classic red flag that the unlisted bonds may not be legitimate.
- 4) Open source research could not verify the existence of the 3 Oxville mini-bond names. They could only be found to exist within the fabric of the documents provided to the customers.

Argento mini-bonds associated with Axis Mundi

3.14 According to its LinkedIn profile, the firm Argento Access is a securitisation vehicle based in Luxembourg. Phil Millo is listed as an employee and on the firm's website it refers to itself as Argento Access SARL.³⁰

3.15 According to www.magentaorg.com³¹, on 3 July 2019 it was announced that:

*"Argento Access and LBX, London Block Exchange, have partnered to launch the world's first bitcoin-denominated bond. The bond settles in bitcoin, is priced in bitcoin, pays monthly coupons in bitcoin, redeems in bitcoin, and has no traditional 'fiat' currency exposure anywhere in the structure. The bond is available in a variety of durations, each of which has been allocated an ISIN security code by Clearstream. This means the bonds can be looked up on a Bloomberg terminal and this is the first time a cryptocurrency product has ever been allocated such a code. The notes are exclusively traded via LBX Trading and are **custodied by an FCA regulated custodian in London** [emphasis added]. The register of noteholders is maintained on the blockchain.*

Phil Millo, Argento's Manager, said:

'We are thrilled to have structured and produced the world's first institutional grade bitcoin denominated financial product. The large investment banks really dropped the ball on this one.'

Benjamin Dives, CEO of LBX [emphasis added] said:

²⁸ Exousia Brochure 1 Year Term 7 Per Annum Monthly Returns, page 58 of evidence bundle; Blocquidity Brochure Bond 18 Month Contract 9 Per Annum Quarterly Returns, page 68 of evidence bundle; Tantalax+ Brochure - 3 year Contract 10.5 Per Annum Quarterly Returns, page 50 of evidence bundle

²⁹ see page 71 of the supporting evidence bundle for an example of a bond with promised returns on 13.5% returns over 18 months

³⁰ <https://argentoaccess.com/>

³¹ <https://magentaorg.com/pressreleases/lbx-argento-bitcoin-bond/>

'This is an excellent product for people who currently hold bitcoin and aren't planning to sell over the next few years — the so-called 'HODLers'. Now, for the first time, they have an institutional grade way of making their wallets grow without exposing their bitcoin to the swings of the traditional 'fiat' currency markets.' "

- 3.16 From this press release, it is clear that the Mr Dives is personally familiar with the firm Argento Access and would have been aware and apparently involved with the proposed Argento bond offering.
- 3.17 LBX Custody changed its name to Axis Mundi in September 2019 and Argento transactions appear on its 2020 statements as listed in the summary table of transactions below in para [3.25], confirming that Axis Mundi continued the LBX Custody relationship with Argento.

Firm's s165 response providing bank account information

- 3.18 Supervision sought to establish from the Firm the potential value of customer money received by the Firm from Oxville Analytics customers and any other investors who may be using the Firm's custodial services, following calls to the Hub by issuing an information request under s165 of the Act ("information request") to Axis Mundi dated 29 July 2020.³² The request sought clarification from Axis Mundi about its involvement with the 3 Oxville mini-bonds, the value of customer money retained by the firm and copies of statements for all bank accounts held by the firm.
- 3.19 The Firm provided on 7 August 2020 a response to the information request that included:
- 1) a file in .csv format (similar to Excel) from 7 January 2020 to 31 July 2020 for a specified bank account held by the firm at NatWest;
 - 2) a .csv file from 19 January 2020 to 7 August 2020 for an unspecified bank account (i.e. without an account number or sort code) held by the Firm at Starling; and
 - 3) .pdfs of multicurrency card account statements for February 2020 and July 2020 that are held in the Firm's name at IgoriaCard. The Firm did not explain how the accounts are used, why those months were provided for the IgoriaCard, or if any other accounts for the Firm existed.³³
- 3.20 An information request pursuant to s175 of the Act was sent to the Firm's banks domiciled in the UK (NatWest and Starling) which provided a more complete picture that identified additional accounts with no activity that are held by the Firm, however the accounts showing activity matched the .csv files sent by the Firm. The request confirmed that the bank statements provided by Axis Mundi were complete and accurate.

³² Email from Ben Dives replying to S165 Requirement dated 7 August 2020, page 84 of evidence bundle

³³ The Firm provided a .csv statement for the period 7 Jan 2020 to 31 Jul 2020 for NatWest account 43265758 and sort code 60-13-14, a .csv statement for the period 19 Jan 2020 to 7 Aug 2020 for Starling account [unspecified] and sort code [unspecified], and two statements for IgoriaCard multicurrency card in the name of Axis Mundi Global Custody Ltd with account number 20 0000 38484 for the periods 1–29 Feb 2020, 1 Jul – 1 Aug 2020 which contain references to transfers to "other IgoriaCard wallet".

- 1) NatWest statements from 1 Jan to 26 Aug 2020 were produced for the same account number as the .csv sent. The Firm also holds 3 other accounts with NatWest.
 - a. An account named "Axis Mundi Global Custody Ltd", the statement of which reveals a loan disbursement on 11 May 2020 of £50,000 and no other activity in 2020. The statement is for the period 11 May to 26 Aug 2020. The account is as a result overdrawn by this amount.³⁴
 - b. The account "Axis Mundi Global Custody Ltd Fee Acc, Client Deposit Manager Account". The statement is for the period 20 Jul to 26 Aug 2020 and there is no activity.³⁵
 - c. The account "Axis Mundi Global Custody Ltd, Client Deposit Manager Account". The statement is for the period 20 Jul to 26 Aug 2020 and there is no activity.³⁶
 - 2) The Firm also holds two Starling bank accounts. One is a GBP-denominated account (the "Starling GBP account") and one is a Euro-denominated account.
 - a. Starling statements from 19 Jan to 2 Sep 2020 were produced for the Starling GBP account. The account activity matches that of the .csv file sent so it is assumed it is for the same account.³⁷
 - b. The Euro-denominated Starling account did not have any activity to date in 2020.³⁸
- 3.21 The total cash held by the Firm as of 31/07/20 in its NatWest account and Starling account was £12.98 and £20.47 respectively.³⁹

Customer assets deposited in Axis Mundi NatWest account suggesting custodial activity

3.22 As noted in para [3.12 sub para 2], the account number and sort code for the NatWest account match those on the remittance advice provided by Oxville Analytics to customer 1.⁴⁰

3.23 The NatWest account statement also contained a series of 6 BACS (totalling £75,000

³⁴ Natwest Responses to s175 providing bank account details dated 27 August 2020, page 108 of evidence bundle. The NatWest account is in the name Axis Mundi Global Custody Ltd, account number 47341408 and sort code 601314.

³⁵ Natwest Responses to s175 providing bank account details dated 27 August 2020, page 107 of evidence bundle. The NatWest account is in the name Axis Mundi Global Custody Ltd Fee Acc, Client Deposit Manager Account, account number 47349352 and sort code 601314.

³⁶ Natwest Responses to s175 providing bank account details dated 27 August 2020, page 98 of evidence bundle. The NatWest account is in the name Axis Mundi Global Custody Ltd, Client Deposit Manager Account, account number 47349352 and sort code 601314.

³⁷ Starling Response to s175 providing bank account details dated 26 August 2020, page 111. The Starling GBP account is in the name Axis Mundi Global Custody Ltd, account number 58532698 and sort code 608371,

³⁸ Starling Response to s175 providing bank account details dated 26 August 2020, page 109. The Starling EUR account is in the name Axis Mundi Global Custody Ltd. The EUR IBAN is GB41SRLG60837146145769 and BIC is SRLGGB3L.

³⁹ Natwest Responses to s175 providing bank account details dated 27 August 2020, page 99 of evidence bundle and Starling Response to s165, page 109,

⁴⁰ Customer 1 [name redacted] provided to the Hub a copy of the paperwork sent to him by Oxville Analytics to arrange for a payment of £5,000 to Axis Mundi as custodian.

between March and May 2020) transfers-in with the name of customer 2 who contacted the Hub about Axis Mundi and Oxville Analytics (summarised in the table below).⁴¹ .

3.24 The NatWest account statement also contains numerous BACS transfers in for round sum payments – typically amounts such as £5k, £10k, £15k and £25k. As with customer 1, the payment reference contains customers’ names for which the Firm appears to be using its permission as custodian. As well, the payments out are within one or two days of the incoming payments, to Earthport Plc, which is a payments service provider that was acquired by Visa Payment Services in 2019 and to Argento Access which by reference to paras [3.13 and 3.14] appears to be the Luxembourg-registered securitisation company that has links to the Firm.

3.25 For the period from 7 Jan 2020 to 31 Jul 2020 the following payments were identified:⁴²

Monthly total (2020)	Description	Amount In (GBP)	Amount Out (GBP)
Feb	Customers 3 and 4	60,000	
	EARTHPORT PLC 44TRD1292516 VIA MOBILE – PYMT		59,992.54
Mar	Customers 2, 4 and 5	75,000	
	NONREF PLBRADO0537xxxx ARGENTO ACCESS S URGENT TFR		55,060
Apr	NONREF PLBRADO05381151 ARGENTO ACCESS S URGENT TFR		19,970
	Customers 2, 4, 6 and 7. Also Customer 3 with payment reference “ Exousia Bond ” dated 17 Apr 2020.	55,000	
	MAGENTA ADVISORS4AXIS MUNDI GBP-C VIA ONLINE – PYMT		10,000
	NONREF PLBRADO05389249 ARGENTO ACCESS S URGENT TFR		45,030
May	Customers 2, 5, 8, 9, 10, 11, 12, 13, 14, 15	101,500	
	NONREF PLBRADO05395798 ARGENTO ACCESS S URGENT TFR		70,030
	NONREF PLBRADO05398484 ARGENTO ACCESS S		30,060

⁴¹ Bank statement showing references to customer 2 on 26 Mar 2020 for £10k, 27 Mar 2020 for £10k, 15 Apr 2020 for £10k and £20k, 4 May 2020 for £20k and 5 May 2020 for £5k. Natwest Responses to s175 providing bank account details dated 27 August 2020, page 99 of evidence bundle

	URGENT TFR		
	Customer 3	5,000	
Jun	Customer 16	5,000	
	<i>(There are no further payments to PSPs)</i>		
Total		301,500	290,142.54

- 3.26 These payments in that reference customer names can be tracked shortly thereafter to equivalent payments out to recipients such as Earthport Plc and Argento Access, causing Supervision concern that the Firm is using its permissions as custodian, despite informing Supervision that it was not doing so.
- 3.27 Furthermore, Supervision notes the reference to Exousia AEV Alpha bonds in the above table, which are one of the Oxville Analytics mini-bonds and suggests that Customer 3 is another customer of Oxville Analytics for which the Firm is using its permission as custodian.
- 3.28 The sum of all BACS transferred in, based on the NatWest account statements, is £301,500 and Supervision is concerned this may represent a significant amount of customer investment that is not reported to the Authority and therefore a significant risk to investors.⁴³

Coupon payments out of Starling GBP account suggesting custodial activity

- 3.29 The Starling GBP account also suggests that the Firm is using its permission to act as custodian. Supervision noted numerous payments out of the Starling GBP account which appear to be interest or coupon payments to investors. The coupon payments are shown on the Starling GBP account statements by named investor. The surnames of those receipting these coupon payments on the Starling GBP account correspond to those names on the NatWest BACS transfers described above.⁴⁴

Date (2020)	Description on statement	Amount In (GBP)	Amount Out(GBP)
31 Mar	C90 coupon Q1 2020	632.32	
	'AMT-1372xx' to Customers [x] (sort code [x] / account number [x])		519.99
2 Apr	COUPON MAR 2020 COMPLEMENT	51.00	
	'AMT-1372xx' to Customers [x] (sort code [x] / account number [x])		163.33

⁴³ Natwest Responses to s175 providing bank account details dated 27 August 2020, page 99 of evidence bundle

⁴⁴ Starling Response to s175 providing bank account details dated 26 August 2020, page 109 of evidence bundle

30 Apr	ARGENTO C90 COUPONS APR 2020	350.00	
	'AMT-1372xx APR CPN' to Customers [x] (sort code [x] / account number [x])		244.03
1 Jul	'AMT-1327xx JUN CPN' to Customers [x] (sort code [x] / account number [x])		4,289.60
3 Jul	'COUPON' from AXIS MUNDI GLOBAL (601314 /43265758)	4,298.60	
21 Jul	'AMT-1327xx JUN CPN' to Customers [x] (sort code [x] / account number [x])		174.17
21 Jul	'COUPON' from AXIS MUNDI GLOBAL (601314 /43265758)	136.51	
Total		4,571.62	4,463.77

- 3.30 As well, the description 'ARGENTO C90 COUPONS APR 2020' on the payment dated 30 April 2020 suggests coupon payments on Argento Access bonds were paid out of the Starling account. Argento Access has been established to have links to the Firm and has been in the media in relation to the issuance of bonds as noted in paras [3.14 and 3.15]. Therefore this reference to Argento coupon payments further supports concerns that the Firm is conducting regulated activities as custodian.⁴⁵

Account activity other than custodial activity

- 3.31 The NatWest account and the Starling account are set up in the name of Axis Mundi Custody Global Limited. They are not clearly identifiable as client accounts because they do not have "client" within the account title. However, it is evident that customer investments are paid in and coupon / interest payments are being paid out of both of these accounts.
- 3.32 The NatWest account also contains payments out that are evidently unrelated to the regulated activity of safeguarding and administration of assets which include payments to Deliveroo and Starbucks.⁴⁶
- 3.33 In the Starling GBP account, there are also what appear to be operational payments to third parties which are unrelated to the regulated activity of safeguarding and administration of assets, for example a payment to a named consultancy.⁴⁷
- 3.34 CASS Supervision have also identified four transactions where monies are paid from the NatWest account and the Starling GBP account to IgoriaCard accounts in the names of LBX Trading (which is now Mayan Block Ltd) and Mayan Block Ltd of which Mr Dives is the sole Director and shareholder. Mr Dives remains the sole Director of Axis Mundi. We are concerned that client assets may be invested in bonds issued by Mayan Block where investors are unaware that Mr Dives is the director of both Axis Mundi and Mayan Block. Alternatively, there is the risk that client assets have been transferred to Mayan Block to be used on the firm's own account without the issuing of bonds, resulting in

⁴⁵ Starling Response to s175 providing bank account details dated 26 August 2020, page 112 of evidence bundle

⁴⁶ Natwest Responses to s175 providing bank account details dated 27 August 2020, page 105 of evidence bundle

⁴⁷ Starling Response to s175 providing bank account details dated 26 August 2020, page 112 of evidence bundle

the misuse of client assets.

Analysis of failings and risks

3.35 Asset Management Supervision offer the following conclusions based on the factual evidence.

Principle 11 – Relations with regulators

3.36 Supervision do not believe the Firm is meeting its suitability Threshold Condition in all the circumstances. This includes having not received adequate information from the Firm in its responses to the Authority. In those responses to the Authority, Axis Mundi has also demonstrated it is uncooperative and provided statements in contradiction to evidence obtained otherwise.

3.37 In contradiction to Mr Dives's responses denying that the Firm has conducted regulated activities or controlled client money, there is evidence to support our concerns that Axis Mundi receipted customer money in relation to the 3 Oxville mini-bonds.

- 1) The account and sort code details in the remittance advice given to a customer match Axis Mundi's own bank details.
- 2) The name of a complainant to the Authority matches transactions on Axis Mundi's bank statements.
- 3) Coupon payments to customers are evident on the Axis Mundi's bank statements – the names of these recipients match those names contained within the descriptions for lump sum transfers into Axis Mundi's accounts.

Principle 10 – Adequate protection for clients' assets

3.38 CASS Supervision believe Axis Mundi has breached multiple CASS 7 rules in their activity to date. This, by extension, is not in compliance with Principle 10, *A Firm must arrange adequate protection for clients' assets when it is responsible for them.*

- 1) The firm is primarily using two bank accounts, the NatWest account and the Starling GBP account, to receive monies from named investors and to make payments of coupons to the same named investors. This is a breach of CASS 7.13.12R which requires that where a firm sets up an account with, amongst others, a credit institution to receive client money, the account must be a client money bank account.
- 2) The bank accounts that appear to be used as client money accounts are set up in the name of the firm, Axis Mundi Custody Global Limited, and are not clearly identifiable as client money bank accounts. This is a breach of CASS 7.13.13(1)R which requires a firm to ensure client money is held in an account identified separately from any accounts used to hold money belonging to the firm.
- 3) CASS Supervision has identified transactions that are unrelated to client money transactions in the NatWest account and the Starling GBP account. This appears to be a breach of CASS 7.12.2R where the firm must introduce adequate organisational arrangements to minimise the risk of loss or diminution of client

money or rights of connection with client money as a result of misuse of client money, fraud, poor administration, inadequate record keeping or negligence.

- 3.39 Supervision would also note that as a custodian, Axis Mundi would normally be responsible for the books and record keeping of any client assets. The Firm has failed to provide any records of client assets.
- 3.40 As highlighted in para [3.8], CASS Supervision previously approached the Firm for information on their client money holdings including statements and acknowledgement letters to which the firm confirmed it did not have. This contrasts with the client money transactions which were shown on the bank statements because CASS 7.15.2R requires the firm to keep records and accounts as are necessary to enable it, at any time and without delay, to distinguish client money held for one client from client money held for any other client and from its own money.

Threshold Conditions

- 3.41 The Firm appears to have breached the "Suitability" Threshold Condition based on the following:
- 1) Failings were identified in relation to Principles 10 and 11;
 - 2) Concerns were identified with the Firm's dealings with custodial payments in relation to unlisted bonds;
 - a. The false claims per [3.12] within the bond documentation.
 - b. Their promotion by an unregulated advisor through cold calling.
 - c. The documentation does not identify any specific corporate or legal entity that is funding raising or which would repay the principal or interest payments.
 - 3) The Firm does not appear to be suitably organised, as evidenced through its lack of progress in recruiting SMF16 and SMF17 roles despite repeated requests that it take action; and
 - 4) Since January 2019, the Firm has submitted a sole application for the SMF16 and SMF 17 roles, as evidenced in para [3.2]. This application was withdrawn before a decision was made by Authorisation.

Engagement with the Firm

- 3.42 The evidence supports the conclusion that Axis Mundi is conducting regulated activity and failing to report its activity. The Firm denied to the Authority that it conducts regulated activity in its regulatory returns, when challenged by Supervision with reference to customer complaints, and in an information request.
- 3.43 The Firm's email correspondence with the Authority was unhelpful with terse, one word responses. It is particularly concerning that the Firm failed to provide an explanation for the activity on the bank and payment card statements that it provided and an explanation for the accounts it omitted – while maintaining it did not conduct regulated activity.

Other matters

3.44 The Firm has regulatory returns that are overdue since 29 January 2020.⁴⁸

- 1) The Firm has failed to submit quarterly balance sheet returns (FSA029), profit and loss returns (FSA030), and capital adequacy returns (FSA033) since the reporting period ending 31 December 2019.
- 2) The Firm has also failed to submit its annual report and accounts (FIN-A) for the period ending 31 December 2019.
- 3) The Firm has failed to submit its client money and client assets semi-annual return (FSA039) for the reporting period ending 30/06/2020.

3.45 The Firm's CASS Audits were filed late.⁴⁹

3.46 The Firm has 2 outstanding invoices overdue by 252 and 164 days to the FCA. These invoices relate to penalties for late regulatory filings by the Firm.⁵⁰

3.47 Axis Mundi's response to the information request was also delayed, accompanied with the following email message: *'apologies for the delay, these were being reviewed by our auditors, Beavis Morgan'*⁵¹. Following discussions with Beavis Morgan, it was clarified that they had been provided a copy of our information request 6 hours before the deadline and were not privy to Mr Dives's subsequent response to the Authority, suggesting the reason for the delay was unwarranted.

3.48 On 6 July 2020, Mr Dives confirmed to CASS Supervision that Axis Mundi did not have any client money bank accounts and they were going to withdraw their permissions due to market conditions and the impact of Covid-19. A review of NatWest accounts show that two accounts were opened on 20 July 2020 after the interaction with CASS Supervision that appear to be intended for use as client money accounts. There were no transactions on these accounts and the balance of the accounts is nil, however opening two new client money accounts is not consistent with an intention to cancel regulatory permissions. As well, as at 15 September 2020 no cancellation form has been received.

3.49 Supervision has not provided feedback to the Firm on these concerns due to the risk of tipping off.

4. RECOMMENDATION AND PROPORTIONALITY

Immediate effect and duration of the OIREQ and OIVOP

4.1 For the above reasons, we recommend that the OIREQ and OIVOP take immediate effect and that an FSN is issued to the Firm under section 55Y(3) of the Act which gives the Authority specific powers to impose requirements or vary permissions

⁴⁸ Screenshot showing outstanding FCA regulatory returns, page 115 of evidence bundle

⁴⁹ Axis Mundi Late CASS Audit Notification dated 28 August 2020, page 118 of evidence bundle

⁵⁰ Axis Mundi FCA Fee Statement, page 117 of evidence bundle

⁵¹ Email from Ben Dives replying to S165 Requirement dated 7 August 2020, page 84 of bundle

immediately or on such date as may be specified and where the Authority identifies (under EG 8.3.3(1)) the risk of loss, or other adverse effect on consumers and the need to protect consumers' interests.

- 4.2 We consider that it is necessary for the OIREQ and OIVOP to remain in place until such time as the Authority is reasonably satisfied that they should be lifted.
- 4.3 We consider that imposition of the OIREQ and the OIVOP is a proportionate response to address the identified risks, and is desirable in order to advance the Authority's operational objective of securing an appropriate degree of consumer protection.

Factors affecting the proposed action

- 4.4 In accordance with paragraph EG 8.3.4(9), we have considered the potential impact of the OIREQ and OIVOP. The effect of both will necessitate the Firm having to cease all regulated activities and protect any existing funds held by the Firm relating to custodial activities.
- 4.5 A potential negative impact on the Firm is that the Firm's banks may freeze all bank account activity upon receipt of the assets restriction, delaying the Firm's ability to comply with certain aspects of the OIREQ e.g. refund requests or coupon / interest payments.
- 4.6 A potential negative impact on the Firm's customers and investors who rely on the Firm's custodial services is that the Firm may not be able to refund existing investments or pay future interest or coupons for investors for which it has custodial responsibilities if those funds are not recoverable from the bond issuers or if the Firm's banks freeze all banking activity for its accounts. This is a pre-existing risk, to the extent that concerns were raised about the legitimacy of some of the investment products for which the Firm offers custodial services and investors may suffer loss in relation to these products as a result.
- 4.7 Based on the Firm's bank statements for the period from 7 Jan 2020 to 31 Jul 2020, fifteen investors appear to have deposited £301,500 with the Firm and to have received £4,571.62 in coupon payments in relation to these deposits.
 - 1) Without access to the relevant bond agreements, Supervision cannot assess the extent of the term or interest promised by issuers for these fifteen investors. At a minimum, the principle of £301,500 may be at risk, plus any expected interest that has not yet been paid, should the Firm fail to adequately transfer its custodial role for these investors (plus funds for any other investors who may have placed funds with the Firm outside of this period) to another regulated firm before the end of the investment periods for each bond.
 - 2) On the basis that the Firm has not reported any financial activity in any regulatory or legal filings or through regulatory interactions with the Authority, Supervision does not believe it employs any staff other than the Firm's director. Should the Firm cease operations as a result of the OIVOP and OIREQ, Supervision will engage with the Firm to oversee the transition for its custodial arrangements. Supervision anticipates that any such handover may be supplemented by the communication of the OIREQ and

OIVOP to investors and issuers for which the Firm has been providing custodial services.

- 3.50 Supervision is also concerned about the legitimacy of the investments based on the marketing material provided to the Authority by investors. Should the bonds prove to be illegitimate, there is a risk that investors may not recover any interest or the principle, either through the Firm or another regulated custodian. This current and ongoing risk would be mitigated through this intervention for potential future investors who otherwise may have relied on the Firm as custodian.

Alternatives considered

- 3.51 The Firm was invited to agree to a VREQ on 12 May 2020 to restrict its regulated activities until it filled its SMF roles and the Firm refused it, citing an intention to appoint a named individual to the SMF positions. No applicant has been put forward, however, since the last withdrawal.
- 3.52 The Firm proposed to cancel its permissions on 27 May 2020. As at 15 September 2020, no cancellation form has been received by the Authority.

4 STATUTORY PROVISIONS AND REGULATORY PROVISIONS

- 4.1 The relevant statutory provisions and regulatory provisions are set out in the Annex to the draft First Supervisory Notice. Below are also certain relevant provisions.

Relevant statutory provisions

FSMA

- 4.2 The Authority is permitted by section 55L of the Act to impose such requirements on or by section 55J of the Act to vary the permission of an authorised person as the Authority considers appropriate where it appears the person is failing, or is likely to fail, to satisfy the Threshold Conditions, or it is desirable to do so in order to advance one or more of the Authority's operational objectives.
- 4.3 Section 55N(1) of the Act allows a requirement to be imposed so as to require the person concerned to: 1) take specified action; or 2) refrain from taking specified action.
- 4.4 Section 55P of the Act allows an assets requirement to be imposed under the Authority's own-initiative power. Pursuant to section 55P(4)(a) of the Act an assets requirement means a requirement prohibiting the disposal of, or other dealing with, any of the firm's assets (whether in the United Kingdom or elsewhere) or restricting such disposals or dealings.
- 4.5 Section 55Y of the Act allows the imposition of a requirement or variation of permission to take immediate effect or on such date as is specified in the notice.

Relevant regulatory provision

Principles

- 4.6 Principle 10 states that *"a firm must arrange adequate protection for clients' assets when it is responsible for them."*

- 4.7 Principle 11 states that *"A firm must deal with its regulators in an open and cooperative way, and must disclose to the FCA appropriately anything relating to the firm of which that regulator would reasonably expect notice."*

CASS Rules

- 4.8 CASS rule 7.12.2R states that *"A firm must introduce adequate organisational arrangements to minimise the risk of the loss or diminution of client money, or of rights in connection with client money, as a result of misuse of client money, fraud, poor administration, inadequate record-keeping or negligence."*
- 4.9 CASS rule 7.13.12R states that *"A firm must take the necessary steps to ensure that client money deposited, in accordance with CASS 7.13.3 R, in a central bank, a credit institution, a bank authorised in a third country or a qualifying money market fund is held in an account or accounts identified separately from any accounts used to hold money belonging to the firm."*
- 4.10 CASS rule 7.13.13(1)R states that *"An account which the firm uses to deposit client money under CASS 7.13.3 R (1) to CASS 7.13.3 R (3) must be a client bank account."*
- 4.11 CASS rule 7.15.2R states that a firm must keep such records and accounts as are necessary to enable it, at any time and without delay, to distinguish client money held for one client from client money held for any other client, and from its own money.

Enforcement Guide ("EG")

- 4.12 The Authority's approach in relation to its own-initiative powers is set out in EG 8.
- 4.13 EG 8.2.1 states that when the Authority considers how it should deal with a concern about a firm, it will have regard to its statutory objectives and the range of regulatory tools that are available to it. It will also have regard to 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 the principle that a restriction imposed on a firm should be proportionate to the objectives the Authority is seeking to achieve.
- 4.14 EG 8.2.3 states that in the vast majority of cases the Authority will seek to agree with a firm those steps the firm must take to address the Authority's concerns. However, where the Authority considers it appropriate to do so, it will exercise its formal powers under section 55L of the Act and section 55J of the Act to ensure a firm meets its regulatory requirements. This may include where, amongst other factors, the Authority has serious concerns about a firm, or about the way its business is being or has been conducted, or is concerned that the consequences of a firm not taking the desired steps may be serious.
- 4.15 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.
- 4.16 EG 8.3.2 states that the Authority will consider exercising its own-initiative power as a matter of urgency where: 1) the information available to it indicates serious concerns

about the firm or its business that need to be addressed immediately; and 2) 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.

Decision Procedure and Penalties Manual ("DEPP")

- 4.17 DEPP 2.5.7G provides that the Regulatory Decisions Committee ("RDC") will take the decision to give the First Supervisory Notice ("FSN") exercising the Authority's own-initiative power if the action involves a fundamental variation or requirement.
- 4.18 DEPP 2.5.8G provides that a fundamental variation or requirement means: 1) removing a type of activity or investment from the Firm's permission; 2) refusing an application to include a type of activity or investment; or 3) imposing or varying an assets requirement (as defined in s.55P of the Act), or refusing an application to vary or cancel such a requirement.
- 4.19 DEPP 3.4.1G provides that, in urgent supervisory notice cases for which the RDC is the relevant decision-maker, the decision to give the supervisory notice may be taken by the RDC Chairman or, if he is unavailable, a Deputy Chairman. DEPP 3.4.2G provides that the RDC Chairman or Deputy Chairman will take such a decision only if satisfied that the action proposed should occur before it is practicable to convene an RDC panel.

5 PROCEDURAL MATTERS

Competition law primacy

- 5.1 In accordance with section 234K of the Act, Supervision has considered if it would be more appropriate to proceed under the Competition Act 1998. Supervision considers that it would not be more appropriate because there are no reasonable grounds for suspecting that Axis Mundi's actions amount to an infringement of the prohibitions under Chapter 1 or Chapter 2 of the Competition Act 1998, or Article 101 or Article 102 of the Treaty on the Functioning of the European Union. These are the prohibition against anti-competitive agreements and concerted practices and the prohibition against abuse of dominant position.

Third party rights

- 5.2 Sections 393 (Third party rights) and 394 (Access to Authority material) of the Act confer additional procedural rights relating to third parties and to disclosure of Authority material. These additional rights apply to warning and decision notices but not to supervisory notices, such as a notice issued pursuant to section 55Y(4) of the Act. As such, these provisions do not apply here.
- 5.3 It is EMO's approach, as a matter of fairness, to consider whether it is necessary to identify "third parties", however, there are none (save for Mr Dives) in the attached draft Notice, and names have been anonymised where appropriate. Mr Dives, as sole director of the Firm, and who appears on the Financial Services Register as such, is not anonymised because doing so would have no practical effect.

Publication

- 5.4 Section 391(5) of the Act provides that when a supervisory notice takes effect, the

Authority must publish such information about the matter to which the notice relates as it considers appropriate. However, section 391(6) of the Act provides that:

"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 consumer, or*
- (c) detrimental to the stability of the UK financial system".*

- 5.5 If the RDC accepts the recommendation in this paper, we would update the Financial Service Register for the Firm to reflect the terms of the draft First Supervisory Notice, and publish on the Authority's website the First Supervisory Notice once the deadlines have expired for the Firm to make any representations or referral to the Upper Tribunal).
- 5.6 In relation to section 391(6) of the Act, our view is that publication of information contained in the First Supervisory Notice would not be unfair to the Firm or prejudicial to the interests of consumers or detrimental to the stability of the UK financial system.

Address for service of statutory notice

- 5.7 The address to which any supervisory notice should be issued is the principal place of business as last notified to the Authority by the Firm, namely:

Axis Mundi Global Custody Ltd
Kemp House
152-160 City Road
London
EC1V 2NX

RECOMMENDATION

That the RDC takes the action in the terms of the attached draft First Supervisory Notice at Appendix 1.

APPROVED BY LEGAL REVIEWER

I AM SATISFIED THAT:

- (a) this ESD sets out a fair and balanced account of the material provided to me, and the legal and policy issues relevant to the action recommended;
- (b) the facts set out in the draft First Supervisory Notice are properly supported by the evidence provided to me; and
- (c) the proposed action set out in the draft First Supervisory Notice is appropriate in the light of the evidence and the law. SIGNED

DATE

NAME **MARTIN WATTS**

LEGAL GROUP, LITIGATION AND LEGAL REVIEW, ENFORCEMENT AND MARKET OVERSIGHT DIVISION

DATE **20 OCTOBER 2020**

APPROVED BY PROJECT SPONSOR

NAME: **NICK MILLER,**

HEAD OF DEPARTMENT, HEAD OF ASSET MANAGEMENT, SUPERVISION DIVISION

DATE 20 OCTOBER 2020

STRICTLY PRIVATE & CONFIDENTIAL

Benjamin Dives
Axis Mundi Global Custody Ltd
Kemp House
152-160 City Road
EC1V 2NX
UNITED KINGDOM

29 July 2020

Dear Mr Benjamin Dives

**Section 165 of the Financial Services and Markets Act 2000 (FSMA):
Requirement to produce information and documents**

Section 165 of FSMA provides the Financial Conduct Authority ("the Authority") with the power to require the production of documents and the provision of information by authorised persons. It is our standard practice to draw your attention to the statutory provisions set out in the Annexes to this letter.

You are required under section 165(1) of FSMA to provide the information described in this request.

To assist us in discharging our functions under FSMA and pursuant to s165(1) and (2) FSMA, we hereby require Axis Mundi Global Custody Ltd (FRN: 799100) (Axis Mundi) to provide the Authority with responses and information that fully satisfy the following requests:

1. Axis Mundi's permitted regulated activities include the safeguarding and administration of assets (without arranging). The custody of client funds by Axis Mundi including funds from regulated and unregulated products are classified by the Authority as regulated activity being carried on by Axis Mundi. The Authority has received queries and deposit information from consumers indicating funds invested into the products cited below at 2 have been deposited with Axis Mundi on a client custody basis. These products have been promoted to consumers by unregulated organisations, with consumers expressing concerns the investments were solicited on a fraudulent basis. To assist the Authority to understand fully the scope and nature of Axis Mundi's performance of this regulated activity:
 - a. Please provide monthly bank statements for all accounts held by Axis Mundi which cover the period 1 January 2020 to present.
 - b. Please provide a current total client custody account balance.

2. The Authority has been provided promotional material in relation to the following products: *Tantalax Extended Reality Ecosystem, 10.5% Bond*; *Exousia Autonomous Electric Vehicle Creation, 7% Bond*; and *Blocquidity Digital Assets Staking Markets, 9% Bond*. Their associated documentation is attached to this letter.

Axis Mundi is described in the *Exousia* and *Tantalax* bond documentation as the Custodian for the bonds. Axis Mundi is described in the *Blocquidity* documentation as the Custodian and in receipt of transferred funds. The Authority notes that the *Exousia* and *Blocquidity* bond documentation cited above, also includes references to a 3rd party investment manager called 'Moss Lake' which does not exist on our register.

- a. Please describe the length of the business relationships, the number of customers, the amount of funds, and the due diligence undertaken in relation to these three products.
- b. Please list all other financial promotions that Axis Mundi have authorised or had dealings with since June 2019. Please describe the nature of the promotional material, length of the business relationships concerned and who those relationships are with, the number of customers, the amount of funds, and provide evidence and a description of the due diligence undertaken by Axis Mundi when approving these promotions.
- c. Please provide Axis Mundi's monthly gross revenue figures for all business lines, product or services delivered since December 2017.

The information and documents should be provided by email no later than **5pm on 7 August 2020** to ross.mcdonald@fca.org.uk. If for any reason you are unable to provide any of this information you are required pursuant to section 175(3) of FSMA to state the reasons.

Axis Mundi is reminded of its obligations under Principle 11 for Businesses which states that 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. Approved persons must also comply with Principle 4 which states that an approved person must deal with the Authority, the Prudential Regulatory Authority (PRA) and other regulators in an open and cooperative way and must disclose appropriately any information of which the Authority or the PRA would reasonably expect notice.

Should Axis Mundi fail to engage with the Authority, the Authority may consider disciplinary action including referral to the Authority's Enforcement and Market Oversight Division ("Enforcement") and your Part 4A permission may be cancelled. If your permission is cancelled, the Authority would then also withdraw your status as an authorised person. Such cancellation action would be publicised on the Authority's website including the address to which this letter is being sent.

Please note that the Authority's enquiries are a confidential matter and you should not discuss or disclose details of this request with any other party other than the persons at your firm with whom you need to discuss the production of documents and information and your legal advisors.

Please do not hesitate to contact me on 020 7066 2438 or Ross McDonald on 0131 301 2124 if you have any queries about this information requirement.

Yours sincerely

Christopher Davis
Manager, Supervision – Wholesale, Asset Management

ANNEX 1

Financial Services and Markets Act 2000 c.8

PART XI INFORMATION GATHERING AND INVESTIGATIONS

165 - Regulators power to require information authorised persons etc.

(1) Either regulator may, by notice in writing given to an authorised person, require him—

(a) to provide specified information or information of a specified description; or

(b) to produce specified documents or documents of a specified description.

(2) The information or documents must be provided or produced—

(a) before the end of such reasonable period as may be specified; and

(b) at such place as may be specified.

(3) An officer who has written authorisation from the regulator to do so may require an authorised person without delay—

(a) to provide the officer with specified information or information of a specified description; or

(b) to produce to him specified documents or documents of a specified description.

(4) This section applies only to

(a) information and documents reasonably required in connection with the exercise by either regulator of functions conferred on it by or under this Act, and

(b) in relation to the exercise by the PRA of the powers conferred by subsections (1) and (3), information and documents reasonably required by the Bank of England in connection with the exercise by the Bank of its functions in pursuance of its financial stability objective.

(5) The regulator in question may require any information provided under this section to be provided in such form as it may reasonably require.

(6) The regulator in question may require—

(a) any information provided, whether in a document or otherwise, to be verified in such manner, or

(b) any document produced to be authenticated in such manner, as it may reasonably require.

(7) The powers conferred by subsections (1) and (3) may also be exercised—

(a) by either regulator, to impose requirements on a person who is connected with an authorised person;

(b) by the FCA, to impose requirements on an operator, trustee or depositary of a scheme recognised under section F11... 272 who is not an authorised person;

(c) by the FCA, to impose requirements on a recognised investment exchange;

(d) by the FCA, to impose requirements on a person who is connected with a recognised investment exchange.

(e) by either regulator, to impose requirements on a person who provides any service to an insurance undertaking, reinsurance undertaking or third-country insurance undertaking.

(8) "Authorised person" includes a person who was at any time an authorised person but who has ceased to be an authorised person.

(8A) "Financial stability objective" means the objective set out in section 2A of the Bank of England Act 1998.

(9) "Officer" means an officer of the regulator exercising the power and includes a member of that regulator's staff or an agent of that regulator.

(10) "Specified" means—

(a) in subsections (1) and (2), specified in the notice; and

(b) in subsection (3), specified in the authorisation.

(11) For the purposes of this section, a person is connected with another person ("A") if he is or has at any relevant time been—

(a) a member of A's group;

(b) a controller of A;

(c) any other member of a partnership of which A is a member; or

(d) in relation to A, a person mentioned in Part I of Schedule 15 (reading references in that Part to the authorised person as references to A).

ANNEX 2

Financial Services and Markets Act 2000 c.8

PART XI INFORMATION GATHERING AND INVESTIGATIONS

175 Information and documents: supplemental provisions.

(1) If either regulator or an investigator has power under this Part to require a person to produce a document but it appears that the document is in the possession of a third person, that power may be exercised in relation to the third person.

(2) If a document is produced in response to a requirement imposed under this Part, the person to whom it is produced may—

(a) take copies or extracts from the document; or

(b) require the person producing the document, or any relevant person, to provide an explanation of the document.

(2A) A document so produced may be retained for so long as the person to whom it is produced considers that it is necessary to retain it (rather than copies of it) for the purposes for which the document was requested.

(2B) If the person to whom a document is so produced has reasonable grounds for believing—

(a) that the document may have to be produced for the purposes of any legal proceedings, and

(b) that it might otherwise be unavailable for those purposes, it may be retained until the proceedings are concluded.

(3) If a person who is required under this Part to produce a document fails to do so, the regulator or an investigator may require him to state, to the best of his knowledge and belief, where the document is.

(4) A lawyer may be required under this Part to furnish the name and address of his client.

(5) No person may be required under this Part to disclose information or produce a document in respect of which he owes an obligation of confidence by virtue of carrying on the business of banking unless—

(a) he is the person under investigation or a member of that person's group;

(b) the person to whom the obligation of confidence is owed is the person under investigation or a member of that person's group;

(c) the person to whom the obligation of confidence is owed consents to the disclosure or production; or

(d) the imposing on him of a requirement with respect to such information or document has been specifically authorised by the investigating authority.

(6) If a person claims a lien on a document, its production under this Part does not affect the lien.

(7) "Relevant person", in relation to a person who is required to produce a document, means a person who—

(a) has been or is or is proposed to be a director or controller of that person;

(b) has been or is an auditor of that person;

(c) has been or is an actuary, accountant or lawyer appointed or instructed by that person; or

(d) has been or is an employee of that person.

(8) "Investigator" means a person appointed under section 167 or 168(3) or (5).

Financial Services and Markets Act 2000 c.8

PART XI INFORMATION GATHERING AND INVESTIGATIONS

177 Offences.

(1) If a person other than the investigator ("the defaulter") fails to comply with a requirement imposed on him under this Part the person imposing the requirement may certify that fact in writing to the court.

(2) If the court is satisfied that the defaulter failed without reasonable excuse to comply with the requirement, it may deal with the defaulter (and in the case of a body corporate, any director or other officer) as if he were in contempt; and "officer", in relation to a limited liability partnership, means a member of the limited liability partnership.

(3) A person who knows or suspects that an investigation is being or is likely to be conducted under this Part is guilty of an offence if—

(a) he falsifies, conceals, destroys or otherwise disposes of a document which he knows or suspects is or would be relevant to such an investigation, or

(b) he causes or permits the falsification, concealment, destruction or disposal of such a document, unless he shows that he had no intention of concealing facts disclosed by the documents from the investigator.

(4) A person who, in purported compliance with a requirement imposed on him under this Part—

(a) provides information which he knows to be false or misleading in a material particular, or

(b) recklessly provides information which is false or misleading in a material particular, is guilty of an offence.

(5) A person guilty of an offence under subsection (3) or (4) is liable—

(a) on summary conviction, to imprisonment for a term not exceeding six months or a fine not exceeding the statutory maximum, or both;

(b) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine, or both.

(6) Any person who intentionally obstructs the exercise of any rights conferred by a warrant under section 176 is guilty of an offence and liable on summary conviction to imprisonment for a term not exceeding three months or a fine not exceeding level 5 on the standard scale, or both.

(7) In this section—

"court" means—

(a) the High Court;

(b)in Scotland, the Court of Session;

"investigator appointed by the FCA" means an investigator appointed by the FCA under section 167, 168 or 169;

"officer of the FCA" means an officer authorised by the FCA for the purposes of section 165(3).

EI00059 Operation Dixon

Supporting Evidence Bundle

1. Screenshot of Companies House Directorships/shareholdings for Ben Dives taken on 25 September 2020
2. Screenshot of FCA Register taken on 23 September 2020
3. NFR of initial LBX Custody Limited meeting with Authorisation on 14 June 2018
4. Internal communication within Authorisations discussing assessment of LBX Custody Limited's application on 30 July 2018
5. Overview of Axis Mundi SMF Applications from FCA Register
6. Email from SMF16 and SMF17 candidate cancelling their Form A Application dated 2 March 2020
7. Email from FCA to Ben Dives with draft VREQ attached dated 12 May 2020
8. Email from Ben Dives to FCA confirming SMF16 and SMF17 role has been filled dated 19 May 2020
9. Email between FCA Authorisations and FCA Supervision expressing concerns dated 29 January 2019
10. Email chain between FCA and Ben Dives from 19 February 2019 to 21 August 2019 denying the Firm was conducting regulated activity
11. FSA039 2019 client asset return for the period 01/07/2019 to 31/12/2019
12. Email chain between Ben Dives and FCA CARD department between 24 April 2020 and 6 July 2020 regarding CASS classification

13. Email from Ben Dives to FCA CARD department confirming the firm does not have any client accounts dated 6 July 2020

14. Screenshot of calls logged on INTACT against Oxville Analytics taken on 21 September with screenshots of two consumer Hub correspondence dated 1 April 2020 and 30 April 2020

15. Tantalax+ Brochure - 3 year Contract 10.5 Per Annum Quarterly Returns

16. Exousia Brochure 1 Year Term 7 Per Annum Monthly Returns

17. Blocquidity Brochure Bond 18 Month Contract 9 Per Annum Quarterly Returns

18. Axis Mundi Account Opening Request Form for Customer 1

19. Email from Ben Dives replying to S165 Requirement dated 7 August 2020

20. Natwest Responses to s165 providing bank account details dated 27 August 2020

21. Starling Response to s165 providing bank account details dated 26 August 2020

22. Screenshot showing outstanding FCA regulatory returns

23. Axis Mundi FCA Fee Statement dated 23 September 2020

24. Axis Mundi Late CASS Audit Notification dated 28 August 2020

Companies House

Companies House does not verify the accuracy of the information filed
(<http://resources.companieshouse.gov.uk/serviceInformation.shtml#compInfo>).
Search for officers

Benjamin Martin DIVES

Filter appointments

☐

Current appointments

Apply filter

Total number of appointments 13

Date of birth
May 1978

DEFIANT IDENTITY LTD (12435166)

Company status **Active**

Correspondence address **2nd Floor, College House, 17 King Edwards Road, Ruislip, London, United Kingdom, HA4 7AE**

Role Active **Director**

Appointed on **31 January 2020**

Nationality **British**

Country of residence **United Kingdom**

Occupation **Director**

DEFIANT ASSETS LTD (12435236)

Company status **Active**

Correspondence address **2nd Floor, College House, 17 King Edwards Road, Ruislip, London, United Kingdom, HA4 7AE**

Role Active **Director**

Appointed on **31 January 2020**

Nationality **British**

Country of residence **United Kingdom**

Occupation **Director**

OUTSAUCE LTD (11930187)

Company status **Active**

Correspondence address **20-22, Wenlock Road, London, England, N1 7GU**

Role Active **Director**

Appointed on **8 April 2019**

Nationality **British**

Country of residence **United Kingdom**

Occupation **Director**

MINTON BYRNE LTD (11784655)

Company status **Active**

Correspondence address **20-22, Wenlock Road, London, England, N1 7GU**

Role Active **Director**

Appointed on **23 January 2019**

Nationality **British**

Country of residence **United Kingdom**

Occupation **Director**

LAUNCH PAY LTD (11451093)

Company status **Active**

Correspondence address **20-22, Wenlock Road, London, England, N1 7GU**

Role Active **Director**

Appointed on **5 July 2018**

Nationality **British**

Country of residence **United Kingdom**

Occupation **Director**

LBX MARKETS LTD (11448468)

Company status **Dissolved**

Correspondence address **20-22, Wenlock Road, London, England, N1 7GU**

Role **Director**

Appointed on **4 July 2018**

Nationality **British**

Country of residence **United Kingdom**

Occupation **Director**

LBX DIGITAL CUSTODY LTD (11431310)

Company status **Dissolved**

Correspondence address **20-22, Wenlock Road, London, England, N1 7GU**

Role **Director**

Appointed on **25 June 2018**

Nationality **British**

Country of residence **United Kingdom**

Occupation **Director**

MAYAN BLOCK LTD (11112997)

Company status **Active**

Correspondence address **20-22, Wenlock Road, London, England, N1 7GU**

Role Active **Director**

Appointed on **15 December 2017**
Nationality **British**
Country of residence **United Kingdom**
Occupation **Director**

AXIS MUNDI GLOBAL CUSTODY LTD (11097311)

Company status **Active**
Correspondence address **Kemp House, Kemp House, 160 City Road, Kemp House, 160 City Road, London, England, EC1V2NX**
Role Active **Director**
Appointed on **5 December 2017**
Nationality **British**
Country of residence **United Kingdom**
Occupation **Director**

DRAGON PAYMENTS LTD (10966096)

Company status **Liquidation**
Correspondence address **20-22, Wenlock Road, London, United Kingdom, N1 7GU**
Role **Director**
Appointed on **15 September 2017**
Nationality **British**
Country of residence **United Kingdom**
Occupation **Director**

LONDON CRYPTOCURRENCIES EXCHANGE LTD (10874961)

Company status **Dissolved**
Correspondence address **20-22, Wenlock Road, London, England, N1 7GU**
Role **Director**
Appointed on **19 July 2017**
Nationality **British**
Country of residence **United Kingdom**
Occupation **Director**

PIGLION AND SETH LTD (10245552)

Company status **Dissolved**
Correspondence address **20-22, Wenlock Road, London, England, N1 7GU**
Role **Director**
Appointed on **22 June 2016**
Nationality **British**
Country of residence **United Kingdom**
Occupation **Director**

ETHERTRADE LTD (10239849)

Company status **Dissolved**

Correspondence address

Kemp House, Kemp House, 160 City Road, Kemp House, 160 City Road, London, London, United Kingdom, EC1V 2NX

Role **Director**

Appointed on **20 June 2016**

Nationality **British**

Country of residence **England**

Occupation **Director**

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[sourceurl=https://beta.companieshouse.gov.uk/officers/bGgLQR7jBvbkb0f5fojfGZji64/appointments](https://beta.companieshouse.gov.uk/officers/bGgLQR7jBvbkb0f5fojfGZji64/appointments)[\)](https://beta.companieshouse.gov.uk/officers/bGgLQR7jBvbkb0f5fojfGZji64/appointments)

Interviewees:	Azadeh Shojaeian and Benjamin Dives
Applicant Firm:	LBX Custody Limited
Permission applied for:	Safeguarding and administration of assets
Interviewers:	Kevin Ward, Bimal Shah, Matthias Bauer, Lee Taylor and James Hsia
Location:	Financial Conduct Authority 25 North Colonnade, Canary Wharf, E14 5HS
Meeting held:	Thursday 14 June 2018 – 11am – 12:30pm

K.W: Asked all stakeholders involved to introduce themselves.

K.W: Outlined purpose of the meeting. Explained we wanted to better understand the applicant's business model.

K.W: Asked Ben to provide a brief introduction of his career and what he is looking to achieve with LBX Custody Limited.

B.D: Mentioned he has a degree in Electronic Engineering and a keen interest in technology from a young age. After his degree, he worked for a property developer and assisted in bring the businesses technology up-to-date. He worked on an innovative product offering titled 'GuestInvest' for the development company. After his venture, he went back into academia and completed a Masters qualification in Artificial Intelligence and Robotics. Following his qualification success, Ben worked at a start-up technology firm whose head office resided in Silicon Valley and became interested in cryptocurrencies (especially Ethereum). Ben continued expanding his knowledge base around cryptocurrencies. Ben spoke with David McAllister who was one of thought-thinkers behind 'Circle' (Approved by Barclays). Ben also spoke about LBX becoming an organisation that would create e-money applications for retail clients. He spoke about LBX's ambition being based around becoming the LSE AIM Version 2 (i.e. fixed income products and tokenising equities) when fully operational. He was aware that regulated investment products are not yet tokenised but wanted LBX to be at the forefront of the game when they are for custody services. He also spoke about LBX being able to educate its clients and instilling trust into the technology underpinning it.

B.S: Asked the firm to explain the diagram flowchart that was submitted as part of the application.

A.S: Mentioned the diagram does not show the entire flow of the operation.

B.S: Asked the firm which activities it believes require authorisation and where the firm will be holding client monies (what systems and controls are in place). He also asked about how this entity operates alongside the LBX (London Block Exchange) which provides spot-cryptocurrency trading.

A.S: Confirmed each entity has its own suite of checks (i.e. KYC, AML and due diligence) and the two businesses conduct different types of transactions. She also mentioned that board of committee's (BoC) will be set up to ensure financial dependencies (capital resources) between the group entities have been considered and appropriately mitigated. A.S also confirmed IT dependencies will be reviewed on a regular basis with any issues mitigated in due course.

B.D: Mentioned the firm currently employ 20 staff and has a passion for hiring the right people for its continuing development. He also mentioned an LBX group entity will be submitting an application for an MTF in the next 12-18 months with assistance from Boville Consultancy Services. This will allow clients to trade in regulated financial instruments (i.e. equities) on exchange. Ben also mentioned there are around 5-10 crypto-hedge funds who are keen to provide custody services to their clients and believe LBX Custody Limited would be a good competitor in obtaining this business.

B.D: Also mentioned there is ambition to tokenise transferrable securities and financial instruments for the custody business. He mentioned the business is split between 80% cash-only and 20% cryptocurrency trading.

K.W: Confirmed cash is not a regulated financial instrument and neither is spot cryptocurrency trading thus the firm needs to be clear and transparent on what it's looking to become authorised for. The FCA cannot authorise a firm where a regulated activity is not being conducted.

B.D: Mentioned tokenised transferrable securities and financial instruments will come into scope soon but we are not aware when this will occur. He also confirmed this is one of the reasons why the firm will be making application for an MTF operator in the next 12-18 months.

K.W: Re-iterated the fact that they are not currently within scope of regulation. The FCA has to be satisfied, that the firm actually intends to carry out the activities that it has applied for and is not seeking FCA authorisation in an attempt to validate areas of the business that do not fall within the FCA's perimeter.

B.D: Mentioned they will reconsider this position and come back to Kevin with a response on this matter.

J.H: Queried whether the firm will be acting as a depository to an AIF as hedge funds are caught within the AIFMD perimeter. You should consider, and provide details to us, of whether the firms proposed activities in relation to hedge funds would mean that the firm is acting as either (a) a depository for alternative investment funds (AIFs) or (b) a sub-custodian on behalf of other AIF depositories.

B.D: Confirmed the firm will become a sub-custodian of a depository which means the correct permission is 'administering and safeguarding of assets'.

J.H: Confirmed the firm needs to provide the FCA with factual evidence confirming they will be sub-delegated this responsibility from a depository.

B.D: Mentioned they will provide Kevin with evidence in due course.

B.D: Confirmed his intention of LBX group being a 'one stop shop' for cryptocurrency, e-money, trading regulated instruments and custody of assets. He also mentioned the firm intends to move in a way which satisfies the requirements of the market.

K.W: We can see the vision but we need to know what financial instruments will be required for the custody business.

K.W: queried the idea of 'FCA badging' and asked whether this would help with the mandating of hedge funds.

B.D: Confirmed FCA authorisation will allow easier interactions with hedge funds and provide the comfort they need to do business with LBX Custody Limited. Ben cited the principle of trust being the key barrier here (between LBX and perspective clients).

B.S: Asked what internal security policies and procedures the firm currently have in place.

A.S: Confirmed firm has in place procedures such as joined up computers, multifaceted fobs, DoS, 24/7 concierge and uses 'Rackspace' for its software security.

B.S: Further queried if all group entities use the same procedures.

A.S: Confirmed it is dependent on the entity in question because they are different requirements.

L.T: Queried the CASS acknowledgement letter and how far the firm is in obtaining one.

B.D: Mentioned they are in discussions with 'ClearBank' and will let Kevin know of any updates with this regard.

L.T: Also questioned the reason behind why the firm is an e-money agent and what does it intend to do in the long run with e-money.

B.D: Confirmed the firm will be looking to become an EMI in the near future as the cost of being an e-money is too onerous on the firm. He mentioned the firm intends to provide its own e-money services under LBX Pay Limited. The firm intends to issue its own e-money and allow clients to pay via their EMI permission.

K.W: Queried Azy's employment position with LBX and how long she intends to stay given she is the 3rd CF10/CF11 they firm have hired.

A.S: Confirmed she's a contractor at LBX but operates as a full time employee. She's currently a contractor for tax purposes but is a full time permanent employee of LBX.

B.D: Confirmed this position.

B.D: History of CF10/CF11's at LBX Custody Limited: Natalia Konschu – Moved to another firm and Rav Padda – Left the organisation (resigned) after one month. He assisted with the e-money application. Ben has no objections in us getting touch with the previous CF10/CF11's for application assessment purposes.

L.T: Asked about marketing practices and how will the firm go about making sure regulated and non-regulated services are differentiated.

A.S: Confirmed firm will ensure this consideration is outlined in the terms and conditions; FAQ's and will ensure clients are educated in due course.

L.T: Please provide financial forecasts for the first twelve months of operation showing your revenue divided into income derived from regulated activities and non-regulated activities.

K.W: Please also provide the following, so that we can be satisfied that your clients are aware of the distinction between the regulated and unregulated parts of your business:

- your financial promotions policies
- your new terms & conditions
- examples of your risk warnings and disclosure to customers
- your customer services policies

B.S: You should provide a revised business plan as the current plan is not considered adequate for the regulated services the firm proposes to offer.

B.D: They will provide the required documentation to Kevin in the next 10 working days following this meeting.

K.W: Whilst the firm stated that their clients might have an interest in regulated services, you have not provided exact details of the specified investments that you will be offering to safeguard and administer. It is important that we have an understanding of the exact regulated services which the firm will be carrying out.



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Parent Case	205119696	Status	Read
Message Date	30/07/2018 15:28	Last Modified By	INTACT System , 30/07/2018 15:28
Created By	INTACT System , 30/07/2018 15:28		

Address Information

From Address	kevin.ward@fca.org.uk
From Name	Kevin Ward
To Address	tim.jowe@fca.org.uk
CC Address	connect@fca.org.uk

Message Content

Subject	LBX Custody Limited - FRN 799100 - [ref: 00Db0K8yP_5000X1OOMB5:ref]
HTML Body	Click here to view HTML version
Text Body	LBX Custody Limited is looking to offer custody services to professional clients who are interested in Crypto assets and are looking to gain access to this market via traditional investment types.

This applicant was invited in for a interview to overcome some concerns we had on the firm undertaking a badging opportunity. As the firm is part of the LBX Exchange Group and it will be providing custody for both Crypto and non-Crypto assets to mutual customers. The firm has gone some way in explaining its strategy and by the alteration of its business model has added clarity and removed some of the concerns we had on joint systems; risk warning and the segregation of its regulatory model the creation of LBX Custody and LBX Digital.

I would like you to consider my review complete on LBX Custody and understand that we have a higher level of scrutiny on Crypto Assets firms and would therefore ask you to consider this firm Livelink <http://recmgmLis.fsa.gov.uk/livelink/livelink?func=ll&objid=52448772&objAction=browse&sort=name>

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Overview of Axis Mundi applications – per FCA register.

Function	Name	Action	Withdrawal date
CF10 Compliance Oversight	Natalie Konschu	Withdrawn before Approval	08/05/2018
CF10a CASS Oversight function	Natalie Konschu	Withdrawn before Approval	08/05/2018
CF11 Money Laundering Reporting	Natalie Konschu	Withdrawn before Approval	08/05/2018
CF10 Compliance Oversight	Ravinder Singh Padda	Withdrawn before Approval	12/06/2018
CF10a CASS Oversight function	Ravinder Singh Padda	Withdrawn before Approval	12/06/2018
CF11 Money Laundering Reporting	Ravinder Singh Padda	Withdrawn before Approval	12/06/2018
Firm first authorised on 20 November 2019			
CF10 Compliance Oversight	Azadeh Shojaeian	Withdrawn	21/01/2019
CF10a CASS Oversight function	John William McLeod	Withdrawn	21/01/2019
CF11 Money Laundering Reporting	Azadeh Shojaeian	Withdrawn	21/01/2019
CF10 Compliance Oversight	Sameer Jawed Ismail		08/12/2019
CF10a CASS Oversight function	Sameer Jawed Ismail	Live Applications – converted to SMF16 & SMF17	08/12/2019
CF11 Money Laundering Reporting	Sameer Jawed Ismail		08/12/2019

No Approved persons in CF10, CF10a and CF11 positions since 21 Jan 2019

CF positions superseded by SMF 16 and SMF17 positions in December 2020



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Message Date	02/03/2020 10:02	Last Modified By	Catherine Banks, 02/03/2020 10:02
Created By	Catherine Banks, 02/03/2020 10:02		

Address Information

From Address	connect@fca.org.uk
From Name	FCA Connect
To Address	sameer.ismail@gmail.com
CC Address	
BCC Address	

Message Content

Subject	Re: Form A application for Axis Mundi Global Custody Ltd [ref: 00Db0K8yP_5000X1sDwSQ:ref]
HTML Body	Click here to view HTML version
Text Body	Dear Mr Ismail, Thank you for your email, your Form A application has now been withdrawn. Kind regards Catherine Banks

Associate |
Approved Persons, Passporting & Mutuals | Authorisations Division

Financial
Conduct Authority

12 Endeavour
Square

London

E20 1JN

Tel:
+44 (0)20 7066 1644

catherine.banks@fca.org.uk

www.fca.org.uk

----- Original Message -----
From: Sameer Ismail [sameer.ismail@gmail.com]
Sent: 20/02/2020 07:45
To: connect@fca.org.uk
Cc: sameer@londonblockexchange.com
Subject: Re: Form A application for Axis Mundi Global Custody Ltd []
Ms Banks,

Thanks for your call and the subsequent email. I can confirm I am no longer a representative of Axis Mundi and I wish to have my application withdrawn.

Regards,

Sameer Ismail

Sent from my iPhone

On 14 Feb 2020, at 15:32, FCA Connect <connect@fca.org.uk> wrote:

Dear Mr Ismail,

Thank you for your time on the telephone. I would be grateful if you would please confirm that you are no longer working for Axis Mundi Global Custody Ltd, and that you no longer wish to proceed with the Form A application submitted on your behalf.

Please let me know if you have any queries.

Many thanks.

Catherine Banks
Associate | Approved Persons, Passporting & Mutuals | Authorisations Division

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Tel: +44 (0)20 7066 1644
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ENFORCEMENT SUBMISSIONS DOCUMENT

To: Regulatory Decisions Committee

From: Ross McDonald (Ext 12124)

Cc: Nick Miller (Ext 60602)

NAME OF FIRM/CASE:	Axis Mundi Global Custody Ltd (formerly trading as LBX Custody Ltd) (the Firm or Axis Mundi")
FIRM REF No:	799100
DATE:	20 October 2020
CONTACTS:	Susan Ledger, Interventions team (Ext 66046) Martin Watts, LLR (Ext 67140) Katie Ellis, CASS Supervision (Ext 63590)
ATTACHMENTS	Appendix 1: Draft First Supervisory Notice ("FSN") Appendix 2: Draft Disclosure List with supporting evidence bundle

1 EXECUTIVE SUMMARY

- 1.1 The purpose of this paper is to set out the basis for recommended supervisory action against the Firm. In brief terms, the Firm is unable to manage its affairs in a sound and prudent manner, and is putting consumers at risk. We recommend that the RDC issue a First Supervisory Notice to the Firm.
- 1.2 We consider that it is necessary for the RDC to use the supervisory notice procedure and exercise the power of the Financial Conduct Authority (the "Authority") with immediate effect on its own initiative to impose requirements on the Firm ("OIREQ") pursuant to sections 55L(2)(a), 55L(2)(c) and 55L(3)(a) of the Financial Services and Markets Act 2000 ("the Act") and on its own initiative to vary the Firm's Part 4A permission ("OIVOP") to remove regulated activity pursuant to sections 55J(1)(a), 55J(1)(c)(i) and 55J(2)(a)(ii) of the Act. For the avoidance of doubt, the OIREQ includes an assets requirement ("assets requirement") as defined in section 55P(4)(a) of the Act.

Reasons for action

- 1.3 The Firm has failed to propose suitable candidates to perform required SMF roles, SMF 16 (Compliance oversight) and SMF 17 (Money laundering reporting) and equivalent functions under the Approved Persons Regime previously in force, since shortly after its authorisation. The Firm also appears to be conducting regulated activity by acting as custodian for issuers of unlisted bonds which may be unsuitable for investors, while communicating to the Authority that it does not conduct any regulated activity. The custodial funds appear to pass through undesignated client money accounts held by the

Firm.

- 1.4 As a result, the Firm is failing, or is likely to fail, to satisfy the suitability Threshold Condition. It is also desirable to exercise the power in order to advance one or more of the Authority's operational objectives, which includes securing an appropriate degree of protection for consumers; in this case the protections that should be afforded to them by CASS rules 7.12.2R, 7.13.12R, 7.13.13(1)R and 7.15.2R.
- 1.5 The proposed OIREQ and OIVOP, as set out below and in the attached draft First Supervisory Notice, are intended to stop the Firm conducting regulated activities and prevent any dissipation of assets until such time as the Authority is satisfied that the Firm poses no further risks to consumers.
- 1.6 The Authority has serious concerns relating to the Firm's failure to appoint suitable SMFs and its failure to be open and transparent in its dealings with the Authority by denying it is conducting regulated activity as a custodian in spite of bank statements suggesting otherwise. The Authority has serious concerns that investors' funds are at risk as a result. Whilst our knowledge of the quantum of client money at risk is imperfect, according to the Firm's bank statements, between 7 January and 31 July 2020, 15 investors appear to have deposited £301,500 with the Firm.

The variation of permission and the requirements

- 1.7 Supervision recommends varying Axis Mundi's permissions pursuant to sections 55(J)(1)(a), 55J(1)(c)(i) and 55J(2)(a)(ii) of the Act, by removing all regulated activities with immediate effect and imposing pursuant to section 55L(2)(a), 55L(2)(c) and 55L(3)(a) of the Act the following requirements:
 - 1) Subject to para 1.9, the Firm must not, without the prior written consent of the Authority, in any way accept deposits from, dispose of, withdraw, transfer, deal with or diminish the value of any of: its own assets; any funds it holds for, or to the order of, its customers; and any funds where the Firm acts as custodian.
 - 2) The Firm must within [3] business days of receipt of the First Supervisory Notice ("FSN") notify in writing all firms for which it provides custodial services of the imposition and effect of the OIREQ and OIVOP in a form to be agreed in advance with the Authority.
 - 3) Within [3] business days of receipt of the FSN, the Firm must display, in a prominent place on its website, www.axismundicustody.com, a notice setting out the terms and effects of the OIREQ and OIVOP in a form to be agreed in advance with the Authority.
 - 4) The Firm must provide written confirmation to the Authority that it is in compliance with the OIREQ and OIVOP within [3] business days.
 - 5) The Firm must provide the Authority with a list of all payments (to include the amount, date and the investor's name, account number and sort code credited) made in the previous week pursuant to paragraph 1.2 below, by 4pm each Monday following.

1.8 The Firm may continue to make payments in its role as custodian in relation to:

- 1) Refund requests by investors.
- 2) Any interest or coupon payments to investors that the Firm would have received prior to the date of the FSN.
- 3) Payments to another custodian as part of a transfer of the custodial business, subject to consent by the Authority.

1.9 We recommend that the OIREQ and OIVOP take immediate effect and remain in force unless and until varied or cancelled by the Authority (either on the successful application of the Firm or of the Authority's own volition).

2 BACKGROUND

2.1 Axis Mundi has been authorised by the Authority and regulated since 20 November 2018. The Firm has permissions for safeguarding and the administration of assets (without arranging) for customer types including eligible counterparties and professionals and with a range of investment types including certificates representing certain securities, commodity futures and options, debentures, emissions allowances, futures, options, rights to or interests in securities and contractually based investments, shares, units and warrants. The Firm's investment activity in "rights to or interests in investments (security or contractually based investment)" is limited to the investment types granted for this activity. The Firm also has permissions for "agreeing to carry on a regulated activity".¹

2.2 Axis Mundi is a private limited company, incorporated in the UK on 5 December 2017. It is owned and managed by the sole director, Benjamin Dives. Its previous trading name was LBX Custody Ltd ("LBX Custody") until 26 Sep 2019. Mr Dives is also a shareholder and director of several businesses in this industry, demonstrating the breadth of his experience in financial services and related sectors.²

- 1) Mr Dives is sole director and shareholder of:
 - a. Mayan Block Ltd (previously LBX Trading Ltd and Moon Systems Ltd);
 - b. Axis Mundi Services Ltd (previously Drachensberg Private Wealth Ltd);
 - c. Outsauce Ltd (previously LBX Securities Ltd); and
 - d. Biggerflip Ltd.
- 2) Mr Dives has directorships and majority shareholdings in the following firms:
 - a. Launch Pay Ltd (FRN 902785) (previously LBX Pay Ltd. Mr Dives is 1 of 3 directors and sole shareholder);
 - b. Drachensberg & Co Ltd (sole Director and sole shareholder until 30 June 2020 when Mr Peter Neil Anderson acquired 25.1% shareholding),
 - c. Defiant Identity Ltd (50% shareholder and co-director along with Sameer Ismail);
 - d. Defiant Assets Ltd (50% shareholder and co-director along with Sameer Ismail); and

¹ Screenshot of FCA Register taken on 23 September 2020, page 7 of evidence bundle

² Screenshot of Companies House Directorships/shareholdings for Ben Dives taken on 25 September 2020, page 3 of evidence bundle

- e. Minton Byrne Ltd (previously LBX Peg Ltd, sole director and 70% shareholder along with Dr Kpakpo Acquaye).

Business Model

- 2.3 The business model proposed to the Authority's Authorisations team (Authorisations) was the safekeeping of client securities as a regulated activity, alongside the custody of crypto currency assets.³ The Firm's business model is solely built around third-party custody of assets. It does not offer ancillary services typical of other third-party custodians such as banking activities; analytical services such as compliance monitoring or fund related services such as fund administration.
- 2.4 Supervision had concerns as a result that the Firm may not use its permission and instead wished to enter the perimeter to enhance the profile of the director's crypto trading business. Authorisations engaged with the Firm during July 2018 to achieve a clearer separation of unregulated business from the authorised entity and alter its financial promotions accordingly in light of this concern.⁴

3 RELEVANT FACTS AND MATTERS

Failings and risks identified

Vacant SMF roles

- 3.1 Shortly following authorisation, on 21 January 2019 the persons identified to perform the CF10 (Compliance Oversight) and CF11 (Money Laundering Reporting Officer) functions, in accordance with the Authority's Approved Persons Regime, resigned from Axis Mundi - with the exception of its sole director, Mr Dives.⁵ The Firm was subsequently required from 9 December 2019 to have SMF 16 (Compliance oversight) and SMF 17 (Money laundering reporting) functions in accordance with the Authority's Senior Managers and Certification Regime.
- 3.2 The Firm applied in August 2019 for Authority approval of its candidates to perform these controlled functions but subsequently withdrew its applications, thus a gap has persisted throughout the period.⁶

Date	Application	FCA response
August 2019	SMF 16 and SMF 17 submitted for a Sameer Jaweed Ismail. Note Mr Ismail is cited above as co-director of companies at 2c & 2d	Authorisation first contacted the Axis Mundi regarding the application on 5 November 2019, requesting supporting information routinely sought for applications e.g. organisational charts and a skills and knowledge gaps assessment.

³ NFR of initial LBX Custody Limited meeting with Authorisation on 14 June 2018, page 8 of evidence bundle

⁴ Internal communication within Authorisations discussing assessment of LBX Custody Limited's application on 30 July 2018, page 12 of evidence bundle

⁵ Overview of Axis Mundi SMF Applications from FCA Register, page 14 of evidence bundle

⁶ Email from SMF16 and SMF17 candidate cancelling their Form A Application dated 2 March 2020, page 15 of evidence bundle

		The information requested was not forthcoming from the Firm.
February 2020	SMF16 and SMF17 applicant, Ms Ismail contacts FCA.	Candidate phoned Authorisations to inform he longer represented Axis Mundi and wished his application withdrawn.
March 2020	SMF 16 and SMF 17 application for Mr Ismail withdrawn.	Application withdrawn by candidate before queries from Authorisations were addressed by firm. No reason for withdrawal given by candidate.

3.3 As a short-term measure to reduce the scope for potential harm due to the lack of filled SMF roles at the Firm, the Firm was invited on 12 May 2020 to voluntarily restrict its activities (VREQ) until the requisite SMF had been approved by the Authority.⁷

3.4 The Firm declined to sign the VREQ and cited an intention to appoint a named individual as a further candidate to the Firm's required SMF positions.⁸ The Firm has not made any subsequent reference-to or submitted any approval forms to the FCA in relation to this individual.

No reported regulated activity

3.5 Authorisation expressed their concerns on 29 January 2019 that the Firm's regulated status may be intended for use in promoting Mr Dives's unregulated business, as a result of the Firm's SMF departing, in addition to the owner's association with high risk crypto currency products.⁹

3.6 Throughout the Authority's engagement, the Firm have maintained they were not conducting regulated business.¹⁰ The Firm confirmed on 3 separate occasions in March 2019, August 2019 and April 2020 that they were not conducting any regulated business, in response to challenge from FCA Supervision. FCA Supervision described its expectation that no regulated business should be conducted while the requisite SMF were not in place.

3.7 The Firm have also consistently declared they conduct no regulated activity and therefore hold no client assets in its regulatory returns.¹¹ The latest available client money and client assets return (FSA039) submitted for the quarter to 30 September 2019 disclosed zero revenues.

⁷ Email from FCA to Ben Dives with draft VREQ attached dated 12 May 2020, page 18 of evidence bundle

⁸ Email from Ben Dives to FCA confirming SMF16 and SMF17 role has been filled dated 19 May 2020, page 23 of evidence bundle

⁹ Email between FCA Authorisations and FCA Supervision expressing concerns dated 29 January 2019, page 28 of evidence bundle

¹⁰ Email chain between FCA and Ben Dives from 19 February 2019 to 21 August 2019 denying the Firm was conducting regulated activity, page 30 of evidence bundle

¹¹ FSA039 2019 client asset return for the period 01/07/2019 to 31/12/2019, page 35 of bundle

CASS Supervision interactions

- 3.8 The Authority's CASS Supervision team (CASS Supervision) had previously engaged with Axis Mundi on the CASS survey in January 2020 to determine the Firm's CASS classification.¹² CASS Supervision send an annual survey to all CASS small firms and to firms that have relevant permissions to hold client money and/or custody assets but report zero balances in the previous calendar month. CASS Supervision contacted the Firm to obtain copies of the client money account bank statements and acknowledgement letters for the accounts as part of the survey.¹³
- 3.9 Following this exchange, Axis Mundi on 6 July 2020 confirmed to CASS Supervision that it did not have any client money bank accounts. The Firm had previously explained on 30 April 2020 that the delay in client account opening was a consequence of the coronavirus pandemic and the operations at NatWest.¹⁴
- 3.10 As a result of its interactions with the Firm, CASS Supervision has concerns that the Firm may have breached Principle 10 of the Handbook and several CASS Rules by conducting CASS activity in a non-compliant manner, as set out in paras [3.33 to 3.40] below. CASS has not had recent dealings with the Firm since the update received 6 July 2020 although based on the seriousness of its concerns, CASS is supportive of the proposed action.

Callers to the Supervision Hub reported Oxville mini-bonds associated with Axis Mundi

- 3.11 Supervision became aware of the promotion of mini-bonds by the unregulated financial advisor Oxville Analytics ("Oxville Analytics") following customer complaints and queries to the Authority's Supervision Hub (the "Hub") in February 2020. Oxville Analytics is also not registered with Companies House.¹⁵
- 3.12 Reports from customers to the Hub noted that Axis Mundi's safeguarding role had been emphasised by Oxville Analytics, while bond documentation shared with the Authority heavily trailed Axis Mundi's role as a Custodian. Axis Mundi's FRN and regulated status was specifically highlighted by Oxville Analytics to customers. Note: The personal details of customers, such as their names and contact details, have been redacted from the papers, as EMO does not regard the identity of these individuals as material to the Authority's concerns, or their non-disclosure as in any way detrimental to the Firm's ability to respond to the FSN.¹⁶

- 1) The Hub received 7 different contacts regarding three Oxville Analytics mini-

¹² A firm will be classified as CASS large, medium or small depending on the value of custody assets and client money held.

¹³ Email chain between Ben Dives and FCA CARD department between 24 April 2020 and 6 July 2020 regarding CASS classification, page 36 of evidence bundle

¹⁴ Email from Ben Dives to FCA CARD department confirming the firm does not have any client accounts dated 6 July 2020, page 40 of evidence bundle

¹⁵ No firms containing the word Oxville are currently registered with Companies House. The Oxville Analytics website appears to be oxvilleanalytics.com. On the website the firm describes itself as "a quantitative research consultancy which provides professional investors with insights into emerging markets and technologies". The contact details on the website are 0207 193 2900 and admin@oxvilleanalytics.com.

¹⁶ The underlined was added by amendment to the original ESD on 23 October 2020

bonds (the "Oxville mini-bonds") between 29 January 2020 and 19 May 2020.¹⁷ Customers provided to the Authority marketing material received from Oxville Analytics.¹⁸

- a. Tantalax XR Bond (Tantalax) marketing material received by the FCA on 15 May 2020. The bond promises 10.5% annual returns over a three-year term. *"All assets placed into this bond are custodied by Axis Mundi Global Custody, an FCA regulated custodian, registration number 799100...Yield creation strategies are managed by MossLake Limited, an FCA regulated Investment Manager, registration number 922985¹⁹...An international security identification number ensures that the registered bond you are placing your funds into is legitimate, has been issued correctly and is a "real bond". You can find the Tantalax bond on Bloomberg using its registration [ISIN] LU2132837662. Its classified by Clearstream as DBFXFR, a registered bond."*²⁰
- b. Exousia Autonomous Electric Vehicle Alpha Creation (Exousia AEV Alpha) received by the FCA on 15 May 2020. The bond promises a 7% return with a monthly coupon over a 12 -month term, no rollover. It is described as a registered bond with CFI code DBFXFR. *"An international security identification number ensures that the registered bond you are placing your funds into is legitimate, has been issued correctly and is a "real" bond. Find Exousia on Bloomberg using LU2132805891. FCA Regulated Custodian. Where do your funds go to? Unless it is an FCA regulated custodian you are taking as [sic] huge risk. We are partnered with Axis Mundi Global Custody who you can find on the FCA register using their reg number 799100. FCA Regulated IM. How do you know if your funds are being placed as per the product you've applied to? The only safe way is via a regulated investment manager. We work with Moss Lake whos [sic] reg number is 801891."*²¹
- c. Blocquidity bond (Blocquidity) by Blocquidity Markets²², received by the FCA on 15 May 2020. The bond promises 13.5% returns over an 18-month term. *"We comply with all anti-money laundering regulations whilst processing you through the onboarding process with our FCA regulated custodian, Axis Mundi Global Custody (<https://axismundicustody.com/> FCA Number: 799100). You will be sent an easy to complete application form which will ensure you meet our requirements as a professional investor, along with AML and know your customer requirements...Upon completion of the application process, you will be provided with the banking details of Axis Mundi who will receive your funds into their segregated account. They will acknowledge receipt of funds directly to*

¹⁷ Screenshot of calls logged on INTACT against Oxville Analytics taken on 21 September with screenshots of two consumer Hub correspondence dated 1 April 2020 and 30 April 2020, page 45 of evidence bundle

¹⁸ Screenshot of calls logged on INTACT against Oxville Analytics taken on 21 September with screenshots of two consumer Hub correspondence dated 1 April 2020 and 30 April 2020

¹⁹ Mosslake Ltd, company number 12449135, was incorporated on 7 February 2020 with Allen Martin Goodwin as sole director and shareholder. There are no other entities similarly named that are registered on Companies House. The firm name MossLake Investment Management is also listed on p.8 in the brochure but is not registered on Companies House.

²⁰ Tantalax+Brochure - 3 year Contract 10.5 Per Annum Quarterly Returns, page 50 of evidence bundle

²¹ Exousia Brochure 1 Year Term 7 Per Annum Monthly Returns, page 58 of evidence bundle

²² A search of the name "Blocquidity" and "Blocquidity Markets" on Companies House did not return any results.

you and it at this point you will be issued with your Blocquidity bond with ISIN LU2132834305....Our FCA regulated investment manager, Moss Lake, then works diligently to maintain a consistent yield generation flow and delivers these returns to Axis Mundi, who will then make coupon payments to you automatically on the 1st day of the month following each 90 day period of your bond purchase date.” On page 11 of the brochure, Blocquidity partners listed are Axis Mundi Global Custody as custodian, Moss Lake as investment manager, Argento Access SARL as securitisation issuer, Coinbase Pro digital asset exchange, Binance digital asset exchange, and Nexo liquidity provider.²³

- 2) A customer of Oxville Analytics (“customer 1”) was sent details by email, in order to transfer their investment principle into a bank account described by Oxville Analytics as belonging to Axis Mundi. Remittance advice obtained from customer 1 provided correct NatWest account details which listed ‘Axis Mundi Global Custody’ as beneficiary, account number 4326 5758 and sort code 60-13-14 for a £5,000 investment. “You are applying to Axis Mundi to deposit the following amount which may later be applied to a Subscription in a registered bond with a fixed annual coupon of 10.50% maturing 30 April 2023” which would have been a three-year term. The term and coupon correspond to the Tantalax Bond.²⁴
- 3) According to callers to the Hub, the bonds were promoted in part through unsolicited calling by the unregulated firm Oxville Analytics, who sought to utilise the ‘Sophisticated and high net worth’ exception. A customer report to the Authority described that their challenge to Oxville Analytics of whether the advisor was appropriately regulated by the Authority to promote the bonds ended any further correspondence.²⁵
- 4) In addition, the Hub was contacted by a customer (“customer 2”) who invested with Oxville Analytics. Customer 2 confirmed having spoken with Mr Dives after contacting Axis Mundi using the register details. Customer 2 stated that Mr Dives had confirmed safekeeping of the bonds.²⁶

Concerns with the legitimacy of Oxville mini-bonds

3.13 Upon review Supervision identified the following concerns with the 3 Oxville mini-bonds:

- 1) The 3 Oxville mini-bonds do not reference any specific legal entity, corporate or business which will be paying the promised coupon through Axis Mundi, repaying the principle or the reasons for fundraising.²⁷

²³ Blocquidity Brochure Bond 18 Month Contract 9 Per Annum Quarterly Returns, page 68 of evidence bundle

²⁴ Axis Mundi Account Opening Request Form for Customer 1, page 80 of evidence bundle; Natwest Responses to s165 providing bank account details dated 27 August 2020, page 99 of evidence bundle

²⁵ Screenshot of calls logged on INTACT against Oxville Analytics taken on 21 September with screenshots of two consumer Hub correspondence dated 1 April 2020 and 30 April 2020, page 45 of evidence bundle

²⁶ Screenshot of calls logged on INTACT against Oxville Analytics taken on 21 September with screenshots of two consumer Hub correspondence dated 1 April 2020 and 30 April 2020, page 45 of evidence bundle

²⁷ Exousia Brochure 1 Year Term 7 Per Annum Monthly Returns, page 58 of evidence bundle; Blocquidity Brochure Bond 18 Month Contract 9 Per Annum Quarterly Returns, page 68 of evidence bundle; Tantalax+Brochure - 3 year Contract 10.5 Per Annum Quarterly Returns, page 50 of evidence bundle

- 2) The documents also include false statements²⁸.
 - a. Disclosure of unique ISINs for the 3 Oxville mini-bonds, with a suggestion on one bond document, that it is tradeable on an exchange as a consequence. Upon investigation by Supervision, the ISINs do not exist.
 - b. Neither MossLake Ltd or Moss Lake is authorised by the Authority. The FRNs cited do not exist.
- 3) The returns for the 3 Oxville mini-bonds (10.5%, 7%, and 13.5% respectively from preceding paragraphs) are high²⁹, a classic red flag that the unlisted bonds may not be legitimate.
- 4) Open source research could not verify the existence of the 3 Oxville mini-bond names. They could only be found to exist within the fabric of the documents provided to the customers.

Argento mini-bonds associated with Axis Mundi

3.14 According to its LinkedIn profile, the firm Argento Access is a securitisation vehicle based in Luxembourg. Phil Millo is listed as an employee and on the firm's website it refers to itself as Argento Access SARL.³⁰

3.15 According to www.magentaorg.com³¹, on 3 July 2019 it was announced that:

*"Argento Access and LBX, London Block Exchange, have partnered to launch the world's first bitcoin-denominated bond. The bond settles in bitcoin, is priced in bitcoin, pays monthly coupons in bitcoin, redeems in bitcoin, and has no traditional 'fiat' currency exposure anywhere in the structure. The bond is available in a variety of durations, each of which has been allocated an ISIN security code by Clearstream. This means the bonds can be looked up on a Bloomberg terminal and this is the first time a cryptocurrency product has ever been allocated such a code. The notes are exclusively traded via LBX Trading and are **custodied by an FCA regulated custodian in London** [emphasis added]. The register of noteholders is maintained on the blockchain.*

Phil Millo, Argento's Manager, said:

'We are thrilled to have structured and produced the world's first institutional grade bitcoin denominated financial product. The large investment banks really dropped the ball on this one.'

Benjamin Dives, CEO of LBX [emphasis added] said:

²⁸ Exousia Brochure 1 Year Term 7 Per Annum Monthly Returns, page 58 of evidence bundle; Blocquidity Brochure Bond 18 Month Contract 9 Per Annum Quarterly Returns, page 68 of evidence bundle; Tantalax+ Brochure - 3 year Contract 10.5 Per Annum Quarterly Returns, page 50 of evidence bundle

²⁹ see page 71 of the supporting evidence bundle for an example of a bond with promised returns on 13.5% returns over 18 months

³⁰ <https://argentoaccess.com/>

³¹ <https://magentaorg.com/pressreleases/lbx-argento-bitcoin-bond/>

'This is an excellent product for people who currently hold bitcoin and aren't planning to sell over the next few years — the so-called 'HODLers'. Now, for the first time, they have an institutional grade way of making their wallets grow without exposing their bitcoin to the swings of the traditional 'fiat' currency markets.' "

- 3.16 From this press release, it is clear that the Mr Dives is personally familiar with the firm Argento Access and would have been aware and apparently involved with the proposed Argento bond offering.
- 3.17 LBX Custody changed its name to Axis Mundi in September 2019 and Argento transactions appear on its 2020 statements as listed in the summary table of transactions below in para [3.25], confirming that Axis Mundi continued the LBX Custody relationship with Argento.

Firm's s165 response providing bank account information

- 3.18 Supervision sought to establish from the Firm the potential value of customer money received by the Firm from Oxville Analytics customers and any other investors who may be using the Firm's custodial services, following calls to the Hub by issuing an information request under s165 of the Act ("information request") to Axis Mundi dated 29 July 2020.³² The request sought clarification from Axis Mundi about its involvement with the 3 Oxville mini-bonds, the value of customer money retained by the firm and copies of statements for all bank accounts held by the firm.
- 3.19 The Firm provided on 7 August 2020 a response to the information request that included:
- 1) a file in .csv format (similar to Excel) from 7 January 2020 to 31 July 2020 for a specified bank account held by the firm at NatWest;
 - 2) a .csv file from 19 January 2020 to 7 August 2020 for an unspecified bank account (i.e. without an account number or sort code) held by the Firm at Starling; and
 - 3) .pdfs of multicurrency card account statements for February 2020 and July 2020 that are held in the Firm's name at IgoriaCard. The Firm did not explain how the accounts are used, why those months were provided for the IgoriaCard, or if any other accounts for the Firm existed.³³
- 3.20 An information request pursuant to s175 of the Act was sent to the Firm's banks domiciled in the UK (NatWest and Starling) which provided a more complete picture that identified additional accounts with no activity that are held by the Firm, however the accounts showing activity matched the .csv files sent by the Firm. The request confirmed that the bank statements provided by Axis Mundi were complete and accurate.

³² Email from Ben Dives replying to S165 Requirement dated 7 August 2020, page 84 of evidence bundle

³³ The Firm provided a .csv statement for the period 7 Jan 2020 to 31 Jul 2020 for NatWest account 43265758 and sort code 60-13-14, a .csv statement for the period 19 Jan 2020 to 7 Aug 2020 for Starling account [unspecified] and sort code [unspecified], and two statements for IgoriaCard multicurrency card in the name of Axis Mundi Global Custody Ltd with account number 20 0000 38484 for the periods 1–29 Feb 2020, 1 Jul – 1 Aug 2020 which contain references to transfers to "other IgoriaCard wallet".

- 1) NatWest statements from 1 Jan to 26 Aug 2020 were produced for the same account number as the .csv sent. The Firm also holds 3 other accounts with NatWest.
 - a. An account named "Axis Mundi Global Custody Ltd", the statement of which reveals a loan disbursement on 11 May 2020 of £50,000 and no other activity in 2020. The statement is for the period 11 May to 26 Aug 2020. The account is as a result overdrawn by this amount.³⁴
 - b. The account "Axis Mundi Global Custody Ltd Fee Acc, Client Deposit Manager Account". The statement is for the period 20 Jul to 26 Aug 2020 and there is no activity.³⁵
 - c. The account "Axis Mundi Global Custody Ltd, Client Deposit Manager Account". The statement is for the period 20 Jul to 26 Aug 2020 and there is no activity.³⁶
 - 2) The Firm also holds two Starling bank accounts. One is a GBP-denominated account (the "Starling GBP account") and one is a Euro-denominated account.
 - a. Starling statements from 19 Jan to 2 Sep 2020 were produced for the Starling GBP account. The account activity matches that of the .csv file sent so it is assumed it is for the same account.³⁷
 - b. The Euro-denominated Starling account did not have any activity to date in 2020.³⁸
- 3.21 The total cash held by the Firm as of 31/07/20 in its NatWest account and Starling account was £12.98 and £20.47 respectively.³⁹

Customer assets deposited in Axis Mundi NatWest account suggesting custodial activity

3.22 As noted in para [3.12 sub para 2], the account number and sort code for the NatWest account match those on the remittance advice provided by Oxville Analytics to customer 1.⁴⁰

3.23 The NatWest account statement also contained a series of 6 BACS (totalling £75,000

³⁴ Natwest Responses to s175 providing bank account details dated 27 August 2020, page 108 of evidence bundle. The NatWest account is in the name Axis Mundi Global Custody Ltd, account number 47341408 and sort code 601314.

³⁵ Natwest Responses to s175 providing bank account details dated 27 August 2020, page 107 of evidence bundle. The NatWest account is in the name Axis Mundi Global Custody Ltd Fee Acc, Client Deposit Manager Account, account number 47349352 and sort code 601314.

³⁶ Natwest Responses to s175 providing bank account details dated 27 August 2020, page 98 of evidence bundle. The NatWest account is in the name Axis Mundi Global Custody Ltd, Client Deposit Manager Account, account number 47349352 and sort code 601314.

³⁷ Starling Response to s175 providing bank account details dated 26 August 2020, page 111. The Starling GBP account is in the name Axis Mundi Global Custody Ltd, account number 58532698 and sort code 608371,

³⁸ Starling Response to s175 providing bank account details dated 26 August 2020, page 109. The Starling EUR account is in the name Axis Mundi Global Custody Ltd. The EUR IBAN is GB41SRLG60837146145769 and BIC is SRLGGB3L.

³⁹ Natwest Responses to s175 providing bank account details dated 27 August 2020, page 99 of evidence bundle and Starling Response to s165, page 109,

⁴⁰ Customer 1 [name redacted] provided to the Hub a copy of the paperwork sent to him by Oxville Analytics to arrange for a payment of £5,000 to Axis Mundi as custodian.

between March and May 2020) transfers-in with the name of customer 2 who contacted the Hub about Axis Mundi and Oxville Analytics (summarised in the table below).⁴¹ .

3.24 The NatWest account statement also contains numerous BACS transfers in for round sum payments – typically amounts such as £5k, £10k, £15k and £25k. As with customer 1, the payment reference contains customers’ names for which the Firm appears to be using its permission as custodian. As well, the payments out are within one or two days of the incoming payments, to Earthport Plc, which is a payments service provider that was acquired by Visa Payment Services in 2019 and to Argento Access which by reference to paras [3.13 and 3.14] appears to be the Luxembourg-registered securitisation company that has links to the Firm.

3.25 For the period from 7 Jan 2020 to 31 Jul 2020 the following payments were identified:⁴²

Monthly total (2020)	Description	Amount In (GBP)	Amount Out (GBP)
Feb	Customers 3 and 4	60,000	
	EARTHPORT PLC 44TRD1292516 VIA MOBILE – PYMT		59,992.54
Mar	Customers 2, 4 and 5	75,000	
	NONREF PLBRADO0537xxxx ARGENTO ACCESS S URGENT TFR		55,060
Apr	NONREF PLBRADO05381151 ARGENTO ACCESS S URGENT TFR		19,970
	Customers 2, 4, 6 and 7. Also Customer 3 with payment reference “ Exousia Bond ” dated 17 Apr 2020.	55,000	
	MAGENTA ADVISORS4AXIS MUNDI GBP-C VIA ONLINE – PYMT		10,000
	NONREF PLBRADO05389249 ARGENTO ACCESS S URGENT TFR		45,030
May	Customers 2, 5, 8, 9, 10, 11, 12, 13, 14, 15	101,500	
	NONREF PLBRADO05395798 ARGENTO ACCESS S URGENT TFR		70,030
	NONREF PLBRADO05398484 ARGENTO ACCESS S		30,060

⁴¹ Bank statement showing references to customer 2 on 26 Mar 2020 for £10k, 27 Mar 2020 for £10k, 15 Apr 2020 for £10k and £20k, 4 May 2020 for £20k and 5 May 2020 for £5k. Natwest Responses to s175 providing bank account details dated 27 August 2020, page 99 of evidence bundle

	URGENT TFR		
	Customer 3	5,000	
Jun	Customer 16	5,000	
	<i>(There are no further payments to PSPs)</i>		
Total		301,500	290,142.54

- 3.26 These payments in that reference customer names can be tracked shortly thereafter to equivalent payments out to recipients such as Earthport Plc and Argento Access, causing Supervision concern that the Firm is using its permissions as custodian, despite informing Supervision that it was not doing so.
- 3.27 Furthermore, Supervision notes the reference to Exousia AEV Alpha bonds in the above table, which are one of the Oxville Analytics mini-bonds and suggests that Customer 3 is another customer of Oxville Analytics for which the Firm is using its permission as custodian.
- 3.28 The sum of all BACS transferred in, based on the NatWest account statements, is £301,500 and Supervision is concerned this may represent a significant amount of customer investment that is not reported to the Authority and therefore a significant risk to investors.⁴³

Coupon payments out of Starling GBP account suggesting custodial activity

- 3.29 The Starling GBP account also suggests that the Firm is using its permission to act as custodian. Supervision noted numerous payments out of the Starling GBP account which appear to be interest or coupon payments to investors. The coupon payments are shown on the Starling GBP account statements by named investor. The surnames of those receipting these coupon payments on the Starling GBP account correspond to those names on the NatWest BACS transfers described above.⁴⁴

Date (2020)	Description on statement	Amount In (GBP)	Amount Out(GBP)
31 Mar	C90 coupon Q1 2020	632.32	
	'AMT-1372xx' to Customers [x] (sort code [x] / account number [x])		519.99
2 Apr	COUPON MAR 2020 COMPLEMENT	51.00	
	'AMT-1372xx' to Customers [x] (sort code [x] / account number [x])		163.33

⁴³ Natwest Responses to s175 providing bank account details dated 27 August 2020, page 99 of evidence bundle

⁴⁴ Starling Response to s175 providing bank account details dated 26 August 2020, page 109 of evidence bundle

30 Apr	ARGENTO C90 COUPONS APR 2020	350.00	
	'AMT-1372xx APR CPN' to Customers [x] (sort code [x] / account number [x])		244.03
1 Jul	'AMT-1327xx JUN CPN' to Customers [x] (sort code [x] / account number [x])		4,289.60
3 Jul	'COUPON' from AXIS MUNDI GLOBAL (601314 /43265758)	4,298.60	
21 Jul	'AMT-1327xx JUN CPN' to Customers [x] (sort code [x] / account number [x])		174.17
21 Jul	'COUPON' from AXIS MUNDI GLOBAL (601314 /43265758)	136.51	
Total		4,571.62	4,463.77

- 3.30 As well, the description 'ARGENTO C90 COUPONS APR 2020' on the payment dated 30 April 2020 suggests coupon payments on Argento Access bonds were paid out of the Starling account. Argento Access has been established to have links to the Firm and has been in the media in relation to the issuance of bonds as noted in paras [3.14 and 3.15]. Therefore this reference to Argento coupon payments further supports concerns that the Firm is conducting regulated activities as custodian.⁴⁵

Account activity other than custodial activity

- 3.31 The NatWest account and the Starling account are set up in the name of Axis Mundi Custody Global Limited. They are not clearly identifiable as client accounts because they do not have "client" within the account title. However, it is evident that customer investments are paid in and coupon / interest payments are being paid out of both of these accounts.
- 3.32 The NatWest account also contains payments out that are evidently unrelated to the regulated activity of safeguarding and administration of assets which include payments to Deliveroo and Starbucks.⁴⁶
- 3.33 In the Starling GBP account, there are also what appear to be operational payments to third parties which are unrelated to the regulated activity of safeguarding and administration of assets, for example a payment to a named consultancy.⁴⁷
- 3.34 CASS Supervision have also identified four transactions where monies are paid from the NatWest account and the Starling GBP account to IgoriaCard accounts in the names of LBX Trading (which is now Mayan Block Ltd) and Mayan Block Ltd of which Mr Dives is the sole Director and shareholder. Mr Dives remains the sole Director of Axis Mundi. We are concerned that client assets may be invested in bonds issued by Mayan Block where investors are unaware that Mr Dives is the director of both Axis Mundi and Mayan Block. Alternatively, there is the risk that client assets have been transferred to Mayan Block to be used on the firm's own account without the issuing of bonds, resulting in

⁴⁵ Starling Response to s175 providing bank account details dated 26 August 2020, page 112 of evidence bundle

⁴⁶ Natwest Responses to s175 providing bank account details dated 27 August 2020, page 105 of evidence bundle

⁴⁷ Starling Response to s175 providing bank account details dated 26 August 2020, page 112 of evidence bundle

the misuse of client assets.

Analysis of failings and risks

3.35 Asset Management Supervision offer the following conclusions based on the factual evidence.

Principle 11 – Relations with regulators

3.36 Supervision do not believe the Firm is meeting its suitability Threshold Condition in all the circumstances. This includes having not received adequate information from the Firm in its responses to the Authority. In those responses to the Authority, Axis Mundi has also demonstrated it is uncooperative and provided statements in contradiction to evidence obtained otherwise.

3.37 In contradiction to Mr Dives's responses denying that the Firm has conducted regulated activities or controlled client money, there is evidence to support our concerns that Axis Mundi receipted customer money in relation to the 3 Oxville mini-bonds.

- 1) The account and sort code details in the remittance advice given to a customer match Axis Mundi's own bank details.
- 2) The name of a complainant to the Authority matches transactions on Axis Mundi's bank statements.
- 3) Coupon payments to customers are evident on the Axis Mundi's bank statements – the names of these recipients match those names contained within the descriptions for lump sum transfers into Axis Mundi's accounts.

Principle 10 – Adequate protection for clients' assets

3.38 CASS Supervision believe Axis Mundi has breached multiple CASS 7 rules in their activity to date. This, by extension, is not in compliance with Principle 10, *A Firm must arrange adequate protection for clients' assets when it is responsible for them.*

- 1) The firm is primarily using two bank accounts, the NatWest account and the Starling GBP account, to receive monies from named investors and to make payments of coupons to the same named investors. This is a breach of CASS 7.13.12R which requires that where a firm sets up an account with, amongst others, a credit institution to receive client money, the account must be a client money bank account.
- 2) The bank accounts that appear to be used as client money accounts are set up in the name of the firm, Axis Mundi Custody Global Limited, and are not clearly identifiable as client money bank accounts. This is a breach of CASS 7.13.13(1)R which requires a firm to ensure client money is held in an account identified separately from any accounts used to hold money belonging to the firm.
- 3) CASS Supervision has identified transactions that are unrelated to client money transactions in the NatWest account and the Starling GBP account. This appears to be a breach of CASS 7.12.2R where the firm must introduce adequate organisational arrangements to minimise the risk of loss or diminution of client

money or rights of connection with client money as a result of misuse of client money, fraud, poor administration, inadequate record keeping or negligence.

- 3.39 Supervision would also note that as a custodian, Axis Mundi would normally be responsible for the books and record keeping of any client assets. The Firm has failed to provide any records of client assets.
- 3.40 As highlighted in para [3.8], CASS Supervision previously approached the Firm for information on their client money holdings including statements and acknowledgement letters to which the firm confirmed it did not have. This contrasts with the client money transactions which were shown on the bank statements because CASS 7.15.2R requires the firm to keep records and accounts as are necessary to enable it, at any time and without delay, to distinguish client money held for one client from client money held for any other client and from its own money.

Threshold Conditions

- 3.41 The Firm appears to have breached the "Suitability" Threshold Condition based on the following:
- 1) Failings were identified in relation to Principles 10 and 11;
 - 2) Concerns were identified with the Firm's dealings with custodial payments in relation to unlisted bonds;
 - a. The false claims per [3.12] within the bond documentation.
 - b. Their promotion by an unregulated advisor through cold calling.
 - c. The documentation does not identify any specific corporate or legal entity that is funding raising or which would repay the principal or interest payments.
 - 3) The Firm does not appear to be suitably organised, as evidenced through its lack of progress in recruiting SMF16 and SMF17 roles despite repeated requests that it take action; and
 - 4) Since January 2019, the Firm has submitted a sole application for the SMF16 and SMF 17 roles, as evidenced in para [3.2]. This application was withdrawn before a decision was made by Authorisation.

Engagement with the Firm

- 3.42 The evidence supports the conclusion that Axis Mundi is conducting regulated activity and failing to report its activity. The Firm denied to the Authority that it conducts regulated activity in its regulatory returns, when challenged by Supervision with reference to customer complaints, and in an information request.
- 3.43 The Firm's email correspondence with the Authority was unhelpful with terse, one word responses. It is particularly concerning that the Firm failed to provide an explanation for the activity on the bank and payment card statements that it provided and an explanation for the accounts it omitted – while maintaining it did not conduct regulated activity.

Other matters

3.44 The Firm has regulatory returns that are overdue since 29 January 2020.⁴⁸

- 1) The Firm has failed to submit quarterly balance sheet returns (FSA029), profit and loss returns (FSA030), and capital adequacy returns (FSA033) since the reporting period ending 31 December 2019.
- 2) The Firm has also failed to submit its annual report and accounts (FIN-A) for the period ending 31 December 2019.
- 3) The Firm has failed to submit its client money and client assets semi-annual return (FSA039) for the reporting period ending 30/06/2020.

3.45 The Firm's CASS Audits were filed late.⁴⁹

3.46 The Firm has 2 outstanding invoices overdue by 252 and 164 days to the FCA. These invoices relate to penalties for late regulatory filings by the Firm.⁵⁰

3.47 Axis Mundi's response to the information request was also delayed, accompanied with the following email message: *'apologies for the delay, these were being reviewed by our auditors, Beavis Morgan'*⁵¹. Following discussions with Beavis Morgan, it was clarified that they had been provided a copy of our information request 6 hours before the deadline and were not privy to Mr Dives's subsequent response to the Authority, suggesting the reason for the delay was unwarranted.

3.48 On 6 July 2020, Mr Dives confirmed to CASS Supervision that Axis Mundi did not have any client money bank accounts and they were going to withdraw their permissions due to market conditions and the impact of Covid-19. A review of NatWest accounts show that two accounts were opened on 20 July 2020 after the interaction with CASS Supervision that appear to be intended for use as client money accounts. There were no transactions on these accounts and the balance of the accounts is nil, however opening two new client money accounts is not consistent with an intention to cancel regulatory permissions. As well, as at 15 September 2020 no cancellation form has been received.

3.49 Supervision has not provided feedback to the Firm on these concerns due to the risk of tipping off.

4. RECOMMENDATION AND PROPORTIONALITY

Immediate effect and duration of the OIREQ and OIVOP

4.1 For the above reasons, we recommend that the OIREQ and OIVOP take immediate effect and that an FSN is issued to the Firm under section 55Y(3) of the Act which gives the Authority specific powers to impose requirements or vary permissions

⁴⁸ Screenshot showing outstanding FCA regulatory returns, page 115 of evidence bundle

⁴⁹ Axis Mundi Late CASS Audit Notification dated 28 August 2020, page 118 of evidence bundle

⁵⁰ Axis Mundi FCA Fee Statement, page 117 of evidence bundle

⁵¹ Email from Ben Dives replying to S165 Requirement dated 7 August 2020, page 84 of bundle

immediately or on such date as may be specified and where the Authority identifies (under EG 8.3.3(1)) the risk of loss, or other adverse effect on consumers and the need to protect consumers' interests.

- 4.2 We consider that it is necessary for the OIREQ and OIVOP to remain in place until such time as the Authority is reasonably satisfied that they should be lifted.
- 4.3 We consider that imposition of the OIREQ and the OIVOP is a proportionate response to address the identified risks, and is desirable in order to advance the Authority's operational objective of securing an appropriate degree of consumer protection.

Factors affecting the proposed action

- 4.4 In accordance with paragraph EG 8.3.4(9), we have considered the potential impact of the OIREQ and OIVOP. The effect of both will necessitate the Firm having to cease all regulated activities and protect any existing funds held by the Firm relating to custodial activities.
- 4.5 A potential negative impact on the Firm is that the Firm's banks may freeze all bank account activity upon receipt of the assets restriction, delaying the Firm's ability to comply with certain aspects of the OIREQ e.g. refund requests or coupon / interest payments.
- 4.6 A potential negative impact on the Firm's customers and investors who rely on the Firm's custodial services is that the Firm may not be able to refund existing investments or pay future interest or coupons for investors for which it has custodial responsibilities if those funds are not recoverable from the bond issuers or if the Firm's banks freeze all banking activity for its accounts. This is a pre-existing risk, to the extent that concerns were raised about the legitimacy of some of the investment products for which the Firm offers custodial services and investors may suffer loss in relation to these products as a result.
- 4.7 Based on the Firm's bank statements for the period from 7 Jan 2020 to 31 Jul 2020, fifteen investors appear to have deposited £301,500 with the Firm and to have received £4,571.62 in coupon payments in relation to these deposits.
 - 1) Without access to the relevant bond agreements, Supervision cannot assess the extent of the term or interest promised by issuers for these fifteen investors. At a minimum, the principle of £301,500 may be at risk, plus any expected interest that has not yet been paid, should the Firm fail to adequately transfer its custodial role for these investors (plus funds for any other investors who may have placed funds with the Firm outside of this period) to another regulated firm before the end of the investment periods for each bond.
 - 2) On the basis that the Firm has not reported any financial activity in any regulatory or legal filings or through regulatory interactions with the Authority, Supervision does not believe it employs any staff other than the Firm's director. Should the Firm cease operations as a result of the OIVOP and OIREQ, Supervision will engage with the Firm to oversee the transition for its custodial arrangements. Supervision anticipates that any such handover may be supplemented by the communication of the OIREQ and

OIVOP to investors and issuers for which the Firm has been providing custodial services.

- 3.50 Supervision is also concerned about the legitimacy of the investments based on the marketing material provided to the Authority by investors. Should the bonds prove to be illegitimate, there is a risk that investors may not recover any interest or the principle, either through the Firm or another regulated custodian. This current and ongoing risk would be mitigated through this intervention for potential future investors who otherwise may have relied on the Firm as custodian.

Alternatives considered

- 3.51 The Firm was invited to agree to a VREQ on 12 May 2020 to restrict its regulated activities until it filled its SMF roles and the Firm refused it, citing an intention to appoint a named individual to the SMF positions. No applicant has been put forward, however, since the last withdrawal.
- 3.52 The Firm proposed to cancel its permissions on 27 May 2020. As at 15 September 2020, no cancellation form has been received by the Authority.

4 STATUTORY PROVISIONS AND REGULATORY PROVISIONS

- 4.1 The relevant statutory provisions and regulatory provisions are set out in the Annex to the draft First Supervisory Notice. Below are also certain relevant provisions.

Relevant statutory provisions

FSMA

- 4.2 The Authority is permitted by section 55L of the Act to impose such requirements on or by section 55J of the Act to vary the permission of an authorised person as the Authority considers appropriate where it appears the person is failing, or is likely to fail, to satisfy the Threshold Conditions, or it is desirable to do so in order to advance one or more of the Authority's operational objectives.
- 4.3 Section 55N(1) of the Act allows a requirement to be imposed so as to require the person concerned to: 1) take specified action; or 2) refrain from taking specified action.
- 4.4 Section 55P of the Act allows an assets requirement to be imposed under the Authority's own-initiative power. Pursuant to section 55P(4)(a) of the Act an assets requirement means a requirement prohibiting the disposal of, or other dealing with, any of the firm's assets (whether in the United Kingdom or elsewhere) or restricting such disposals or dealings.
- 4.5 Section 55Y of the Act allows the imposition of a requirement or variation of permission to take immediate effect or on such date as is specified in the notice.

Relevant regulatory provision

Principles

- 4.6 Principle 10 states that *"a firm must arrange adequate protection for clients' assets when it is responsible for them."*

- 4.7 Principle 11 states that *"A firm must deal with its regulators in an open and cooperative way, and must disclose to the FCA appropriately anything relating to the firm of which that regulator would reasonably expect notice."*

CASS Rules

- 4.8 CASS rule 7.12.2R states that *"A firm must introduce adequate organisational arrangements to minimise the risk of the loss or diminution of client money, or of rights in connection with client money, as a result of misuse of client money, fraud, poor administration, inadequate record-keeping or negligence."*
- 4.9 CASS rule 7.13.12R states that *"A firm must take the necessary steps to ensure that client money deposited, in accordance with CASS 7.13.3 R, in a central bank, a credit institution, a bank authorised in a third country or a qualifying money market fund is held in an account or accounts identified separately from any accounts used to hold money belonging to the firm."*
- 4.10 CASS rule 7.13.13(1)R states that *"An account which the firm uses to deposit client money under CASS 7.13.3 R (1) to CASS 7.13.3 R (3) must be a client bank account."*
- 4.11 CASS rule 7.15.2R states that a firm must keep such records and accounts as are necessary to enable it, at any time and without delay, to distinguish client money held for one client from client money held for any other client, and from its own money.

Enforcement Guide ("EG")

- 4.12 The Authority's approach in relation to its own-initiative powers is set out in EG 8.
- 4.13 EG 8.2.1 states that when the Authority considers how it should deal with a concern about a firm, it will have regard to its statutory objectives and the range of regulatory tools that are available to it. It will also have regard to 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 the principle that a restriction imposed on a firm should be proportionate to the objectives the Authority is seeking to achieve.
- 4.14 EG 8.2.3 states that in the vast majority of cases the Authority will seek to agree with a firm those steps the firm must take to address the Authority's concerns. However, where the Authority considers it appropriate to do so, it will exercise its formal powers under section 55L of the Act and section 55J of the Act to ensure a firm meets its regulatory requirements. This may include where, amongst other factors, the Authority has serious concerns about a firm, or about the way its business is being or has been conducted, or is concerned that the consequences of a firm not taking the desired steps may be serious.
- 4.15 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.
- 4.16 EG 8.3.2 states that the Authority will consider exercising its own-initiative power as a matter of urgency where: 1) the information available to it indicates serious concerns

about the firm or its business that need to be addressed immediately; and 2) 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.

Decision Procedure and Penalties Manual ("DEPP")

- 4.17 DEPP 2.5.7G provides that the Regulatory Decisions Committee ("RDC") will take the decision to give the First Supervisory Notice ("FSN") exercising the Authority's own-initiative power if the action involves a fundamental variation or requirement.
- 4.18 DEPP 2.5.8G provides that a fundamental variation or requirement means: 1) removing a type of activity or investment from the Firm's permission; 2) refusing an application to include a type of activity or investment; or 3) imposing or varying an assets requirement (as defined in s.55P of the Act), or refusing an application to vary or cancel such a requirement.
- 4.19 DEPP 3.4.1G provides that, in urgent supervisory notice cases for which the RDC is the relevant decision-maker, the decision to give the supervisory notice may be taken by the RDC Chairman or, if he is unavailable, a Deputy Chairman. DEPP 3.4.2G provides that the RDC Chairman or Deputy Chairman will take such a decision only if satisfied that the action proposed should occur before it is practicable to convene an RDC panel.

5 PROCEDURAL MATTERS

Competition law primacy

- 5.1 In accordance with section 234K of the Act, Supervision has considered if it would be more appropriate to proceed under the Competition Act 1998. Supervision considers that it would not be more appropriate because there are no reasonable grounds for suspecting that Axis Mundi's actions amount to an infringement of the prohibitions under Chapter 1 or Chapter 2 of the Competition Act 1998, or Article 101 or Article 102 of the Treaty on the Functioning of the European Union. These are the prohibition against anti-competitive agreements and concerted practices and the prohibition against abuse of dominant position.

Third party rights

- 5.2 Sections 393 (Third party rights) and 394 (Access to Authority material) of the Act confer additional procedural rights relating to third parties and to disclosure of Authority material. These additional rights apply to warning and decision notices but not to supervisory notices, such as a notice issued pursuant to section 55Y(4) of the Act. As such, these provisions do not apply here.
- 5.3 It is EMO's approach, as a matter of fairness, to consider whether it is necessary to identify "third parties", however, there are none (save for Mr Dives) in the attached draft Notice, and names have been anonymised where appropriate. Mr Dives, as sole director of the Firm, and who appears on the Financial Services Register as such, is not anonymised because doing so would have no practical effect.

Publication

- 5.4 Section 391(5) of the Act provides that when a supervisory notice takes effect, the

Authority must publish such information about the matter to which the notice relates as it considers appropriate. However, section 391(6) of the Act provides that:

"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 consumer, or*
- (c) detrimental to the stability of the UK financial system".*

- 5.5 If the RDC accepts the recommendation in this paper, we would update the Financial Service Register for the Firm to reflect the terms of the draft First Supervisory Notice, and publish on the Authority's website the First Supervisory Notice once the deadlines have expired for the Firm to make any representations or referral to the Upper Tribunal).
- 5.6 In relation to section 391(6) of the Act, our view is that publication of information contained in the First Supervisory Notice would not be unfair to the Firm or prejudicial to the interests of consumers or detrimental to the stability of the UK financial system.

Address for service of statutory notice

- 5.7 The address to which any supervisory notice should be issued is the principal place of business as last notified to the Authority by the Firm, namely:

Axis Mundi Global Custody Ltd
Kemp House
152-160 City Road
London
EC1V 2NX

RECOMMENDATION

That the RDC takes the action in the terms of the attached draft First Supervisory Notice at Appendix 1.

APPROVED BY LEGAL REVIEWER

I AM SATISFIED THAT:

- (a) this ESD sets out a fair and balanced account of the material provided to me, and the legal and policy issues relevant to the action recommended;
- (b) the facts set out in the draft First Supervisory Notice are properly supported by the evidence provided to me; and
- (c) the proposed action set out in the draft First Supervisory Notice is appropriate in the light of the evidence and the law. SIGNED

DATE

NAME **MARTIN WATTS**

LEGAL GROUP, LITIGATION AND LEGAL REVIEW, ENFORCEMENT AND MARKET OVERSIGHT DIVISION

DATE **20 OCTOBER 2020**

APPROVED BY PROJECT SPONSOR

NAME: **NICK MILLER,**

HEAD OF DEPARTMENT, HEAD OF ASSET MANAGEMENT, SUPERVISION DIVISION

DATE 20 OCTOBER 2020

From: [Ross McDonald](#)
To: [Benjamin Dives](#)
Cc: [FCA Investment Management - Custody](#); [Christopher Douglas](#)
Subject: RE: FCA - senior manager applications and use of permissions
Date: 12 May 2020 10:27:27
Attachments: [image001.png](#)
[VREQ Axis Mundi May 2020.pdf](#)

Benjamin,

Thank you for your response.

Regulated activity should only be conducted by the firm once the SMF16 and SMF17 concerns have been resolved. For clarity, resolution of the concerns communicated by the Authority is contingent on our Authorisation colleagues approving the SMF16 and SMF17 applications you intend to submit.

To address the concerns raised in our communications on 17th April 2020, the Authority invites you to formally agree that no regulated activity will be conducted by Axis Mundi until the Authority has approved SMF 16 and SMF17 role holders, by agreeing to and signing the attached voluntary requirement notice.

The terms of the requirements reflect that Axis Mundi should not hold itself out as able to perform regulated business, while the requirement is in place and use of the permissions is contingent on the Authority's approval. The requirements have been drafted to only apply until such time as an SMF16 and SMF17 is approved for these roles by the Authority. The FCA's Threshold conditions which apply to all firms, require that they have non-financial resources appropriate to the regulated activities they perform.

To facilitate a resolution to the matter, we would expect you to submit Form A for the SMF16 and SMF17 positions for FCA approval. If the proposed applications you have described in your response are not submitted within the next 12 weeks, the FCA's expectation is that Axis will apply to cancel its permission on the basis that it does not have appropriate non-financial resources.

In the alternative, the Authority has the power under the Financial Service and Markets Act to cancel the permission of any firm that has not used its permissions for a period of at least 12 months. We are mindful that the client assets reports and financial reporting returns submitted by Axis Mundi to the Authority indicate that the firm has not conducted any regulated activity since authorisation.

We ask that you provide a response to this correspondence by 19 May 2020.

Kind regards, Ross

From: Benjamin Dives [mailto:benjamin@axismundicustody.com]
Sent: 23 April 2020 17:03
To: Ross McDonald <Ross.McDonald@fca.org.uk>
Cc: FCA Investment Management - Custody <FCAInvestmentManagement-Custody@fca.org.uk>; Christopher Douglas <Christopher.Douglas@fca.org.uk>
Subject: Re: FCA - senior manager applications and use of permissions
Dear Mr McDonald,

Thank you for your email of 17 April 2020. I apologise for the delay in responding due to the current coronavirus situation.

We would very much like to continue the Axis Mundi Global Custody Ltd FCA registration (FRN 799100).

Let me take the opportunity to update you with regard to the matters of primary concern that you raise.

SMF16 & SMF17

The Firm understands that SMF16 & SMF17 are required functions and considers that it is of the utmost importance to fill those functions with the right candidate. Since August 2019 the Firm has considered and interviewed a number of candidates. Unfortunately the individual we had selected to fill those roles failed to pass the appropriate standard of due diligence required by the Firm and could not be sponsored by the Firm for these important roles. The Firm had gone back to reconsider the skills and aptitudes it requires from the individual it would like to undertake these roles and had restarted the interview process prior to the outbreak of the pandemic. Given the current health guidance it is considered sensible not to have people attend interviews although I am keen to secure an appropriate appointment at the earliest opportunity.

As an interim measure, given these are required functions, I am proposing to apply for the SMF16 and SMF17 roles and I am currently completing, via connect, the Form A and other necessary Forms. These will be finalised and submitted to you as soon as possible. Methuen Consulting LLP can assist me, where necessary, in undertaking those roles once I have been authorised.

Just to inform you, As Chief Executive, I have made sure that the Firm had updated its compliance procedures manuals to reflect SM&CR (copy available on request). I can also notify you that the Firm has appointed an external CASS Auditor, Beavis Morgan who will cross check and assist with filing the monthly CASS reports.

Client Onboarding

The Firm does not currently have any clients. The Firm is in final negotiations with potential clients and is ready to undertake client activity once the SMF16 & SMF 17 issue has been resolved. Clients are ready to enter into activity as soon as the Firm has a SMF16 & SMF17. Obviously I will be happy to inform you in this regard as soon as the mandate is active.

Capital Adequacy

I will write to you separately with regard to capital adequacy and financial projections.

Many thanks

Benjamin Dives

On Fri, 17 Apr 2020 at 12:09, Ross McDonald <Ross.McDonald@fca.org.uk> wrote:

Benjamin,

I am writing to convey two primary concerns held by the Financial Conduct Authority (the Authority) in relation to Axis Mundi Global Custody Ltd (Axis Mundi). The Authority's concerns relate to the firm's failure to appoint persons in required functions under the Senior Managers and Certification Regime (SM&CR) and the firm's absence of activity in the regulated sector.

Axis Mundi continues to not have any individuals appointed as responsible for oversight of compliance or ensuring adherence to money laundering requirements – SMF 16 and SMF 17 (previously CF10, CF10a and CF11). Axis Mundi will be aware that these are required functions under our SM&CR. I reiterate the Authority's expectations set out in my previous message dated 2 August 2019 that no regulated business should be conducted by Axis Mundi, while the firm does not have individuals approved for these roles.

I also note that your firm's latest available regulatory returns, record no revenues for the period ending 28 October 2019. The Authority will not accommodate a firm remaining on the register indefinitely if not conducting regulated business.

Consequently, the Authority expects the situation to be addressed through credible SMF applications or a notification of withdrawal of permissions due to non-use. Permissions can be voluntarily withdrawn through client connect or completing the attached manual form.

If you intend to rely on another external appointment, the Authority want assurance that Axis Mundi is proactively addressing this SM&CR gap and intending to operate in the regulated sector. As examples, provision of the following could assist:

- evidence of the roles being advertised or a recruitment process having been engaged
- provision of a job profile for the roles to be filled - e.g. evidence that due consideration has been given to the regulatory obligations of your custody firm, such as in relation to our client asset rules
- details of a candidate selection process
- evidence that substantiates the financial resources available to Axis Mundi for employing staff
- provision of financial projections
- overview of what regulatory business that you intend to conduct and how long you would intend to maintain permissions without generating any revenues from regulated activities

I'd ask that you provide a response to us by 23rd April on how you intend to resolve the situation.

If beneficial, we can schedule a call to discuss your response, shortly after provision – we do have availability on Friday 24th.

Kind regards, Ross

Ross McDonald

Associate / Asset Management Department

Wholesale Supervision - Investment, Wholesale & Specialists Division



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www.fca.org.uk

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Switchboard 020 7066 1000

Web Site <http://www.fca.org.uk> (FCA); <http://www.psr.org.uk> (the Payment Systems Regulator Limited)

Axis Mundi Global Custody Ltd (FCA REF: 799100)
APPLICATION FOR IMPOSITION OF REQUIREMENTS

To: The Financial Conduct Authority ('FCA')
12 Endeavour Square
London
E20 1JN

Axis Mundi Global Custody Ltd ('Axis Mundi') applies to the FCA pursuant to section 55L(5) of the Financial Services and Markets Act 2000, for the voluntary imposition of the requirements ('requirements') set out in the below schedule with immediate effect.

SCHEDULE

This schedule sets out the terms of the requirements to be imposed on Axis Mundi with immediate effect:

1. Until an officer of the firm responsible for Senior Management Functions 16 and 17 has been approved by the FCA Axis Mundi shall be closed to business from new or existing customers in relation to its regulatory permissions, namely: agreeing to carry on a regulated activity and safeguarding and administration of assets (without arranging).
2. Until an officer of the firm, responsible for Senior Management Functions 16 and 17 has been approved by the FCA, Axis Mundi shall cease advertising its regulated financial services in all forms. This advertising restriction includes but is not limited to advertising online, through press agencies, in directories, in local, national and community press and by way of leaflets, flyers, orally or equivalent.
3. For the avoidance of doubt, the requirement at paragraph 2 above includes removing references to regulated activities on its Axis Mundi website, <https://axismundicustody.com> or any other existing or planned Axis Mundi website until an officer of the firm responsible for Senior Management Functions 16 and 17 has been approved by the FCA.
4. Axis Mundi, at the same time as this requirement comes into effect, shall place a notice (the wording of which is to be agreed with the FCA) in a prominent place on its website by way of explanation to its customers of the effects of these requirements.
5. Axis Mundi shall confirm to the FCA, within five business days of the date of this requirement, the steps it has taken to comply with these requirements.

Signed

Benjamin Dives (Director) for and on behalf of
Axis Mundi Global Custody Ltd

Date

From: [Benjamin Dives](#)
To: [Ross McDonald](#)
Cc: [Christopher Douglas](#); [FCA Investment Management - Custody](#)
Subject: Re: FCA - senior manager applications and use of permissions
Date: 19 May 2020 22:03:06
Attachments: [image001.png](#)

Dear Ross,

This is to confirm we have now filled the SMF 16 and 17 roles with a competent person currently on the register - Daniel Kushner (RN: DJK01129) and we will submit his form A shortly.

Kind regards

Benjamin

On Tue, 19 May 2020 at 07:10, Benjamin Dives <benjamin@axismundicustody.com> wrote:

Thank you Ross, will come back to you shortly with our next steps.

Kind regards

Benjamin

On Tue, 12 May 2020 at 10:27, Ross McDonald <Ross.McDonald@fca.org.uk> wrote:

Benjamin,

Thank you for your response.

Regulated activity should only be conducted by the firm once the SMF16 and SMF17 concerns have been resolved. For clarity, resolution of the concerns communicated by the Authority is contingent on our Authorisation colleagues approving the SMF16 and SMF17 applications you intend to submit.

To address the concerns raised in our communications on 17th April 2020, the Authority invites you to formally agree that no regulated activity will be conducted by Axis Mundi until the Authority has approved SMF 16 and SMF17 role holders, by agreeing to and signing the attached voluntary requirement notice.

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To facilitate a resolution to the matter, we would expect you to submit Form A for the SMF16 and SMF17 positions for FCA approval. If the proposed applications you have described in your response are not submitted within the next 12 weeks, the FCA's expectation is that Axis will apply to cancel its permission on the basis that it does not have appropriate non-financial resources.

In the alternative, the Authority has the power under the Financial Service and Markets Act to cancel the permission of any firm that has not used its permissions for a period of at least 12 months. We are mindful that the client assets reports and financial

reporting returns submitted by Axis Mundi to the Authority indicate that the firm has not conducted any regulated activity since authorisation.

We ask that you provide a response to this correspondence by 19 May 2020.

Kind regards, Ross

From: Benjamin Dives [mailto:benjamin@axismundicustody.com]

Sent: 23 April 2020 17:03

To: Ross McDonald <Ross.McDonald@fca.org.uk>

Cc: FCA Investment Management - Custody <FCAInvestmentManagement-Custody@fca.org.uk>; Christopher Douglas <Christopher.Douglas@fca.org.uk>

Subject: Re: FCA - senior manager applications and use of permissions

Dear Mr McDonald,

Thank you for your email of 17 April 2020. I apologise for the delay in responding due to the current coronavirus situation.

We would very much like to continue the Axis Mundi Global Custody Ltd FCA registration (FRN 799100).

Let me take the opportunity to update you with regard to the matters of primary concern that you raise.

SMF16 & SMF17

The Firm understands that SMF16 & SMF17 are required functions and considers that it is of the utmost importance to fill those functions with the right candidate. Since August 2019 the Firm has considered and interviewed a number of candidates. Unfortunately the individual we had selected to fill those roles failed to pass the appropriate standard of due diligence required by the Firm and could not be sponsored by the Firm for these important roles. The Firm had gone back to reconsider the skills and aptitudes it requires from the individual it would like to undertake these roles and had restarted the interview process prior to the outbreak of the pandemic. Given the current health guidance it is considered sensible not to have people attend interviews although I am keen to secure an appropriate appointment at the earliest opportunity.

As an interim measure, given these are required functions, I am proposing to apply for the SMF16 and SMF17 roles and I am currently completing, via connect, the Form A and other necessary Forms. These will be finalised and submitted to you as soon as possible. Methuen Consulting LLP can assist me, where necessary, in undertaking those roles once I have been authorised.

Just to inform you, As Chief Executive, I have made sure that the Firm had updated its compliance procedures manuals to reflect SM&CR (copy available on request). I can also notify you that the Firm has appointed an external CASS Auditor, Beavis Morgan who will cross check and assist with filing the monthly CASS reports.

Client Onboarding

The Firm does not currently have any clients. The Firm is in final negotiations with potential clients and is ready to undertake client activity once the SMF16 & SMF 17 issue has been resolved. Clients are ready to enter into activity as soon as the Firm has

a SMF16 & SMF17. Obviously I will be happy to inform you in this regard as soon as the mandate is active.

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I will write to you separately with regard to capital adequacy and financial projections.

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I am writing to convey two primary concerns held by the Financial Conduct Authority (the Authority) in relation to Axis Mundi Global Custody Ltd (Axis Mundi). The Authority's concerns relate to the firm's failure to appoint persons in required functions under the Senior Managers and Certification Regime (SM&CR) and the firm's absence of activity in the regulated sector.

Axis Mundi continues to not have any individuals appointed as responsible for oversight of compliance or ensuring adherence to money laundering requirements – SMF 16 and SMF 17 (previously CF10, CF10a and CF11). Axis Mundi will be aware that these are required functions under our SM&CR. I reiterate the Authority's expectations set out in my previous message dated 2 August 2019 that no regulated business should be conducted by Axis Mundi, while the firm does not have individuals approved for these roles.

I also note that your firm's latest available regulatory returns, record no revenues for the period ending 28 October 2019. The Authority will not accommodate a firm remaining on the register indefinitely if not conducting regulated business.

Consequently, the Authority expects the situation to be addressed through credible SMF applications or a notification of withdrawal of permissions due to non-use. Permissions can be voluntarily withdrawn through client connect or completing the attached manual form.

If you intend to rely on another external appointment, the Authority want assurance that Axis Mundi is proactively addressing this SM&CR gap and intending to operate in the regulated sector. As examples, provision of the following could assist:

- evidence of the roles being advertised or a recruitment process having been engaged
- provision of a job profile for the roles to be filled - e.g. evidence that due consideration has been given to the regulatory obligations of your custody firm, such as in relation to our client asset rules
- details of a candidate selection process
- evidence that substantiates the financial resources available to Axis Mundi for employing staff
- provision of financial projections
- overview of what regulatory business that you intend to conduct and how long you would intend to maintain permissions without generating any revenues from regulated activities

I'd ask that you provide a response to us by 23rd April on how you intend to resolve the situation.

If beneficial, we can schedule a call to discuss your response, shortly after provision – we do have availability on Friday 24th.

Kind regards, Ross

Ross McDonald

Associate / Asset Management Department

Wholesale Supervision - Investment, Wholesale & Specialists Division



Quayside House

[127 Fountainbridge](#)

[Edinburgh](#)

[EH3 9QG](#)

Tel: +44 (0)131 301 2124

Fax: +44 (0)131 557 6756

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Lauren Oswell

To: Donald Mackay
Subject: RE: LBX Custody Ltd FRN 799100 [ref:_00Db0K8yP._5000X1OOMB5:ref]

From: Kevin Ward
Sent: 29 January 2019 13:41
To: Russell Moore <Russell.Moore@fca.org.uk>
Cc: Connect <Connect@fca.org.uk>
Subject: LBX Custody Ltd FRN 799100 [ref:_00Db0K8yP._5000X1OOMB5:ref]

UPDATED

I received notification from Azy Shojaeian (AXT0173) informing me that she was moving away from LBX Custody Ltd FRN 799100, authorised in November 2018, for safeguarding and custody.

[REDACTED]

This firm was very speculative as we had concerns over the firm's governance and we suspected badging.

[REDACTED] As the firm had a bad compliance role history with Azy being the third compliance officer and we had concerns over the investment activity and we thought this to be badging

We arranged a minuted refusal meeting based on our concerns with the firm and during this meeting Ms Shojaeian provided a commitment to become a permanent fixture.

Mr Dives (BXD01570) nor any representative at the firm has informed us that they do not have these compliance functions in place.

Extract from our meeting with the firm (full notes attached)

K.W: Queried Azy's employment position with LBX and how long she intends to stay given she is the 3rd CF10/CF11 they firm have hired.

A.S: Confirmed she's a contractor at LBX but operates as a full time employee. She's currently a contractor for tax purposes but is a full time permanent employee of LBX.

B.D: Confirmed this position.

B.D: History of CF10/CF11's at LBX Custody Limited: Natalia Konschu – Moved to another firm and Rav Padda – Left the organisation (resigned) after one month. He assisted with the e-money

application. Ben has no objections in us getting touch with the previous CF10/CF11's for application assessment purposes.

Extract of a Email from 6th June 2018

1. Please forward a copy of the original Form B for the removal of Mr Padda as CF10, CF11 and CF10a.

Please find attached Form B for the removal of Mr Padda. In addition, please find attached Forms A and CVs for (i) for Mrs Azadeh Shojaeian (AXT01743) that the Firm proposes to perform CF10 and CF11 function and (ii) Mr Jono McLeod that the Firm proposes to perform CF10a function.

Mrs Shojaeian has accepted our offer and we would like to propose her as a replacement with regards to CF10 and CF11 functions. We also decided to propose Firm's Head of Operations Jono McLeod as a replacement for a CF10a function.

LBX carried out satisfactory due diligence on Mrs Shojaeian skillset, experience and knowledge. We have used competence-based questions and we have conducted two round interviews with stakeholders.

Can the firm provide an explanation to why during the application, received in January 2018, that it has had two persons withdraw from these same control functions.

The two resignations, which are entirely personal decisions of the individuals concerned, are most unfortunate and regrettable, and are totally outside the control of the Firm.

Personal resignations happen but it would be a mistake to seek to blame the Firm for these departures. There is currently a very strong demand for people with CF10, CF10a and CF11 skills and the Firm (being in pre-authorisation and pre-revenues stage) is at disadvantage vis-a-vis more established market participants when it comes to attracting and retaining talent.

FCA Restricted

From: [Benjamin Dives](#)
To: [Ross McDonald](#)
Cc: [Airooj Ali](#); [FCA Investment Management - Custody](#); [Connect](#)
Subject: Re: LBX Custody - FCA Request for Information [ref:_00Db0K8yP._5000X1htOop:ref]
Date: 21 August 2019 12:17:45

Dear Ross

Thank you for your email - I can confirm these roles have now been filled.

I also confirm that no regulated business was undertaken while these roles were vacant.

We anticipate commencing regulated business during September.

Kind regards

Benjamin

On 2 Aug 2019, at 17:00, Ross McDonald <Ross.McDonald@fca.org.uk> wrote:

Hello Benjamin,
I note, there hasn't been any movement on the appointment of individuals to the CF10a and CF11 approved person roles at LBX Custody.
Based on our previously messaged expectations re the appointment of a CF10a/CF11, and your response in April that regulated activity would not be undertaken before the role is filled – can I reaffirm that no regulated business is currently taking place?
It wouldn't be customary for us to accommodate a Firm remaining on the register indefinitely if not conducting regulated business. We'd ask you to consider withdrawing your permissions if there is not an upcoming and realistic prospect of them being used?
Should you choose to voluntarily cancel the permissions, this can be actioned through client connect or completing the attached manual form.
Kind regards, Ross

From: benjamin@londonblockexchange.com
[\[mailto:benjamin@londonblockexchange.com\]](mailto:benjamin@londonblockexchange.com)
Sent: 28 March 2019 15:43
To: Ross McDonald <Ross.McDonald@fca.org.uk>
Cc: Donald Mackay <Donald.Mackay@fca.org.uk>; FCA Investment Management - Custody <FCAInvestmentManagement-Custody@fca.org.uk>; Connect <Connect@fca.org.uk>
Subject: RE: LBX Custody - FCA Request for Information [ref:_00Db0K8yP._5000X1htOop:ref]

Dear Ross,

I do apologise for the delay in responding to you, we have been tied up in litigation (in another firm) with an ex employee.

However, in response to your request:

- a. We have been refining our projections post authorisation to bring them into line with the new thinking of the client acquisition strategy, change in the market conditions together with refining some of the technology that we have built. These are attached. In addition, we are finalising our March

month end management accounts as we speak so I thought it would be better to provide you with fully up to date management accounts on Monday the 1st April. They will cover the period since authorisation. It is worth pointing out though, that the firm has not conducted any activities (regulated or unregulated) since that date so there is little to show in them. I can confirm that the company is and remains solvent

- b. As you are aware, we have had changes in the organisation structure and the attached is the org chart showing the functions. It is not different from the original one submitted with the application. What is different is the names of those conducting the roles. The second sheet provides that overlay of “names” into the functions. We are well aware of our obligations under FCA threshold conditions to have two directors and we are in the position early next week to offer a the role to a candidate, obviously subject to the approval of the FCA. This has been a timing issue as to potentially employing someone as quickly as we could after the previous director left and such gap has been out of hands due to the employment process. Id like to give you the comfort that since there has been a gap, the firm has not conducted any regulated activities nor received any assets/money so the risk has been lessened. I shall be taking over the CF10/CF11 role for the foreseeable future and to ensure there is accountability and responsibility in the firm. This will also allow us time to bed in the new director before they potentially take on the role and responsibility of being CF10/CF11.
- c. Our CF10a left at the end of January and we are replacing that function too which is taking time. I likewise reassure you that there has not been any client money/asset flow through the company and that I and my colleague have been reconciling the client money accounts each day to ensure that has remained so. We will not take in any client money/assets until we have someone in that position. As a further point, we have been using the services of a new compliance firm who have aided us on advising/checking on various aspects regarding these roles.
- d. In respect of the above comments, part of the delay to launching our activities (as we had planned) is due to the technology build being tested to a greater extent than we had originally anticipated together with meeting potential clients to onboard. These tech issues have revolved around integrating security tokens with the custodial offering and making sure that the assets are correctly accounted for.
- e. Consequently, from a business plan point of view, our revisions are really down to timing and volumes. We have been delayed post authorisation as shown above, it is my intention that we will be ready by the end of April once all testing has been done. Likewise, we hope to have signed up a couple of beta clients to be onboarded and be the first clients when we go live. Volumes in terms of monetary and monetary equivalent held will be lower than projected due to the delayed launch by 4 months.

I hope this gives you the clarity and comfort you require but please do come back if you anything further. I shall send the management accounts to you on Monday

Kind regards

Benjamin

From: Ross McDonald <Ross.McDonald@fca.org.uk>

Sent: 15 March 2019 18:56

To: benjamin@londonblockexchange.com

Cc: Donald Mackay <Donald.Mackay@fca.org.uk>; FCA Investment Management - Custody <FCAInvestmentManagement-Custody@fca.org.uk>; Connect <Connect@fca.org.uk>

Subject: RE: LBX Custody - FCA Request for Information [ref:_00Db0K8yP._5000X1htOop:ref]

Dear Benjamin,

Following our phone call on the 27th of February to clarify the documentation requested below, we're still waiting on your response. I note that we're now beyond the 10 working days agreed on the call. I'm on annual leave next week, however I ask for your response by the 22nd of March so we can review upon my return.

Kind regards, Ross

From: Ross McDonald

Sent: 19 February 2019 08:54

To: benjamin@londonblockexchange.com

Cc: Christopher Davis <Christopher.Davis@fca.org.uk>; FCA Investment Management - Custody <FCAInvestmentManagement-Custody@fca.org.uk>

Subject: LBX Custody - FCA Request for Information

Dear Benjamin,

I'm getting in contact regarding the authorised firm LBX Custody (FRN:799100). I note from our updated records that you are the sole remaining authorised person at the firm. I've also reviewed the latest regulatory returns for the period ending 31 Dec 18 and I note the absence of any recorded income. Per the FCA's principles, we require firms to be adequately resourced financially. In line with our principles on management and control, we'd also expect firms to be appropriately staffed to organise and control it's affairs responsibly and effectively. Subsequently could I ask you to consider the documentation requested below and revert back by Friday (the 22nd of February)?

After we've reviewed the following documents, we'll get back in contact to arrange a call to discuss further.

Kind regards, Ross

- **Management Accounts:** covering both the period since authorisation and forecasts of future cash flows
- **An updated organisation chart:** we'd want to understand what staffing is currently available to assist in running the business given the changes in approved persons.
- **An updated business plan,** we'd want to know:
 - If there has been any amendment to business activities since authorisation
 - Details of the financial resources available to support the business

Ross McDonald

Associate / Asset Management Department

Wholesale Supervision - Investment, Wholesale & Specialists Division

<image001.png>

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<Cancellation Form.pdf>

FSA039 - Client money and client assets [help](#)

FRN : 799100**Firm Name :** Axis Mundi Global Custody Ltd

Reporting Period Information

Due Date : 12/02/2020**Reporting Period Start :** 01/07/2019**Reporting Period End :** 31/12/2019

A

1. Has your firm held Client Money or Client Assets in this reporting period?
2. Does the firm undertake stock lending activities using clients' custody assets?

No

☐ Yes
☒ No

From: [William Gore](#)
To: [Ross McDonald](#)
Subject: FW: Axis Mundi Global Custody Ltd (FRN: 799100) - CASS Classification
Date: 06 July 2020 16:35:30
Attachments: [image001.png](#)

From: Benjamin Dives [mailto:benjamin@axismundicustody.com]
Sent: 06 July 2020 12:04
To: William Gore <William.Gore@fca.org.uk>
Subject: Re: Axis Mundi Global Custody Ltd (FRN: 799100) - CASS Classification

Dear William,

Thank you for your email. Sadly, not, our account still has not been opened.

In addition we are withdrawing our permissions from the Register.

Kind regards

Benjamin

On Tue, 23 Jun 2020 at 11:44, William Gore <William.Gore@fca.org.uk> wrote:

Dear Mr Dives,

Thank you for your response below.

Regarding the client money bank account that you have applied to open with Natwest, has this now been opened? If so, please can you provide us with a copy of the corresponding client money bank account statement from account opening to now and acknowledgement letter.

I would also like to clarify with you Axis Mundi's CASS classification status. On 27th February you informed our CASS ops team that you were projected to hold £250,000 in client money and £5m in custody assets; is this still the case?

Kind Regards,

Billy Gore

Associate / Client Assets and Resolution / Specialist Supervision Division



12 Endeavour Square
London
E20 1JN

Tel: +44 (0)20 7066 0059
www.fca.org.uk

From: Benjamin Dives [mailto:benjamin@axismundicustody.com]

Sent: 30 April 2020 12:07

To: William Gore <William.Gore@fca.org.uk>

Subject: Re: Axis Mundi Global Custody Ltd (FRN: 799100) - CASS Classification

Axis Mundi Global Custody Ltd (FRN: 799100)

Dear Mr Gore

Thank you for your communication of 24 April 2020.

Axis Mundi Global Custody Ltd (FRN: 799100) is classified as a CASS medium firm, as determined under CASS 1A.2.7R on the basis of what the firm projects it will hold during the current calendar year.

On 29.1.20 the Firm applied to NatWest Bank to open a client money bank account. To date that account has not yet been opened. The account opening delay has been due to the coronavirus pandemic. I have last chased NatWest today and I am continuing to pursue them to get the account opened. I was informed that the account will be opened within 5 business days a week ago.

I will provide you with a copy of the client money bank account statement as soon as I have one to hand. I will also provide a copy of the acknowledgement letter following the opening of the client money bank account.

Please note that currently the Firm does not have any custody assets or client money pending FCA approval of a SMF16 & SMF17 for the Firm.

I am aware of the notification requirement under Cass 1A.2.9R and I will make that notification to you before the Firm begins to hold Client Money and Client Assets.

The Firm is aware of its obligations under Principle 10.

Kind Regards

Benjamin Dives

Executive Director

On Fri, 24 Apr 2020 at 16:04, William Gore <William.Gore@fca.org.uk> wrote:

Dear Mr Benjamin Dives ,

We are contacting you following your firm's latest return submitted via GABRIEL where we were unable to determine the CASS classification of your firm.

Please could you provide the following so we may clarify your firm's CASS classification:

- a) Copies of client money bank account statements
- b) Copies of Acknowledgement letters for client money bank accounts

We would like to remind you of your obligations under Principle 10. We regularly carry out CASS assessments at short notice. Where there is non-compliance with our rules, we may take further action and we have a wide range of regulatory tools at our disposal to ensure that client money is adequately protected.

Please respond to this email with the corresponding attachments no later than 1st May.

Kind regards,

Billy Gore

Associate / Client Assets and Resolution / Specialist Supervision Division



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From: [William Gore](#)
To: [Katie Ellis](#)
Subject: FW: Axis Mundi Global Custody Ltd (FRN: 799100) - CASS Classification
Date: 17 August 2020 11:13:03
Attachments: [image001.png](#)

From: William Gore
Sent: 06 July 2020 16:35
To: Ross McDonald <Ross.McDonald@fca.org.uk>
Subject: FW: Axis Mundi Global Custody Ltd (FRN: 799100) - CASS Classification

From: Benjamin Dives [mailto:benjamin@axismundicustody.com]
Sent: 06 July 2020 12:04
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Billy Gore

Associate / Client Assets and Resolution / Specialist Supervision Division



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www.fca.org.uk

From: Benjamin Dives [mailto:benjamin@axismundicustody.com]

Sent: 30 April 2020 12:07

To: William Gore <William.Gore@fca.org.uk>

Subject: Re: Axis Mundi Global Custody Ltd (FRN: 799100) - CASS Classification

Axis Mundi Global Custody Ltd (FRN: 799100)

Dear Mr Gore

Thank you for your communication of 24 April 2020.

Axis Mundi Global Custody Ltd (FRN: 799100) is classified as a CASS medium firm, as determined under CASS 1A.2.7R on the basis of what the firm projects it will hold during the current calendar year.

On 29.1.20 the Firm applied to NatWest Bank to open a client money bank account. To date that account has not yet been opened. The account opening delay has been due to the coronavirus pandemic. I have last chased NatWest today and I am continuing to pursue them to get the account opened. I was informed that the account will be opened within 5 business days a week ago.

I will provide you with a copy of the client money bank account statement as soon as I have one to hand. I will also provide a copy of the acknowledgement letter following the opening of the client money bank account.

Please note that currently the Firm does not have any custody assets or client money pending FCA approval of a SMF16 & SMF17 for the Firm.

I am aware of the notification requirement under Cass 1A.2.9R and I will make that notification to you before the Firm begins to hold Client Money and Client Assets.

The Firm is aware of its obligations under Principle 10.

Kind Regards
Benjamin Dives
Executive Director

On Fri, 24 Apr 2020 at 16:04, William Gore <William.Gore@fca.org.uk> wrote:

Dear Mr Benjamin Dives ,

We are contacting you following your firm's latest return submitted via GABRIEL where we were unable to determine the CASS classification of your firm.

Please could you provide the following so we may clarify your firm's CASS classification:

a) Copies of client money bank account statements

b) Copies of Acknowledgement letters for client money bank accounts

We would like to remind you of your obligations under Principle 10. We regularly carry out CASS assessments at short notice. Where there is non-compliance with our rules, we may take further action and we have a wide range of regulatory tools at our disposal to ensure that client money is adequately protected.

Please respond to this email with the corresponding attachments no later than 1st May.

Kind regards,

Billy Gore

Associate / Client Assets and Resolution / Specialist Supervision Division



12 Endeavour Square
London
E20 1JN

Tel: +44 (0)20 7066 0059
www.fca.org.uk

[ref:_00Db0K8yP_5004G28i4t9:ref]

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| Regulator Limited)

FCA Supervision 21/09: Calls logged on INTACT against unregulated advisor, Oxville Analytics.

intact.my.salesforce.com/0014G00002T5eV7sPos=1&srKp=001

Apps | Sector Views | Imported | OneNote | Supervision MI | FCA Financial Refer... | iPayview - Login | Gabriel Standard Re... | Other bookmarks

Edit | Tier 2 Intelligence

Cases

New Case Cases Help ?

Action	Case	Case Record Type	Organisation Name	Individual Name	Subject	Date Opened	Status	Owner	Last Modified Date/Time
Edit Cts	206884719	Consumer Query	Oxville Analytics		USD - Oxville Analytics - Axis mundi global - invested	04/09/2020	Closed	Kiera Tolan	04/09/2020 17:23
Edit Cts	206875468	Consumer Query	Oxville Analytics		USD - Oxville Analytics - Unauthorised firm arranging corporate bonds - Invested	13/05/2020	Closed	Grant Schneider	01/06/2020 10:04
Edit Cts	206639805	Consumer Query	Oxville Analytics		USD - Oxville Analytics	30/04/2020	Closed	Samantha Stewart	05/05/2020 16:16
Edit Cts	206592883	Consumer Query	Oxville Analytics		USD - Oxville analytics	01/04/2020	Closed	Anisa Akbar	07/04/2020 23:36
Edit Cts	206584488	Consumer Query	Oxville Analytics		USD Scam Oxville Analytics Not Invested	27/03/2020	Closed	Robert Williams	30/03/2020 11:06
Edit Cts	206575114	Consumer Query	Oxville Analytics		USD - Scam - Oxville Analytics - Portfolio diversification with fixed return bonds - linked to 206468075	22/03/2020	Closed	Kiran Kaur	24/03/2020 16:10
Edit Cts	206491571	Consumer Query	Oxville Analytics		USD - Oxville Analytics - Bond would be held by authorised Axis Mundi Global Custody Ltd - Not Invested	24/02/2020	Closed	Grant Schneider	25/02/2020 10:20
Edit Cts	206436652	Consumer Query	Oxville Analytics		USD - Scam - Oxville Analytics - report that they have had there firm's and transactions approved by Axis Mundi Global Custody Ltd	23/01/2020	Closed	Kiran Kaur	03/02/2020 08:47

Organisation Related Cases

New Organisation Related Case Organisation Related Cases Help ?

Action	Organisation Related Case Name	Related Event Case	Role
Edit	ORC-00193115	206683359	Unregulated Firm

Warnings

New Warning Warnings Help ?

No records to display

17:51 21/09/2020



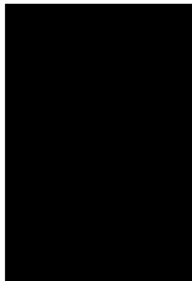
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Parent Case	206592883	Status	Replied
Message Date	01/04/2020 20:20	Last Modified By	INTACT System , 01/04/2020 20:21
Created By	INTACT System , 01/04/2020 20:21		

Address Information

From Address	[REDACTED]
From Name	[REDACTED]
To Address	consumer.queries@fca.org.uk
CC Address	

Message Content

Subject	Possible scam alert but not sure
HTML Body	Click here to view HTML version
Text Body	Hello My father is being pressurised to buy a bond with large returns (7-12%). I enclose information because it looks like the FCA has registered this although its a bit opaque. The person who phoned me said it was a guaranteed return and that all the money would be returned after a year. Orville analytics is the firm that is promoting this. I have told them my dad is unwell and they have retorted by saying that he sounded ok to them and would live a long time. He is 85 with chronic health problems. I asked how they acquired my fathers name and again they were very opaque in their answer.

BW



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Attachments

Action	File Name	Size	Last Modified	Created By
View	Exousia Registered Bond.pdf	1,05MB	01/04/2020 20:21	INTACT System
View	Exousia Registered Bond1.pdf	574KB	01/04/2020 20:21	INTACT System
View	Oxville Analytics.pdf	1,13MB	01/04/2020 20:21	INTACT System

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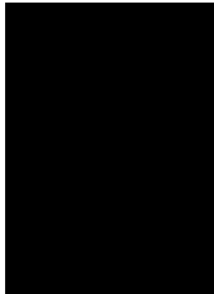
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Parent Case	206639805	Status	Replied
Message Date	30/04/2020 18:09	Last Modified By	INTACT System , 30/04/2020 18:09
Created By	INTACT System , 30/04/2020 18:09		

Address Information

From Address	
From Name	
To Address	firm.queries@fca.org.uk
CC Address	

Message Content

Subject	Complaint about Oxville Analytics
HTML Body	Click here to view HTML version
Text Body	Dear FCA, I think you should take a look at this company, Oxville Analytics.

They got my tel number somehow and a guy called Jacob rang me this evening from 02038851047. They have a website <https://oxvileanalytics.com>

He was promising fixed rate returns and wanted to ask me questions about my needs.

He admitted that his company was not FCA regulated and that his company receives a fee from the eventual provider of investment to the Client.
This is not in line with your Distribution Review and indeed the guy had never heard of that review when I mentioned it.

He wanted to ask further questions about my needs but I made it clear that if he was not FCA regulated then I did not want any further discussion. The call ended.

It is possible that in the subsequent questions that he wanted to ask he would attempt to get me to let slip some sensitive information, i.e. this was actually a scam.

Best wishes


[<https://ipmcdn.avast.com/images/icons/icon-envelope-tick-green-avg-v1.png>]<http://www.avg.com/email-signature?utm_medium=email&utm_source=link&utm_campaign=sig-email&utm_content=emailclient> Virus-free, www.avg.com<http://www.avg.com/email-signature?utm_medium=email&utm_source=link&utm_campaign=sig-email&utm_content=emailclient>

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TANTALAX

Extended Reality Arbitrage Ecosystem Bond



TANTALAX

EXTENDED REALITY ECOSYSTEM BOND

WHAT IS EXTENDED REALITY ?



Imagine what it might be like to live and work in our world in 2030 and beyond. Perhaps, thanks to advancements in extended reality (XR), an umbrella term used to describe immersive technologies that can merge the physical and virtual worlds, you might be able to shop for a new home anywhere in the world as if you were actually on-site or head to lunch in some faraway land. By 2022, the XR market is expected to reach \$209 billion, which is eight times what it is today. This tremendous growth could mean the realities of our 2030 lives are beyond our imagination's ability to grasp.

XR is an emerging umbrella term for all the immersive technologies. The ones we already have today—augmented reality (AR), virtual reality (VR), and mixed reality (MR) plus those

that are still to be created. All immersive technologies extend the reality we experience by either blending the virtual and “real” worlds, or by creating a fully immersive experience. Recent research revealed that more than 60% of respondents believed XR will be mainstream in the next five years where objects will be overlaid onto the real world. This experience enhances the real world with digital details such as images, text, and animation. You can access the experience through AR glasses or via screens, tablets, and smartphones. This means users are not isolated from the real world and can still interact and see what's going on in front of them. The most well-known examples of AR are the Pokémon GO game that overlays digital creatures onto the real world or Snapchat filters that put digital objects such as hats or glasses onto your head.

MARKETS EXTENDED REALITY CAN TRANSFORM



GAMING

A current \$200 billion a year market sector, XR will enable a new form of gaming - adding a layer of content over the real world. Pokemon Go peaked at 100m concurrent users..



ENTERTAINMENT

Adding real time, social interaction through XR portals is projected to add 30% additional revenue to the annual \$400b entertainment, diverting users attention from social media..



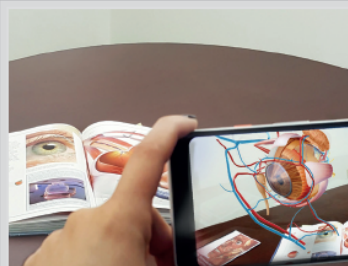
DEFENSE

An estimated 25% of all global defense spending is moving to off field battle tactics, and XR is expected to be a core component of this roll out with extended drone coverage..



HEALTH

VR has already had a huge impact on how surgeons are trained, and mixed reality is being used in many hospital pilots today. XR will add to this with many new services..



EDUCATION

Giving those in education contextually relevant content in real time opens up a range of possibilities in both the reach and depth of education services across the globe..



MANUFACTURING

Microsofts Hololens has already started to be integrated in many supply chains. With XR opening enabling the use of lower priced devices to deliver the same features, expansion is imminent..

This is just a selection of the impact XR can have on industries - hundreds of start-ups are now focusing billions of dollars into solving the unknown in this sector...

YIELD CREATION



How do we generate yield ? What are we focusing on today ?

The current financial markets are reaching the end of a 10 year bull market, with the likelihood of an impending black swan event increasing monthly, as socio-political tensions rise globally. We focus on an emerging market that produces increased productivity and reduced costs across multiple verticals.

When a market cycle ends any yield strategy must become focused on hedging unknown outcomes versus riding the tailcoats of a particular group of assets.

With this in mind our approach spans commodities, equities, derivatives and exotics in a vertical which is early on in its yield curve. We look for equities which will have an exponential growth period at some point within the bonds life, and focus our analysis and activity on identifying the key components of a supply chain, and taking positions at the best possible price point.

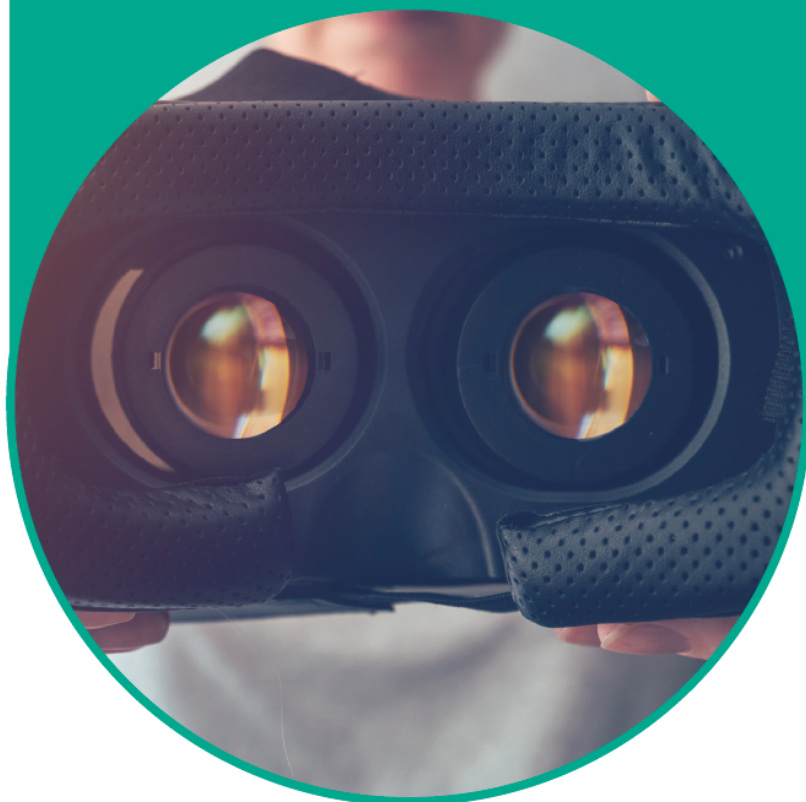
We've already created a full map of this ecosystem, and our team of quantitative analysts monitor over 1000 assets, minute by minute, looking for any alpha which will provide us with suitable yield opportunities.

From commodities such as Tantalum, to equities such as Apple, the Tantalax bond is positioned to take advantage of the next hyper growth market whilst maintaining strict, regulated risk management.

We track 1000+ assets which will provide high yield over the next 3-6 years from the the upside movement in this market



THE OFFER



TOTAL



QUARTERLY



ANNUAL



MINIMUM

We believe in safety first investing, and have worked tirelessly to create a product that can deliver both a market leading yield as well as a regulatory compliant operational framework.

Clearstream is one of two European International securities depositories, and they have confirmed that the Tantalax Bond is classified under CFI code DBFXFR. This officially classifies it as a **REGISTERED BOND**, unlike the vast majority of products that you will be offered, who use the term in a purely marketing, and soon to be illegal manner.

① Financial Conduct Authority Regulated Custodian

All assets placed into this bond are custodied by Axis Mundi Global Custody, an FCA regulated custodian, registration number 799100.

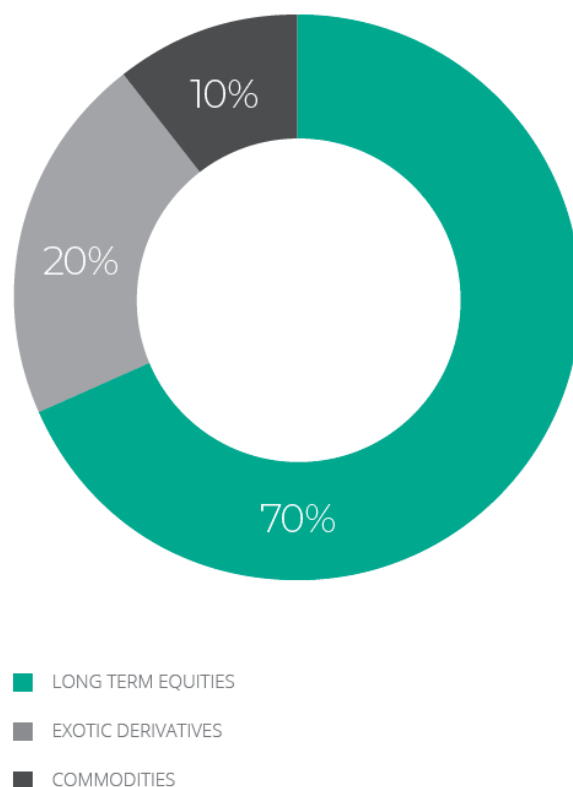
② Financial Conduct Authority Regulated Investment Manager

Yield creation strategies are managed by MossLake Limited, an FCA regulated Investment Manager, registration number 922985.

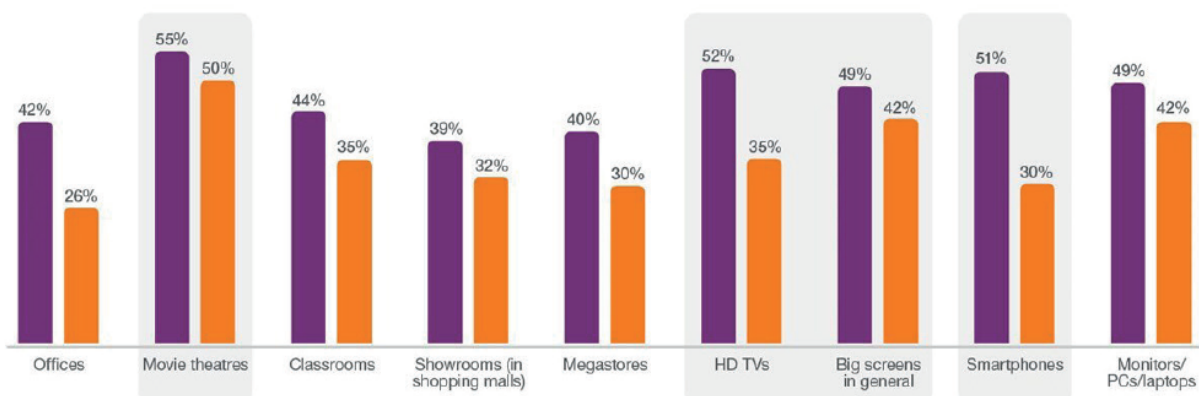
③ Bond issued through a trusted authority and issued with an ISIN

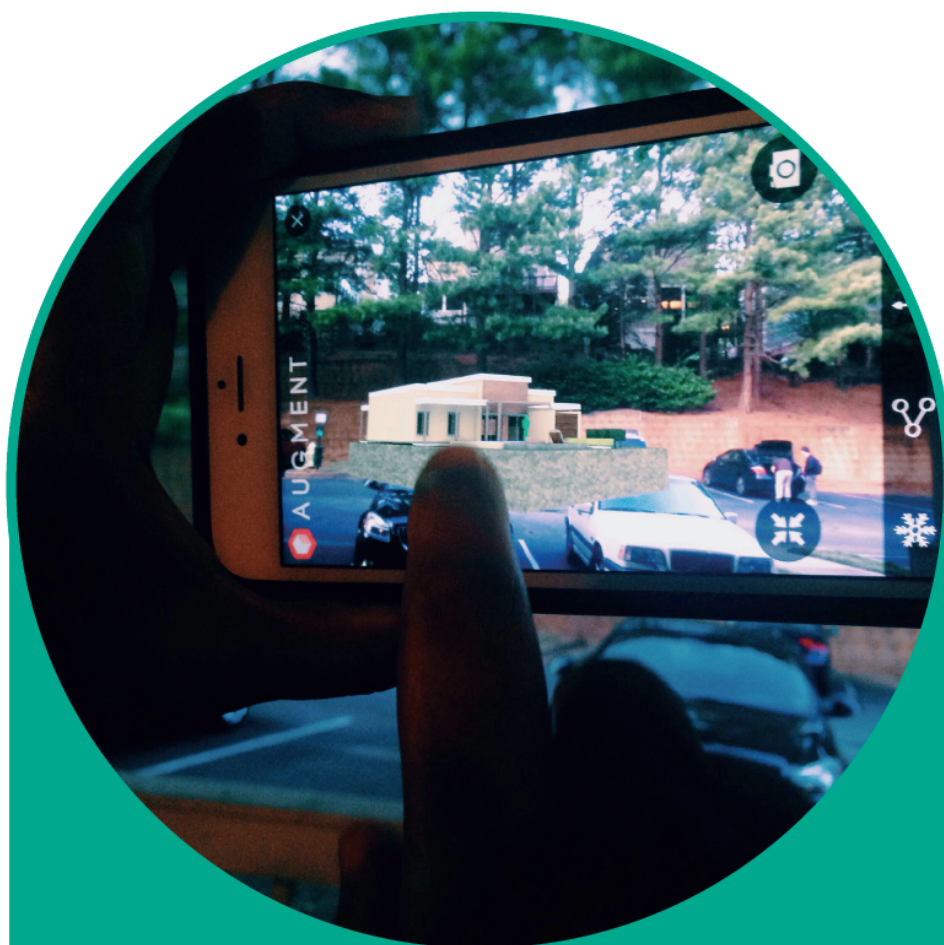
An international security identification number ensures that the registered bond you are placing your funds into is legitimate, has been issued correctly and is a “real” bond. You can find the Tantalax bond on Bloomberg using its registration LU2132837662. Its classified by Clearstream as DBFXFR, a registered bond.

Targeted yield creation



● Early adopters of VR ● Those planning to use a headset





ISIN : LU2132837662

Clearstream Classification : DBFXFR

Custodied by : Axis Mundi Global Custody

Managed by : MossLake Investment Management

Contact : info@tantalax.com



EXOUSIA
AEV ALPHA

Autonomous Electric Vehicle Alpha Creation



INTRODUCTION

Charging stations provide additional incentives for individuals and increase footfall across retail networks by 17%

Finding exponential profit opportunities through arbitrage, otherwise known as Alpha, requires a number of variables to align simultaneously - Autonomous Electric Vehicles (AEV's) are now entering the parabolic yield stage...

WHY AEV'S ?

What would happen if you flipped a switch, and suddenly every new car that came off assembly lines was electric?

It's obviously a thought experiment, since right now EVs have close to just 4% market share worldwide. We're still years away from EVs even hitting double-digit demand on a global basis, and the entire supply chain is built around the internal combustion engine, anyways.

At the same time, however, the scenario is interesting to consider. One recent projection, for example, put EVs at a 16% penetration by 2030 and then 51% by 2040. This could be conservative depending on the changing regulatory environment for manufacturers – after all, big markets like China, France, and the U.K. have recently announced that they plan on banning fossil fuel powered vehicles in the near future..

Lithium, cobalt, and graphite have tiny markets, and they will explode in size with any notable increase in EV demand. The nickel market, which is more than \$20 billion per year, will also more than double in this scenario. It's also worth noting that specific electric vehicles such as the Chevrolet Bolt use low amounts of nickel in comparison to a Tesla's cathodes, which are 80% nickel.

Meanwhile, the 100% EV scenario barely impacts the steel market, which is monstrous to begin with. The same can be said for silicon, even though the Bolt uses 6-10x more semiconductors than a regular car. The market for PGMs like platinum and palladium, however, gets decimated in this hypothetical scenario – that's because their use as catalysts in combustion engines are a primary source of demand.

INSTITUTIONAL GRADE INVESTMENT FOR PROFESSIONAL INVESTORS

What do we mean by institutional grade? It means the Exousia Bond meets all the requirements for a financial institution, such as a pension fund, to invest into. It meets strict levels of compliance, is issued from a renowned institution and approved by Clearstream, one of only two central securities depositories. The assets placed in the Exousia Bond are managed by an FCA regulated Custodian and yield strategy is overseen by an FCA regulated Investment Manager. In short this is a product focused on delivering to the strict requirements of professional investors...

WHAT IS A BOND

Many products use the term Bond in their marketing - but what does it mean? To legally use the term "Registered Bond" it must meet the strict requirements of a bond issuer and receive both an ISIN and a classification that includes a bond reference.

If the product you are considering doesn't have this we recommend you take further advice



WHAT'S THE OFFER ?



MONTHLY PAYMENTS

Paid Automatically

Our FCA regulated custodian will automatically make payments to your nominated account on the 1st of each month following your bond purchase.

12 MONTH TERM

No Rollover

The Exousia Bond has a fixed term of 12 months from the date of purchase. All capital is automatically returned within 30 days of the end date.

7% RETURNS

Market Leading

We've reviewed the market, and a monthly paid , 12 month product is on average paying 1.9% returns . We ensure you make the most of your capital.

REGULATED

Fully Compliant

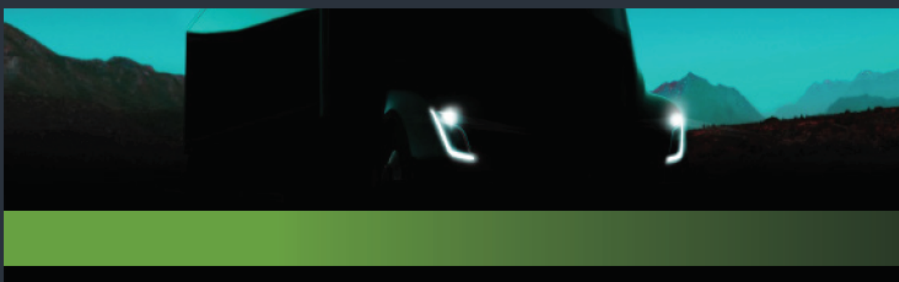
Your capital is managed by FCA regulated entities and all payments are recieved and made from a UK legacy bank on a matched named account.

YIELD CREATION



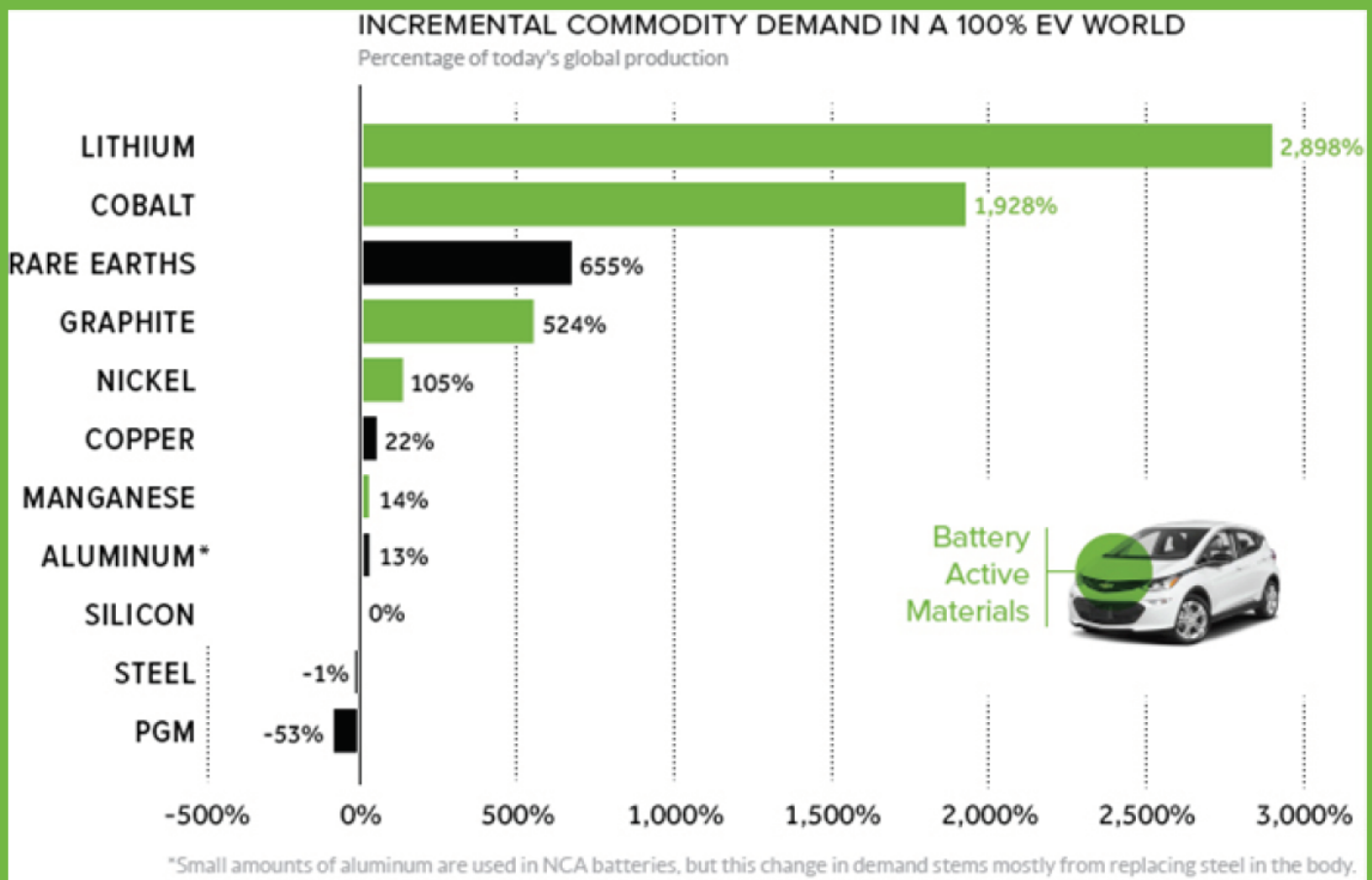
WE IDENTIFY ARBITRAGE OPPORTUNITIES

Our core yield creation methodology is to identify vertical markets which are in the early to mid stages of their yield curve, in other words that their parabolic growth cycle is yet to come. We then look at the entire supply chain, and associated sectors and create computer models to identify what would happen in different scenarios. For example, to the left is the impact a 100% shift to electric vehicles would have on various commodities used in traditional carmaking and current EV production.



WITH OPTIMAL ENTRY AND EXIT

The level of yield generated can be heavily impacted by timings. Understanding as many variables which optimise the entering and exiting of positions is a key part of our yield generation methodology. We use machine learning algorithms focused on a single vertical to continuously adapt and evolve our approach to these scenarios, helping us to maximise our upside.



DYNAMIC STRATEGY PIVOT

We also look for any new variables which could have an impact on a sector, such as regional government policy, corporate strategic shifts, and black swan events. For example any future approval on fully autonomous commercial vehicles would have a severely detrimental impact on those vehicle manufacturers who did not own this technology or have the approval. In that instance we would look to enter a short as close to any new announcement as possible, potentially doubling our upside.



WHAT MAKES THIS DIFFERENT?

We believe in safety first investing, and have worked tirelessly to create a product that can deliver both a market leading yield as well as regulatory compliant environment.

Clearstream is one of two European International securities depositories, and they have confirmed that the Exosuia Bond is classified under CFI code DBFXFR. This officially classifies it as a REGISTERED BOND, unlike the vast majority of products that you will be offered, who use the term in a purely marketing, and soon to be illegal manner.

<HELP> for explanation.
Menu> to return to PRTU

Actions Settings

Portfolio Name RATINGS ID U6836856-20

Date 04/03/14

Rebalanced 04/02/14 Short Margin 0 Futures Margin 0

Security	Descr	ISIN	SEDOL	Position	Price	Current	Accrued
<Search>							
Totals						0.00	
Cash				0.0000			
GOOG US	GOOGLE INC...	US38259...	BKM4JZ7	2.0000	580.41		
IBM US	INTL BUSIN...	US45920...	2005973	1.0000	192.85		
MMM US	3M CO	US88579...	2595708	1.0000	137.10		
MSFT US	MICROSOFT ...	US59491...	2588173	2.0000	40.90		

ISIN

An international security identification number ensures that the registered bond you are placing your funds into is legitimate, has been issued correctly and is a “real” bond. Find Exousia on Bloomberg using LU2132805891 .

FCA Regulated Custodian

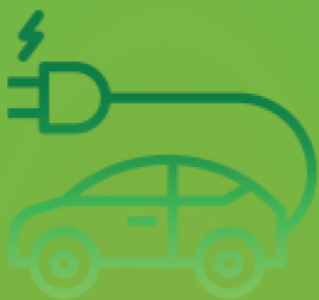
Where do your funds go to ? Unless its an FCA regulated custodian you are taking as huge risk. We are partnered with Axis Mundi Global Custody who you can find on the FCA register using their reg number 799100

Axis Mundi
Global Custody



FCA Regulated IM

How do you know if your funds are being placed as per the product you’ve applied to? The only safe way is via a regulated investment manager. We work with Moss Lake whos reg number is 801891



EXOUSIA

AEV ALPHA

FURTHER INFORMATION//

ISIN: LU2132805891

Clearstream Classification: DBFXFR

Phone: 0207 193 2900

E-mail: info@exousia.com

Autonomous Electric Vehicle Alpha Creation

YOUR CAPITAL IS AT RISK. Investments are not regulated by the FCA and may not be covered by the Financial Services Compensation Scheme (FSCS). Returns are not guaranteed and the value of your investment can go down as well as up and you may get back less than you invest. Past performance is not a guide for future performance. You should read the offering document in full before making an investment. Investments are not readily realisable, and you should be prepared to hold them for the full investment term. If you are unsure about anything please seek advice from a regulated advisor.

Join the
**Decentralised
Finance**
Revolution
Today



BLOCQUIDITY

DIGITAL ASSET STAKING MARKETS



Table Of Contents

We've put together a range of information for you to fully understand the outstanding opportunities that are emerging within the digital asset ecosystem

Page 3 - What is Blocquidity

Page 4 - The opportunity

Page 5 - Our business model

Page 6 - How to apply

Page 7 - What happens next

Page 8 - What are digital assets

Page 9 - What is decentralised finance

Page 10 - What is staking

Page 11 - Our partners

What is Blocquidity ?



OUR MISSION

Blocquidity was founded to give anyone access to the lucrative decentralised finance ecosystem, through a simple, straightforward transaction. We have extensive and comprehensive technical and fundamental market knowledge, built up from nearly a decade of immersion within the digital asset world.

This has helped us to create an ever evolving market making algorithm, powered by artificial intelligence and machine learning. It gives us the power to identify a constant flow of arbitrage opportunities that usually only multi-national financial institutions are aware of. We are now offering it to the general public, with the mission of democratising decentralised finance, and ensuring that this unique opportunity is in the hands of the many, not the few.





What's the **Opportunity ?**

13.5% Returns over 18
months

Yield managed
by an FCA
regulated
investment
manager

Assets secured
with an FCA
regulated
custodian

It's that simple...
Get in touch today
To start earning returns

How do we generate yield ?

Through converting funds we receive from our lenders into stablecoins, we diversify our investments into a range of digital asset related activities. This pays us the highest rates of return, relative to our internal risk profile, in order to achieve the interest we are pledging to our lenders.



DYNAMIC STAKING

Staking is, in effect, a fee paid to users for securing a proof of stake (POS) network by holding specific assets in digital wallets. Fees vary based on the amount staked, and the incentives can vary rapidly day to day.

We have created a systems that allows us to move assets dynamically, multiple times a day, to maximise the returns these incentives provide, whilst also managing the risk:reward ratio of any price movements.



LONG TERM ASSET PLACEMENT

Our inhouse team of analysts will determine long hold opportunities in large and mid-cap "alt-coins". Altcoins are, simply put, other digital assets aside from Bitcoin, and there currently are more than 1300 of them. We only look however to invest in the top 100 or 200 ranked altcoins - because the lower their rank, the riskier the project is.

These altcoins are quite like stocks, in that they each have a price and a market capitalisation. We will look to place long hold investments into these coins, and realise the profits generated from them to service the loans we undertake from our lenders.



MINING POOLS

Mining is the method in which proof of work (POW) networks are secured via PCs that solve complex computational math problems.

The result of POW mining is twofold:

1. When computers solve these complex mathematics problems on the bitcoin network, they produce new digital assets, not unlike when a mining operation extracts gold from the ground.
2. By solving computational mathematics problems, digital asset miners make the POW network trustworthy and secure, by verifying the each transaction's information and writing to every copy of its blockchain. We allocate digital assets to mining pools and receive returns in each relevant POW digital asset which we then convert to POS assets.

How to apply **and start earning interest**

GO TO BLOCQUIDITY.COM



Buying a Blocquidity bond starts by completing an enquiry form on our website or by speaking with one of our marketing partners. It is a simple and straightforward process devised to make it as easy and convenient to join Blocquidity today.

COMPLETE APPLICATION

We comply with all anti-money laundering regulations whilst processing you through the onboarding process with our **FCA regulated custodian, Axis Mundi Global Custody** (<https://axismundicustody.com/> FCA Number: 799100)

You will be sent an easy to complete application form which will ensure you **meet our requirements as a professional investor**, along with AML and know your customer requirements.



TRANSFER FUNDS



Upon completion of the application process, you will be provided with the banking details of Axis Mundi who will receive your funds into their segregated account. They will acknowledge receipt of funds directly to you and it at this point you will **be issued with your Blocquidity bond with ISIN LU2132834305**

START EARNING RETURNS

Our **FCA regulated investment manager, Moss Lake**, then works diligently to maintain a consistent yield generation flow and delivers these returns to Axis Mundi, who will then make coupon payments to you automatically on the 1st day of the month following each 90 day period of your bond purchase date.





Safety first investing

We are aware of the influx of individuals purporting to be offering products that generate above market yields, and many of individuals we speak with have had bad experiences with this sector. We've spent 18 months building a product which can offer a sense of security and professionalism. Here is what we recommend you look for in any product you look to invest in:

- International Security Identification Number
- FCA regulated investment manager
- FCA regulated custodian
- UK bank accounts - you'll be able to check the name matches the details soon

We are also always here to answer any questions you might have about your loan during this time. You can reach us at info@blocquidity.com

Also, please feel free to check the Blocquidity website at <https://blocquidity.com> for our blog and newsfeed on the decentralised finance market.



What are **Digital Assets** ?

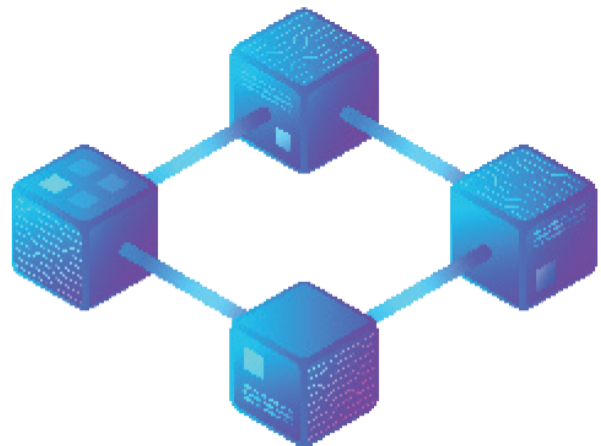
Digital assets are a **radically new way to manage value**, increase efficiency and establish new markets across the globe.

They enable businesses to be built on top of their infrastructure which requires much less human capital, and can therefore operate 24 hours a day, 7 days a week.

Instead of paying salaries and share holders dividends, these businesses provide incentives to use their network and can be speculated upon across multiple products.

Moreover, thanks to one of the main advantages of Blockchain — smart contracts — it becomes possible for businesses to create their own digital assets

These assets have multiple uses, from replacing property deeds to being a new global currency. We focus on those that are secured by proof of stake protocols, and that pay incentives for those who retain assets in a specific way that ensures the security and stability of their cryptographic network.



What is **Decentralised Finance** ?

The current global financial system is characterised by hubs of power and control. Generally speaking, the closer you are to those hubs of power, the more access to the financial system you have. The structure of the system results in inequality. But there are alternatives to the current system that could foster competition and lead to a level financial playing field.

Interestingly, there seems to be a perfect storm brewing that could create disruption in the financial services industry and usher in a more efficient, cost-effective, and equitable system.

The impending perfect storm consists of the massive distribution and use of smartphones, more ubiquitous internet access, and the maturation of open and distributed financial infrastructure like the Bitcoin blockchain, with transformational businesses built on the following concepts:

Permissionless: Anyone in the world can connect and use a permissionless service regardless of wealth, employment, or banking status because there is no central gatekeeper.

Decentralised: With decentralised services, there is no single point of failure, which increases security by dispersing the potential attack surface (in other words, individual wallets or even entire exchanges can be compromised without impacting other parts of the network).

Trust: Decentralised services are designed to function in a peer-to-peer manner, which can eliminate the need for a consumer to trust an intermediary (which again is more secure and requires fewer moving parts).

Transparent: Another characteristic of today's decentralised financial tech is that transactions can be audited on public blockchains, which can foster a sense of protected openness.

Censorship-resistance: Since the underlying transaction data that makes up the blockchain is not controlled by any company or government, and because it is globally distributed without a single point of failure, public blockchains provide a tamper-proof record of transactions and a verifiable version of history.

Programmable: Decentralised financial applications that are built on blockchain are flexible in that they can be programmed to execute a number of functions and contracts — making all kinds of new financial engineering and services possible.



What is **Staking** ?

Imagine your current account gave you rights to vote on how your bank operated whilst also **paying you up to five times the interest rate** ? That, in a nutshell, is what staking provides to the user.

Returns are paid to those who hold assets in specific digitally encrypted accounts, known as wallets, and third parties also pay to borrow these assets for the additional rights holding large amounts of assets in these wallets provide such as voting on the development path of the specific asset.



There is **currently \$4 Billion** locked in proof of stake mechanisms, with an average staking yield of 12.66%, across 173 different assets. Our challenge is to maximise the yield possible by moving value dynamically between each asset and then placing assets in the product which returns the highest amount. This can range for an hour to a month.

We continue to evolve and create new opportunities, and our team of analysts constantly review the market and add data to our staking placement algorithm.

Our Partners

Axis Mundi Global Custody

Axis Mundi Global Custody
Custodian

Axis Mundi are FCA regulated and authorised to manage client assets in segregated accounts, and to provide permissioned access to authorised third parties, in this case Moss Lake



Moss Lake
Investment Manager

Moss Lake are FCA authorised to place assets in a range of securities within strict risk management profiles to generate yield commensurate with the returns offered by products

ARGENTO

Argento Access
Securitisation Issuer

Argento Access SARL is a Luxembourg registered securitisation company. Argento has cost-effectively packaged EUR 750m into easily purchasable investment notes

coinbase | Pro

Coinbase Pro
Digital Asset Trading & Liquidity

Coinbase is an FCA approved digital asset exchange which we use to trade assets within the United Kingdom and EU, whilst managing digital asset and fiat flows.



Binance
Digital Asset Trading

Binance is the largest digital asset exchange in the world by volume with over 1800 assets. We buy and sell assets algorithmically via an API, and participate in IEO's and staking.



Nexo
Liquidity Provider

Nexo provides us with the ability to convert digital assets to fiat at short notice to ensure yield generation is acted upon as soon as they are identified.

Creating **decentralised**
profit opportunities



BLOCQUIDITY

DIGITAL ASSET STAKING MARKETS

CONTACT US



City Road,
London, United Kingdom, EC1V 2NX



+44 20 7193 5228



info@blocquidity.com

<https://blocquidity.com>

YOUR CAPITAL IS AT RISK. Investments are not regulated by the FCA and may not be covered by the Financial Services Compensation Scheme (FSCS). Returns are not guaranteed and the value of your investment can go down as well as up and you may get back less than you invest. Past performance is not a guide for future performance. You should read the offering document in full before making an investment. Investments are not readily realisable, and you should be prepared to hold them for the full investment term. Blocquidity Markets is not authorised to give investment advice so if you are unsure about anything please seek advice from a regulated advisor.

CONFIDENTIAL ACCOUNT OPENING REQUEST AND APPLICATION

You (the undersigned) are requesting to be accepted as a self-certified sophisticated investor client by Axis Mundi Global Custody which is authorised and regulated in the United Kingdom by the Financial Conduct Authority and subject to the terms of business listed at axismundicustody.com

You are applying to Axis Mundi to deposit the following amount which may later be applied to a Subscription in a registered bond with a fixed annual coupon of 10.50% maturing 30 April 2023 (the Product).

£5,000

Please make sure you check your personal details listed on page 2, read the declarations on page 3, and fill in your bank details on page 4.

Once we receive your signed Application, someone from our team will contact you.

Signature: _____

Name:



Date:



PERSONAL IDENTITY INFORMATION

First Name	Surname
Date of Birth	Place of Birth
	UK
Address	
Postcode	Country
	UK
Telephone	Email Address
Nationality	Profession
Origin of Wealth	Estimated Net Worth

DECLARATIONS

I hereby declare that I am acting on my own behalf, and that the details in this form are true and correct. I

I declare that I am not a 'Politically Exposed Person' (PEP) and that I am not closely related to a PEP either directly

I confirm that no fund, asset, good, or service (as may be the case) provided by me are criminal in origin as defined

I confirm that I am applying irrevocably to deposit monies which may be applied as a subscription in a bond which

I understand that any Application monies I deposit will be held in a non interest bearing account while my

I agree to provide any further information if requested by the Axis Mundi. I understand that refusal to comply can

Self-Certified Sophisticated Investor Statement

I declare that I am a self-certified sophisticated investor for the purposes of the restriction on promotion of non-

-

I am a self-certified sophisticated investor because at least one of the following applies:

- (a) I am a member of a network or syndicate of business angels and have been so for at least the last six months prior to the date below;
- (b) I have made more than one investment in an unlisted company in the two years prior to the date below;
- (c) I am working, or have worked in the two years prior to the date below, in a professional capacity in the private
- (d) I am currently, or have been in the two years prior to the date below, a director of a company with an annual

I accept that the investments to which the promotions will relate may expose me to a significant risk of losing all of
t y r other oooert invested.
in advising on non-mainstream pooled investments.

GDPR Consent

I hereby give my permission for Axis Mundi to store my personal information and share it with other service
affected.

Signature: _____

Name: [REDACTED]

Date:

DEPOSIT BANK DETAILS

If your Application is successful, bank account details to deposit monies are as follows:

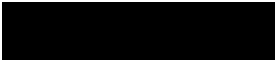
Beneficiary: Axis Mundi Global Custody

Bank: National Westminster Bank plc

Sort Code: 60-13-14

Account Number: 43265758

Amount: £5,000
 (five thousand pounds and zero cents Sterling)

Reference: 

Please ensure that you include the Reference listed above with your payment.

YOUR BANK DETAILS

This is the bank account that you will be sending application monies from and to which any monies will be returned to you.

Account Name (Beneficiary)	Bank Name
	
Sort Code	Account Number

Lauren Oswell

From: Benjamin Dives <benjamin@axismundicustody.com>
Sent: 07 August 2020 16:49
To: Ross McDonald
Subject: Re: Axis Mundi - Questions
Attachments: StarlingStatement_2020-01-19_2020-08-07.csv; AXISMUNDIGLOBALCU43265758-20200807.csv; PDF_20000035398484_2_2020_GBP.pdf; PDF_20000035398484_7_2020_GBP.pdf; FCA Responses to S165 - Axis Mundi Global Custody.pdf

Dear Ross,

Please see attached - apologies for the delay, these were being reviewed by our auditors, Beavis Morgan.

Kind regards

Benjamin

On Wed, 29 Jul 2020 at 14:14, Benjamin Dives <benjamin@axismundicustody.com> wrote:

Dear Ross,

Thank you for this. I've never seen these documents before (and it goes without saying would never endorse them). At first glance it looks like they have taken our logo from the website as it is not rendered properly in the PDFs.

Im working on a formal response and will get it back to you as soon as I can.

Kind regards

Benjamin

On Wed, 29 Jul 2020 at 09:17, Ross McDonald <Ross.McDonald@fca.org.uk> wrote:

Benjamin,

In furtherance of our dialogue concerning Oxville Analytics, I now attach a request for information - please refer to the attached PDF titled '*Axis Mundi S165 29 July 2020*'. This document contains our requests; explains the attached bond documentation and describes our power to require the production of documents and provision of information under the Financial Services and Market Act.

As detailed in the S165 document, we require a response by 5pm on the 7th of August.

Kind regards, Ross

From: Benjamin Dives [mailto:benjamin@axismundicustody.com]
Sent: 29 May 2020 15:35
To: Ross McDonald <Ross.McDonald@fca.org.uk>
Subject: Re: Axis Mundi - Questions

Dear Ross,

Yes we will update our website in the next 5 days.

Kind regards

Benjamin

On Wed, 27 May 2020 at 17:50, Ross McDonald <Ross.McDonald@fca.org.uk> wrote:

Benjamin,

Thank you for your response.

Based on your response that Axis Mundi, do not have a client relationship with Oxville Analytics and have not performed any due diligence on the organisation, we would anticipate that you would also want to dissociate Axis Mundi from Oxville Analytics. You'll note from the details available that they are not regulated and don't appear to have any legal entity status – which based on the guidance we publish suggests there is a high probability of the organisation being a scam:
<https://www.fca.org.uk/scamsmart/how-avoid-investment-scams>

In view of the risks associated with the unregulated products being promoted and, based on your statement that you have no relationship with Oxville Analytics, the Authority asks that Axis Mundi put a clearly visible notice on the front page of its website. This notice should clearly explain your association with Oxville Analytics or any products they provide.

Here is a link to their website: <https://oxvilleanalytics.com/>

Given the seriousness of the issue, we ask for a response by close of business 28 May on whether Axis Mundi will create a visible warning on its website? If you intend to, we'd ask that this is

completed within the next 5 working days given the risks to customers. We trust that Axis Mundi will recognise the risks to its own reputation from association with Oxville Analytics.

Regards, Ross

From: Benjamin Dives [mailto:benjamin@axismundicustody.com]
Sent: 26 May 2020 22:16
To: Ross McDonald <Ross.McDonald@fca.org.uk>
Subject: Axis Mundi - Questions

Dear Ross,

Wanted to provide answers to your questions about Oxville today - and will respond in full tomorrow regarding the permissions.

Whether or not Oxville Analytics is a client of yours?
Not a client.

Whether you were aware of the financial promotion activity by Oxville Analytics?
No, I was not aware.

What due diligence you have performed on Oxville Analytics, if any, including any associated documents supporting this?
Not applicable -- see answers above.

What actions you have taken or intend to take with regards to the use of Axis Mundi's regulated badge by Oxville Analytics?
We will immediately be sending a cease and desist letter. Could you please provide us with details so that we may do this?

Confirmation of any balances Axis Mundi hold for unregulated products promoted by Oxville Analytics or any other unregulated product?
None (no balances).

Kind regards

Benjamin

This communication and any attachments may contain personal information. For more information about how and why we use personal information and who to contact with any queries about this, please see our privacy notices: FCA Privacy Notice (<https://www.fca.org.uk/data-protection>) and PSR Privacy Notice

(<https://www.psr.org.uk/cookies-privacy-and-data-protection>).

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Switchboard 020 7066 1000

Web Site <http://www.fca.org.uk> (FCA); <http://www.psr.org.uk> (the Payment Systems Regulator Limited)

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Switchboard 020 7066 1000

Web Site <http://www.fca.org.uk> (FCA); <http://www.psr.org.uk> (the Payment Systems Regulator Limited)

1. Axis Mundi's permitted regulated activities include the safeguarding and administration of assets (without arranging). The custody of client funds by Axis Mundi including funds from regulated and unregulated products are classified by the Authority as regulated activity being carried on by Axis Mundi. The Authority has received queries and deposit information from consumers indicating funds invested into the products cited below at 2 have been deposited with Axis Mundi on a client custody basis. These products have been promoted to consumers by unregulated organisations, with consumers expressing concerns the investments were solicited on a fraudulent basis. To assist the Authority to understand fully the scope and nature of Axis Mundi's performance of this regulated activity:

a. Please provide monthly bank statements for all accounts held by Axis Mundi which cover the period 1 January 2020 to present.

Attached.

b. Please provide a current total client custody account balance.

£0.

2. The Authority has been provided promotional material in relation to the following products: Tantalax Extended Reality Ecosystem, 10.5% Bond; Exousia Autonomous Electric Vehicle Creation, 7% Bond; and Blocquidity Digital Assets Staking Markets, 9% Bond. Their associated documentation is attached to this letter.

Axis Mundi is described in the Exousia and Tantalax bond documentation as the Custodian for the bonds. Axis Mundi is described in the Blocquidity documentation as the Custodian and in receipt of transferred funds. The Authority notes that the Exousia and Blocquidity bond documentation cited above, also includes references to a 3rd party investment manager called 'Moss Lake' which does not exist on our register.

a. Please describe the length of the business relationships, the number of customers, the amount of funds, and the due diligence undertaken in relation to these three products.

None.

b. Please list all other financial promotions that Axis Mundi have authorised or had dealings with since June 2019. Please describe the nature of the promotional material, length of the business relationships concerned and who those relationships are with, the number of customers, the amount of funds, and provide evidence and a description of the due diligence undertaken by Axis Mundi when approving these promotions.

None.

c. Please provide Axis Mundi's monthly gross revenue figures for all business lines, product or services delivered since December 2017.

£0.

Monthly statement from IgoriaCard account: 20 0000 3539 8484

Statement no: 2/2020/GBP
Statement period: 01-02-2020 / 29-02-2020
Statement date: 2020-03-01
Axis Mundi Global Custody Ltd
City Road 160 /Kemp House
EC1V 2NX, London
NIP:

Igoria Trade S.A.
ul. Puławska 111A/109
02-707 Warszawa, Polska
+48 22 101 58 80
e-mail: pomoc@igoriatrade.com

Account

Customer ID: 35398484
Account currency: GBP
Starting balance of : 2020-02-01: 0,00 GBP

Date	Operation	Description	Amount	Balance
2020-02-21	Fees and commissions	Transfer to other IgoriaCard wallet	-49,94 GBP	0,05 GBP
2020-02-21	Transfer to other IC wallet	Transfer to other IgoriaCard wallet : 20 0000 3323 0917 To : LBX Trading Ltd Description: DST, Axis Mundi Global Custody Ltd, City Road 160 /Kemp House, EC1V 2NX, London, Wielka Brytania	-49 940,82 GBP	49,99 GBP
2020-02-21	Fees and commissions	Commission on card transaction	-2,00 GBP	49 990,81 GBP
2020-02-21	Top up	Top up from account: From: Description: EpUserId:3461990149049 MerchantUserId:1292516	49 992,80 GBP	49 992,81 GBP
2020-02-20	Fees and commissions	Transfer to other IgoriaCard wallet	-9,99 GBP	0,01 GBP
2020-02-20	Transfer to other IC wallet	Transfer to other IgoriaCard wallet : 20 0000 3323 0917 To : LBX Trading Ltd Description: DST, Axis Mundi Global Custody Ltd, City Road 160 /Kemp House, EC1V 2NX, London, Wielka Brytania	-9 989,76 GBP	10,00 GBP
2020-02-20	Top up	Top up from account: From: Description: EpUserId:3461990149049 MerchantUserId:1292516	9 999,74 GBP	9 999,76 GBP
2020-02-07	Fees and commissions	Transfer to other IgoriaCard wallet	-17,98 GBP	0,02 GBP
2020-02-07	Transfer to other IC wallet	Transfer to other IgoriaCard wallet : 20 0000 3323 0917 To : LBX Trading Ltd Description: DST, Axis Mundi Global Custody Ltd, City Road 160 /Kemp House, EC1V 2NX, London, Wielka Brytania	-17 980,00 GBP	18,00 GBP

Date	Operation	Description	Amount	Balance
2020-02-07	Top up	Top up from account: From: Description: EpUserId:3461990149049 MerchantUserId:1292516	17 998,00 GBP	17 998,00 GBP

Ending balance of : 2020-02-29: 0,05 GBP

End of printout

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**Monthly statement from IgoriaCard account:
20 0000 3539 8484**

Statement no: 8/2020/GBP
 Statement period: 01-07-2020 / 01-08-2020
 Statement date: 2020-08-01
 Axis Mundi Global Custody Ltd
 City Road 160 /Kemp House
 EC1V 2NX, London
 NIP:

Igoria Trade S.A.
 ul. Puławska 111A/109
 02-707 Warszawa, Polska
 +48 22 101 58 80
 e-mail: pomoc@igoriatrade.com

Account

Customer ID: 35398484
 Account currency: GBP
 Starting balance of : 2020-07-01: 0,05 GBP

Date	Operation	Description	Amount	Balance
2020-07-07	Fees and commissions	Transfer to other IgoriaCard wallet	-24,97 GBP	0,03 GBP
2020-07-07	Transfer to other IC wallet	Transfer to other IgoriaCard wallet : 20 0000 3323 0917 To : Mayan Block Ltd Description: Axis Mundi - Mayan Block Funds, Axis Mundi Global Custody Ltd, City Road 160 /Kemp House, EC1V 2NX, London, Wielka Brytania	-24 970,00 GBP	25,00 GBP
2020-07-07	Fees and commissions	Transfer to other IgoriaCard wallet	-0,41 GBP	24 995,00 GBP
2020-07-07	Transfer to other IC wallet	Transfer to other IgoriaCard wallet : 20 0000 3323 0917 To : Mayan Block Ltd Description: Axis Mundi - Mayan Block Funds, Axis Mundi Global Custody Ltd, City Road 160 /Kemp House, EC1V 2NX, London, Wielka Brytania	-2,64 GBP	24 995,41 GBP
2020-07-07	Fees and commissions	Opłata za wpłatę	-2,00 GBP	24 998,05 GBP
2020-07-07	Top up	Top up from account: From: AXIS MUNDI GLOBAL Description: 44TRD1292516	25 000,00 GBP	25 000,05 GBP

Ending balance of : 2020-08-01: 0,03 GBP

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Date	Counter Party	Reference	Type	Amount (GBP)	Balance (GBP)	Spending Category
23/01/2020	PADULA R	PADULA	FASTER PAYMENT	10000	10000	REVENUE
24/01/2020	DARSHNA AMIN	DARSHNA AMIN	FASTER PAYMENT	18000	28000	REVENUE
27/01/2020	LBX CUSTODY LTD	IGORIA EURO	FASTER PAYMENT	2	28002	REVENUE
27/01/2020	Axis Mundi Global Custody Ltd	Transfer	CURRENCY TRANSFER	-2	28000	PAYMENTS
31/01/2020	Axis Mundi Global Custody	DST	FASTER PAYMENT	-5000	23000	PAYMENTS
01/02/2020	Starling Bank	Subscription Charge For 2020-02-01	SUBSCRIPTION CHARGE	-2	22998	BANK_CHARGES
03/02/2020	Axis Mundi Global Custody	DST	FASTER PAYMENT	-5000	17998	TRANSFERS
06/02/2020	Earthport Plc	44TRD1292516	FASTER PAYMENT	-17998	0	TRANSFERS
01/03/2020	Starling Bank	Subscription Charge For 2020-03-01	SUBSCRIPTION CHARGE	-2	-2	BANK_CHARGES
31/03/2020	DIVES B M	C90 COUPON Q1 2020	DEPOSIT	632.32	630.32	REVENUE
31/03/2020	DARSHNA AMIN	Top up	FASTER PAYMENT	2	632.32	REVENUE
31/03/2020	Dave Toms	AMT-137247	FASTER PAYMENT	-292.5	339.82	OTHER
31/03/2020	Dave Toms	AMT-137267 MAR CPN	FASTER PAYMENT	-157.5	182.32	OTHER
31/03/2020	Gillian Newland	AMT-137268 MAR CPN	FASTER PAYMENT	-35	147.32	OTHER
31/03/2020	Gillian Newland	AMT-137278 MAR CPN	FASTER PAYMENT	-9.72	137.6	OTHER
31/03/2020	Quirino Brizi	AMT-137278 MAR CPN	FASTER PAYMENT	-1.94	135.66	OTHER
01/04/2020	Starling Bank	AMT-137276 MAR CPN	FASTER PAYMENT	-23.33	112.33	OTHER
02/04/2020	DIVES B M	Subscription Charge For 2020-04-01	SUBSCRIPTION CHARGE	-2	110.33	BANK_CHARGES
02/04/2020	DIVES B M	COUPON MAR 2020 COMPLEMENT	DEPOSIT	51	161.33	REVENUE
02/04/2020	Raffaele Padula	Top up	FASTER PAYMENT	2	163.33	REVENUE
23/04/2020	DIVES B M	AMT-137275 MAR CPN	FASTER PAYMENT	-163.33	0	OTHER
23/04/2020	Methuen Consulting LLP	Directors Loan	FASTER PAYMENT	756	756	REVENUE
30/04/2020	Alvin Goodier	MC/20/5591	FASTER PAYMENT	-756	0	PROFESSIONAL_SERVICES
30/04/2020	Dave Toms	ARGENTO C90 COUPONS APR 2020	DEPOSIT	350	350	REVENUE
30/04/2020	Gillian Newland	AMT-137305 APR CPN	FASTER PAYMENT	-8.75	341.25	OTHER
30/04/2020	Gillian Newland	AMT-137268 APR CPN	FASTER PAYMENT	-58.33	282.92	OTHER
30/04/2020	Gillian Newland	AMT-137278 APR CPN	FASTER PAYMENT	-58.33	224.59	OTHER
30/04/2020	Graham Coel	AMT-137282 APR CPN	FASTER PAYMENT	-58.33	166.26	OTHER
30/04/2020	Mike Potter	AMT-137306 APR CPN	FASTER PAYMENT	-15.56	150.7	OTHER
30/04/2020	Quirino Brizi	AMT-137269 APR CPN	FASTER PAYMENT	-15.56	135.14	OTHER
01/05/2020	Starling Bank	AMT-137276 APR CPN	FASTER PAYMENT	-87.5	47.64	OTHER
26/05/2020	BW FX Limited	Subscription Charge For 2020-05-01	SUBSCRIPTION CHARGE	-2	45.64	BANK_CHARGES
26/05/2020	A Goodwin	TX 001	FASTER PAYMENT	5000	5045.64	REVENUE
27/05/2020	BW FX Limited	Allen Goodwin	FASTER PAYMENT	6000	11045.64	REVENUE
01/06/2020	Starling Bank	TX 002	FASTER PAYMENT	30000	41045.64	REVENUE
01/07/2020	Starling Bank	Subscription Charge For 2020-06-01	SUBSCRIPTION CHARGE	-2	41043.64	BANK_CHARGES
01/07/2020	Darshna Amin	Subscription Charge For 2020-07-01	SUBSCRIPTION CHARGE	-2	41041.64	BANK_CHARGES
01/07/2020	Alvin Goodier	AMT-137247 JUN CPN	FASTER PAYMENT	-1012.5	40029.14	INTEREST_PAYMENTS
01/07/2020	Alvin Goodier	AMT-137322 JUN CPN	FASTER PAYMENT	-99.17	39929.97	INTEREST_PAYMENTS
01/07/2020	Alvin Goodier	AMT-137305 JUN CPN	FASTER PAYMENT	-29.17	39900.8	INTEREST_PAYMENTS
01/07/2020	Bachan Bains	AMT137319 JUN CPN	FASTER PAYMENT	-29.17	39871.63	INTEREST_PAYMENTS

01/07/2020 Dave Toms	AMT-137267 JUN CPN	FASTER PAYMENT	-787.5	39084.13 INTEREST_PAYMENTS
01/07/2020 Dave Toms	AMT-137268 JUN CPN	FASTER PAYMENT	-58.33	39025.8 INTEREST_PAYMENTS
01/07/2020 Dave Toms	AMT-137283 JUN CPN	FASTER PAYMENT	-262.5	38763.3 INTEREST_PAYMENTS
01/07/2020 Dawn Hilditch	AMT-137258 JUN CPN	FASTER PAYMENT	-29.17	38734.13 INTEREST_PAYMENTS
01/07/2020 Fred Townson	AMT-137328 JUN CPN	FASTER PAYMENT	-26.25	38707.88 INTEREST_PAYMENTS
01/07/2020 Gillian Coel	AMT-137314 JUN CPN	FASTER PAYMENT	-67.5	38640.38 INTEREST_PAYMENTS
01/07/2020 Gillian Newland	AMT-137278 JUN CPN	FASTER PAYMENT	-58.33	38582.05 INTEREST_PAYMENTS
01/07/2020 Gillian Newland	AMT-137282 JUN CPN	FASTER PAYMENT	-58.33	38523.72 INTEREST_PAYMENTS
01/07/2020 Gillian Newland	AMT-137302 JUN CPN	FASTER PAYMENT	-656.25	37867.47 INTEREST_PAYMENTS
01/07/2020 Gillian Newland	AMT-137313 JUN CPN	FASTER PAYMENT	-393.75	37473.72 INTEREST_PAYMENTS
01/07/2020 Graham Coel	AMT-137306 JUN CPN	FASTER PAYMENT	-29.17	37444.55 INTEREST_PAYMENTS
01/07/2020 Ian Forrest	AMT-137320 JUN CPN	FASTER PAYMENT	-116.67	37327.88 INTEREST_PAYMENTS
01/07/2020 Ian Tyers	AMT-137315 JUN CPN	FASTER PAYMENT	-32.5	37295.38 INTEREST_PAYMENTS
01/07/2020 Jane Charles	AMT-137324 JUN CPN	FASTER PAYMENT	-29.17	37266.21 INTEREST_PAYMENTS
01/07/2020 Mike Potter	AMT-137269 JUN CPN	FASTER PAYMENT	-29.17	37237.04 INTEREST_PAYMENTS
01/07/2020 Quirino Brizi	AMT-137276 JUN CPN	FASTER PAYMENT	-87.5	37149.54 INTEREST_PAYMENTS
01/07/2020 Quirino Brizi	AMT-137321 JUN CPN	FASTER PAYMENT	-135	37014.54 INTEREST_PAYMENTS
01/07/2020 Raffaele Padula	AMT-137275 JUN CPN	FASTER PAYMENT	-262.5	36752.04 INTEREST_PAYMENTS
03/07/2020 Axis Mundi Global Custody	COUPON	FASTER PAYMENT	4298.6	41050.64 REVENUE
13/07/2020 Transferwise	P16879842	FASTER PAYMENT	-40478.57	572.07 PROFESSIONAL_SERVICES
14/07/2020 Transferwise Ltd	153796364Refund	FASTER PAYMENT	40478.57	41050.64 REVENUE
14/07/2020 Axis Mundi Global Custody	Inter-company tx	FASTER PAYMENT	-20000	21050.64 TRANSFERS
14/07/2020 Axis Mundi Global Custody	Inter-company tx	FASTER PAYMENT	-20000	1050.64 TRANSFERS
14/07/2020 Axis Mundi Global Custody	Inter-company tx	FASTER PAYMENT	-1000	50.64 TRANSFERS
21/07/2020 Axis Mundi Global Custody	COUPON	FASTER PAYMENT	136.51	187.15 REVENUE
21/07/2020 Alvin Goodier	AMT-137322 JUN CPN	FASTER PAYMENT	-174.17	12.98 INTEREST_PAYMENTS
01/08/2020 Starling Bank	Subscription Charge For 2020-08-01	SUBSCRIPTION CHARGE	-2	10.98 BANK_CHARGES



Your Ref:
Our Ref: GK11057627

Private and Confidential
Ross Macdonald
FCA

27th August 2020

Law Enforcement Operations
2nd Floor
Thanet Grange
Nestuda Way
Westcliff on Sea
SS0 0EJ
Telephone: 020 7411 9889
Fax: 020 7411 9887
E-mail: legal.orders@rbs.co.uk

Dear Ross,

RE: Legal Order - Axis Mundi Global Custody Limited

I refer to the above and can confirm that Law Enforcement Operations have collated the information you requested for your Legal Order dated 26/08/2020.

Please find enclosed the following requested material:

- **Copy statements on account 43265758 – 601314 from 01/01/20 to 26/08/2020**
- Please also find enclosed the following statements on a further 3 accounts held by Axis Mundi Global Custody Limited:**
- **Copy statements on account 47341408 – 601314 from 11/05/20(opening) to 26/08/2020**
 - **Copy statements on account 47349352 – 601314 from 20/07/20(opening) to 26/08/2020**
 - **Copy statements on account 47349360 – 601314 from 20/07/20(opening) to 26/08/2020**

Please note we would not hold details of any accounts held at other banks by the customer.

Searches of the following database(s) have been carried out in order to identify products in respect of the name(s) contained on the Order – **NatWest Bank plc (including credit cards, mortgages and currency accounts) including TYL, Rapid cash, Path, Aptimise, Esme and Bó.**

Please be aware that some products may not be linked to the customer's accounts/profile located, for example because the customer did not declare existing Bank relationships at application stage or where retrospective links have not been established with legacy systems, therefore there may be other accounts covered which we have not been able to locate at this time

If you have any queries concerning your request or require further searches on any of other products which you are covered for please contact the Legal Order Team on 020 7411 9889 to discuss your requirements.

Please note in relation to the Bank's retention schedule, once you have reviewed the enclosed statements, you should contact us as soon as possible so that we can attempt to obtain any specific transactional material. There may be a possibility that these details may no longer be available.

During the course of your investigations, if it becomes apparent you require further information or in the event that a witness statement is required (could we ask a witness statement is requested once all material has been provided), please email or fax your request to ourselves on 0207 411 9887 or legal.orders@rbs.co.uk. If the further information required is on specific transactions please mark the entries on the relevant statement pages and include these in your email/fax.

Now that all requested material has been sent to you I have closed this case pending any further requests that you may have under this Legal Order.

Yours sincerely

Alice Colbear
Financial Crime Associate
Legal Order Team

**Branch Details:**

Statements for AXIS MUNDI GLOBAL CUSTODY LTD
CLIENT DEPOSIT MANAGER ACCOUNT

Account Account Number: **47349360** - Sort Code: **601314**

Period	20 Jul 2020 to 26 Aug 2020
Previous Balance	0.00
Paid In	0.00
Paid Out	0.00
New Balance	0.00

Date	Type	Description	Withdrawn	Paid In	Balance
BROUGHT FORWARD					0.00
		Brought Forward Balance			0.00

Statements for AXIS MUNDI GLOBAL CUSTODY LTD

Account Account Number: 43265758 - Sort Code: 601314

Period	01 Jan 2020 to 26 Aug 2020
Previous Balance	391.00
Paid In	499,160.00
Paid Out	499,530.53
New Balance	20.47

Date	Type	Description	Withdrawn	Paid In	Balance
BROUGHT FORWARD					391.00
07-Jan-20	Card Transaction	9759 06JAN20 GOOGLE *GSUITE_MOONSYS CC@GOOGLE.COM IE	44.16		346.84
07-Jan-20	Card Transaction	9759 03JAN20 GANDI NET STRASSEN LU	13.86		332.98
10-Jan-20	Card Transaction	9759 09JAN20 FS *JOTFORM AMSTERDAM NL USD 136.80 VRATE 1.3012 N-S TRN FEE 2.89	108.02		224.96
17-Jan-20	Card Transaction	9759 16JAN20 COMPANIES HOUSE CARDIFF GB	13.00		211.96
21-Jan-20	Card Transaction	9759 20JAN20 TRANSFERWISE LONDON GB	17.23		194.73
21-Jan-20	Card Transaction	9759 20JAN20 COMPANIES HOUSE CARDIFF GB	13.00		181.73
21-Jan-20	Card Transaction	9759 20JAN20 TRANSFERWISE LONDON GB	2.00		179.73
23-Jan-20	Automated Credit	DIVES B M LBX CUSTODY LOAN FP 23/01/20 1108 108298128011321001		2,100.00	2,279.73
23-Jan-20	Telephone Banking	CALL REF NO:0073 BEAVIS MORGAN ORD FP 23/01/20 10 33114508103299000N	2,100.00		179.73
27-Jan-20	Online Transaction	AXIS MUNDI GLOBAL IGORIA EURO VIA MOBILE - LVP FP 27/01/20 10 17091604280311000N	2.00		177.73
28-Jan-20	Card Transaction	9759 27JAN20 ADOBE CREATIVE CLOUD ADOBE.LY/BILL IE	41.62		136.11
31-Jan-20	Automated Credit	AXIS MUNDI GLOBAL DST FP 31/01/20 1328 0ZLW5NP3Y0GKGV14JM		5,000.00	5,136.11
31-Jan-20	Online Transaction	BEN DIVES HUGO VIA MOBILE - PYMT FP 31/01/20 10 33160438548257000N	5,000.00		136.11

03-Feb-20	Automated Credit	AXIS MUNDI GLOBAL DST FP 03/02/20 1148 ZJ63EV4ZQOQZ7NOWGP	5,000.00	5,136.11
03-Feb-20	Automated Credit	DIVES B M RETURN OF ACCIDEN FP 01/02/20 0807 573228247080102001	5,000.00	10,136.11
03-Feb-20	Card Transaction	9759 02FEB20 GOOGLE *GSUITE_MOONSYS CC@GOOGLE.COM IE	21.12	10,114.99
04-Feb-20	UTF	NONREF PLBRADO05349845 ARGENTO ACCESS S URGENT TFR	10,030.00	84.99
11-Feb-20	Online Transaction	A WHITTAKER TX VIA MOBILE - LVP FP 10/02/20 10 60211504553261000N	10.00	74.99
11-Feb-20	Card Transaction	9759 10FEB20 COMPANIES HOUSE CARDIFF GB	8.00	66.99
11-Feb-20	Card Transaction	9117 10FEB20 CD CO-OP GROUP 108504 SHEFFIELD GB	10.25	56.74
11-Feb-20	Card Transaction	9759 10FEB20 COMPANIES HOUSE CARDIFF GB	8.00	48.74
12-Feb-20	Card Transaction	9117 11FEB20 CD ALL SIAM THAI RESTAURA SHEFFIELD GB	40.10	8.64
19-Feb-20	Automated Credit	COEL GRAHAM M M COELOXV00007 FP 19/02/20 1513 FP20050O17363926	10,000.00	10,008.64
19-Feb-20	Card Transaction	9117 18FEB20 CD CO-OP GROUP 108504 SHEFFIELD GB	5.50	10,003.14
19-Feb-20	Card Transaction	9117 18FEB20 CD NUFFIELD HEALTH SHEFFIELD GB	1.00	10,002.14
20-Feb-20	Automated Credit	D TOMS AMT-OXY000001 FP 20/02/20 1733 200000000566550472	20,000.00	30,002.14
20-Feb-20	Online Transaction	EARTHPORT PLC 44TRD1292516 VIA ONLINE - PYMT FP 20/02/20 10 10140945531535000N	9,999.74	20,002.40
20-Feb-20	Card Transaction	9117 19FEB20 CD TFL TRAVEL CH TFL.GOV.UK/CP GB	2.40	20,000.00
21-Feb-20	Automated Credit	COEL GILLIAN OXV00003 G R COEL FP 21/02/20 1210 FP20052O19664462	10,000.00	30,000.00
21-Feb-20	Automated Credit	COEL GILLIAN OXV000002 G R COEL FP 21/02/20 1225 FP20052O19685998	10,000.00	40,000.00
21-Feb-20	Automated Credit	COEL GILLIAN OXV000002 G R COEL FP 21/02/20 1229 FP20052O19691842	10,000.00	50,000.00

21-Feb-20	Online Transaction	EARTHPORT PLC 44TRD1292516 VIA MOBILE - PYMT FP 21/02/20 10 03151547773431000N	49,992.80		7.20
21-Feb-20	Card Transaction	9117 20FEB20 CD TFL TRAVEL CH TFL.GOV.UK/CP GB	7.20		0.00
24-Feb-20	Card Transaction	9117 21FEB20 CD TFL TRAVEL CH TFL.GOV.UK/CP GB	3.90		3.90 OD
03-Mar-20	Cash & Dep Machine	600501 03MAR 1131		45,000.00	44,996.10
06-Mar-20	Online Transaction	BEN DIVES LOAN VIA MOBILE - LVP FP 06/03/20 10 29134709777064000N	200.00		44,796.10
09-Mar-20	Online Transaction	BEN DIVES LOAN VIA MOBILE - LVP FP 08/03/20 10 45150731060337000N	96.10		44,700.00
10-Mar-20	UTF	NONREF PLBRADO05368701 ARGENTO ACCESS S URGENT TFR	44,700.00		0.00
12-Mar-20	Automated Credit	D TOMS 137268 FP 12/03/20 1331 500000000576568778		10,000.00	10,000.00
12-Mar-20	Automated Credit	D TOMS 137267 FP 12/03/20 1354 400000000581419643		10,000.00	20,000.00
13-Mar-20	Automated Credit	D TOMS 137267 FP 13/03/20 0939 500000000577052623		20,000.00	40,000.00
16-Mar-20	Automated Credit	DIVES B M BANK FEES FP 16/03/20 1235 662149455321613001		60.00	40,060.00
17-Mar-20	UTF	NONREF PLBRADO05371836 ARGENTO ACCESS S URGENT TFR	30,030.00		10,030.00
19-Mar-20	UTF	NONREF PLBRADO05373322 ARGENTO ACCESS S URGENT TFR	10,030.00		0.00
23-Mar-20	Automated Credit	Q BRIZI 137276 BRIZI FP 23/03/20 1444 100000000578813180		15,000.00	15,000.00
25-Mar-20	UTF	NONREF PLBRADO05376536 ARGENTO ACCESS S URGENT TFR	15,000.00		0.00
26-Mar-20	Automated Credit	GILLIAN NEWLAND 137278 NEWLAND FP 26/03/20 1253 00156527632BNRTWMV		10,000.00	10,000.00
27-Mar-20	Automated Credit	GILLIAN NEWLAND NEWLAND FP 27/03/20 1443 00151571632BBDNNXP		10,000.00	20,000.00
02-Apr-20	UTF	NONREF PLBRADO05381151 ARGENTO ACCESS S URGENT TFR	19,970.00		30.00

06-Apr-20	Automated Credit	D TOMS TOMS FP 06/04/20 0939 200000000583673740	10,000.00	10,030.00
07-Apr-20	Online Transaction	MAGENTA ADVISORS AXIS MUNDI GBP-C VIA ONLINE - PYMT FP 07/04/20 10 55145358924162000N	10,000.00	30.00
14-Apr-20	Automated Credit	MICHAEL POTTER 137269 POTTER FP 14/04/20 0517 00156259632BBDQLHY	5,000.00	5,030.00
15-Apr-20	Automated Credit	GILLIAN NEWLAND 137302 NEWLAND FP 15/04/20 0211 00156527632BNSVKJJ	20,000.00	25,030.00
15-Apr-20	Automated Credit	GILLIAN NEWLAND 137302 NEWLAND FP 15/04/20 1005 00151571632BBDPBKP	10,000.00	35,030.00
17-Apr-20	Automated Credit	COEL GRAHAM EXOUSIA BOND FP 17/04/20 1406 FP20108004544864	5,000.00	40,030.00
21-Apr-20	Automated Credit	ALVIN GOODIER 137305 GOODIER FP 20/04/20 1959 200420195958555047	5,000.00	45,030.00
23-Apr-20	UTF	NONREF PLBRADO05389249 ARGENTO ACCESS S URGENT TFR	45,030.00	0.00
30-Apr-20	CHAPS Transfer	C90 PCM55CI92886794 ARGENTO ACCESS S ARL CHAPS TFR	1,500.00	1,500.00
04-May-20	Automated Credit	COEL GILLIAN AXIS MUNDI 137314 FP 04/05/20 1426 FP20125005512992	5,000.00	6,500.00
04-May-20	Automated Credit	GILLIAN NEWLAND 137313 NEWLAND FP 04/05/20 0946 00151571632BBDPPRZ	20,000.00	26,500.00
05-May-20	Automated Credit	GILLIAN NEWLAND 137313 NEWLAND FP 05/05/20 0846 00151571632BBDPQGP	5,000.00	31,500.00
05-May-20	Automated Credit	I FORREST 137320FORREST FP 05/05/20 1601 200000000594256027	20,000.00	51,500.00
05-May-20	Automated Credit	BACHAN KAUR BAINS 137319 BAINS FP 05/05/20 1634 00156527632BNTZFWH	5,000.00	56,500.00
05-May-20	Automated Credit	Q BRIZI 137321 BRIZI FP 05/05/20 1457 200000000594232611	10,000.00	66,500.00
05-May-20	Automated Credit	I TYERS 137315TYERS FP 05/05/20 1800 400000000600911943	5,000.00	71,500.00
06-May-20	UTF	NONREF PLBRADO05395798 ARGENTO ACCESS S URGENT TFR	70,030.00	1,470.00

07-May-20	Automated Credit	J CHARLES-ARYEEQUA 137324 CHARLES FP 07/05/20 1600 200000000595027568	5,000.00	6,470.00
07-May-20	Automated Credit	MISSD HILDITCH 137258 HILDITCH FP 06/05/20 1917 600000000596391503	5,000.00	11,470.00
07-May-20	Online Transaction	JAY REVELL BLOQ APR VIA ONLINE - PYMT FP 07/05/20 10 21153547319415000N	1,500.00	9,970.00
11-May-20	CREDIT	LOAN DISBURSAL	50,000.00	59,970.00
12-May-20	Online Transaction	MOON SYSTEMS LOAN VIA MOBILE - LVP FP 12/05/20 10 04141329826561000N	1,000.00	58,970.00
12-May-20	Card Transaction	9759 11MAY20 GOOGLE *GSUITE_MOONSYS CC@GOOGLE.COM IE	110.40	58,859.60
15-May-20	Automated Credit	ALVIN GOODIER 137322 GOODIER FP 14/05/20 2055 200514205522011995	20,000.00	78,859.60
15-May-20	UTF	NONREF PLBRADO05398484 ARGENTO ACCESS S URGENT TFR	10,030.00	68,829.60
18-May-20	Online Transaction	BEN DIVES MICHAIL VIA ONLINE - PYMT FP 18/05/20 10 35181011773001000N	8,989.88	59,839.72
19-May-20	Online Transaction	DJK CAPITAL INVOICE 209 VIA ONLINE - PYMT FP 19/05/20 10 56181749873255000N	1,500.00	58,339.72
19-May-20	UTF	NONREF PLBRADO05399777 ARGENTO ACCESS S URGENT TFR	20,030.00	38,309.72
22-May-20	Automated Credit	COEL GRAHAM INV AMT 137329 FP 22/05/20 1329 FP20143005753353	5,000.00	43,309.72
22-May-20	Card Transaction	9759 20MAY20 UCHECK HR01226805 EXETER GB	33.40	43,276.32
29-May-20	Charges	01MAY A/C 43265758	2.45	43,273.87
03-Jun-20	Automated Credit	TOWNSON F G 137328TOWNSON FP 03/06/20 1200 951718250311306001	5,000.00	48,273.87
30-Jun-20	Charges	29MAY A/C 43265758	5.95	48,267.92
01-Jul-20	Online Transaction	BEN DIVES MICHAIL VIA MOBILE - PYMT FP 01/07/20 10 08165543119259000N	6,000.00	42,267.92
02-Jul-20	Online Transaction	BEN DIVES MICHAIL VIA MOBILE - PYMT FP 01/07/20 10 04190019252523000N	3,000.00	39,267.92

02-Jul-20	Online Transaction	MOON SYSTEMS LOAN VIA MOBILE - LVP FP 01/07/20 10 57191838660340000N	1,000.00		38,267.92
02-Jul-20	Online Transaction	DSC METROPOLITAN 2007502 VIA MOBILE - LVP FP 02/07/20 10 06085935725257000N	1,000.00		37,267.92
03-Jul-20	Online Transaction	BEN DIVES MICHAIL VIA MOBILE - PYMT FP 03/07/20 10 46153805447062000N	3,000.00		34,267.92
03-Jul-20	Online Transaction	BEN DIVES MICHAIL VIA MOBILE - PYMT FP 03/07/20 10 23153853514048000N	1,000.00		33,267.92
03-Jul-20	Online Transaction	DSC METROPOLITAN 2007502 VIA ONLINE - PYMT FP 03/07/20 10 10072202080828000N	1,107.50		32,160.42
03-Jul-20	Online Transaction	METHUEN CONSULTING INV APR 20 VIA ONLINE - PYMT FP 03/07/20 10 61072336498876000N	1,944.00		30,216.42
03-Jul-20	Online Transaction	BEN DIVES MICHAIL VIA MOBILE - PYMT FP 03/07/20 10 48091846979103000N	5,000.00		25,216.42
03-Jul-20	Online Transaction	AXIS MUNDI GLOBAL COUPON VIA ONLINE - PYMT FP 03/07/20 10 09155201458529000N	4,298.60		20,917.82
06-Jul-20	Telephone Banking	DRACHENSBERG & CO. BUS LOAN		10,000.00	30,917.82
07-Jul-20	Online Transaction	AXIS MUNDI IGORIA 44TRD1292516 VIA ONLINE - PYMT FP 07/07/20 10 43101117003117000N	25,000.00		5,917.82
13-Jul-20	Online Transaction	MOON SYSTEMS LOAN VIA MOBILE - LVP FP 13/07/20 10 11110232118327000N	1,000.00		4,917.82
13-Jul-20	ATM Transaction	BMACH 12JUL	240.00		4,677.82
14-Jul-20	Automated Credit	AXIS MUNDI GLOBAL INTER-COMPANY TX FP 14/07/20 1413 QR4WGNWXGZPZ0V15DZ		1,000.00	5,677.82
14-Jul-20	Automated Credit	AXIS MUNDI GLOBAL INTER-COMPANY TX FP 14/07/20 1412 L5W48NDL73DL129MRO		20,000.00	25,677.82
14-Jul-20	Automated Credit	AXIS MUNDI GLOBAL INTER-COMPANY TX FP 14/07/20 1412 QMY08V7Y091E52OD1X		20,000.00	45,677.82
15-Jul-20	Card Transaction	9759 14JUL20 DELIVEROO.CO.UK LONDON GB	24.48		45,653.34

20-Jul-20	Online Transaction	BEN DIVES LOAN VIA ONLINE - PYMT FP 20/07/20 10 54144208372180000N	1,000.00	44,653.34
20-Jul-20	Online Transaction	LAUNCH PAY SHARES VIA MOBILE - LVP FP 20/07/20 10 18131916707556000N	1,000.00	43,653.34
20-Jul-20	Online Transaction	LAUNCH PAY SHARES VIA ONLINE - PYMT FP 20/07/20 10 26144422890729000N	2,500.00	41,153.34
20-Jul-20	Online Transaction	LAUNCH PAY SHARES VIA ONLINE - PYMT FP 20/07/20 10 40162401391106000N	41,000.00	153.34
21-Jul-20	Telephone Banking	DRACHENSBERG & CO. BUS LOAN	10,000.00	10,153.34
21-Jul-20	Online Transaction	LAUNCH PAY SHARES VIA MOBILE - PYMT FP 21/07/20 10 34164419597156000N	10,000.00	153.34
21-Jul-20	Online Transaction	AXIS MUNDI GLOBAL COUPON VIA MOBILE - PYMT FP 21/07/20 10 58173536321595000N	136.51	16.83
21-Jul-20	Card Transaction	9759 20JUL20 C STARBUCKS SHEFFIELD GB	4.20	12.63
21-Jul-20	Card Transaction	9759 20JUL20 C STARBUCKS SHEFFIELD GB	2.95	9.68
21-Jul-20	Card Transaction	9759 20JUL20 DELIVEROO.CO.UK LONDON GB	9.68	0.00
21-Jul-20	Card Transaction	9759 20JUL20 C NCP LIMITED SHEFFIELD GB	5.00	5.00 OD
22-Jul-20	Telephone Banking	DRACHENSBERG & CO. BUS LOAN	10,000.00	9,995.00
23-Jul-20	Online Transaction	DRACHENSBERG & CO. BUS LOAN VIA MOBILE - LVP	1,000.00	10,995.00
23-Jul-20	Online Transaction	LAUNCH PAY SHARES VIA MOBILE - PYMT FP 23/07/20 10 18093322049243000N	9,950.00	1,045.00
23-Jul-20	Online Transaction	BEN DIVES LOAN VIA MOBILE - PYMT FP 23/07/20 10 15152439908653000N	1,000.00	45.00
23-Jul-20	Card Transaction	9759 22JUL20 C SHEFFIELD SUPER STORE SHEFFIELD GB	8.47	36.53
27-Jul-20	Online Transaction	DRACHENSBERG & CO. BUS LOAN VIA MOBILE - LVP	1,000.00	1,036.53
27-Jul-20	Telephone Banking	DRACHENSBERG & CO. BUS LOAN	8,000.00	9,036.53

27-Jul-20	Online Transaction	BEN DIVES LOAN VIA MOBILE - PYMT FP 27/07/20 10 15083436227787000N	1,000.00	8,036.53
27-Jul-20	Online Transaction	LAUNCH PAY SHARES VIA MOBILE - PYMT FP 27/07/20 10 47174522713466000N	8,000.00	36.53
29-Jul-20	Card Transaction	9759 28JUL20 DELIVEROO.CO.UK LONDON GB	12.21	24.32
31-Jul-20	Telephone Banking	DRACHENSBERG & CO. BUS LOAN		4,524.32
31-Jul-20	Charges	03JUL A/C 43265758	3.85	4,520.47
31-Jul-20	Online Transaction	BEN DIVES LOAN VIA MOBILE - PYMT FP 31/07/20 10 48144617925892000N	4,500.00	20.47

**Branch Details:**

Statements for AXIS MUNDI GLOBAL CUSTODY LTD
FEE ACC
CLIENT DEPOSIT MANAGER ACCOUNT

Account Account Number: **47349352** - Sort Code: **601314**

Period	20 Jul 2020 to 26 Aug 2020
Previous Balance	0.00
Paid In	0.00
Paid Out	0.00
New Balance	0.00

Date	Type	Description	Withdrawn	Paid In	Balance
BROUGHT FORWARD					0.00
		Brought Forward Balance			0.00

**Branch Details:****Statements for** AXIS MUNDI GLOBAL CUSTODY LTD**Account** Account Number: **47341408** - Sort Code: **601314**

Period	11 May 2020 to 26 Aug 2020
Previous Balance	0.00
Paid In	0.00
Paid Out	50,000.00
New Balance	50,000.00 OD

Date	Type	Description	Withdrawn	Paid In	Balance	
BROUGHT FORWARD					0.00	
11-May-20		LOAN DISBURSAL	50,000.00		50,000.00	OD

STRICTLY PRIVATE & CONFIDENTIAL

FAO: Ross McDonald
Quayside House
127 Fountainbridge
Edinburgh
EH3 9QG

26 August 2020

Our ref: FC100202

Dear Ross,

Thank you for your letter, dated 26 August 2020 – relating to **Axis Mundi Global Custody Limited**. Please find below a summary of the information requested, extracted from Starling Bank records.

Account holder: Benjamin DIVES

Number of linked accounts / accounts held with Starling Bank: four

- 1) **Account type:** Business Current Account

Currency: GBP

Account name: Axis Mundi Global Custody Ltd

Account number: 608371 58532698

Opening date: 19 January 2020

Closure date: n/a - remains open

Balance (as of date of this letter): £10.98

Companies House Registration: 11097311

- 2) **Account type:** Business Current Account

Currency: EUR

Account name: Axis Mundi Global Custody Ltd

IBAN: GB41SRLG60837146145769

Opening date: 19 January 2020

Closure date: n/a - remains open

Balance (as of date of this letter): €0.00.

Companies House Registration: 11097311

- 3) **Account type:** Business Current Account

Currency: GBP

Account name: Moon Systems Ltd

Account number: 608371 22104443

Opening date: 18 May 2020
Closure date: n/a - remains open

Balance (*as of date of this letter*): £0.00.
Companies House Registration: 12405819

- 4) **Account type:** Business Current Account
Currency: GBP
Account name: Drachensberg & Co. Ltd
Account Number: 608371 85520298

Opening date: 21 May 2020
Closure date: n/a - remains open

Balance (*as of date of this letter*): £0.00.
Companies House Registration: 12377457

Please also find attached, as requested, evidential account statements for above identified accounts, between January 2020 (*or, date of opening*) and July 2020. Transactional activity will display the beneficiary or remitting account details.

Records show that the accounts of **Drachensberg & Co. Ltd** and **Moon Systems Ltd** have remained unused since opening.

Kind regards,



Laurie Hood
Deputy MLRO & Compliance Officer

Axis Mundi Global Custody Ltd
 Kemp House
 160 City Road
 London
 EC1V2NX

Account Name: Axis Mundi Global Custody Ltd
 IBAN: GB34SRLG60837158532698
 BIC: SRLGGB2L
 Sort code: 60-83-71
 Account Number: 58532698

March 2020 Statement

Your deposit is eligible for protection by the Financial Services Compensation Scheme.

01/03/2020 - 31/03/2020

DATE	TYPE	TRANSACTION	IN	OUT	END OF DAY ACCOUNT BALANCE
	OPENING BALANCE				£0.00
01/03/2020	SUBSCRIPTION CHARGE	Starling Bank (Subscription Charge For 2020-03-01)		£2.00	£-2.00
31/03/2020	DEPOSIT	C90 COUPON Q1 2020	£632.32		
31/03/2020	FASTER PAYMENT	'Top up' from DIVES B M (400509 / 61447114)	£2.00		
31/03/2020	FASTER PAYMENT	'AMT-137247' to Darshna Amin (090128 / 24724217)		£292.50	
31/03/2020	FASTER PAYMENT	'AMT-137267 MAR CPN' to Dave Toms (309091 / 00186214)		£157.50	
31/03/2020	FASTER PAYMENT	'AMT-137268 MAR CPN' to Dave Toms (309091 / 00186214)		£35.00	
31/03/2020	FASTER PAYMENT	'AMT-137278 MAR CPN' to Gillian Newland (090128 / 30899262)		£9.72	
31/03/2020	FASTER PAYMENT	'AMT-137278 MAR CPN' to Gillian Newland (090128 / 30899262)		£1.94	
31/03/2020	FASTER PAYMENT	'AMT-137276 MAR CPN' to Quirino Brizi (309902 / 12891260)		£23.33	£112.33

We charge interest each day you are overdrawn. We calculate interest on your end of day account balance. For further information about our interest rates, refer to www.starlingbank.com/legal

Date range applicable: 01/03/2020 - 31/03/2020

Interest rate paid on Account Balance	%AER Variable	Interest rate charged on Account Balance	%EAR Variable
N/A	N/A	Less than £0	15.00%

Axis Mundi Global Custody Ltd
 Kemp House
 160 City Road
 London
 EC1V2NX

Account Name: Axis Mundi Global Custody Ltd
 IBAN: GB34SRLG60837158532698
 BIC: SRLGGB2L
 Sort code: 60-83-71
 Account Number: 58532698

April 2020 Statement

Your deposit is eligible for protection by the Financial Services Compensation Scheme.

01/04/2020 - 30/04/2020

DATE	TYPE	TRANSACTION	IN	OUT	END OF DAY ACCOUNT BALANCE
	OPENING BALANCE				£112.33
01/04/2020	SUBSCRIPTION CHARGE	Starling Bank (Subscription Charge For 2020-04-01)		£2.00	£110.33
02/04/2020	DEPOSIT	COUPON MAR 2020 COMPLEMENT	£51.00		
02/04/2020	FASTER PAYMENT	'Top up' from DIVES B M (400509 / 61447114)	£2.00		
02/04/2020	FASTER PAYMENT	'AMT-137275 MAR CPN' to Raffaele Padula (202749 / 90449636)		£163.33	£0.00
23/04/2020	FASTER PAYMENT	'Directors Loan' from DIVES B M (400509 / 61447114)	£756.00		
23/04/2020	FASTER PAYMENT	'MC/20/5591' to Methuen Consulting LLP (400526 / 71444522)		£756.00	£0.00
30/04/2020	DEPOSIT	ARGENTO C90 COUPONS APR 2020	£350.00		
30/04/2020	FASTER PAYMENT	'AMT-137305 APR CPN' to Alvin Goodier (771925 / 28013060)		£8.75	
30/04/2020	FASTER PAYMENT	'AMT-137268 APR CPN' to Dave Toms (309091 / 00186214)		£58.33	
30/04/2020	FASTER PAYMENT	'AMT-137278 APR CPN' to Gillian Newland (090128 / 30899262)		£58.33	
30/04/2020	FASTER PAYMENT	'AMT-137282 APR CPN' to Gillian Newland (090128 / 30899262)		£58.33	
30/04/2020	FASTER PAYMENT	'AMT-137306 APR CPN' to Graham Coel (070436 / 19893153)		£15.56	
30/04/2020	FASTER PAYMENT	'AMT-137269 APR CPN' to Mike Potter (090135 / 19019288)		£15.56	
30/04/2020	FASTER PAYMENT	'AMT-137276 APR CPN' to Quirino Brizi (309902 / 12891260)		£87.50	£47.64

We charge interest each day you are overdrawn. We calculate interest on your end of day account balance. For further information about our interest rates, refer to www.starlingbank.com/legal

Date range applicable: 01/04/2020 - 30/04/2020

Interest rate paid on Account Balance	%AER Variable	Interest rate charged on Account Balance	%EAR Variable
N/A	N/A	Less than £0	15.00%

Axis Mundi Global Custody Ltd
 Kemp House
 160 City Road
 London
 EC1V2NX

Account Name: Axis Mundi Global Custody Ltd
 IBAN: GB34SRLG60837158532698
 BIC: SRLGGB2L
 Sort code: 60-83-71
 Account Number: 58532698

July 2020 Statement

Your deposit is eligible for protection by the Financial Services Compensation Scheme.

01/07/2020 - 31/07/2020

DATE	TYPE	TRANSACTION	IN	OUT	END OF DAY ACCOUNT BALANCE
	OPENING BALANCE				£41043.64
01/07/2020	SUBSCRIPTION CHARGE	Starling Bank (Subscription Charge For 2020-07-01)		£2.00	
01/07/2020	FASTER PAYMENT	'AMT-137247 JUN CPN' to Darshna Amin (090128 / 24724217)		£1012.50	
01/07/2020	FASTER PAYMENT	'AMT-137322 JUN CPN' to Alvin Goodier (771925 / 28013060)		£99.17	
01/07/2020	FASTER PAYMENT	'AMT-137305 JUN CPN' to Alvin Goodier (771925 / 28013060)		£29.17	
01/07/2020	FASTER PAYMENT	'AMT137319 JUN CPN' to Bachan Bains (090126 / 05655042)		£29.17	
01/07/2020	FASTER PAYMENT	'AMT-137267 JUN CPN' to Dave Toms (309091 / 00186214)		£787.50	
01/07/2020	FASTER PAYMENT	'AMT-137268 JUN CPN' to Dave Toms (309091 / 00186214)		£58.33	
01/07/2020	FASTER PAYMENT	'AMT-137283 JUN CPN' to Dave Toms (309091 / 00186214)		£262.50	
01/07/2020	FASTER PAYMENT	'AMT-137258 JUN CPN' to Dawn Hilditch (119115 / 00002713)		£29.17	
01/07/2020	FASTER PAYMENT	'AMT-137328 JUN CPN' to Fred Townson (402812 / 21212168)		£26.25	
01/07/2020	FASTER PAYMENT	'AMT-137314 JUN CPN' to Gillian Coel (070436 / 19898120)		£67.50	
01/07/2020	FASTER PAYMENT	'AMT-137278 JUN CPN' to Gillian Newland (090128 / 30899262)		£58.33	
01/07/2020	FASTER PAYMENT	'AMT-137282 JUN CPN' to Gillian Newland (090128 / 30899262)		£58.33	
01/07/2020	FASTER PAYMENT	'AMT-137302 JUN CPN' to Gillian Newland (090128 / 30899262)		£656.25	
01/07/2020	FASTER PAYMENT	'AMT-137313 JUN CPN' to Gillian Newland (090128 / 30899262)		£393.75	
01/07/2020	FASTER PAYMENT	'AMT-137306 JUN CPN' to Graham Coel (070436 / 19893153)		£29.17	
01/07/2020	FASTER PAYMENT	'AMT-137320 JUN CPN' to Ian Forrest (309897 / 00475234)		£116.67	
01/07/2020	FASTER PAYMENT	'AMT-137315 JUN CPN' to Ian Tyers (309156 / 00096678)		£32.50	
01/07/2020	FASTER PAYMENT	'AMT-137324 JUN CPN' to Jane Charles (308033 / 15315760)		£29.17	
01/07/2020	FASTER PAYMENT	'AMT-137269 JUN CPN' to Mike Potter (090135 / 19019288)		£29.17	

Starling Bank is registered in England and Wales as Starling Bank Limited (No. 09092149), 3rd Floor, 2 Finsbury Avenue, London, EC2M 2PP. We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under registration number 730166.

Our terms and conditions can be accessed via the Starling app or by our website www.starlingbank.com/legal. Starling Bank Limited is a member of the Financial Services Compensation Scheme and the Financial Ombudsman Service. For further information about the compensation provided by the FSCS, refer to the FSCS website at www.fscs.org.uk

Axis Mundi Global Custody Ltd
 Kemp House
 160 City Road
 London
 EC1V2NX

Account Name: Axis Mundi Global Custody Ltd
 IBAN: GB34SRLG60837158532698
 BIC: SRLGGB2L
 Sort code: 60-83-71
 Account Number: 58532698

July 2020 Statement

Your deposit is eligible for protection by the Financial Services Compensation Scheme.

01/07/2020 - 31/07/2020

DATE	TYPE	TRANSACTION	IN	OUT	END OF DAY ACCOUNT BALANCE
01/07/2020	FASTER PAYMENT	'AMT-137276 JUN CPN' to Quirino Brizi (309902 / 12891260)		£87.50	
01/07/2020	FASTER PAYMENT	'AMT-137321 JUN CPN' to Quirino Brizi (309902 / 12891260)		£135.00	
01/07/2020	FASTER PAYMENT	'AMT-137275 JUN CPN' to Raffaele Padula (202749 / 90449636)		£262.50	£36752.04
03/07/2020	FASTER PAYMENT	'COUPON' from AXIS MUNDI GLOBAL (601314 / 43265758)	£4298.60		£41050.64
13/07/2020	FASTER PAYMENT	'P16879842' to Transferwise (231470 / 25085295)		£40478.57	£572.07
14/07/2020	FASTER PAYMENT	'153796364Refund' from Transferwise Ltd (231470 / 77752332)	£40478.57		
14/07/2020	FASTER PAYMENT	'Inter-company tx' to Axis Mundi Global Custody (601314 / 43265758)		£20000.00	
14/07/2020	FASTER PAYMENT	'Inter-company tx' to Axis Mundi Global Custody (601314 / 43265758)		£20000.00	
14/07/2020	FASTER PAYMENT	'Inter-company tx' to Axis Mundi Global Custody (601314 / 43265758)		£1000.00	£50.64
21/07/2020	FASTER PAYMENT	'COUPON' from AXIS MUNDI GLOBAL (601314 / 43265758)	£136.51		
21/07/2020	FASTER PAYMENT	'AMT-137322 JUN CPN' to Alvin Goodier (771925 / 28013060)		£174.17	£12.98

We charge interest each day you are overdrawn. We calculate interest on your end of day account balance. For further information about our interest rates, refer to www.starlingbank.com/legal

Date range applicable: 01/07/2020 - 31/07/2020

Interest rate paid on Account Balance	%AER Variable	Interest rate charged on Account Balance	%EAR Variable
N/A	N/A	Less than £0	15.00%

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View Schedule

View Submission History

XML Submission

XBRL Submission

View Firm Profile

View Resubmission Requests

Product Sales Data

FRN: 799100 Firm Name: Axis Mundi Global Custody Ltd

Click the due date hyperlink to view and edit data items or click [+] to expand the return to show data items. [Need help?](#)

Future returns are subject to change, e.g. as a result of changes in the firm's permissions or to FCA or PRA Policy.

Return Due Date	Reporting Period Start	Reporting Period End	
Return due 29/01/2020	01/10/2019	31/12/2019	Overdue
FSA029 Balance Sheet Ready to submit FSA030 Profit and Loss Account Ready to submit FSA033 Capital Adequacy No data			
Return due 24/04/2020	01/01/2019	31/12/2019	Overdue
FIN-A Annual Report and Accounts Draft			
Return due 30/04/2020	01/01/2020	31/03/2020	Overdue
FSA029 Balance Sheet No data FSA030 Profit and Loss Account No data FSA033 Capital Adequacy No data			
Return due 28/07/2020	01/04/2020	30/06/2020	Overdue
FSA029 Balance Sheet No data FSA030 Profit and Loss Account No data FSA033 Capital Adequacy No data			
Return due 11/08/2020	01/01/2020	30/06/2020	Overdue
FSA039 Client money and client assets No data			
Return due 28/10/2020	01/07/2020	30/09/2020	
Return due 02/11/2020	01/09/2019	31/08/2020	Ready to Complete
Return due 29/01/2021	01/10/2020	31/12/2020	
Return due 12/02/2021	01/07/2020	31/12/2020	
Return due 27/04/2021	01/01/2020	31/12/2020	
Return due 30/04/2021	01/01/2020	31/12/2020	
Return due 30/04/2021	01/01/2021	31/03/2021	
Return due 28/07/2021	01/04/2021	30/06/2021	

14:51 22/09/2020

Customer Name	Customer Number	Functional Balance	Location	Currency Code	Status
Axis Mundi Global C	799100	500.00			Active

Account Details (FSA : GBP) - Axis Mundi Global Custody Ltd

Due Date	Number	Seq	Class	Days Late	Original	Currency	Operating
12-APR-2020	S_LRF19_02654	1	Invoice	- 164	250.00	GBP	FSA
15-JAN-2020	S_LRF19_01838	1	Invoice	- 252	250.00	GBP	FSA
11-DEC-2019	COL 11/12/19 0019		Payment	-	(1,000.00)	GBP	FSA
11-DEC-2019	COL 11/12/19 0026		Payment	-	(676.29)	GBP	FSA
10-DEC-2019	COL 10/12/19 0204		Payment	-	(750.00)	GBP	FSA
30-OCT-2019	PFA19_937102	1	Invoice	-	1,191.42	GBP	FSA
13-OCT-2019	S_LRF19_01178	1	Invoice	-	250.00	GBP	FSA

	Entered	Functional
Cumulative Balance		
Total Balance	500.00	500.00

116

Customer Statement

Statement Type: Last 3 Years Activity
Statement Date: 23-Sep-2020



FRN: 799100
Firm: Axis Mundi Global Custody Ltd
Address: Attn: The Compliance Officer
Kemp House
152-160 City Road
London EC1V 2NX

12 Endeavour Square
London
E20 1JN
Tel: +44 (0)20 7066 1000
Fax: +44 (0)20 7066 1099
www.fca.org.uk

Account Summary - 23-Sep-2020			
Total Unpaid Invoices	Total Unapplied Payments	Total Unapplied Credit Memos	Total Amount Due
500.00	0.00	0.00	500.00

Transaction Details Last 3 Years										
Transaction Type	Transaction Number	Transaction Date	Due Date	Original Amount	Applied Amount	Refunded Amount	Remaining Amount	Payment Method *	Closed Date	Transaction Status
Invoice	S_LRF19_02654	13-Mar-20	12-Apr-20	250.00			250.00			Overdue
Invoice	S_LRF19_01838	16-Dec-19	15-Jan-20	250.00			250.00			Overdue
Invoice	PFA19_937102	30-Sep-19	30-Oct-19	1,191.42	(1,191.42)		0.00	Transfer	11-Dec-19	Closed
Invoice	S_LRF19_01178	13-Sep-19	13-Oct-19	250.00	(250.00)		0.00	Transfer	11-Dec-19	Closed
Invoice	S_LRF19_00434	24-Jun-19	24-Jul-19	250.00	(250.00)		0.00	Transfer	11-Dec-19	Closed
Invoice	S_LRF19_00322	24-Jun-19	24-Jul-19	250.00	(250.00)		0.00	Transfer	11-Dec-19	Closed
Invoice	PFA18_871600	15-Jan-19	14-Feb-19	484.87	(484.87)		0.00	Transfer	11-Dec-19	Closed

* Online and Telephone Card Payment amounts exclude surcharges for credit cards and Amex cards
Telephone Card Payments made prior to end October 2015 are shown as a "Transfer"

If you have any queries, please email the Fees Helpline feehelpline@fca.org.uk.
Alternatively, please contact the Customer Contact Centre on 0300 500 0597

Page: 1 of 1

Beavis Morgan Audit Limited
82 St John Street
London EC1M 4JN

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STRICTLY PRIVATE & CONFIDENTIAL

Financial Conduct Authority
Client Assets
12 Endeavour Square
London
E20 1JN

Client Code: AXI0001CIT
Our Ref: 202109/RT/TM
Date: 28 August 2020

Dear Sirs

Axis Mundi Global Custody Limited
Firm number 799100
Client assets report for the year ended 31 December 2019

The report for the year ended 31 December 2019 has been delayed because of a delay in completion of the accounting records by the firm for the relevant period.

We expect to submit the report by 30 September 2020.

Yours faithfully



Richard Thacker

Email: richard.thacker@beavismorgan.com

**IN THE UPPER TRIBUNAL
TAX AND CHANCERY CHAMBER
FINANCIAL SERVICES
IN THE MATTER OF THE FINANCIAL SERVICES AND MARKETS ACT 2000
BETWEEN:**

AXIS MUNDI GLOBAL SERVICES

Applicant

-and-

THE FINANCIAL CONDUCT AUTHORITY

The Authority

**GROUND IN SUPPORT OF
REFERENCE NOTICE 22 JANUARY 2021**

Abbreviations and definitions:

“the FSN” the First Supervisory Notice of 30 October 2020

“ESD” Enforcement Submissions Document

“FCA”	the Financial Conduct Authority
“RDC”	the Regulatory Decisions Committee of the FCA
“FSMA”	the Financial Services and Markets Act 2000
“SMF”	Senior Management Function as specified under s59 FSMA
“Controlled Function”	a function relating to the carrying on of a regulated activity by a firm specified by the FCA
“SMF 16 Function”	the compliance oversight function, formerly known as the CF 10 Function
“SMF 17 Function”	the money laundering reporting function, formerly known as the CF 10 Function
“Handbook”	the FCA Handbook
“CASS”	the client asset segregation rules in the Handbook
“DEPP”	the Decision Procedure and Penalties manual of the Handbook
“EG”	the Enforcement Guide of the FCA Handbook
“PRIN”	The Principles for Business Guide of the Handbook
“Client Money”	has the meaning given in the Glossary to the Handbook
“ISIN”	International Securities Identification Number

Introduction and Summary of the Reference

1. The Applicant, Axis Mundi Global Custody Limited, has been authorised and regulated by the FCA since 20/11/18 with permission for the safeguarding and administration (without arranging) of assets for certain customer and investment types.
2. This Reference Notice concerns the FSN made by the RDC on behalf of the FCA¹:
 - A. pursuant to s55J FSMA, the FSN varied the permission granted to the Applicant to perform regulated activities under Part 4A of FSMA;
 - B. pursuant to s55L, the RDC imposed new requirements on the Applicant.
3. It appears that the RDC has taken this regulatory action for the following reasons (see §2.1 FSN):
 - a. the Applicant appears, to be handling Client Money and passing it through undesignated bank accounts;
 - b. the Applicant does not have appropriate non-financial resources by reason of the failure to appoint a person to perform the required SMF16 and SMF 17 roles;
 - c. the manner in which the Applicant responded to requests for information.
4. For the reasons set out below, the Applicant refers the FSN on the basis that there were no or no proper grounds for the RDC to vary the Applicant's permission pursuant to s55J:
 - a. as the FCA has been aware since 29/5/20, the Applicant has decided not to maintain its permissions. As it will cease to be a regulated entity and is conducting no further business, the variation of permission is entirely academic and serves no purpose;
 - b. the concerns over Client Money are misguided. The Applicant now acknowledges that it handled Client Money but, as explained below, the

¹ As required, a copy of this Reference has been sent to the FCA.

Applicant took reasonable steps to document the receipt and transmission of funds from potential investors. At all times the Applicant was well aware of the source of money held in the relevant bank account and, in the absence of fraud, there was no prospect of any misapplication of potential investors' funds and, in fact, was no such misapplication;

- c. the absence of a person fulfilling the SMF function since May 2020 is explicable by reason of the Applicant's decision (communicated to the FCA) not to maintain its permission and is no reason of itself to vary the permission and/or impose requirements;
- d. the Applicant's cooperation must be considered in the round and, in any event, is no reason to vary the permission and/or impose requirements.

SMF

- 5. There was no basis in varying the Applicant's permission in light of the following to which the RDC failed to have regard:
 - a. in 2018-2020 the Applicant took repeated steps to appoint a person to perform, the CF10 and CF11 functions/the SMF 16 and 17 functions – see the chronology below;
 - b. several individuals' applications were withdrawn for various reasons;
 - c. no regulated business was undertaken while the roles were vacant in 2019;
 - d. having interviewed various candidates from August 2019 onwards, the individual selected to fulfil the SMF roles failed to pass the appropriate standard of due diligence;
 - e. at the outset of covid-19, following a number of interviews, the Applicant subsequently appointed Daniel Kushner, the best candidate who had considerable experience in compliance;

- f. shortly after Mr Kushner was appointed, the Applicant took the decision that it did not want to maintain its FCA permissions and registered status, a point communicated to the FCA on 29/05/20;
- g. once this decision to deregister was taken, the Applicant saw no benefit in appointing someone at £1,000 per month to fulfil the SMF functions.

Chronology for SMF16 and SMF17 Functions

08/15/18	application of Natalie Konschu withdrawn before approval ²
12/6/18	application of Ravinder Singh Padda withdrawn before approval ³
20/11/18	authorisation of the Applicant
21/1/19	application of Azadeh Shojaeian withdrawn (moving away from the Applicant) ⁴
21/1/19	application of John McLeod withdrawn ⁵
?/8/19ff	the Applicant interviewed a number of candidates
21/8/19	Mr Dives confirms to the FCA that CF10a and CF11 posts been filled ⁶
8/12/19	application of Sameer Jawed Ismail withdrawn
20/2/20	Mr Ismail indicated to the FCA that he wished to withdraw his application ⁷
23/4/20	the Applicant confirmed to the FCA that its intention was still to appoint SMF individual(s) ⁸
19/5/20	the Applicant confirmed to the FCA that it filled the roles with a competent person currently on the register, Daniel Kushner (RN: DJK01129) ⁹
29/5/20	the Applicant informed the FCA that it no longer intended to maintain its permissions
29/5/20	Mr Kushner ceased to perform the SMF Functions

Client Money and Bank Accounts

² ESD p14.

³ ESD p14.

⁴ ESD pp14, 30.

⁵ ESD p14.

⁶ ESD p30.

⁷ ESD p15.

⁸ ESD p18.

⁹ ESD p23.

6. In concluding that the Applicant handled Client Money and passed it through undesignated accounts, the RDC failed to take into account the following facts and matters.
7. First, the Applicant has been conducting business in line with the business case outlined to the FCA and the permissions for which it has been authorised and regulated since 20/11/18.
8. Secondly, at all material times through the process, the Applicant's understanding was that it was not handling Client Money, the potential investors not being its clients. In consequence, the position maintained by the Applicant was done so in good faith.
9. Thirdly, with the benefit of reflection and the taking of advice, the Applicant's position is that the structure is as follows:
 - a. Argento, a Luxembourg-based bond issuer, issues legitimate and genuine self-custodied bonds with an ISIN number;
 - b. there is no legal requirement for there to be a custodian but many customers favour the involvement of a custodian;
 - c. clients/potential investors were sourced by Oxville Analytics and data passed to Argento which passed it in turn to the Applicant;
 - d. the Applicant received the funds deposited by potential investors which were, at this stage, application monies. Such funds were held on the Applicant's balance sheet as a cash asset balanced by a short-term liability. The deposit bears no interest;
 - e. once certain conditions were satisfied, the potential investor was accepted as a client with an "execution only" instruction to the Applicant to use the application monies deposited to make a subscription to the relevant Argento subscription account, depending upon the Argento product in question;
 - f. the entity who paid the coupon on behalf of Argento was Axis Mundi Services Ltd ("Axis Services"), an unregulated entity with whom the Applicant has a

paying and receiving agent relationship and who did not have an adequate banking base and who were not able to send international payments. the Applicant has been facilitating the receipt of funds for bonds issued by Argento and receives money when people sent in subscriptions;

- g. according to Argento's register, it is the Applicant which is (common with other entities such as Pictet Nominees and Quilvest Nominees) the bond holder;
- h. to date, the Applicant has not charged a fee in the above arrangement, seeking to ascertain, first of all, if the arrangement structure was viable commercially and legally.

10. Fourthly, although the account in question was not a designated client account, reasonable arrangements were in place to safeguard and identify the funds received by the Applicant;

- a. all subscriptions were recorded in excel spreadsheets, google docs and the like;
- b. no direct debits were paid or made from the bank account in question for which there was no bank card. The sums held were small (as \$4.7 of the FSN notes, £33.45 as at 31/07/20) There were few payments out which were identifiable;
- c. relatively few funds were received from potential investors and they were held to the investors' order for very short periods of time pending acceptance as clients following which the monies were applied to Argento;
- d. in the circumstances, there was as little prospect as possible for the misapplication of the funds received from potential investors. In fact, there was no misapplication at all. In each and every case, a potential investor's subscription fees were transferred to Argento as requested.

11. Fifthly, there were multiple errors in the ESD:

- a. contrary to the assumptions/assertions of the FCA, the Oxville bonds do exist and have an ISIN number;
- b. the Oxville bonds were not mini-bonds (which has a specific meaning for FCA purposes, namely high-risk illiquid debt securities marketed to retail investors);
- c. inherent in certain assertions and assumptions on the part of the FCA is the apparent belief that there was a fraud or scam to which the Applicant was party. All such insinuations are strenuously denied;
- d. contrary to what is suggested, the Applicant has not used its permission for other purposes.

12. Sixthly, the RDC failed to acknowledge the following:

- a. Oxville Analytics' publications and actions were without the knowledge or consent of the Applicant;
- b. once it was made aware of the above, the Applicant issued cease and desist documents with which Oxville complied. The Applicant has made quite clear on its website that it has no business or commercial relationship with Oxville.

13. Seventhly, as already mentioned, the Applicant does not seek to maintain its permissions and intends to deregister. There is accordingly no point to the variation of permissions when the Applicant is not accepting any new business and has no Client Money.

Co-operation and compliance with the FSN

14. At various points in the FSN (see §§4.9, 4.10, 4.12 and 5.3 in particular), the RDC highlighted a lack of transparency and failure to engage.

15. The RDC ignored or failed to have regard to the full responses provided by the Applicant including:

- a. the Applicant's detailed email of 28/03/20 in response to a request for information;
- b. the email of 23/04/20 in response to an email of 17/04/20 in which the Applicant set out in full the position concerning the SMF 16 and SMF17 roles;
- c. the email of 30/04/20 explaining the Applicant's attempts to open a client money bank account with Nat West;
- d. the mail of 19/05/20 confirming that the Applicant had filled the SMF16 and SMF17 roles.

16. The Applicant has complied with the requirements of §1.1(3) FSN to the following extent:

- a. within days of the FSN it had displayed on the homepage of its website the following:

NOTICE

On 30 of October, the Financial Conduct Authority decided to remove all permissions held by Axis Mundi Global Custody ("Axis Mundi", FRN: 799100) for its regulated activities which include "agreeing to carry on a regulated activity" and safeguarding and administration (without arranging).

Axis Mundi Global Custody has no business or commercial relationship with Oxville Analytics.

- b. at or about the same time, it has notified the FCA of the above step.

17. With reference to the caveat in §1.1(2), the Applicant confirms that, to date, no individual has sought to withdraw, transfer or deal with any assets held by the Applicant following the publication of the FSN. This is for the simple reason that the Applicant does not hold or continues to handle any Client Money. Once a potential investor was accepted, the entirety of the funds held to their order were applied to the relevant subscription account of Argento. There is accordingly nothing to be returned.

Extension of Time

18. The Applicant seeks permission from the Upper Tribunal to refer the FSN more than 28 days after receipt thereof. The FCA has consented to various extensions as detailed below and has not been prejudiced by these extensions.
19. The Applicant received the Notice on 30/10/20. On 09/11/20, the Applicant sought from the FCA an extension until 1 December in order to respond to the Notice. This was granted on 10/11/20. On 20/11/20, the Applicant applied to the FSLA Pro Bono Scheme.
20. On 26/11/20, the Applicant sought from the FCA an extension until 11/12/20 which was also granted by the FCA's RDC on 27/11/20. On 2/12/20 Mr Dives, the Applicant's sole director, met with solicitor and counsel acting via the FSLA Pro Bono Scheme, none of whom had any prior involvement in the matter.
21. On or about 8/12/20, the Applicant sought from the FCA a further extension which was granted until 7/1/21. Shortly before 7/1/21 the Applicant sought a further extension. The FCA has granted a further (and final) extension until 22/1/21.

Conclusion

22. For the reasons set out above, the Applicant should be granted permission to bring the Reference Notice out of time and the Notice should be set aside.

**Outer Temple Chambers
The Outer Temple
222 Strand
London
WC2R 1BA
david.grant@outertemple.com**

**DAVID E. GRANT
FSLA Pro Bono Scheme
22 January 2021**

IN THE UPPER TRIBUNAL (TAX AND CHANCERY CHAMBER)

BETWEEN:

AXIS MUNDI GLOBAL CUSTODY LTD

The Applicant

-and-

THE FINANCIAL CONDUCT AUTHORITY

The Authority

**THE AUTHORITY'S
STATEMENT OF CASE**

A. THE FIRST SUPERVISORY NOTICE AND THE REFERENCE

1. By a First Supervisory Notice dated 30 October 2020 (the “**Notice**”),¹ the Authority decided to impose on the Applicant a variation of its Part 4A permission to perform regulated activities (the “**Variation**”) and requirements (the “**Requirements**”), as follows:
 - a. Pursuant to sections 55J(1)(a), 55J(1)(c)(i) and 55J(2)(a)(ii) of the Financial Services and Markets Act 2000 (the “**Act**”), the Authority decided to vary the permission granted to the Applicant pursuant to Part 4A of the Act by removing all regulated activities. Accordingly, the Applicant’s Part 4A permission no longer includes the following regulated activities:
 - i. Agreeing to carry on a regulated activity; and
 - ii. Safeguarding and administration of assets (without arranging) for the customer

¹ The Authority’s Statement of Case adopts the defined terms described in section 3 of the Notice

types eligible counterparty and professional and with a range of investment types including certificates representing certain securities, commodity futures and options, debentures, emissions allowances, futures, options, rights to or interests in securities and contractually based investments, shares, units and warrants.

- b. Pursuant to sections 55L(2)(a), 55L(2)(c) and 55L(3)(a) of the Act, the Applicant must not, without the prior written consent of the Authority, in any way accept deposits from, dispose of, withdraw, transfer, deal with, or diminish the value of any of its own assets or any Client Money (as defined in the Notice) held by the Applicant.
 - c. The Applicant must have by 5pm, on 3 November 2020:
 - i. Notified in writing all firms for which it provides custodial services, and all persons who are Investor Clients (as defined in the Notice) of the imposition and effect of the Variation and Requirements in a form to be agreed in advance with the Authority;
 - ii. Displayed, in a prominent place on its website www.axismundicustody.com a notice setting out the terms and effects of the Requirements and the Variation in a form to be agreed in advance with the Authority; and
 - iii. Provided written confirmation to the Authority that it has complied with the Variation and Requirements.
2. For the avoidance of doubt, the Notice confirmed that the Requirement set out at paragraph 2.1(2) above constituted an assets requirement as defined in section 55P(4)(a) of the Act.
3. The Authority imposed the Variation and Requirements with immediate effect and ordered that they should remain in force unless and until varied or cancelled by the Authority (either on the application of the Applicant or of the Authority's own volition).
4. By a Reference Notice dated 22 January 2021 (the "**Reference**") the Applicant referred the Notice to the Upper Tribunal (Tax and Chancery Chamber) (the "**Tribunal**"). The Applicant did not make submissions to the Authority's Regulatory Decisions

Committee.

5. For convenience, this Statement of Case is subdivided into the following sections:

- A. The First Supervisory Notice and the Reference
- B. Relevant Statutory Provisions, Regulatory Requirements and Guidance
- C. Reasons for the Action
- D. Facts and Matters Relied Upon
- E. Conclusions

B. RELEVANT STATUTORY PROVISIONS, REGULATORY REQUIREMENTS AND GUIDANCE

6. The relevant statutory provisions, regulatory requirements and guidance are set out at Annex A.

C. REASONS FOR THE ACTION

7. The Authority decided to take this action because, as it appears to the Authority, the Applicant is failing, or is likely to fail, to satisfy the following Threshold Conditions, for which the Authority is responsible, set out in Schedule 6 to the Act:

- a. The effective supervision Threshold Condition set out at paragraph 2C of Schedule 6 to the Act, that a firm must be capable of being effectively supervised by the Authority having regard to all the circumstances, on the basis that:
 - i. the Applicant appears to the Authority to be handling Client Money but, in response to enquiries from the Authority's Supervision Division ("Supervision"), has denied that it is doing so. This lack of disclosure also appears to be in breach of Principle 11 of the Authority's Principles for Businesses, which provides that 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; and

- ii. it appears that the Applicant is passing Client Money through undesignated accounts in breach of the CASS rules and in breach of Principle 10 which requires that a firm must arrange adequate protection for clients' assets when it is responsible for them.
- b. The appropriate resources Threshold Condition set out at paragraph 2D of Schedule 6 to the Act, that a firm's resources must be appropriate in relation to the regulated activities that it carries on or seeks to carry on, on the basis that the Applicant does not have appropriate non-financial resources as a result of its failure, currently and over a protracted period, to appoint a person, or persons, to perform the required senior management function roles of SMF 16 (Compliance officer) and SMF 17 (Money laundering reporting); and
- c. The suitability Threshold Condition set out at paragraph 2E to Schedule 6 of the Act, that a firm must be a fit and proper person having regard to all the circumstances - including the need to ensure that its affairs are conducted in an appropriate manner, having regard in particular to the interests of consumers and the integrity of the UK financial system and whether its business is being, or is to be, managed on such a way as to ensure that its affairs will be conducted in a sound and prudent manner - on the basis of:
 - i. the Applicant's treatment of Client Money in breach of the CASS rules, by passing Client Money through undesignated accounts and in breach of Principle 10 which requires that a firm must arrange adequate protection for clients' assets when it is responsible for them;
 - ii. the manner in which the Applicant has purportedly complied with requests for the provision of information to the Authority; and
 - iii. the Applicant's failure to fill its required SMF roles.
- 8. It also appears to the Authority that it is desirable to exercise its power to impose the Variation and the Requirements in order to advance its operational objectives of securing an appropriate degree of protection for consumers and protecting the integrity of the UK financial system.

9. In its Grounds in Support of Reference Notice 22 January 2021 (the “**Applicant’s Grounds**”), the Applicant submits that there were no, or no proper, grounds for the Authority’s Regulatory Decisions Committee (the “**RDC**”) to impose the Variation and the Requirements and that the Notice should be set aside, despite conceding that the Applicant has handled Client Money in breach of CASS, and accepting in material respects many of the other facts and matters set out in the Notice.
10. The Authority submits that there were, and remain, proper grounds for the Variation and the Requirements imposed by the Notice.

D. FACTS AND MATTERS RELIED UPON

11. The Applicant has been authorised and regulated as a Flexible Portfolio Firm by the Authority since 20 November 2018 (Financial Services Register reference number 799100) having previously traded under the name LBX Custody Ltd until 26 September 2019. Its sole director is Mr Benjamin Martin Dives who is approved to perform the designated senior management function of SMF 3 (Executive Director).
12. Prior to the imposition of the Variation, the Applicant had permissions under Part 4A of the Act for safeguarding and the administration of assets (without arranging) for the customer types eligible counterparty and professional and with a range of investment types including certificates representing certain securities, commodity futures and options, debentures, emissions allowances, futures, options, rights to or interests in securities and contractually based investments, shares, units and warrants. Its investment activity in rights to or interests in investments (security or contractually based investment) was limited to the investment types granted for this activity. It also had permissions for agreeing to carry on a regulated activity.
13. Pursuant to the terms of its authorisation, the Applicant may hold Client Money, but must protect it and cannot lend it or use it for its own business.
14. The business model proposed by the Applicant in its application for a permission given by the Authority under Part 4A of the Act was the safekeeping of Custody Assets as a regulated activity, alongside the custody of cryptocurrency assets. The Applicant’s business model is solely built around third-party custody of assets. It does not offer ancillary services typical of other third-party custodians such as banking activities,

analytical services such as compliance monitoring or fund related services such as fund administration.

15. On or around 29 January 2019 the Authority expressed its concern that:

- a. The Applicant was not carrying out regulated activity in accordance with its permissions; and that
- b. Instead the Applicant's regulated status was instead being used to promote Mr Dives unregulated business.

16. Throughout the Authority's engagement the Applicant maintained that it was not conducting regulated business. The Applicant informed the Authority on 28 March 2019 and 30 April 2020 that it was not carrying out regulated activity. On 21 August 2019 the Applicant additionally informed the Authority that no regulated activity was undertaken whilst SMF roles were vacant.

17. The Applicant further maintained that it did not carry out any regulated activity and therefore declared no client assets in its regulatory returns. The most recent regulatory return available to the Authority is dated 30 September 2019.

18. Between 29 January and 19 May 2020 the Authority became aware of the promotion of bonds by the unregulated financial advisor Oxville Analytics. Oxville Analytics was brought to the Authority's attention through calls from clients, and prospective clients, of Oxville Analytics to the Authority's dedicated 'Supervision Hub.' The Authority received seven separate contacts regarding three different bonds promoted by Oxville Analytics.

19. The reports that were received *via* the Supervision Hub noted that the Applicant was identified as the Custodian of the bonds promoted by Oxville Analytics.

20. As a result of the contact in respect of the Oxville Analytics bonds, the Authority sought to establish the potential value of customer money received by the Applicant from Oxville Analytics customers and/or other customers who may have been using the Applicant's custodial services. On 29 July 2020 the Authority issued an information request pursuant to s.165 of the Act requesting, inter alia, copies of statements for all bank accounts held by the Applicant (the "**s165 Request**").

21. On 7 August 2020, the Applicant provided:

- a. A file in .csv format for a bank account held at Natwest. This covered the period 7 January 2020 to 31 July 2020.
- b. A file in .csv format for a bank account held at Starling Bank, though not including the account number or sort code for the account. This file included transactions from 19 January 2020 to 7 August 2020.
- c. .pdfs of multicurrency card account statements for February 2020 and July 2020 that are held in the Applicant's name at IgoriaCard.

22. Analysis of the Natwest bank statements provided by the Applicant confirmed that, notwithstanding its statements to the Authority that it was not using its permission to act as a Custodian, it was in fact receiving customer money as a Custodian. In the period between 7 January 2020 and 31 July 2020 the Applicant received £301,500 from customers.

23. Further analysis of the Starling Bank statements confirms that the Applicant was acting as a Custodian, notwithstanding its statements to the Authority that it was not using its permissions. Numerous payments from the Starling Bank account indicate that the Applicant was making interest and/or coupon payments to investors. The surnames of those individuals receiving interest/coupon payments from the Starling Bank account correspond to those customers paying money into the Natwest bank account.

24. Neither the Natwest account nor the Starling Bank account are designated Client Money accounts.

25. Furthermore, on 27 August 2020, the Authority received from Natwest bank details of two other accounts opened on 20 July 2020 by the Applicant which were named "AXIS MUNDI GLOBAL CUSTODY LTD CLIENT DEPOSIT MANAGER ACCOUNT" and "AXIS MUNDI GLOBAL CUSTODY LTD FEE ACC CLIENT DEPOSIT MANAGER ACCOUNT" the existence of which had not previously been disclosed by the Applicant to the Authority in response to the Authority's s165 Request. These accounts showed no activity from opening until 26 August 2020.

D.1 Vacant SMF roles

26. The Applicant has, since 9 December 2019, in accordance with the Authority's Senior Managers and Certification Regime, been required to identify a suitable person, or persons, for approval by the Authority to perform the SMF 16 (Compliance Oversight) and SMF 17 (Money Laundering Reporting Officer) functions. Prior to this it had a similar obligation to identify a suitable person, or persons, for approval to perform the CF10 (Compliance Oversight) and CF11 (Money Laundering Reporting Officer) functions, in accordance with the Authority's Approved Persons Regime.
27. However, shortly following the Applicant's authorisation, on 21 January 2019, those persons identified to perform the CF10 and CF11 functions resigned. The Applicant has subsequently failed to propose any person, or persons, who have been willing to be considered for approval by the Authority to perform these, or subsequently the SMF 16 and SMF 17, functions.
28. Throughout the period where the Applicant has had vacant SMF roles, the Applicant has assured the Authority that it would put forward suitable applicants for approval but failed to do so. The Authority notes that on 23 April 2020 Mr Dives informed the Authority that he would personally apply to fill the SMF 16 and SMF 17 roles as an interim measure. No application for Mr Dives to act as an approved person in these roles was ever received.
29. Further, in respect to those matters noted at paragraph 5 of the Applicant's reference:
- a. It appears to be accepted that the Applicant did not have a person appointed to fill the CF10 and CF11 / the SMF 16 and SMF 17 functions. This is notwithstanding that these are mandatory functions that the Applicant needs to fill.
 - b. It is the Applicant's positive case that it saw no benefit in appointing a person to fill the vacant SMF 16 and SMF 17 role on the basis that the Applicant did not wish to maintain its FCA permissions and regulated status. However:
 - i. The Applicant has not cancelled its permissions to carry out regulated activity notwithstanding the time that has elapsed since it informed the Authority of

the intention to so cancel its permissions.² The intention to cancel its permission is inconsistent with this reference to the Tribunal.

- ii. It remains incumbent on a firm to satisfy the applicable SMF requirements during the cancellation process.

D.2 Transactions evidenced by the Applicant's Bank Accounts

- 30. Bank statements for the Bank Accounts, and a statement for a payment card account in the Applicant's name, were provided to Supervision by the Applicant. The Applicant did not explain how the Bank Accounts were used, why statements for only certain months were provided for the payment card, or whether any other accounts for the Applicant existed. The total cash held by the Applicant at 31 July 2020 in the Bank Accounts was £33.45.
- 31. The statements for the Bank Accounts show transactions, such as lump sum credits from named Investor Clients and smaller debits to these Investor Clients, and described as "CPN", understood by the Authority to mean "coupon", that appear to the Authority to represent Client Money.
- 32. The statements for the Bank Accounts reveal several other matters of concern regarding the proper safeguarding of Client Money. For example, they are not clearly identified as Client Money accounts because they do not have "client" within the account title and, furthermore, they record debits such as payments to a food delivery outlet, a high-street coffee chain and a consulting firm, which are clearly not Client Money transactions.
- 33. The Applicant now appears to accept by its reference that it was handling Client Money notwithstanding the lack of a designated Client Money account see paragraph 4(b). To the extent that paragraph 6 of the reference suggests that the Authority was incorrect to reach this conclusion, it is mistaken.

² The parties are in disagreement as to when the Applicant informed the Authority that it no longer intended to maintain its permission to carry out regulated activity. The Applicant states that it informed the Authority that it intended to cancel its permissions on 29 May 2020; the actual date was 6 July 2020. In either case it is more than six months prior to this Reference.

34. In respect of the various matters the RDC is alleged to have failed to take into account at paragraphs 7 to 13 of the Reference:

- a. First, the various paragraphs do not support the primary contention at paragraph 6 that the RDC failed to take into account matters in concluding the Applicant handled Client Money. The Applicant did handle Client Money and the various matters relied on by the Applicant do not disturb (or address) this conclusion.
- b. In respect of paragraph 7, the Authority notes that, on 7 January 2020, the Applicant informed the Authority that it would be holding Client Money and Custody Assets during 2020. Further, the Applicant's permission is subject to the restriction: *"Client Money. This firm must protect the money it holds and/or controls on behalf of customers. It cannot lend this money or use it to finance its own business."* The Applicant's business model involves it handling Client Money.
- c. As to paragraph 8, the Authority notes that, on 7 January 2020, the Applicant informed the Authority that it would be holding Client Money in 2020. Further and in any event:
 - i. The Applicant ought to have been aware that money received from customers that was not the Applicant's own money may have been Client Money; and
 - ii. At paragraph 9(e) of the Reference, the Applicant appears to accept that potential investors were accepted as 'clients.'
- d. Paragraph 9 does not disturb the Authority's conclusion that the money being handled by the Applicant was Client Money and that the Client Money was not being held in a designated client account. Indeed, paragraphs 9(e) and (f) support the Authority's conclusion.
- e. As to paragraph 10, the Authority notes that this again accepts that the Applicant received Client Money and that it was not held in a designated Client Money account. The breaches of the CASS rules are clear. It is not open to the Applicant to act with reference to its own self-defined standards. Further, as Client Money was not in a designated client account it may not have been adequately protected

in the event of an insolvency event affecting the Applicant.

- f. As to paragraph 11(a), it is correct that the Oxville Analytics bonds had an “ISIN” (International Securities Identification Number). To that extent the Enforcement Submission Document was mistaken. Whilst this error is regrettable it is not fundamental to the rationale for the action. Neither does this error suggest, as the Applicant appears to posit, that the Authority was incorrect to conclude that the Applicant was handling Client Money.
- g. In relation to paragraph 12, the Authority notes that the:
 - i. The Applicant has not provided copies of the ‘cease and desist’ documents purportedly sent to Oxville Analytics; and
 - ii. The application documentation issued by Oxville Analytics contain the Applicant’s bank details.
- h. In relation to paragraph 13:
 - i. This does not affect the conclusion that the Applicant was handling Client Money other than through a designated client account.
 - ii. Despite the assertion made therein, the Applicant has not applied to cancel its permission to carry out regulated activity; and
 - iii. In any event, the Applicant would be required to comply with CASSules in any period between notification of its intention to cancel its permission, and the final cancellation of its permission to carry out regulated activities.

D.3 Lack of transparency with the Authority

- 35. The Applicant informed the Authority on at least three that it was not handling Client Money, in response to questions from Supervision and CASS Supervision as to whether or not it was doing so (see paragraph 16 above).
- 36. On 6 July 2020, the Applicant informed CASS Supervision that it did not have any bank accounts designated for holding Client Money. But at no point did it inform the Authority that it was nevertheless handling Client Money.

D.4 Other engagement with Supervision

37. On 12 May 2020, the Authority invited the Applicant to apply for a voluntary requirement to restrict it from conducting any regulated activities, until suitable SMF function holders had been approved, but the Applicant has not applied to do so.

38. Further, the Applicant has failed to interact with the Authority in an acceptable manner.

a. The Applicant has regulatory returns that have been overdue since 29 January 2020. The Applicant has failed to submit its:

i. Quarterly balance sheet returns (FSA029), profit and loss returns (FSA030) and capital adequacy returns (FSA033) since the reporting period ending 31 December 2019;

ii. Annual report and Accounts (FIN-A) for the period ending 31 December 2019; and

iii. Its Client Money and client assets semi-annual return (FSA039) for the reporting period ending 30 June 2020.

b. The Applicant's CASS Audits were filed late.

c. The Applicant had, at the date of the Statement of Case, two outstanding invoices to the Authority. These invoices relate to penalties for late regulatory filings by the Applicant and are now overdue by at least 404 and 310 days. The Applicant's annual fee due to the Authority for 2020 is also now overdue.

d. The Applicant's response to the s165 Request was additionally delayed. The Applicant sought to explain the delay as follows: "*apologies for the delay, these were being reviewed by our auditors, Beavis Morgan.*" On further enquiry with Beavis Morgan it transpired that the s165 Request had only been provided to Beavis Morgan six hours before the deadline contained therein.

39. As to the matters contained in the Reference at paragraph 15:

a. The Authority cannot locate an email dated 28 March 2020 (paragraph 15(a)). It is believed that this is a mistaken reference to an email dated 28 March 2019, in which

Mr Dives responded to various requests made by the Authority. In addition to the information that Mr Dives provided, he was asked to provide the Applicant's management accounts. The management accounts were promised the following Monday, but never arrived with the Authority.

- b. In respect of the email dated 23 April 2020 (paragraph 15(b)):
 - i. Mr Dives did not submit himself as the SMF 16 and/or SMF 17 named individual as proposed.
 - ii. Mr Dives promised to write separately in response to queries on capital adequacy and financial projections. This was not done.
- c. In respect of the 30 April 2020 email in which the Applicant states that it was attempting to open a Client Money account (paragraph 15(c)), this post-dates the Applicant first receiving Client Money.
- d. As to the appointment of Mr Kushner notified on 19 May 2020 (paragraph 19(d)), Mr Kushner's application was withdrawn ten days later. This is notwithstanding that the Applicant remained subject to the SMF requirements.

40. In respect of paragraph 16, the Notice additionally required the Applicant by 4 November 2020 to:

*Notify in writing all firms for which it provides custodial services, and all persons who are Investor Clients (as defined below) of the imposition and effect of the Variation and Requirements in a form to be agreed in advance with the Authority.
[...]*

"Provide written confirmation to the Authority that it has complied with the Variation and Requirements."

41. As at the date of this Statement of Case, the Applicant has not complied with these Requirements .

D.5 Effective supervision threshold condition

42. It appears to the Authority that the Applicant is failing, or is likely to fail, to satisfy the

effective supervision threshold condition, on the basis that it appears to the Authority to be handling Client Money despite having denied, in response to enquiries from Supervision, that it is doing so. The Applicant now concedes that it was handling Client Money (see the Applicant's Grounds at paragraph 4.b).

43. Such conduct would also breach Principle 11 of the Principles, which provides that:

“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”.

44. The Applicant appears to be passing Client Money through undesignated accounts in breach of the CASS rules (see paragraph 4.20 (1) below) and of Principle 10 which provides that:

“A firm must arrange adequate protection for clients' assets when it is responsible for them.”

45. This appears to the Authority to be a further breach of the effective supervision Threshold Condition.

46. The Authority does not believe that it has received adequate and complete information from the Applicant in its responses to the Authority's enquiries. The Applicant has further failed to comply with deadlines imposed by the Authority, both prior to and within the Notice. The provision of accurate, complete and timely information is necessary for the effective supervision of the Applicant. By its responses, the Authority considers the Applicant has also demonstrated it is uncooperative and has provided statements in contradiction to evidence obtained by the Authority.

47. This appears to the Authority to be a further breach of the effective supervision Threshold Condition.

D.6 Appropriate resources Threshold Condition

48. It appears to the Authority that the Applicant is failing, or is likely to fail, to satisfy the appropriate resources Threshold Condition, on the basis that it does not have appropriate non-financial resources, as a result of its failure, currently and over a protracted period,

to appoint a person, or persons, to perform the required senior management functions of SMF 16 (Compliance officer) and SMF 17 (Money laundering reporting).

D.7 Suitability Threshold Condition

49. It appears to the Authority that the Applicant is failing, or is likely to fail, to satisfy the suitability Threshold Condition, that a firm must be a fit and proper person having regard to all the circumstances - including the need to ensure that its affairs are conducted in an appropriate manner, having regard in particular to the interests of consumers and the integrity of the UK financial system and whether its business is being, or is to be, managed on such a way as to ensure that its affairs will be conducted in a sound and prudent manner – on the basis of:

- a. the fact that, in relation to its treatment of Client Money, the Applicant appears to have breached several provisions within CASS (Chapter 7). For example:
 - i. it appears the Applicant is passing Client Money through the Bank Accounts in breach of CASS 7.13.12R which provides that where a firm sets up an account with a credit institution to receive client money³, the account must be identified as a client money bank account, separate from any accounts used to hold money belonging to the firm;
 - ii. the Bank Accounts, through which Client Money appears to be passing, are in the name of the Applicant and are not clearly identifiable as client money bank accounts, in breach of CASS 7.13.13(1)R which requires a firm to ensure client money is held in an account identified separately from any accounts used to hold money belonging to it;
 - iii. the Bank Accounts appear to show Client Money mingling with the Applicant's money in breach of CASS 7.12.2R, which provides that a firm must introduce adequate organisational arrangements to minimise the risk of loss or diminution of client money, or rights of connection with client money, as a result of misuse of client money, fraud, poor administration, inadequate record keeping or

³ Where the term “client money” is used within a rule in CASS (Chapter 7) it has the meaning given in the Glossary to the Handbook.

negligence;

- iv. in accordance with CASS 7.15.2R, a firm must keep such records and accounts as are necessary to enable it, at any time and without delay, to distinguish client money held for one client from client money held for any other client, and from its own money, but the Applicant has failed to provide the Authority with any records adequately to demonstrate it is able to do so; and
- v. the Applicant appears to be in breach of Principle 10 of the Authority's Principles, which provides that:

“A firm must arrange adequate protection for clients' assets when it is responsible for them.”

- b. the manner in which the Applicant has purportedly complied with requests for the provision of information to the Authority, which the Authority considers indicates a lack of probity; and
- c. the Applicant's failure to fill its required SMF roles.

D.8 Proportionality of the action

50. The Authority's consumer protection objective requires the Authority to ensure an appropriate degree of protection for consumers. The Authority's integrity objective is protecting and enhancing the integrity of the UK financial system.

51. The Authority considered, and maintains, that taking this action, was desirable to further its consumer protection and integrity objectives, and is appropriate and proportionate.

E. CONCLUSIONS

52. For the reasons set out above, the Authority has concluded that the Applicant is in breach of the effective supervision, appropriate resources and suitability Threshold Conditions, and that the Applicant poses a risk to the Authority's operational consumer protection and integrity objectives.

53. It has concluded that it is desirable to exercise the Authority's powers under sections 55J(1)(a), 55J(1)(c)(i) and 55J(2)(a)(ii) of the Act to impose the Variations, and under

sections 55L(2)(a), 55L(2)(c) and 55L(3)(a) of the Act to impose the Requirements, and to keep them in force unless and until varied or cancelled by the Authority (either on the application of the Applicant or of the Authority's own volition).

54. It is respectfully submitted therefore that the Tribunal should dismiss the Reference.

SIMON JONES

For and on behalf of the Authority

23 February 2021

Annex A

RELEVANT STATUTORY PROVISIONS, REGULATORY REQUIREMENTS AND GUIDANCE

1. The Authority's operational objectives established in section 1B of the Act include securing an appropriate degree of protection for consumers, and protecting and enhancing the integrity of the UK financial system.
2. Section 55J of the Act allows the Authority to vary the Part 4A permission removing a regulated activity from those to which a Part 4A permission relates, where the authorised person appears to the Authority to be failing, or likely to fail, to satisfy the threshold conditions (section 55J(1)(a)), or it is desirable to exercise the power in order to advance one or more of the Authority's operational objectives (section 55J(1)(c)).
3. Section 55L of the Act allows the Authority to impose a new requirement on an authorised person if it appears to the Authority that the authorised person is failing, or likely to fail to satisfy the threshold conditions (section 55L(2)(a)), or it is desirable to exercise the power in order to advance one or more of the Authority's operational objectives (section 55L(2)(c)).
4. 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 specified action (section 55N(1)(a)), or to refrain from taking specified action (section 55N(1)(b)).
5. Section 55P of the Act allows a requirement to be imposed under section 55L of the Act prohibiting the disposal of, or other dealing with, any of an authorised person's assets (whether in the UK or elsewhere), or restricting such disposals or dealings.
6. Section 55Y(3) of the Act allows an own-initiative power or requirement to take effect immediately (or on a specified date) if the Authority, having regard to the ground on which it is exercising its own-initiative power, reasonably considers that it is necessary for 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) But the Authority may not publish information under this section if in its opinion, publication of the information would, be unfair to the person with respect to whom the action was taken or proposed to be taken [or] prejudicial to the interests of consumers or detrimental to the stability of the UK financial system.
- (7) Information is to be published under this section in such manner as the [Authority] considers appropriate.”

The Threshold Conditions

- 8. The threshold conditions represent the minimum standards which a firm is required to satisfy, and continue to satisfy, in order to be given and to retain a Part 4A Permission. They are set out in Part 1B of Schedule 6 to the Act.

Effective supervision threshold condition

- 9. The effective supervision threshold condition, at paragraph 2C of Part 1B of Schedule 6 of the Act, provides, in relation to a person (“A”) carrying on or seeking to carry on regulated activities which do not consist of or include a PRA-regulated activity, that:

“A must be capable of being effectively supervised by the [Authority] having regard to all the circumstances including-

- (a) the nature (including the complexity) of the regulated activities that A carries on or seeks to carry on;
- (b) the complexity of any products that A provides or will provide in carrying on those activities;
- (c) the way in which A's business is organised;

[...]”

Appropriate resources threshold condition

- 10. The appropriate resources threshold condition, at paragraph 2D of Part 1B of Schedule 6 of the Act, provides, in relation to a person (“A”) carrying on or seeking to carry on regulated activities which do not consist of or include a PRA-regulated activity, that:

“(1) The resources of A must be appropriate in relation to the regulated activities that A carries on or seeks to carry on.

(2) The matters which are relevant in determining whether A has appropriate resources include—

- (a) the nature and scale of the business carried on, or to be carried on, by A;
- (b) the risks to the continuity of the services provided by, or to be provided by, A;
- (c) A's membership of a group and any effect which that membership may have.”

11. Paragraph 2D(4) of Part 1B of Schedule 6 of the Act, provides that the matters which are relevant in determining whether A has appropriate non-financial resources include, amongst other matters,-

“(a) the skills and experience of those who manage A’s affairs.”

Suitability threshold condition

12. The suitability threshold condition, at paragraph 2E of Part 1B of Schedule 6 to the Act, provides in relation to a person (“A”) carrying on or seeking to carry on regulated activities which do not consist of or include a PRA-regulated activity, that:

“A must be a fit and proper person having regard to all the circumstances, including—

- (a) A’s connection with any person;
- (b) the nature (including the complexity) of the regulated activities that A carries on or seeks to carry on;
- (c) the need to ensure that A’s affairs are conducted in an appropriate manner, having regard in particular to the interests of consumers and the integrity of the UK financial system;
- (d) whether A has complied and is complying with requirements imposed by [the Authority] in the exercise of its functions, or requests made by [the Authority], relating to the provision of information to [the Authority] and, where A has so complied or is so complying, the manner of that compliance;
- (e) whether those who manage A’s affairs have adequate skills and experience and have acted and may be expected to act with probity;

(f) whether A's business is being, or is to be, managed in such a way as to ensure that its affairs will be conducted in a sound and prudent manner;

(g) the need to minimise the extent to which it is possible for the business carried on by A, or to be carried on by A, to be used for a purpose connected with financial crime.”

RELEVANT HANDBOOK PROVISIONS

The Enforcement Guide (“EG”)

13. The Authority's approach in relation to its enforcement powers is set out in Chapter 8 of EG, certain provisions of which are summarised below.
14. EG 8.1.1 reflects the provisions of sections 55J and/or 55L of the Act by stating that the Authority may use its own-initiative power to vary a firm's Part 4A permission or to impose requirements on an authorised person where, amongst other factors, the person is failing or is likely to fail to satisfy the threshold conditions for which the Authority is responsible (EG 8.1.1(1)), or it is desirable to exercise the power in order to advance one or more of its operational objectives (EG 8.1.1(3)).
15. EG 8.2.1 states that when the Authority considers how it should deal with a concern about a firm, it will have regard to its statutory objectives and the range of regulatory tools that are available to it. It will also have regard to the principle that a variation or a requirement imposed on a firm should be proportionate to the objectives the Authority is seeking to achieve (EG 8.2.1(2)).
16. EG 8.2.3 states that in the course of its supervision and monitoring of a firm or as part of an enforcement action, the Authority may make it clear that it expects the firm to take certain steps to meet regulatory requirements. In the vast majority of cases the Authority will seek to agree with a firm those steps the firm must take to address the Authority's concerns. However, where the Authority considers it appropriate to do so, it will exercise its formal powers under sections 55J and/or 55L of the Act to vary or impose a requirement. This may include where, amongst other factors, the Authority has serious concerns about a firm, or about the way its business is being or has been conducted (EG 8.2.3(1)), or is concerned that the consequences of a firm not taking the desired steps may be serious (EG 8.2.3(2)).

17. EG 8.3.1 states that the Authority may vary or 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.
18. EG 8.3.2 states that the Authority will consider exercising its own-initiative power as a matter of urgency where: 1) the information available to it indicates serious concerns about the firm or its business that need to be addressed immediately; and 2) 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.
19. EG 8.3.3 states that it is not possible to provide an exhaustive list of the situations that will give rise to such serious concerns, but they are likely to include one or more of four listed characteristics, these include: 1) information indicating significant loss, risk of loss or other adverse effects for consumers, where action is necessary to protect their interests; 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; 3) evidence that the firm has submitted to the Authority inaccurate or misleading information so that the Authority becomes seriously concerned about the firm's ability to meet its regulatory obligations; 4) circumstances suggesting a serious problem within a firm or with a firm's controllers that calls into question the firm's ability to continue to meet the threshold conditions.
20. EG 8.3.4 states that the Authority will consider the full circumstances of each case when it decides whether an imposition of a requirement is appropriate and sets out a non-exhaustive list of factors the Authority may consider, these include:
 - i. The extent of any loss, or risk of loss, or other adverse effect on consumers. The more serious the loss or potential loss or other adverse effect, the more likely it is that the Authority's urgent exercise of own-initiative powers will be appropriate, to protect the consumers' interests.
 - ii. The extent to which customer assets appear to be at risk. Urgent exercise of the Authority's own-initiative power may be appropriate where the information available to the Authority suggests that customer assets held by, or to the order of, the firm may be at risk.

iii. The nature and extent of any false or inaccurate information provided by the firm. Whether false or inaccurate information warrants the Authority's urgent exercise of its own-initiative powers will depend on matters such as:

(a) the impact of the information on the Authority's view of the firm's compliance with the regulatory requirements to which it is subject, the firm's suitability to conduct regulated activities, or the likelihood that the firm's business may be being used in connection with financial crime;

(b) whether the information appears to have been provided in an attempt knowingly to mislead the Authority, rather than through inadvertence;

(c) whether the matters to which false or inaccurate information relates indicate there is a risk to customer assets or to the other interests of the firm's actual or potential customers.

(8) The firm's conduct. The Authority will take into account:

(a) whether the firm identified the issue (and if so whether this was by chance or as a result of the firm's normal controls and monitoring);

(b) whether the firm brought the issue promptly to the Authority's attention;

(c) the firm's past history, management ethos and compliance culture; and

(d) steps that the firm has taken or is taking to address the issue.

21. EG 8.3.4(9) includes the impact that use of the Authority's own-initiative powers will have on the firm's business and on its customers. The Authority will need to be satisfied that the impact of any use of the own-initiative power is likely to be proportionate to the concerns being addressed, in the context of the overall aim of achieving its statutory objectives.

The Principles for Business ("PRIN")

22. In PRIN 2.1.1 R, Principle 10 states that a firm must arrange adequate protection for clients' assets when it is responsible for them.

23. In PRIN 2.1.1 R, Principle 11 states that 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.

The Threshold Conditions (“COND”)

24. COND 2.3.1A on effective supervision, states that a firm must be capable of being effectively supervised by the Authority having regard to all the circumstances, including the nature (including the complexity) of the regulated activities that the firm carries on or seeks to carry on, the complexity of any products that the firm provides or will provide in carrying on those activities, and the way in which the firm’s business is organised.
25. COND 2.3.3 G states that in assessing the threshold conditions set out in paragraphs 2C [...] of Schedule 6 to the Act, factors which the Authority will take into consideration include, among other things, whether:
- (1) it is likely that the Authority will receive adequate information from the firm, and those persons with whom the firm has close links, 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 (Relations with regulators and the rules in SUP on the provision of information to the Authority”.
26. COND 2.4.1A on appropriate resources, states that a firm’s resources must be appropriate in relation to the regulated activities that it carries on or seeks to carry on. [...] The matters which are relevant in determining whether a firm has appropriate non-financial resources include
- (a) the skills and experience of those who manage the firm’s affairs; and
 - (b) whether the firm’s non-financial resources are sufficient to enable the firm to comply with (i) the requirements imposed or likely to be imposed on the firm by the Authority in the course of exercising its functions [...].
27. COND 2.5.1A on suitability, states that a firm must be a fit and proper person having regard to all the circumstances, including -
- (a) The firm’s connection with any person;

- (b) The nature (including the complexity) of any regulated activity that the firm carries on or seeks to carry on;
 - (c) The need to ensure that the firm's affairs are conducted in an appropriate manner, having regard in particular to the interests of consumers and the integrity of the UK financial system;
 - (d) Whether the firm has complied and is complying with requirements imposed by the Authority in the exercise of its functions, or requests made by the Authority, relating to the provision of information to the Authority and, where the firm has so complied or is so complying, the manner of that compliance;
 - (e) Whether those who manage the firm's affairs have adequate skills and experience and act with probity;
 - (f) Whether the firm's business is being, or is to be, managed in such a way as to ensure that its affairs will be conducted in a sound and prudent manner; and
 - (g) The need to minimise the extent to which it is possible for the business carried on by the firm, or to be carried on by the firm, to be used for a purpose connected with financial crime.
28. COND 2.5.4G provides examples of the kind of general considerations to which the Authority may have regard when assessing whether a firm will satisfy, and continue to satisfy, the Suitability Threshold Condition, and include, but are not limited to, whether the firm:
- (a) conducts, or will conduct, its business with integrity and in compliance with proper standards;
 - (b) has, or will have, a competent and prudent management; and
 - (c) can demonstrate that it conducts, or will conduct, its affairs with the exercise of due skill, care and diligence.
29. COND 2.5.6G provides examples of the of the kind of particular considerations to which the Authority may have regard when assessing whether a firm will satisfy, and continue to satisfy, [the suitability] threshold condition include, but are not limited to, whether:

(1) the firm has been open and co-operative in all its dealings with the Authority and any other regulatory body (see Principle 11 (Relations with regulators)) and is ready, willing and organised to comply with the requirements and standards under the regulatory system (such as the detailed requirements of SYSC ...

(1A) the firm has made arrangements to put in place an adequate system of internal control to comply with the requirements and standards for which the Authority is responsible under the regulatory system; ...

CASS

30. CASS 7.12.2R states that a firm must introduce adequate organisational arrangements to minimise the risk of the loss or diminution of client money, or of rights in connection with client money, as a result of misuse of client money, fraud, poor administration, inadequate record-keeping or negligence.
31. CASS 7.13.3R states that a firm, on receiving any client money, must promptly place this money into one or more accounts opened with any of the following: (1) a central bank [...].
32. CASS 7.13.12R states that a firm must take the necessary steps to ensure that client money deposited, in accordance with CASS 7.13.3 R, in a central bank [...] is held in an account or accounts identified separately from any accounts used to hold money belonging to the firm.
33. CASS 7.13.13(1)R states that an account which the firm uses to deposit client money under CASS 7.13.3 R (1) to CASS 7.13.3 R (3) must be a client bank account.
34. CASS 7.15.2R states that a firm must keep such records and accounts as are necessary to enable it, at any time and without delay, to distinguish client money held for one client from client money held for any other client, and from its own money.

Appendix 1

INV6483079 - AXIS MUNDI GLOBAL CUSTODY LTD

Question	Answer
1. What records existed during trading that confirmed the services that Axis Mundi Global Custody Limited contracted to provide to the investors?	In 2018, under its previous name, LBX Custody Ltd, was authorised and regulated by the Financial Conduct Authority Ltd to provide custodial services for specific classes of securities and contractually based investments. (see FCA register of members: 799100). The procedure for receiving regulatory approval and authorisation required a significant investment of time, capital and expertise, and involved the approval of the following documentation by the in-house Compliance and Money Laundering Reporting Officer, Azy Shojaeian, in conjunction with Squire Patton Boggs, the law firm: - Regulatory Business Plan (see 1.A) - Capital Adequacy Statement (see 1.B) - Balance sheet, profit & loss account and cash flow projections (see 1.B). - Business Model (see 1.C) - Internal Custody Reconciliation (see 1.D) - Terms & Conditions (see 1.E) - Compliance Procedures Manual (see 1.F) - Operations Manual (see 1.G). Axis Mundi had clients, not investors. These clients (listed at 1.H) were all "certified sophisticated investors" as defined by the FCA here: https://www.handbook.fca.org.uk/handbook/glossary/G3061.html These clients had applied for AMGC's custody services and were written to referencing its Terms & Conditions accessible via its website. A complete chain of events for each of these clients was logged (see 1.I Client Records), including the contractual relationship between AMGC and its clients. A record of each of the transactions with each client is shown at 1.J, together with the note subscription numbers of AMGC's counterparty, Argento Access. These records have been delivered to the liquidators.
2. What records existed during trading that explained why	See above. Client Records 1.I and Client Transactions 1.J. Each client stated it wanted the monies it had sent to AMGC to be applied to various types of Argento notes

Question	Answer
each payment was received from investors, who that payment was passed to and what the investors received for their payment?	and AMGC would batch such monies with other clients' monies and duly subscribe for the relevant Argento notes. On a monthly or quarterly basis, depending on the type of note subscribed to, coupons were sent to AMGC's bank accounts by Argento Access. AMGC then allocated the coupons on a pro-rata basis to the individual clients, and paid to their nominated bank accounts. AMGC deducted no fees for these services from its clients, as it was performing a test assessment of this new line of business, with the plan of a much larger revenue stream from current and future client custody services. After the test, AMGC would be able to charge 50 basis points per annum for custody services related to the holding of Argento Access or other client assets, and fees paid by the clients. (Further clarifications re FCA's requirements and AMGC's responses: In February 2019, AMGC had been notified by the FCA that it was not in compliance due to its inability to fill certain required roles under the new Senior Managers and Certification Regime (SM&CR). It duly appointed Mr Sameer Ismail in August of 2019 on the FCA's connect system, who stated that the firm was back in compliance now that the forms had been completed. In addition, Mr Ismail stated that the test assessment was not a regulated activity as there were no fees being charged, and that the current contractual arrangements of the Paying and Receiving relationship could be extended to Argento Access. This turned out to be faulty advice, and Mr Ismail's contract was subsequently terminated. In January 2020, AMGC discovered that Mr Ismail had stolen in excess of 1.2 Bitcoin and crypto currency (equivalent to roughly GBP 120,000) from Mayan Block, an affiliate of AMGC. He had also destroyed customer communication records of Mayan Block and AMGC. Following an Action Fraud report, a Crime Reference Number NFR200203501670 was issued by the Metropolitan Police on 20 Feb 2020, and subsequently pursued by its Economic Crime unit. It is noted that this was the third company that Mr Ismail has allegedly defrauded, including the falsification of FCA documentation with Luno and Uphold both lodging their claims against Mr Ismail for nearly \$1m. (see https://www.coindesk.com/business/2021/05/21/uphold-exec-accused-of-fraudulently-misdirecting-700k-in-funds/) In January 2020, AMGC applied to obtain a Client Account with NatWest. The bank repeatedly reported that this would be forthcoming imminently. This was eventually granted in July 2020, in the face of extremely difficult circumstances of the pandemic and very lengthy delays by the banks in processing

Question	Answer
	applications for new accounts, even for existing customers such as AMGC. A replacement Compliance Officer, Daniel Kushner, was eventually found and recruited in May 2020. However, AMGC decided it did not want to continue to be regulated by the FCA and we informed the FCA in the following email on 6th July 2020. From: Benjamin Dives [mailto:benjamin@axismundicustody.com] Sent: 06 July 2020 12:04 To: William Gore <William.Gore@fca.org.uk> Subject: Re: Axis Mundi Global Custody Ltd (FRN: 799100) - CASS Classification Dear William, Thank you for your email. Sadly, not, our account still has not been opened. In addition we are withdrawing our permissions from the Register. Kind regards Benjamin Dives (See FCA Supporting Evidence Bundle Page 36). In August 2020, AMGC had its NatWest and Starling bank accounts closed, together with the very recently granted NatWest Client Account and was no longer able to receive the coupons from Argento and therefore unable to pay the clients their proportionate share of the interest due to them. AMGC was therefore stymied, unable to continue to fully operate. On 30 October 2020, the FCA issued a letter to AMGC with a First Supervisory Notice and an Enforcement Submission Document, together with a Supporting Evidence Bundle. See 2.1 to 2.4 The information in these documents revealed to me why NatWest and Starling had closed the company's current accounts- clearly pressured by the FCA.

Question	Answer
	Following advice from the FCA, AMGC retained a Pro Bono barrister and made a reference to the Upper Tribunal (Tax and Chancery Chamber- UTTC) on 21 Jan 2021. AMGC provided a full rebuttal to the First Supervisory Notice and allegations. See 2.5. On 23 February 2021, the FCA presented a Statement of Case with supporting documents. See 2.6- 2.8. Following a discussion with Michael Kiely, Liquidator of AMGC and based on his advice I wrote to the UTTC on 21 April 2021, stating I wished to withdraw AMGC's reference to the UTTC and this was consented to by the judge on 7 May 2021. I have heard nothing more from the FCA.
3. What records existed during trading that confirmed the contractual relationship between Axis Mundi Global Custody Limited and London Block Exchange Limited?	AMGC was a Paying & Receiving Agent for London Block Exchange Ltd (LBX), as LBX was unable to obtain bank accounts. See agreement 3.A. These contracts were reviewed and approved by AMGC's, Beavis Morgan. The transactions between the two companies were recorded on the bank statement of AMGC and in AMGC's accounts. These records have been delivered to the liquidators.
4. What records existed during trading that confirmed the contractual relationship between Axis Mundi Global Custody Limited and Argento Access SARL?	There was full subscription documentation for every transaction.
5. Why have you not delivered up these records to the liquidators?	All of these records have been delivered up to the liquidators.
As director of Axis Mundi Global Custody Limited you were required to ensure that the	

Question	Answer
company maintained and preserved adequate records.	
6. If these records are no longer in your control, please explain how and to what extent you consider that you did what was required of you to preserve them.	I did what was required of me to ensure the company maintained and preserved adequate records. Thanks to my father's financial and other support I have personally paid the overdue subscription for the backup digital storage service and I have been able to retrieve these records which have now been provided to the liquidators.
The last accounts that were filed at Companies House for the company were for the year to 31 December 2018.	
7. Were accounts prepared for the year to 31 December 2019?	Draft accounts were prepared, but there was no independent audit done for reasons set out in 9 below.
8. If so, who by, and may I please have a copy?	Yes, please see 5.1.
9. If not, why were they not prepared?	I prepared the books of account for the year ended 31 December 2019. I had several discussions with Beavis Morgan, who had been retained to meet the reporting obligations of AMGC to the FCA. I signed a letter of representation to Beavis Morgan for the limited assurance report to the FCA in regard to the compliance audit of AMGC's accounts for the year ended 31 December 2019 on 8 October 2020 (see 9.1). Unfortunately, the company became insolvent and did not have the funds to pay for the preparation of the accounts to 31 Dec 19 by independent accountants or to meet Beavis Morgan's needs.
10. What turnover did Axis Mundi Global Custody Limited have in 2019 and	Axis Mundi's turnover for 2019 was nil. The accounts were prepared using AMGC's bank statements, copies of which were provided to the

Question	Answer
how can this be verified?	liquidators.
I am advised that on 06 May 2020 you applied for a £50,000 BBL from NatWest and that you declared in the application that Axis Mundi Global Custody Limited had a relevant turnover of £350,000.	
11. Why did you tell NatWest in your BBL application that Axis Mundi Global Custody Limited's relevant turnover was £350,000?	I understood the question to be about projected turnover in 2020. In the period 21 Feb 2020 through to the date of application for the BBL from NatWest on 5 May 2020, a total of £220,000 had been received from clients for AMGC's custody services. This surge in business gave me grounds at the time of the application that, annualising the income in this period, turnover for 2020 would be much greater than £350,000.
It was a condition of the BBL scheme that the loan advance should be used to provide an economic benefit for the business and not be used for the personal purposes of its directors.	
I can see from the company's NatWest statements that, shortly after receiving the £50,000 BBL advance on 11 May 2020, the company made 6 payments to you totalling £26,990 as follows:	
18/05/2020 payment to Ben Dives, MICHAEL 8,990	

Question	Answer
01/07/2020 payment to Ben Dives, MICHAÏL 6,000 02/07/2020 payment to Ben Dives, MICHAÏL 3,000 03/07/2020 payment to Ben Dives, MICHAÏL 3,000 03/07/2020 payment to Ben Dives, MICHAÏL 1,000 03/07/2020 payment to Ben Dives, MICHAÏL 5,000	
12. Why did the company make these payments to you?	These payments were in part payments to me and in part payments to a freelance consultant Michail Ballis who helped with operations. Mr. Ballis lives in Greece and since AMG C was not able to get a Transferwise account to make international payments he was paid via my bank account. During 2020, AMG C's accounts show that Mr. Ballis was paid £13,000 in this way.
13. Do you consider that these payments to you provided an "economic benefit" to Axis Mundi Global Custody Limited? If so, can you please explain what you consider that benefit was.	Yes. As described above the payments were split roughly 50/50 between fees paid to me and fees paid to Mr Ballis. These payments were paid to Mr Ballis and to me for services provided to AMG C and I consider that these services were of economic benefit to AMG C. These services included building and updating the website, managing the relationship with FCA which had become extremely time consuming, building a client base which was generating annualised income of over £1 million. Without the services of Mr Ballis and me AMG C would not have been able to operate nor to manage obligations to its clients. I am no longer able to access the application of AMG C to NatWest for the BBL, but I do not recall any restriction of BBL loans in regard to modest fees paid for the economic benefit of the receiving company. I do not see how such fees could be judged to be for my "personal purposes" given the extent of the economic benefits I was providing to AGMC. As recorded in the books of AMG C, I was personally owed increasing sums of money from AMG C that I had loaned (£2,900 at 31 Dec 19; £5,523.90 at 31 Dec 20;

Question	Answer
	£11,127.71 at 31 Dec 21) and I had arranged a loan of £15,000 through another company I was a shareholder of into AMGC which has not been repaid.
I can see from the company's Igoria statements that on 07 July 2020, the company made 2 payments to Mayan Block Limited totalling £24,973 as follows: 07/07/2020 payment to MAYAN BLOCK LTD 3 07/07/2020 payment to MAYAN BLOCK LTD 24,970	
14. Why did the company make these payments to Mayan Block Limited	Mayan Block owned a content database of about 400 educational articles on all aspects of digital asset investment written over a period of two years. Axis Mundi purchased this database with the intention to re-brand it and use it as a platform to launch an education-based marketing campaign in regard to investment in and custodial holdings of digital assets. In addition, Mayan Block was providing advisory services to AMGC in regard to its expertise in crypto currency.
15. Do you consider that these payments to Mayan Block Limited provided an "economic benefit" to Axis Mundi Global Custody Limited? If so, can you please explain what you consider that benefit was.	Axis Mundi's plan included positioning itself in the marketplace as an expert on the application of digital assets in portfolio holdings and how those digital assets should be custodied. These payments provided AMGC with economic benefit since they were for the purchase of business assets and consulting services.

GDPR ?

PRIVATE & CONFIDENTIAL

NOT FOR DISTRIBUTION IN THE UNITED STATES

APPLICATION FORM

Application to deposit monies at ClearBank
which may be applied as an investment in a fund
whose assets are a 2 year investment
which generates 7.5% annually and is asset backed
by a portfolio of protected investments

("the Acme Product").

(Subscriber) x x 2

[Marketing Consultant]

Drachensburg

FCA

Axi3 Mundi

fca

Argentina Lux

Procedure For Application

Before completing this application form, ALL APPLICANTS SHOULD READ THE NOTES BELOW. Applicants should note that they will have no right to cancel an application for once it has been made.

1. Application

Fill in (in figures) the Initial Subscription Amount that you wish to apply for. Your application must be for a minimum of €125,000 (one hundred and twenty five thousand Euros).

The application form must be completed, signed by you and returned to your regulated financial advisor who should send copies to:

Argento Access SARL

[Address]

2. Personal Details

Fill in (in BLOCK CAPITALS) the full name and address of the applicant. If this application is being made jointly with other persons, please read note 5 below.

3. Regulated Financial Advisor Details

Fill in (in BLOCK CAPITALS) the full name and details of the applicant's regulated financial advisor.

4. Signature

This application form may be signed by another person on your behalf if that person is duly authorised to do so under a power of attorney. The original of the relevant power of attorney (or a complete copy certified by a qualified lawyer or notary) must be enclosed for inspection. A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated.

4. Payment

Payment of the Initial Subscription Amount should be made by electronic transfer from a bank account maintained in the Applicant's name. Details for direct deposits are as follows:

Direct Deposit:

Please note that a should be sent to ClearBank.

[Currency]

Bank Name: ClearBank

[Bank account details]

Details of the bank being instructed to make such wire instruction should be entered in part 7 of this Application Form.

Generally, applications will be successful providing the Application Form is completed fully and correctly, details of source of funds are satisfactory, verification documents as set out in Part 2 are provided and the minimum Initial Subscription Amount has been met.

The [Subscription Manager] reserves its right, in its sole and absolute discretion, to reject an application for any reason including no reason. Where an application is not successful, the Administrator shall return an applicant's application monies (without interest) to the applicant at the applicant's risk and net of any bank charges. The application monies will be returned to the applicant in the same currency that was submitted.

Application monies net of any bank charges will be returned to the Applicant by wire to the account it was sent from disclosed in this Application Form, or by interbank credit transfer back to the bank account from which the original application monies were received, or by any other method the Subscription Manager deems to be appropriate. An applicant's application monies will be returned to the applicant within a reasonable time.

5. Joint Applicants

If you wish to apply jointly, you may do so with up to one other person. Full details of all joint applicants must be provided. All joint applicants must sign this application form. Another person may sign on behalf of any joint applicant if that other person is duly authorised to do so under a power of attorney. The original of the relevant power of attorney (or a complete copy certified by a qualified lawyer or notary) must be enclosed for inspection. Certificates, cheques or other correspondence will be sent to the address of the first individual investor as provided in this application form.

6. Telephone and Email Indemnity

If investors, subsequent to making their investment wish to communicate with the Company and/or the Administrator by telephone or email this will only be possible if the Telephone and Email Indemnity has been signed and returned with this Application Form.

7. Instructions for Delivery of Completed Application Forms

Completed Application Forms should be returned, by post or by hand only (during normal business hours) to the **Marketing Consultant** at the address detailed on the Application Form so as to be received by no later than 12:00 noon on the **Closing Date**. If you post your application form and supporting documentation, you are recommended to use first class post and to allow at least three Business Days for delivery. Original application forms and supporting documentation must be received by the deadline above. Application forms received only by electronic means will not be acceptable.

This Application Form and other documents relating to the **Acme Product** is in the English language. The **Company** will communicate with Applicants in English.

PROCESSED

INSTRUCTIONS TO COMPLETE THE APPLICATION FORM

1. This application form should be completed in full and given to the applicant's regulated financial advisor who should retain the original copy but send copies (**posted**) to:

Argento Access SARL

[Address]

2. Please ensure that you have read and understood the **Indicative Terms & Conditions** (included at Appendix A to this Application Form) relating to the contemplated **Acme Product**.
3. If you are in any doubt about this application, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.
4. The Investor details of this application form provide for:
 - Individual Investors and joint Applicants e.g. spouses as co-owners
 - **Companies**

Please note the client documentation required under each of the above points to support this application form.

5. A Bank Instruction Letter has been provided in Part 6 of this application form to facilitate electronic transfer of investment funds.

PRE-FIU

Part 1a. Applicant Details

1. ~~MS~~ INDIVIDUAL APPLICANT

Title (MR/MS etc.)

Surname:

Forenames:

Known names (if any):

Previous names (if any):

Date & place of birth:

Nationality:

Occupation:

Employer (not required if retired):

Details of Public Office(if held):

Principle residential address:

Correspondence address (if different to principle residential address):

Telephone (home):

Telephone (work):

Mobile:

Email:

Source of wealth:

Please provide full details with regards to the activities, which have generated net wealth for the investor e.g. the investor's occupation, or business activities.

Source of funds to make this subscription:

Please provide full details with regards to the activities, which have generated the funds for this subscription, e.g. the investor's occupation, business activity, sale or maturity of other investments.

2. SECOND INDIVIDUAL APPLICANT (JOINT APPLICATION)

Title (MR/MS etc.)

Surname:

Forenames:

Known names (if any):

Previous names (if any):

Date & place of birth:

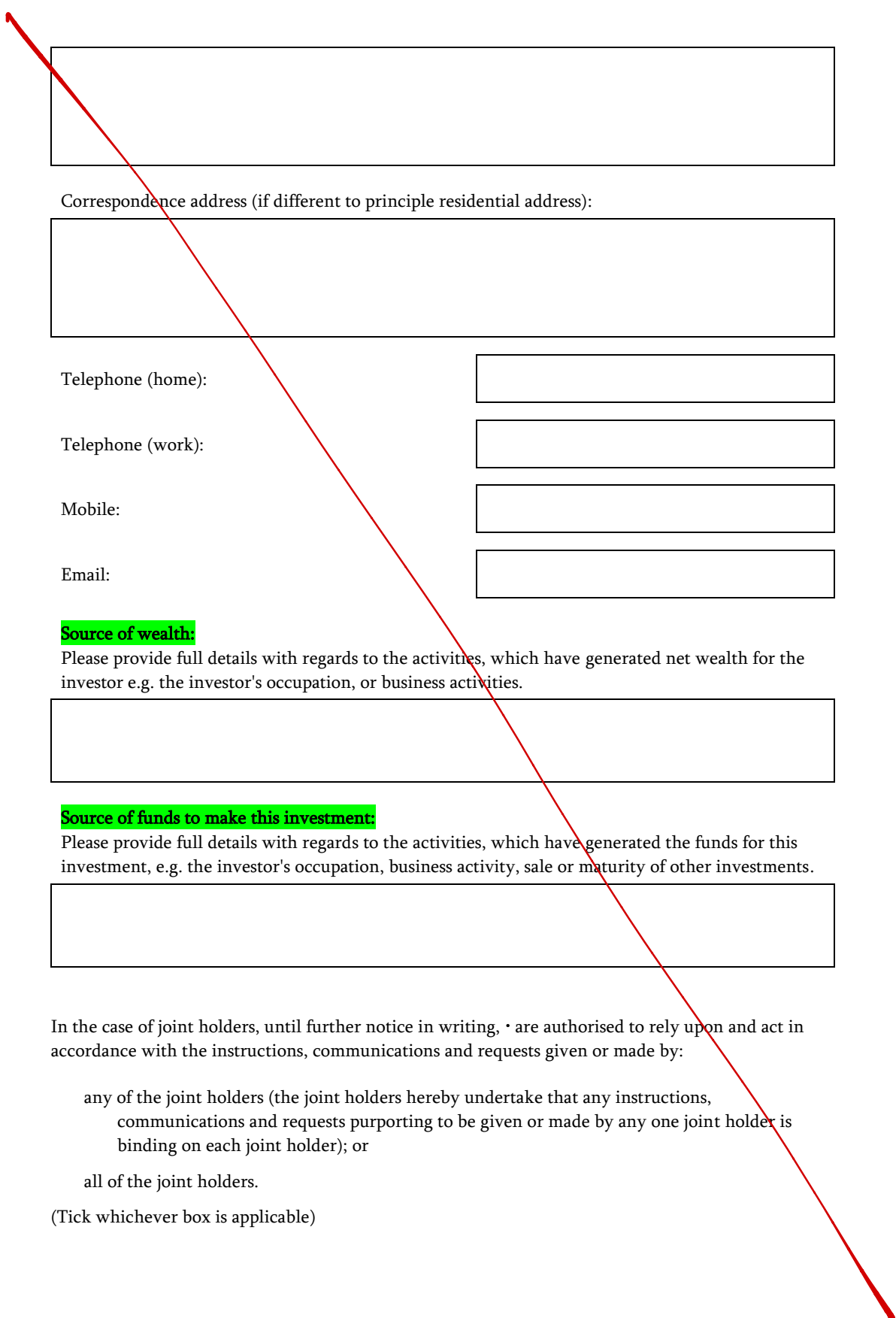
Nationality:

Occupation:

Employer (not required if retired):

Details of Public Office(if held):

Principle residential address:



Correspondence address (if different to principle residential address):

Telephone (home):

Telephone (work):

Mobile:

Email:

Source of wealth:

Please provide full details with regards to the activities, which have generated net wealth for the investor e.g. the investor's occupation, or business activities.

Source of funds to make this investment:

Please provide full details with regards to the activities, which have generated the funds for this investment, e.g. the investor's occupation, business activity, sale or maturity of other investments.

In the case of joint holders, until further notice in writing, • are authorised to rely upon and act in accordance with the instructions, communications and requests given or made by:

any of the joint holders (the joint holders hereby undertake that any instructions, communications and requests purporting to be given or made by any one joint holder is binding on each joint holder); or

all of the joint holders.

(Tick whichever box is applicable)

3. WHERE THE INVESTOR IS A COMPANY

Name of company:

Incorporation date:

Incorporated in:

Registered number:

Registered address:

Correspondence address:

Contact person if other than investor:

Position:

Telephone number:

Email:

Source of wealth:

Please provide full details with regards to the activities, which have generated net wealth for the investor e.g. the investor's occupation, or business activities.

Source of funds to make this investment:

Please provide full details with regards to the activities, which have generated the funds for this investment, e.g. the investor's occupation, business activity, sale or maturity of other investments.

PRE-FILLED

Part 1b. Regulated Financial Advisor Details

1. REGULATED FINANCIAL ADVISOR

Name of regulated firm:

DRACHENSBERG LTD

Incorporation date:

29 NOV XXXX

Incorporated in:

UK

Registered number:

XXXX

Registered address:

Correspondence address:

Name of regulator:

FINANCIAL SERVICES AUTHORITY

Regulatory number:

x

Telephone:

x

Name of Financial Advisor

x

Telephone:

Mobile:

Email:

add - sign-up to Drachensberg

Part 2. Documentation to accompany this application

For Individual or Joint Applications

Certified copy of National ID, or Passport or Driving License for each individual applicant - see note 1 below

Proof of residential address for each individual - see note 2 below

For Corporate Applications

A company must execute this Application form under its seal (if any) or under the hand of an authorised officer(s) whose capacity should be stated

Certified copy of certificate of incorporation

Certified copy of Memorandum & Articles of Association

Certified Copy of Board Resolution in regard to investment

List of Authorised Signatories

Certified copies of National ID, or Passport or Driving License and proof of residential address for all directors

Certified copies of National ID, or Passport or Driving License and proof of residential address for all shareholders or beneficial owners who's holding is greater than 10%

Note 1: Passport/ID Cards should be annotated:

“Certified: a complete and accurate copy of the original/relevant page(s) of the original has been seen; and any photograph of an individual contained in such original bears a true likeness of such individual”.

Details of the certifier's name, position, company and contact details together with the date certified to be detailed below the certifier's signature.

Suitable certifiers: An authorised official of an embassy, consulate or high commission of the country of issue of documentary evidence of identity; a member of the judiciary, a senior civil servant, or a serving police or customs officer; a lawyer or notary public; an actuary; an accountant holding a recognised professional qualification; or a director, officer or manager of a regulated financial services business operating in an equivalent jurisdiction.

Note 2: Proof of Principal Residential Address. A certified copy or original statement from a regulated financial services institution or utility bill not more than three months old.

Part 3. Subscription Application details

I/We wish to deposit monies to be applied solely to a subscription in the Acme Product.

Amount deposited in [Currency]

Please return this Application Form with your payment or with a copy of your completed bank instruction letter.

Payment should be made by telegraphic transfer drawn from your personal account.

Proceeds from the liquidation of investments and any dividend distributions will only be paid to your account as specified on this

Application form, no third party payments will be effected by the transfer agent.

I/We have arranged a Telegraphic Transfer

Dividend/Capital distribution

Please note that all distributions will be paid to the bank account from which the application monies were originally received.

TO BE COMPLETED BY APPLICANT

Part 4. Declarations

1. Declarations/Signatures

- ☒ I/We by signing this Application Form, confirm that I/we have read and understood the [Draft Information Sheet dated November 2019] and that I/we are applying irrevocably to deposit monies which may be applied as a subscription in a Luxembourg registered bond with a duration of 2 years which generates 7.50% annually and is asset backed by a portfolio of protected investments.
- ☒ I/We understand that the Subscription Manager has discretion to refuse to accept applications from applicants in whole or in part.
- ☒ I/We confirm that I/we have read and fully satisfy the application requirements including the indicative terms and conditions, and that the required documentation is attached.
- ☒ I/We agree to provide any further information if requested by the Company. I/We understand that refusal to comply can result to denial in the Application.
- ☒ This Application Form when accepted on behalf of the Company, constitutes an agreement between me/us and the Company.
- ☒ This agreement is to be governed by and interpreted in accordance with the laws of England & Wales.
- ☒ I/We understand that application monies will be held in a client account once the acknowledgement of a completed Application Form has been sent to me/us.
- I/We represent and warrant that I/We are a certified high net worth individual because at least one of the following applies: a) I had, during the financial year immediately preceding the date below, an annual income to the value of €100,000 or more; I held, throughout the last financial year net assets to the value of €250,000 or more (not including the property which is my primary residence or any loan secured on that residence or any rights of mine under a qualifying contract of insurance, or any benefits (in the form of pensions or otherwise) which are payable on the termination of my service or on my death or retirement and to which I am (or my dependents are), or may be, entitled.)

Sign
Date

INDIVIDUAL APPLICANTS

Signatures	Signature Applicant 1	Signature Applicant 2	Date
	_____ Name of Applicant 1	_____ Name of Applicant 2	

CORPORATE APPLICANTS

Signatures	Authorised Signatory	Authorised Signatory	Date
Name and capacity of Signatory	_____ Name	_____ Name	
For and on behalf of	_____ Name of corporate entity		

Part 5. Telephone and Email indemnity

INDEMNITY CONCERNING INSTRUCTIONS AND COMMUNICATIONS

This telephone and e-mail indemnity is optional, however investors should be aware that telephone and e-mail notices and instructions will only be accepted if this indemnity is completed.

The Company is authorised to act without further enquiry upon any instruction or communication believed by the Company to be an instruction or communication given by a telephone or e-mail instructor. It is specifically understood that the Company can at any time, in its sole and absolute unfettered discretion, refuse to accept any instruction or communication given or made by telephone or e-mail. The Company also reserves the right to charge a fee in respect of any such instruction or communication for which acceptance is refused. The Company shall be wholly absolved of any and all responsibility for any loss or liability of any nature (direct or indirect) suffered or incurred by the investor or the financial adviser as a result of:

- ☐ any error in transmission of any instruction or communication; or
- ☐ the Company acting without any further enquiry on any instruction or communication in accordance with the terms hereof which the Marketing Consultant believes, in good faith, to have been given or made by, as the case may be, any of the telephone or e-mail instructions; or
- ☐ any refusal by the Company to act in accordance with any instruction or communication; or
- ☐ the investor and/or financial adviser confirming in writing an instruction or communication already given or made by email without marking such confirmation with the word "Confirmation" with the result that the Company treats it as a new instruction; or
- ☐ any failure by the investor and/or financial adviser to adhere to the cut-off times notified to the investor or financial adviser by the Company from time to time.

The provisions of this indemnity, arising upon the acceptance by the Company of the application, shall apply to any telephone or e-mail instructor nominated pursuant to the authority conferred in the authorised signatories named below, or any other person nominated to give instructions and to make other communications by telephone, as the case may be, by any later instruction from the investor and/or financial adviser.

I/We acknowledge having received any independent legal or other advice we require in connection with this indemnity.

For the purposes of this indemnity, a reference to the Company includes a reference to its duly appointed delegates. The indemnity arising upon the Company's acceptance of the application shall be governed by Guernsey law and the investor and/or financial adviser agree(s) to submit to the jurisdiction of the Courts of the Island of Guernsey in respect of any dispute arising hereunder.

I/we hereby agree to the TELEPHONE AND E-MAIL INDEMNITY as described in this Part 6 of the application form.

Signatures	Signature Applicant 1	Signature Applicant 2	Date
	_____ Name of Applicant 1	_____ Name of Applicant 2	

Part [6]. Authorisation for Regulated Financial Advisor to Apply Deposit to Investment at Completion

In order that monies deposited may be applied to an investment certificate, the following limited binding power of attorney should be completed.

To whom it may concern:

With reference to the application form completed by me/us dated _____, whereas Drachensberg Ltd (listed under Section 1b) is my/our regulated financial advisor ("Drachensberg"), and with reference to the aforesaid Application Form and included Information Sheet (Draft Indicative Terms and Conditions):

I/we do now hereby irrevocably grant the aforesaid Drachensberg such power of attorney to act on my/our behalf and in my/our interest as may be required to: a) apply the monies deposited under the Application Form to an investment not materially different from the aforesaid Indicative Terms and Conditions; b) to appoint a custodian to hold the said investment asset; and c) to make any other appointments reasonably necessary in the pursuit of a) and b); all such powers to expire 30 April 2012.

~~Signed as a deed~~

Signed & agreed

NAME, DATE

~~Witnessed by:~~

~~Witness name and address~~

APPLICATION ENCLOSURE CHECKLIST

Individual investor requirements

- 1 A completed Application Form. If any information is not provided, we reserve the right to reject or delay the application until all information is complete.
- 2 A certified* copy of the passport or national identity card, driver's licence or armed forces identity card of each applicant (bearing a photo), together with a recent original or certified* copy of a utility bill or other proof of the residential address (to be no more than three months old).
- 3 The initial and any subsequent investments must be received from an account held in the applicant's own name..
- 4 A telephone number for the first named applicant.
- 5 Confirmation of the source of funds being invested, i.e. income, inheritance, sale of existing assets, savings etc.

Corporate investor requirements

- 1 A fully completed Application Form. If any information is not provided, we reserve the right to reject or delay the application until all information is complete.
- 2 A certified* copy of the company's certificate of incorporation, the memorandum & articles of association, or equivalent constitutive documents.
- 3 The initial and any subsequent investments must be received from an account held in the company's own name,.
- 4 A copy of the latest audited accounts of the applicant
- 5 Confirmation of the source of funds being invested
- 6 A certified* copy of the passport or national identity card of each company employee authorised to deal on this account.
- 7 An authorised signatory list*

SCHEDULE A

NOT FOR SALE IN THE UNITED STATES OF AMERICA

NOVEMBER 2019

DRAFT

INFORMATION SHEET

THE ACME PRODUCT LIMITED

**A 2 year investment
with a fixed annual income of 7.50%
and asset backed by
a portfolio of protected investments.**

RECEIVING AGENT

[ClearBank]

CUSTODY

Axis Mundi

(FCA)

ISSUER

Argento Access SARL

(Luxembourg)

PLATFORM BANKING

Société Générale

INDEPENDENT AUDITOR

DSC

Replace w/ templet

Introduction to the Subscription Opportunity

INVESTMENT OBJECTIVES

The Acme Product aims to provide investors with an opportunity to subscribe in the Confirming Products and to benefit from the pooling of funds. Investors will deposit monies to be applied solely to investment in the Acme Product shares in which will be listed on the Luxembourg Stock Exchange.

The Acme Product aims to offer 100% capital return at maturity whilst yielding a Preferential Annual Dividend of 7.50% simple per annum to be paid quarterly in arrears.

INVESTMENT STRATEGY

The investment strategy of the Acme Product is to invest in a pool of assets which will provide capital protection together with a series of cash flows to generate a distribution of 7.50% of the subscription value (the "Investment Criteria").

All investments will be confirmed as meeting the Investment Criteria by a firm from the Investment Panel (see "Directory") acting independently.

Investments will be made within two months of the Closing Date. Commitments will be invested in interest bearing instruments with a credit rating from Standard & Poor's of not less than AA.

SUBSCRIPTION CRITERIA

The Acme Product will invest in either cash deposits or a portfolio of "Conforming Investments" (described below) which are designed to produce sufficient returns to meet the fixed obligation 7.50% of per annum over ten years (the "Required Return") so that the likelihood of this obligation not being met is no greater than the risk of default for an investment grade rated debt instrument by Standard & Poor's.

Prospective investments will be assessed for suitability based on the extent to which investment principal and returns would be adequately secured by both the Strategic Portfolio Adviser and one member of the Investment Panel agreeing that the aforesaid prospective investment is a Conforming Investment.

KEY INVESTMENT TERMS

Structure	Bond
Domicile	Luxembourg
Minimum Investment	€125,000
Minimum Aggregate	€2,000,000
Maximum Aggregate	€50,000,000
Currency	Euro
Distributions	7.50% of the subscription value, paid quarterly
General Meetings	Quarterly

Restrictions

Not for sale in the United States

REPLACE

INVESTMENT SCOPE AND RESTRICTIONS

The Acme Product's capital will be fully applied to the purchase of Confirming Investments.

ANCILLARY ASSETS

Ancillary assets (including cash and Near Cash) may be maintained to service Company Expenses and other Company related fees, charges and expenses. The Company will invest all and any ancillary assets held in short term readily available guaranteed cash instruments, as defined under Near Cash.

BASE CURRENCY

The base currency of the Acme Product is Euros.

BORROWING AND GEARING

There are no borrowing restrictions on the Acme Product.

DURATION

The Acme Product will repay investors with their principal ten years after the Closing Date.

FINANCIAL STATEMENTS

The financial statements for the Acme Product will be prepared in Euros and in accordance with International Financial Reporting Standards. The annual report and accounts, will be prepared up to the Accounting Date in each year and copies will be sent by post (or by such other method of delivery as may be appropriate) to investors within a period of six months following the relevant Accounting Date.

WRITTEN CONFIRMATIONS OF OWNERSHIP

The Administrator shall be responsible for maintaining the Register of Investors and recording all issues and transfers of ownership in the Acme Product. The Register of Investors shall be available for inspection by the Investors at the Registered Office during normal business hours.

Timetable

Coupon Payment Dates	31 March
	30 June
	30 September
	31 December
Final Maturity Date	30 September 2021

The Subscription Manager may extend or abridge any time period or alter any date in its sole and absolute unfettered discretion and may increase or decrease any of the minimum or maximum amounts stated above in its sole and absolute unfettered discretion.

Directory of Key Counterparties

Company	The Acme Product Limited
Receiving Agent	ClearBank
Custody	Axis Mundi Custody Ltd
Manager and Subscription Manager	Argento Access SARL
Platform Banking	Société Générale
Independent Auditor	DSC
Legal Counsel	Baker McKenzie

This Information Sheet does not constitute advice to invest in The Acme Product. If you have any doubt about the action you should take or the suitability for you of investing in The Acme Product you should contact your independent financial adviser or other appropriately qualified adviser. You should also take your own independent separate advice on the tax implications for you of investing in The Acme Product. Prospective investors should have particular regard to, amongst other matters, the risk factors and other considerations set out in this section which may not be exhaustive. An investment in The Acme Product is suitable only for experienced investors. Investment is not suitable for investors who may wish to realise their investment at short notice.

REBLAU

✓ (with step live)

PRICE LIST: Onboarding - Token Integration - Scoping

November 2019

SETUP AND ONBOARDING FEES: €15,000

Includes:

- Counterparty onboarding: AML and KYC checks
- Trade onboarding:
- Promotion to network of UK, US and EU OTC traders through Daily Market Report

Payment terms: up front

MAYAN BLOCK

OTC SERVICES: 0.2-2% Transaction Commission

Includes:

- Liquidity for corporate and individual TDN holders.
- Customer Onboarding
- Live Quoting, Order execution

TDN PAYMENT CARD ISSUANCE PLATFORM €55-85,000

Includes:

- Scoping work for tdn.network and whitelabelled (Webtoon) solution
- Implementation and integration
- Regional AML/Compliance review
- Legal sign off on territory by territory basis
- Monthly service fee tbc
- Fees paid in Fiat/TDN split to be agreed

Is it possible
to break
any of these
out?

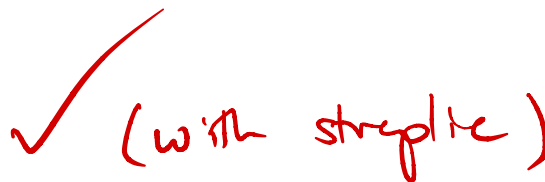
DIGITAL

CUSTODY PLATFORM FEES: 0.35% per annum

Includes:

- Segregated Digital Asset holdings
- Cold storage (0.15% withdrawal fee)
- Fiat banking custodial accounts for the backstop fee collection

MARKET MAKING SERVICE: TBC



TERMS OF BUSINESS

The following terms and conditions of business (the "Terms of Business") will apply to all services provided by any of the following companies which includes Launch Pay Ltd, Axis Mundi Custody Ltd, and Mayan Block (any of which is "we", "our", "us", or "Launch Pay") on its behalf to a client pursuant to a communication and/or letter and/or contract recording our engagement (the "Letter of Engagement", together with these Terms of Business, the "Agreement"). By sending us, or continuing to send us, instructions and/or by asking us to start performing the Services (as defined in the Letter of Engagement) or to continue performing the Services you will be deemed to have accepted the terms contained in this Agreement and any amendments to the same.

1. Our Services

We will carry out the Services as set out in the Letter of Engagement in accordance with this Agreement. We shall use reasonable care, skill and diligence in and about the provision of the Services. We shall not be responsible for any failure to advise or comment on any matter which falls outside the scope and limitations of the Services, and will have no responsibility to you to update any report or other product of the Services for events or changes of circumstances which take place after it is issued. Any statement of opinion, expectation or forecast made by us cannot amount to a guarantee, determination or prediction of future events.

2. Client Assistance and Information

You will promptly supply to us assistance and access to any information, data, documentation or other materials ("Information") in your possession, custody or under your control and to personnel under your control, where required by us or which you would reasonably expect to be relevant to or required by us to perform the Services. You will keep us fully informed of any developments and Information which may come to your notice and which might have a bearing on the provision of the Services.

We may receive information from other sources in the course of delivering the Services. To the fullest extent permitted by law, we shall not be liable to you for any loss or damage suffered by you arising from fraud, misrepresentation, withholding of information relevant to the Services, provision of inaccurate or misleading information or other default relating to such information provided by any third party.

You confirm, represent and warrant that (i) you have the right to be in possession of, or are the owner of, any Information/equipment/media furnished by you or on your behalf hereunder, (ii) such Information/equipment/media is furnished for a lawful purpose, and its receipt and use by us for the Services will not infringe any rights, including any intellectual

property rights, held by any third party and (iii) where applicable, your collection, possession, processing and transfer of such Information/equipment/media is in compliance with any and all applicable laws, regulations and company policies, including without limitation concerning data privacy and employee consent.

You agree to indemnify us against any loss we may suffer as a result of the breach of the foregoing warranty by you or any person making disclosure of Information/equipment/media on your behalf.

3. Electronic Communication

You agree that we may contact each other using electronic mail and instant messaging (including Slack, WhatsApp, and Telegram).

4. Confidentiality and Publicity

We will keep confidential all information regarding your business and affairs unless you instruct us to disclose it or we are compelled to disclose it by law or in order to comply with any requirement of a regulatory body or any other governmental agency, authority or other body of competent jurisdiction.

You shall keep confidential all information relating to our business and affairs (including the engagement) that we provide to you in connection with the Services or otherwise unless you are compelled to disclose it by law or in order to comply with any requirement of a regulatory body or any other governmental agency, authority or other body of competent jurisdiction.

We may publicise the Engagement which publicity may include but not be limited to press releases, interviews, and other forms of corporate communication. Notwithstanding the above, each of us may disclose that you are a client of ours.

5. Requests for Information and Disclosure

If we receive a request from a regulatory body or any other governmental or regulatory agency, authority or other body of competent jurisdiction for any information or materials relating to an engagement we conduct for you, we will inform you unless we are prevented by law from so doing. If we take any legal action in response to such a request or seek protection against disclosure, you agree to indemnify us.

6. Limitation of Liability and Indemnity

Save as expressly set out in this Agreement, we hereby exclude, to the fullest extent permissible in law, all conditions, warranties and stipulations, implied, statutory, customary or otherwise, which, but for such exclusion, would or might subsist in favour of you. We

Logo without stamp

shall not be liable for any indirect or consequential loss including, without limitation, pure economic loss, loss of profits, loss of business, loss of reputation, depletion of goodwill and like loss. Our maximum aggregate liability to you (whether in contract, tort (including negligence and misrepresentation), breach of statutory duty, restitution or otherwise) for loss or damage howsoever caused arising out of or in connection with this Agreement and/or the Services (including but not limited to our failure to perform the Services or any part of them) shall be limited to an amount equal to the amount of fees (exclusive of VAT) paid by you to us in respect of the Services. You agree to hold harmless and indemnify us (including our officers, employees and agents) against all claims, damages and costs (including reasonable attorney's fees and disbursements) arising out of the Agreement, except for such claims, damages and costs resulting from any actions by us constituting negligence, fraud, wilful misconduct or unlawful conduct or a breach of the terms of this Agreement. No claim under or in connection with this Agreement and/or the Services shall be brought against us after the expiry of two (2) years from the completion of the Services. The provisions of this paragraph 6 will survive any termination or expiry of the Agreement.

7. Fees and Expenses

By way of explanation, by "Fees" we mean our charges for working on the Services; by "Disbursements" we mean sums which we pay or are liable to pay to third parties on your behalf or in the course of providing the Services; and by "Expenses" we mean our internal costs incurred in providing the Services.

Unless we have agreed a fixed fee we usually charge for our consulting services according to the time we spend on a project.

Our Letter of Engagement sets out, where applicable, the relevant current hourly charging rates, and our default schedule of charge out bands is included at the end of this document. These rates are reviewed from time to time. Our rates do not include VAT, Disbursements or Expenses, which will be added to our invoice.

Time spent on a matter will include (but may not be limited to) meetings with you and/or others (including time spent travelling to and from meetings), considering, preparing and working on papers, documents and correspondence (including emails), making and receiving telephone calls and research.

We record time in units of 15 minutes (rounded down).

If a project becomes abortive, a charge will be made for the work already carried out, on a time basis unless otherwise agreed in writing. VAT will be payable on this amount and any disbursements and expenses incurred will also be charged to you.

Where the work is particularly complex, very urgent, of substantial value or required to be undertaken outside office hours, and in some other special instances, we may charge more than the time-based fees in order to reflect these special factors. We will advise you in advance that your work is of this nature.

In certain cases, we may agree a fixed fee with you (which will be exclusive of Disbursements, Expenses and VAT) in which case we will set out in writing the scope and nature of the work to be undertaken within the fixed fee. We shall do so on the assumption that the matter will proceed normally and in the manner discussed with you when the fixed fee is agreed and we reserve the right to review the fixed fee if the matter proceeds differently or becomes protracted for reasons beyond our control.

8. Payment

You will pay our fees, expenses and disbursements without any deduction whether by way of set off, counterclaim or otherwise, together with VAT thereon, if applicable, in accordance with the Letter of Engagement and these Terms of Business.

Unless otherwise provided for in the letter of engagement, we will invoice you at the end of the engagement or, if the engagement is due to take more than two months to complete, on a monthly basis.

Payment is due upon presentation of the invoice unless otherwise agreed in writing.

If any invoice is not paid on the due date, we will be entitled to charge interest on the outstanding amount at a rate of 4% per annum. We also reserve the right to suspend work and to retain documents and papers belonging to you until all sums due to us are paid.

9. Ownership and Use of Materials

We will retain ownership of the copyright and all the other intellectual property rights in the product of the Services, whether oral or tangible, and the ownership of our working papers and all other materials.

All reports and information supplied by us in performing Services are provided for your benefit and solely for the purpose of the engagement to which they relate. They must not be used or relied on for any other purpose or disclosed by you, in whole or in part, to any other person without our prior written consent, to which we may attach conditions.

10. Termination

Where we are engaged on a project for you of a specified initial duration (as shall be set out in the Letter of Engagement) then, unless otherwise specified in the Letter of Engagement, the Agreement shall continue until the expiry of such period, and thereafter unless and until terminated by you giving us not less than 30 days' prior written notice.

Logo without step

We may suspend our provision of Services or decline to act further by giving you written notice where we have reasonable grounds to do so (including failure by you to settle invoices in full on the due date or if an event of insolvency occurs in relation to you).

In the event of early termination of the Agreement, we will be entitled to payment of our fees, including expenses, disbursements and VAT, to the date of termination together with all costs, penalties and other expenses incurred by us arising out of or in connection with such early termination, unless the reason for termination is breach by us of any material term of this Agreement. Where we are engaged on a project of a specified initial duration, we will also be entitled to payment of the fees that would have been due to us had the engagement run its course.

11. Third Party Rights

Except to the extent expressly stated to the contrary in this Agreement, no term of this Agreement is enforceable pursuant to the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to it.

12. Assignment

Save as expressly set out in this Agreement, you may not assign the benefit or delegate the burden of this Agreement without our prior written consent and you may not hold this Agreement on trust for any other person.

13. Non-Solicitation

You agree that you will not, whether directly or indirectly, and whether alone or in conjunction with, or on behalf of, any other person and whether as a principal, shareholder, director, employee, agent, sub-contractor, consultant, partner or otherwise for a period of 12 months following termination of this Agreement solicit or entice, or endeavour to solicit or entice, away from us any sub-contractor used by Launch Pay, or employ, or offer employment to any person employed in any capacity by us at or at any time during the period of one month immediately preceding the date on which our engagement comes to an end, except with our prior written consent.

14. Conflicts

You acknowledge that Launch Pay has from time to time undertaken work for clients in the same or similar sector as yours and by signing this letter you agree that we shall have no duty to disclose to you any information that we have obtained or might in the future obtain for those client relationships or which is derived from any other source.

If an actual or potential conflict comes to our attention during the course of our Engagement, we will discuss this with you and determine an appropriate course of action. However, you agree that, as a result of duties

imposed by law or the rules or regulations of any regulatory authority or of duties of confidentiality owed to other persons, Launch Pay may be prohibited from disclosing, or it may be inappropriate for Launch Pay to disclose, information to you, including details of the conflict situation. You also agree that Launch Pay shall have no liability to you arising out of or in connection with the conflict situation.

15. Full and Entire Agreement

These Terms of Business together with the Letter of Engagement contain all the terms and conditions which we have agreed with you in relation to the engagement. In the event of any conflict between the Terms of Business and the Engagement Letter, these Terms of Business will prevail. You agree and accept that no statement, promise or representation not repeated in this Agreement has induced or encouraged you to retain us. These Terms of Business shall apply to any Services we carry out in future whether pursuant to subsequent Engagement Letters or otherwise. The terms of the Agreement supersede any earlier terms of engagement we may have agreed with you.

16. Severability

If any part of this Agreement is found by any court or authority of competent jurisdiction to be illegal, invalid or unenforceable then that provision shall, to the extent required, be severed and shall be ineffective but without affecting any other provision of this Agreement which shall remain in full force and effect.

17. Governing Law and Dispute Resolution

This Agreement and any matters arising in connection with our provision of the Services are governed by the laws of England & Wales and the parties submit to the exclusive jurisdiction of the English courts. If any dispute arises between us, we will attempt to resolve the dispute in good faith by mediation in accordance with the CEDR Model Mediation Procedure. Unless otherwise agreed between the parties, the mediator will be nominated by CEDR. The commencement of mediation will not prevent the parties commencing or continuing court proceedings.

LAUNCH PAY
MOON SYSTEMS
MAYAN BLOCK
AXIS MUNDI CUSTODY

Version: TOBA 9901-FINAL.docx

From: Phil Millo phil.millo@magentaorg.com
Subject: Dashboard refreshed (Axis Mundi C90 Ticket Dashboard)
Date: 5 September 2020 at 18:00
To: benjamin@axismundicustody.com, amy@openbrix.io, phil.millo@magentaorg.com

PM



Phil,

Here is the dashboard you're subscribed to.

Axis Mundi C90 Ticket Dashboard

As of 05 September 2020 at 18:00 · Viewing As Phil Millo

[View Dashboard](#)

Money In

29

[View Report](#)

Money In

295k

[View Report](#)

Awaiting Payment



b

[View Report](#)

Awaiting Payment

30k

[View Report](#)

All Tickets

All Tickets

88

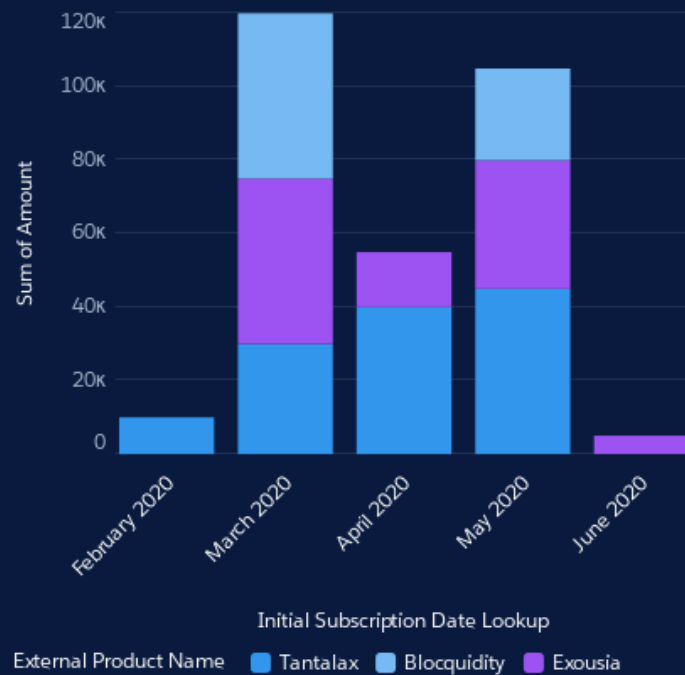
[View Report](#)

All Tickets

1.2M

[View Report](#)

Axis Mundi C90 Traded by Date



[View Report](#)

Tickets by Product

EXTERNAL PRODUCT NAME	SUM OF AMOUNT	AVERAGE AMOUNT	LARGEST AMOUNT	...
Exousia	100,000.00000000	8,333.33333333	20,000.00000000	...
Tantalax	125,000.00000000	20,833.33333333	30,000.00000000	...
Blocquidity	70,000.00000000	14,000.00000000	45,000.00000000	...

Previewing a limited number of rows and columns. To see everything, view the dashboard in the full Salesforce site.

[View Report](#)

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29

295k

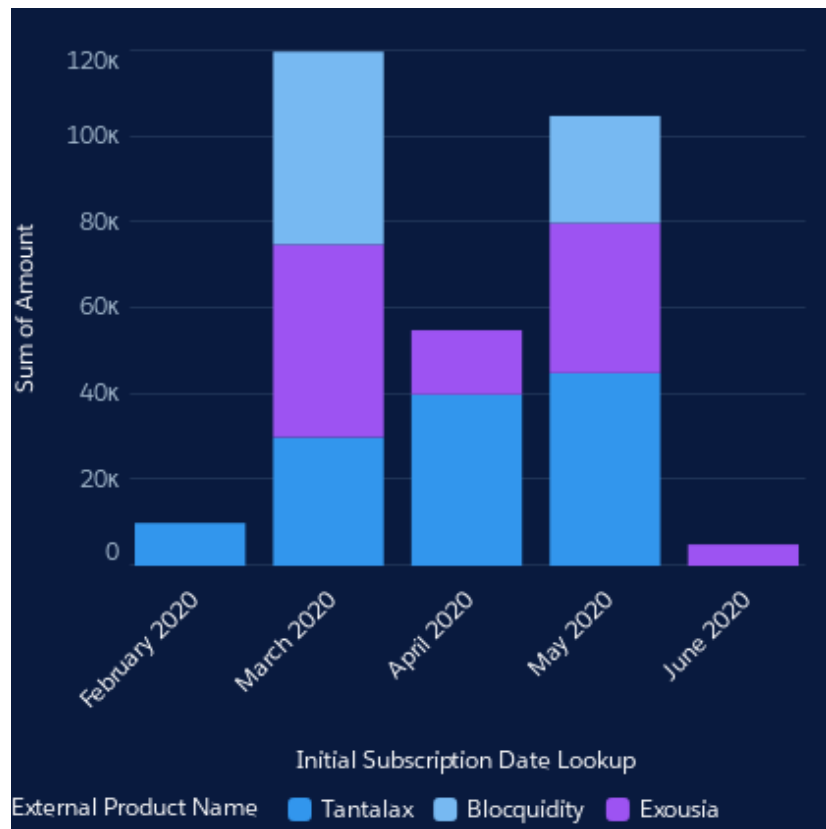
6

20k

JUN

88

1.2M



Fwd: 39759-7102774

Mon Systems

Benjamin Dives <benjamin@axismundicustody.com>
to Audit

Mon, 27 Jun 2022, 12:59

----- Forwarded message -----
From: Benjamin Dives <benjamin@axismundicustody.com>
Date: Fri, 11 Jun 2021 at 15:21
Subject: Re: 39759-7102774
To: Yin Lee <yin.lee@quantuma.com>
Cc: Harry Rook <Harry.Rook@quantuma.com>

No it's not, in my view, but he is trying to say he is.

On Fri, 11 Jun 2021 at 15:07, Yin Lee <yin.lee@quantuma.com> wrote:

Dear Benjamin

So, to be clear, is this a creditor of Axis Mundt?

Thanks

Yin

Yin Lee
Director - Insolvency
Quantuma Advisory Limited

As a responsible employer, we have asked our team to work remotely in line with guidance from the Government and also to limit the impact we have on the spread of COVID-19. We operate an agile working environment and as such our IT systems are set up to enable us to work remotely. As a result our team is well equipped to be able to adopt a business as usual approach during this difficult time. We would ask that you contact us by phone and email, as you would do normally.

BUILDING
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FORTITUDE

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Find out more at www.quantuma.com/fortitude

Direct: +44 (0)20 3856 6720
Office: +44 (0)20 3856 6720
Mobile: +44 (0)7918 274771

1st Floor, High Holborn House
52 – 54, High Holborn, London, WC1V 6RL
yin.lee@quantuma.com
www.quantuma.com



A list of our Insolvency Practitioners and their respective licensing bodies is available from our website at <http://www.quantuma.com/legal-information>
Insolvency Practitioners, Managing Directors and Staff act and advise without personal liability

 Saved for later



benjamin 3 years ago

I told you that Vanessa saw the cheque from
Mary Walsh and said “scamming old ladies again are you?”



Also sent as direct message



phil 3 years ago
Lovely



phil has paused their notifications

B *I* G |  |  |  |  |  | 

Reply...

☐ Also send as direct message

 Aa     





MB 08:43

top of the morning to ya



Benjamin Dives 08:48

Top to y'a too



MB 08:49

how goes?



Benjamin Dives 08:51

Yeah not bad

Had good convo with Phil and the lawyers yesterday

It all rests on the opinion of the auditor



MB 08:52

so positive outlook?



Benjamin Dives 08:53

Well it's positive in the sense that Phil was able to communicate the possibility of the alternate interpretation

Which I was unable to do

Speaking with the auditor today 10:45



MB 08:53

what are you speaking about?



Benjamin Dives 08:54

How he classifies the payments from the clients into axis Mundi

If he thinks it's client money then our case collapses



MB 08:55

do you feel it has legs?



Benjamin Dives 08:55

No idea to be honest

I don't really care as it's not personal it's against the company

It should be classified as client money

And we should be punished for lying to the FCA



MB 08:57

is this the Terry thing?



Benjamin Dives 08:57

Yes

It made less than no money

Was a complete waste of time



MB 08:59

tried watching my second Benjamin Cowen video

I only understand around 70%

the rest fly over

but he seems he knows what he is talking about



Benjamin Dives 09:00

Which one did you watch

He's fucking good





TAX INVOICE

Oxville Management Limited
64 Nile Street
London
N1 7SR
GBR

Invoice Date
2 Jan 2020

Invoice Number
INV-0001

Reference
Compliance Consulting

Moon Systems Ltd
63-66 Hatton Garden
London
EC1N 8LE
UNITED KINGDOM

Description	Quantity	Unit Price	VAT	Amount GBP
Consulting for compliance and optimisation of fintech monitoring systems	1.00	7,200.00	No VAT	7,200.00
Subtotal				7,200.00
TOTAL NO VAT				0.00
TOTAL GBP				7,200.00

Due Date: 31 Jan 2020

Payment Details:
Bank: Tide
Sort Code: 23-69-72
Account: 22072007



PAYMENT ADVICE

To: Moon Systems Ltd
63-66 Hatton Garden
London
EC1N 8LE
UNITED KINGDOM

Customer Oxville Management Limited
Invoice Number INV-0001

Amount Due 7,200.00
Due Date 31 Jan 2020

Amount Enclosed

Enter the amount you are paying above



TAX INVOICE

Oxville Management Limited
64 Nile Street
London
N1 7SR
GBR

Invoice Date
28 Jan 2020

Invoice Number
INV-0002

Moon Systems Ltd
63-66 Hatton Garden
London
EC1N 8LE
UNITED KINGDOM

Description	Quantity	Unit Price	VAT	Amount GBP
Setup and Management Fees	1.00	7,200.00	No VAT	7,200.00
Subtotal				7,200.00
TOTAL NO VAT				0.00
TOTAL GBP				7,200.00

Due Date: 28 Jan 2020

Payment Details:
Bank: Tide
Sort Code: 23-69-72
Account: 22072007



PAYMENT ADVICE

To: Moon Systems Ltd
63-66 Hatton Garden
London
EC1N 8LE
UNITED KINGDOM

Customer Oxville Management Limited
Invoice Number INV-0002

Amount Due 7,200.00
Due Date 28 Jan 2020

Amount Enclosed

Enter the amount you are paying above

**MOON SYSTEMS LTD**

63-66 Hatton Garden
London
England
EC1N 8LE

Page 1 of 1

Account summary

Account number: **22072007**

Sort code: **23-69-72**

Statement for: **1 Jan - 31 Jan 2020**

Balance on 1 January 2020	£0.00
Total paid in	£7,200.00
Total paid out	£7,200.00
Balance on 31 January 2020	£0.00

Card payments	£0.00
Cash withdrawals	£0.00
Cash deposits	£0.00
Transfers in	£7,200.00

Transactions

Date	Transaction type	Details	Paid out (£)	Paid in (£)	Balance (£)
28 Jan 2020	Payment out	DAVID RUBIN & PART ref: DRAGON PAYMENTS	-7,200.00		0.00
28 Jan 2020	Payment in	Oxville Management Limited ref: Consultancy Fee		7,200.00	7,200.00

Your Tide account is powered by PrePay Technologies Ltd, and your Tide card is issued by PrePay Technologies Ltd pursuant to licence by Mastercard International. This card is an electronic money product. PrePay Technologies Ltd is regulated by the Financial Conduct Authority (FRN 900010) for the issuance of electronic money.

Tide Platform Limited is registered in England and Wales under company number 09595646 with registered office: 2nd Floor, White Bear Yard, 144a Clerkenwell Road, London, EC1R 5DF. Should you need assistance or have a complaint please contact Tide securely in-app or email hello@tide.co

INVOICE

Vanessa Hastings
29 Heather Lea Road
Dore
Sheffield
S17 3DJ

INVOICE # VH0023
DATE 01.10.19

TO
Magenta Corporate Services
304 Route de Thionville
L-5884 Howald
Luxembourg
VAT No. LU28830736

Description	Amount
Consulting Aug-Sept 2019 (Strategy, branding and sales)	£25,000
Total	£25,000

Payment is due within 30 days.

*To Vanessa Hastings
Bank: Barclays Plc
Sort: 20-35-90 Ac: 13790452
IBAN GB70BUKB20359013790452*

Thank you for your business!

Vanessa Hastings



Bank Accounts: Active

☒ Xero	Aa Index	↗ Company	↗ Bank Name	🕒 Sort Code	☰ Account Number	↗ Related to Task List (Property 1)	🕒 Status	🕒 Applied for BBL?	↗ Related to Copy of Outcomes and Actions (Bank Account Status)
☐	Axis Mundi Services: Tide	Axis Mundi Services Ltd	Tide, HSBC	23-69-72	22072486		Active	Requested Email	
☐	Axis Mundi: Igoria	Axis Mundi Global Custody	Igoria				Active		
☒	Axis Mundi: Natwest	Axis Mundi Global Custody	Natwest	60-13-14	43265758		Active	Confirmed and Received	
☒	Axis Mundi: Starling	Axis Mundi Global Custody	Starling	60-83-71	58532698		Active		
☐	Drachensberg & Co: Natwest	Drachensberg & Co.	Natwest	60-13-14	47347104		Active	Completed Application Form	
☒	Drachensberg & Co: Starling	Drachensberg & Co.	Starling	60-83-71	85520298		Active		
☒	Drachensberg & Co: Tide	Drachensberg & Co.	Tide	23-69-72	21932904		Active	Requested Email	
☐	Mayan Block: Igoria	Mayan Block	Igoria				Active		
☐	Mayan Block: Viola Business	Mayan Block	Viola Business	04-04-83	04387721		In Progress		
☒	Minton Byrne: Clydesdale	Minton Byrne	Clydesdale		19th may		Declined		
☒	Minton Byrne: Tide	Minton Byrne	Tide	04-06-05	13522854		Active	Requested Email	
☐	Minton Byrne: TSB	Minton Byrne	TSB	30-80-97	00026526		Active	Rejected	
☐	Moon Systems: Coop	Moon Systems	Coop Bank				In Progress		
☐	Moon Systems: Starling						Active		
☐	Moon Systems: Starling	Moon Systems	Starling	60-83-71	22104443		Awaiting Card		
☐	Moon Systems: Tide	Moon Systems	Tide	23-69-72	22072007		Active	Requested Email	
	Outsauce:								

☐	<u>HSBC</u>	<u>Outsauce</u>	<u>HSBC</u>				Declined		
☐	<u>Outsauce:</u> <u>Natwest</u>	<u>Outsauce</u>	<u>Natwest</u>			<u>Outsauce:</u> <u>Open</u> <u>bank</u> <u>account</u>	REAPPLY		<u>Outsauce:</u> <u>Open</u> <u>bank</u> <u>account</u>
☐	<u>Outsauce:</u> <u>Tide</u>	<u>Outsauce</u>	<u>Tide</u>	04-06-05	13833371		Active	Requested Email	

Xero Index	Company	Bank Name	Sort Code	Account Number
Yes	Axis Mundi Services Ltd (Comp	Axis Mundi Services Ltd (Comp	23-69-72	22072486
No	Axis Mundi: Igoria	Axis Mundi: Igoria	23-69-72	22072486
Yes	Axis Mundi: Natwest	Axis Mundi: Natwest	23-69-72	22072486
Yes	Axis Mundi: Starling	Axis Mundi: Starling	23-69-72	22072486
No	Drachensberg & Co: Natwest	Drachensberg & Co: Natwest	23-69-72	22072486
Yes	Drachensberg & Co: Starling	Drachensberg & Co: Starling	23-69-72	22072486
Yes	Drachensberg & Co: Tide	Drachensberg & Co: Tide	23-69-72	22072486
No	Mayan Block: Igoria	Mayan Block: Igoria	23-69-72	22072486
No	Mayan Block: Viola Business	Mayan Block: Viola Business	23-69-72	22072486
Yes	Minton Byrne: Tide	Minton Byrne: Tide	23-69-72	22072486
No	Minton Byrne: TSB	Minton Byrne: TSB	23-69-72	22072486
No	Moon Systems: Coop	Moon Systems: Coop	23-69-72	22072486
No	Moon Systems: Starling	Moon Systems: Starling	23-69-72	22072486
No	Moon Systems: Tide	Moon Systems: Tide	23-69-72	22072486
No	Outsauce: Natwest	Outsauce: Natwest	23-69-72	22072486
No	Outsauce: Tide	Outsauce: Tide	23-69-72	22072486

[Mayan Block] Verification update

1 message

Stewart Blaney (Mayan Block) <compliance@mayanblock.com>

3 April 2020 at 15:42

Reply-To: Mayan Block <compliance@mayanblock.com>

To: Mayan Block Support <benjamin@mayanblock.com>, Compliance Team <comp@mayanblock.com>, Mayan Block Support <phil.millo@magentaorg.com>

##- Please type your reply above this line -##

A ticket ([#412](#)) by Stewart Blaney has been received. It is unassigned.



Stewart Blaney

3 Apr, 15:42 BST

Hi,

Any chance of a verification update on my account please?

Kind regards,

Stew

Get [Outlook for Android](#)

You are an agent. Add a comment by replying to this email or [view ticket in Zendesk Support](#).

Ticket # 412

Status New

Requester Stewart Blaney

CCs -

Followers -

Group Support

Assignee -

Priority -

Type Ticket

Channel By Mail

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Mon, 2 Dec 2019, 14:49

Fwd: Transactions for which further documentation required



Benjamin Dives <benjamin@moonsystems.io>
to phil.millo@magentaorg.com

Forwarded message

Date: Mon, 2 Dec 2019 at 14:18
Subject: Transactions for which further documentation required
To: Benjamin Dives <benjamin@moonsystems.io>, benjamin@axismundicoustody.com <benjamin@axismundicoustody.com>

Hi Benjamin

Below are transactions for which I need further information, namely supporting paperwork, invoices, explanations, as relevant. Please can you come back ASAP on the 2018 items

Receipts 2018

1/1/2018 CFS Zipp £200,000: although this is outside the authorised period, please can you explain what this represents with appropriate paperwork; It appears to represent a loan from Dragon Payments, which appears to be an EMD agent of CFS-Zipp. Is there a loan agreement in place, and please explain the arrangements, including the payments referred to below.

Why has the firm charged a fee for subscription in its own shares ?			
20 Nov 2018	Receivable Payment	Payment: LBX Pay Limited	INV-0001 19,532.46

This appears to be a subscription for shares in the business. Do you have documentation to support this? Are these shares still owned by LBX?			
20 Nov 2018	Receivable Payment	Payment: LBX Pay Limited	INV-0002 135,000.00

Payments 2018
All but £666 of the payments made in 2018 have been posted to the Dragon Payments loan account. I understand that Dragon Payments is the new name of London Block Exchange Limited. Please can you explain the arrangements.
2019 receipts

Please provide documentation

For the following:

05 Feb 2019	Receive Money	Biggerlip	15,000.00
21 May 2019	Receive Money	Michalakis Christof	10,000.00
27 Aug 2019	Receive Money	Appliance Book Ltd	45,000.00

There are also a number of receipts from Dragon Payments. Please explain these, together with the further payments made debited to the Dragon Payments Limited loan account. Is it possible to get a confirmation of the loan balance direct from Dragon Payments Limited to me as at 31/12/2018 and 31/12/19 (the latter when the time comes?)

Kind regards

EFTAGDX783c5172-b671-4d24-9e73-cd64b62ca4d6X5b9dbf820fdee775ea117652befcafc69c9caX84f78ec4b57353b0021055d3a7670bdzZ

Richard Thacker • Partner

Direct Line: +44 (0)20 7549 2370

Reception: +44 (0)20 7417 0417

Email: richard.thacker@beavismorgan.com

82 St John Street, London EC1M 4JN

beavismorgan.com •

BeavisMorgan.

Accountants | Tax | Business Advisors

Fwd: Client money report to 31/12/18

1 message

Benjamin Dives <benjamin@moonssystemns.io>

To: "phil.millo@magentaorg.com" <phil.millo@magentaorg.com>

10 December 2019 at 08:54

So close!

----- Forwarded message -----

From: **Richard Thacker** <Richard.Thacker@beavismorgan.com>

Date: Tue, 10 Dec 2019 at 08:28

Subject: Client money report to 31/12/18

To: Benjamin Dives <benjamin@moonssystemns.io>, benjamin@axismundicustody.com <benjamin@axismundicustody.com>

Dear Benjamin

Please would you sign the attached representation letter (Ideally on company notepaper) and return it to me. If you could let me have the bank statement with £200k at 31/12/18 and the signed letter, I can submit the 2018 report today. A draft is attached. I also attach a draft management letter on matters that came to our attention.

Kind regards

JEFTAG0X28943e93-1c5c-44fc-b72-95797c8b8b6XX25680f3ae67c3682948a10e5cafee04eZZ

Richard Thacker • Partner

Direct Line: +44 (0)20 7549 2370

Reception: +44 (0)20 7417 0417

Email: richard.thacker@beavismorgan.com

82 St John Street, London, EC1M 4JN

beavismorgan.com •   

BeavisMorgan.

Accountants | Tax | Business Advisers

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3 attachments

 **App 8.2.1 W1.3 Letter of Representation_126352.docx**

16K

 **App 8.5.2 Client Assets Report - Limited Assurance_126296.docx**

18K

 **Axis Mundl management letter.docx**

78K

Fwd: Letter before action, Falcon Corporate Services

1 message

Benjamin Dives <benjamin.dives@axismundicustody.com>
To: Phil Millo <phil.millo@magenta.org>

12 July 2022 at 13:04

----- Forwarded message -----

From: Jose Neif <jneif@falconcorporateservices.com>
Date: Mon, 11 May 2020 at 15:23
Subject: Letter before action, Falcon Corporate Services
To: <benjamin.dives@axismundicustody.com>

Dear Benjamin,

I hope you are well.

I'm sending you the attached letter summarizing various facts and requesting you to contact me before Falcon takes some steps in order to recover the money owed to it.

I trust it is not going to be necessary for Falcon to take any further steps and that you will contact me as soon as you read the attached letter.

Have a nice afternoon!

Best regards.

--

Jose Neif Jury
Falcon Corporate Services FZC.

 **LBA.pdf**
306K

Fwd: Axis Mundi Global Custody Ltd - First Supervisory Notice [ref:_00Db0K8yP_5004G2D2Ed:ref]

1 message

Benjamin Dives <benjamin@axismundicustody.com>
To: Phil Millo <phil.millo@magenta.org.com>

30 October 2020 at 13:05

Julcy!

From: **FCA - DMCS Inbox** <dmcsinbox@fca.org.uk>
Date: Fri, 30 Oct 2020 at 12:41
Subject: Axis Mundi Global Custody Ltd - First Supervisory Notice [ref:_00Db0K8yP_5004G2D2Ed:ref]
To: benjamin@axismundicustody.com <benjamin@axismundicustody.com>
Cc: Susan Ledger@fca.org.uk <susan.ledger@fca.org.uk>

TO RESPOND TO THIS EMAIL, PLEASE CLICK ON REPLY AND/OR ENSURE THAT THE UNIQUE IDENTIFIER [ref:_xxxxxxx_ref] IN THE EMAIL SUBJECT LINE IS INCLUDED IN THE SUBJECT LINE OF YOUR RESPONSE. THANK YOU.

FOR THE ATTENTION OF THE DIRECTORS

Dear Sirs

Please see the attached correspondence which has been sent by first class post. Please read the documents carefully and note the deadline or timeframe by which you should take action, should you wish to do so. The attached documents are important and confidential and should be opened by the addressee above or by someone specifically delegated to do so on your behalf.

If you are not the intended recipient of this email, please notify the sender immediately and delete the email and the attachments immediately from your system. Do not copy or disclose the contents to any other person.

Kindly acknowledge receipt by email.

Yours faithfully

Jack Williams
Senior Associate / Decision-Making Committees Secretariat / Corporate Governance Division
Financial Conduct Authority
12 Endeavour Square
London
E20 1JN

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ref:_00Db0K8yP_5004G2D2Ed:ref

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Switchboard 020 7066 1000

Web Site <http://www.fca.org.uk> (FCA); <http://www.psr.org.uk> (the Payment Systems Regulator Limited)

4 attachments

 **1SN_COVER_LETTER - 20201030.pdf**
154K

 **Axis Mundi ESD.pdf**
354K

 **FSN_Axis_Mundi.pdf**
296K

 **Supporting Evidence Bundle.pdf**
20315K

Fwd: Axis Mundi - Questions



Benjamin Dives <benjamin@axismundicustody.com>
to Phil

They've asked for bank details...

Wed, 29 Jul 2020, 09:26

----- Forwarded message -----

From: **Ross McDonald** <Ross.McDonald@fca.org.uk>

Date: Wed, 29 Jul 2020 at 09:17

Subject: RE: Axis Mundi - Questions

To: Benjamin Dives <benjamin@axismundicustody.com>

Cc: Christopher Davis <Christopher.Davis@fca.org.uk>, Christopher Douglas <Christopher.Douglas@fca.org.uk>, Colin Reid <Colin.Reid@fca.org.uk>

Benjamin,

In furtherance of our dialogue concerning Oxville Analytics, I now attach a request for information - please refer to the attached PDF titled 'Axis Mundi S165 29 July 2020'. This document contains our requests; explains the attached bond documentation and describes our power to require the production of documents and provision of information under the **Financial** Services and Market Act.

As detailed in the S165 document, we require a response by 5pm on the 7th of August.

Kind regards, Ross

From: Benjamin Dives [mailto:benjamin@axismundicustody.com]

Sent: 29 May 2020 15:35

To: Ross McDonald <Ross.McDonald@fca.org.uk>

Subject: Re: Axis Mundi - Questions

Dear Ross,

Yes we will update our website in the next 5 days.

Kind regards

Benjamin

On Wed, 27 May 2020 at 17:50, Ross McDonald <Ross.McDonald@fca.org.uk> wrote:

Benjamin,

Thank you for your response.

Based on your response that Axis Mundi, do not have a client relationship with Oxville Analytics and have not performed any due diligence on the organisation, we would anticipate that you would also want to dissociate Axis Mundi from Oxville Analytics. You'll note from the details available that they are not regulated and don't appear to have any legal entity status - which based on the guidance we publish suggests there is a high probability of the organisation being a scam: <https://www.fca.org.uk/scamsmart/how-avoid-investment-scams>

In view of the risks associated with the unregulated products being promoted and, based on your statement that you have no relationship with Oxville Analytics, the **Authority** asks that Axis Mundi put a clearly visible notice on the front page of its website. This notice should clearly explain your association with Oxville Analytics or any products they provide.

Here is a link to their website: <https://oxvilleanalytics.com/>

Given the seriousness of the issue, we ask for a response by close of business 28 May on whether Axis Mundi will create a visible warning on its website? If you intend to, we'd ask that this is completed within the next 5 working days given the risks to customers. We trust that Axis Mundi will recognise the risks to its own reputation from association with Oxville Analytics.

Regards, Ross

From: Benjamin Dives [mailto:benjamin@axismundicustody.com]

Sent: 26 May 2020 22:16

To: Ross McDonald <Ross.McDonald@fca.org.uk>

Subject: Axis Mundi - Questions

Dear Ross,

Wanted to provide answers to your questions about Oxville today - and will respond in full tomorrow regarding the permissions.

Whether or not Oxville Analytics is a client of yours?

Not a client.

Whether you were aware of the financial promotion activity by Oxville Analytics?

No, I was not aware.

What due diligence you have performed on Oxville Analytics, if any, including any associated documents supporting this?

Not applicable -- see answers above.

What actions you have taken or intend to take with regards to the use of Axis Mundi's regulated badge by Oxville Analytics?

We will immediately be sending a cease and desist letter. Could you please provide us with details so that we may do this?

Confirmation of any balances Axis Mundi hold for unregulated products promoted by Oxville Analytics or any other unregulated product?

None (no balances).

Kind regards

Benjamin

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Re: Extra application from 20_05

1 message

Phil Millo <phil.millo@magentaorg.com>

To: tr@256.holdings

Cc: Amy Orivel <amy.orivel@magentaorg.com>, Dean Case <dean.case@magentaorg.com>, admin@axismundicustody.com

On it.

On Thu, 21 May 2020 at 12:34, <tr@256.holdings> wrote:

Apologies , missed it ...

Terry Ribaudo

Founder & Head of Product

256 Group Holdings

UK: +44207 1935228 | US: +1917 2678556 | M: +447404 654321 | S:terryribaudo

<https://256.holdings/>



256 GROUP

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Phil Millo, Group CEO, Magenta Org

Switchboard: +44 20 7060 2800

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21 May 2020 at 12:53



MB 10:29

porn was, is and will be at the forefront of technology



Benjamin Dives 10:31

So Phil has agreed to cover the shortfall in the medium term

He's now got a kidney stone



MB 10:32

bless him - must be painful

what does that mean in practise though?



Benjamin Dives 10:33

It turns out Linda is bringing in £1m to the portfolio



MB 10:33

good Linda



Benjamin Dives 10:33

Of which Phil Amy and i get to manage 10%



Benjamin Dives 10:33

Of which Phil Amy and i get to manage 10%



MB 10:33

cwlogo.jpg ▾



Benjamin Dives 10:33

Did you make that?

Love a good camwhore



MB 10:34

I visited camwhores.com



Benjamin Dives 10:34

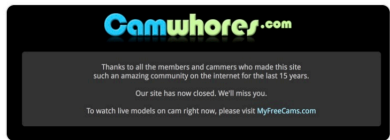
It looks like something we've done



MB 10:34

true

Screen Shot 2020-11-30 at 12.34.20.png ▾



Benjamin Dives 10:36

I don't know but we just have to be super tactical

And not make any mistakes



MB 10:36

what kind of mistakes?



Benjamin Dives 10:37

Fuck nose



MB 10:37

and tactical about what/who/where?



Benjamin Dives 10:37

We should put our Christmas hours on our emails

Tactics about who to pay and when

I think we take from the 17th dec to 5th Jan

As holiday on the website



MB 10:39

noice



Benjamin Dives 10:40

Also am going to incorporate in cayman and become a tax resident of Portugal



MB 10:40

do you have to wear a fedora?



Benjamin Dives 10:42

Compulsory



MB 10:42

a cigar and a port



Benjamin Dives 10:48

I don't know what to do

I'm looking after the children all morning and afternoon

I've got so much work to do and consider

Tip: Try F to search this channel

↓ Latest messages

 Saved for later



benjamin 3 years ago

I told you that Vanessa saw the cheque from
Mary Walsh and said "scamming old ladies again are you?"

#

Also sent as direct message



phil 3 years ago

Lovely



phil has paused their notifications

B *I* G |  |  |  |  |  | 

Reply...

☐ Also send as direct message

 Aa     





Phil Millo • 2nd

Family Office | Entrepreneur | NED | Blockchain | Bitcoin Bonds | G...
4yr • 🔒

[+ Follow](#)

Very cool bitcoin accounting hack: turns out some countries don't allow raw bitcoin to be held on a company balance sheet. But bitcoin bonds, which can and are properly custodied with a regulated custodian (unlike bitcoin) can **absolutely** be held on a balance sheet! How are they accounted for? As 'held-to-maturity securities' which means they keep their par bitcoin value but are marked to market in whatever your balance sheet currency is. **Benjamin Dives** and I touched on this early this morning at the end of a longer interview (see extract below) — who knew our new bitcoin bonds would solve so many problems!

[#bitcoinbonds](#)



234

82 comments • 26 reposts

Like

Comment

Repost

Send



Phil Millo • 2nd

Family Office | Entrepreneur | NED | Blockchain | Bitcoin Bonds ...
4yr • Edited •

[+ Follow](#)

We've just launched the world's first bitcoin-denominated bonds with LBX. The bonds are priced in bitcoin, settle in bitcoin, pay monthly coupons in bitcoin, redeem in bitcoin, and have zero fiat anywhere in the structure! Durations range from eighteen months to ten years and Clearstream have allocated ISINs which means you can actually look them up on Bloomberg (if you have a terminal) — the first time a crypto product has ever been allocated ISINs! LBX is handling all enquiries, and the bonds are custodied by an FCA regulated custodian. Oh, and the register is on the blockchain.

This is incredibly disruptive for both crypto and traditional financial services, and I'm very proud to have been the first to get this over the line.

So I'm overlooked by the VI of Wands symbolising, well, you can guess.

Gush your wonder/hatred into the comment box, and share as much as possible.

[#bitcoinbonds](#) [#bitcoin](#) [#bonds](#) [#zerofiat](#)



1

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Comment

Repost

Send

Be the first to comment on this

London Block Exchange Limited
Kemp House
160 City Road
London EC1V 2NX

LBX Custody Limited ("you", "your")
Kemp House,
160 City Road,
London EC1V 2NX

1st November 2018

Dear Sirs,
I write to you for and on behalf of London Block Exchange Limited ("we", "our")

- Whereas:
- We do not have adequate banking arrangements (and you do)
 - We need to be able to receive and pay monies in the course of our normal operations
 - We and you have identical shareholders and a common director

In view of the above, we hereby propose to appoint you both paying agent and receiving agent for us (the "arrangements") with effect from 1st November 2018.

We propose that the arrangements be performed at cost, that is to say that you will not charge us for providing the arrangements, but that we will indemnify you against any third party costs or other liabilities you incur as a result of providing the arrangements.

The arrangements may be terminated by either you or us in writing with no notice.

Nothing in these arrangements is intended to nor will give you the power to bind us or vice versa.

If you accept the appointment of our paying and receiving agent under the terms outlined above, please indicate by executing this letter.

Yours sincerely,



Benjamin Dives
For and on behalf of London Block Exchange Ltd

Agreed and accepted:



Benjamin Dives

London Block Exchange Limited
Kemp House
160 City Road
London EC1V 2NX

For and on behalf of LBX Custody Ltd

Version history

All versions

December 2019

6 December 2019, 15:06

Current version
Benjamin Dives

6 December 2019, 15:04

Benjamin Dives

6 December 2019, 14:59

Benjamin Dives

6 December 2019, 14:58

Benjamin Dives

6 December 2019, 14:56

Benjamin Dives

6 December 2019, 14:55

Benjamin Dives

6 December 2019, 14:55

Benjamin Dives

6 December 2019, 08:13

Phil Millo

6 December 2019, 08:12

Phil Millo

6 December 2019, 08:12

Phil Millo

6 December 2019, 08:12

Phil Millo

6 December 2019, 08:10

Phil Millo

6 December 2019, 08:10

Phil Millo

6 December 2019, 08:09

Phil Millo

6 December 2019, 08:09

Phil Millo

6 December 2019, 08:09

Phil Millo

6 December 2019, 08:08

Phil Millo

6 December 2019, 08:07

Phil Millo

6 December 2019, 08:06

Phil Millo

6 December 2019, 08:02

Phil Millo

6 December 2019, 08:00

Phil Millo

6 December 2019, 07:57

Phil Millo