



Public Statement

New World Oil & Gas Plc (New World)

Proceeds of Crime (Supervisory Bodies)(Jersey) Law 2008, as amended (the **PoC(SB)(J)L**)

1 Action

- 1.1 The Jersey Financial Services Commission (JFSC) issues this public statement pursuant to Article 26(b) and (c) of the PoC(SB)(J)L.
- 1.2 The JFSC's actions support its 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.

2 Background

- 2.1 New World is a public company incorporated in Jersey on 15 April 2010 under the Companies (Jersey) Law 1991. The primary activity of New World is that of an oil and gas exploration company.
- 2.2 On 7 April 2011 New World filed a notice to the Registrar in accordance with the relevant provisions of the Collective Investment Funds (Unregulated Funds) (Jersey) Order 2008 (the **UF Order**), thereby registering as an unregulated exchange traded fund. Subsequently, New World was admitted to the Alternative Investment Market (**AIM**) of the London Stock Exchange on 11 May 2011.
- 2.3 As an unregulated fund, New World conducts "financial services business" in accordance with Part B paragraph 6 of Schedule 2 of the Proceeds of Crime (Jersey) Law 1999 (the **POCL**) and accordingly is deemed a "relevant person" in accordance with the Money Laundering (Jersey) Order 2008 (the **MLO**). The MLO imposes a number of obligations upon a relevant person carrying on financial services business, whether in Jersey or in any part of the world.
- 2.4 On 10 November 2016, the shares of New World were cancelled from trading on AIM in accordance with AIM Rules following suspension of trading for a period of six months. The cancellation was preceded by the resignation of New World's Nominated Adviser in October 2016.
- 2.5 Following the cancellation of its shares on AIM, New World is no longer listed – one of the conditions set out in Schedule 2 of the UF Order. However, Article 2(3)(a) of the UF Order effectively means an unregulated fund in breach of any condition will not constitute an investment fund under the Collective Investment Funds (Jersey) Law 1988, provided it has complied with such steps as have been specified by the JFSC.

- 2.6 On 16 November 2016, the JFSC issued a notice to New World pursuant to Article 2(3)(a) of the UF Order granting a period of 90 days to convene an Extraordinary General Meeting setting out the strategy for the company. Subsequently, this period was extended and New World remains an unregulated fund at the date of the public statement.
- 2.7 Since de-listing the JFSC has been considering the position of New World and its continuing status as an unregulated fund. Following consideration of information received the JFSC identified a number of findings which are summarized below.

3 Summary of findings

- 3.1 The JFSC identified the following with respect to New World:
- 3.1.1 New World failed to ensure customer due diligence measures, comprising identification and on-going monitoring, were performed on a timely basis in respect of all customers i.e. shareholders.
- 3.1.2 New World sought to rely on Article 13(11) of the MLO in respect of customers who had acquired their shares through a secondary market transaction (i.e. trades in previously issued shares). Article 13(11) allows a relevant person to rely on equivalent identification measures performed by another regulated person. New World placed reliance on this provision but failed to obtain the necessary assurances from the other regulated person in advance.
- 3.1.3 New World failed to appoint a nominated Money Laundering Compliance Officer and Money Laundering Reporting Officer throughout the period from 7 April 2011 to 23 November 2015.
- 3.1.4 Whilst New World appointed a Money Laundering Compliance Officer and Money Laundering Reporting Officer from 23 November 2015, New World failed to ensure that appropriate policies and procedures were in place in order to prevent and detect money laundering from 7 April 2011 to 10 February 2017.

4 Conclusion

- 4.1 The JFSC considers it essential each relevant person recognizes the role it must play in protecting itself, and its employees, from involvement in money laundering and the financing of terrorism, and also in protecting the Island's reputation of probity.
- 4.2 The findings identified in respect of New World demonstrate a failure to ensure it was fully compliant from the date it became a relevant person by virtue of becoming an unregulated fund.
- 4.3 The JFSC acknowledges since the findings were identified New World has engaged with the JFSC in an open and transparent manner and is remediating the issues identified.

For further enquiries, please contact Barry Faudemer.