



Jersey Financial Services Commission

Public Statement

Mr Antony Kurt Bryans;
Mr Michael John Lezala;
Mrs Michelle Clark; and
Mr Pierre Humphrey Stonborough
(together, the "Principals")

The Principals were, at all times, directors¹ of Allied Trust Company Limited and its affiliated members, namely: Allied Fiduciary Services Limited; Allied Investments Limited; and Amistoso International Corporation (together, "Allied")

Financial Services (Jersey) Law 1998, as amended (the "FS(J)L")

1 Introduction

- 1.1 The Jersey Financial Services Commission (the "**Commission**") issues this public statement pursuant to Article 25 of the FS(J)L.
- 1.2 The action supports the Commission's objectives of reducing the risk to the public of financial loss and protecting and enhancing the reputation and integrity of Jersey in commercial and financial matters.
- 1.3 Allied is presently authorised by the Commission to conduct Trust Company Business as defined in the FS(J)L. Following concerns over compliance by Allied, through the conduct of the Principals, with applicable laws and the Codes of Practice for Trust Company Business (the "**Codes**"), the Commission commenced an investigation (the "**Investigation**"). The preliminary review stage of the investigation (the "**Preliminary Review**") focussed, albeit not solely, on cash transactions being facilitated for the benefit of some of Allied's customers.
- 1.4 The Principals and Allied have co-operated with the Commission throughout the course of the Preliminary Review.

2 Summary of Preliminary Review Observations

- 2.1 Corporate governance exercised by the Principals, with particular reference to the trust company business services that were provided to those customers that were subject of the Preliminary Review, was seriously deficient and was a factor in the resulting number of key failings, including, but not limited to, breaches of the FS(J)L and the Codes as outlined below:

¹ With the exception of Mr Pierre Humphrey Stonborough who was a non-executive director of Allied Trust Company Limited.



Key Failings:

- 2.1.1 Allied, through the Principals, facilitated significant cash collection/deposit services for certain customers with overseas financial institutions, without adequate oversight and management of the associated risks.
- 2.1.2 For certain customer structures under its administration Allied, through the Principals, failed to maintain appropriate records and accounting records.
- 2.1.3 The Principals of Allied placed excessive reliance on customer intermediaries and acted on instructions received from intermediaries, without undertaking adequate assessment of the rationale or purpose behind the instruction.
- 2.1.4 On occasions, customer transactions were executed without the Principal's and Allied's knowledge or without the Principals undertaking any assessment of the rationale or purpose behind the transactions.
- 2.1.5 For the period 2006 to August 2014, owing to the conduct of the Principals, Allied operated an ineffective Anti-Money Laundering function.

3 Breaches of the Codes

3.1 The Codes were first issued by the Commission on 27 November 2000 and have been subject to revision. The Codes establish seven core principles for the conduct of Trust Company Business Those identified by the Commission as having been breached in this case were as follows:

3.1.1 Principle 1: A registered person must conduct its business with integrity.

Without limiting the scope of the above principle, a registered person must not:

act or refrain from acting; or
contract or have any other arrangement,

so as to avoid, or seek to avoid, any regulatory responsibilities it may have under the Codes and the full legal consequences of not following them unless the Codes expressly permit any such avoidance.



3.1.2 Principle 2: A registered person must have the highest regard for the interests of its customers in particular:

A registered person must act with due skill, care and diligence to fulfil the responsibilities that it has undertaken.

Where a registered person is responsible for exercising discretion for or in relation to its customers, it must take all reasonable steps to obtain sufficient information in order to exercise its discretion or other powers in a proper manner.

A registered person must only exercise its power or discretion for a proper purpose and must be able to evidence, in writing, any decision made.

3.1.3 Principle 3: A registered person must organise and control its affairs effectively for the proper performance of its business activities and be able to demonstrate the existence of adequate risk management systems.

4 The Principals

4.1 The Preliminary Review has concluded the Principals failed to act with fitness and propriety. Each of the Principals have been issued with directions under Article 23(1) of the FS(J)L (and the equivalent provisions of the other regulatory laws²), which prevents them from performing any function, engaging in any employment or holding any position in the business of a registered person or from performing any function or service which falls within the definition of financial services business under Article 2 of the FS(J)L, without first obtaining the prior consent of the Commission.

5 Action taken by Allied

5.1 As a result of the Preliminary Review, and working with the Commission, the entire Board agreed to step down. Allied has been sold and is now a participating member of a larger regulated trust company business.

² The Banking Business (Jersey) Law 1991, as amended
The Collective Investment Funds (Jersey) Law 1988, as amended
The Insurance Business (Jersey) Law 1996, as amended



6 Conclusion

- 6.1 The Commission regards effective corporate governance as key for a regulated entity to be able to demonstrate compliance with applicable legislation and Codes of Practice.

Jersey Financial Services Commission

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