

MEDIA RELEASE:

DFSA Fines La Tresorerie for Serious Failings

- Serious and deliberate wrongdoing breached the prohibition against providing money services in or from the DIFC
- Firm's activities increased risks of money laundering and endangered client money protections

Dubai, UAE, 23 April 2020: Following a lengthy investigation process, which commenced in 2017, the Dubai Financial Services Authority (DFSA) today announced that it has fined La Tresorerie Limited (La Tresorerie) USD 612,790 (approximately AED 2,250,800), including USD 261,154 (approximately AED 960,000) disgorgement of the financial benefit La Tresorerie received, plus interest.

The DFSA has taken this action against La Tresorerie (a DFSA Authorised Firm) due to multiple, serious breaches of DFSA legislation, mainly arising from conducting an illegal service that provided physical cash to its clients (Illegal Cash Service). The DFSA has taken this action to penalise La Tresorerie, deter others and protect clients.

The Illegal Cash Service was in systematic operation for almost two years, between February 2015 and January 2017, and was carried on with the knowledge and involvement of La Tresorerie's senior management at that time. The current senior management of La Tresorerie were not involved in the Illegal Cash Service and reported it to the DFSA upon discovering it.

In particular, the Illegal Cash Service:

- involved the use of false invoices and transferring client money to unregulated companies outside of the Dubai International Financial Centre (DIFC);
- involved the transportation of large amounts of physical cash from the UAE to a foreign country, which is associated with a high risk of money laundering;
- led to La Tresorerie misleading its custodian and a bank about the nature and purpose of certain transactions, when AML due diligence enquiries were made; and,
- demonstrated a fundamental failure of La Tresorerie to conduct its business with integrity.

The DFSA's investigation found more than 100 transactions carried out as part of the Illegal Cash Service, ranging in value from € 2,560 (approximately AED 10,000) to € 500,000 (AED 2,000,000). The total amount of physical cash provided by La Tresorerie was calculated to be the equivalent of over USD 7.3 million (AED

27,000,000) and the fees the firm received were the equivalent of almost USD 220,000 (AED 800,000). An amount equivalent to these fees, plus interest of over USD 41,000 (AED 150,000), is included in the financial penalty imposed on La Tresorerie as disgorgement.

The DFSA was able to reach a settlement with La Tresorerie in respect of the findings of its investigation and the amount of penalty. This settlement was, however, reached after the period that the DFSA had set for a settlement discount to be available. If settlement had been achieved during that period, La Tresorerie would have been able to obtain a 30% discount to the fine imposed. Before taking any action to enforce payment of the fine, the DFSA will consider the firm's circumstances at that time and the corresponding implications of enforcing the fines for the firm's clients.

Bryan Stirewalt, Chief Executive of the DFSA, said: "The illegal cash service provided by La Tresorerie was a serious breach of DFSA rules, further compounded by the senior management's attempts to disguise this business activity. This activity demonstrated a clear lack of integrity, and opened the firm up to a high risk of money laundering, as well as placing client money at undue risk. We will take strong action against any firm or individual who demonstrates such a risk to the DIFC. "

A copy of the DFSA's Decision Notices can be found in the [Regulatory Actions](#) section of the DFSA website.

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Editor's notes:

The Dubai Financial Services Authority (DFSA) is the independent regulator of financial services conducted in and from the Dubai International Financial Centre (DIFC), a purpose built financial free zone in Dubai. The DFSA's regulatory mandate covers asset management, banking and credit services, securities, collective investment funds, custody and trust services, commodities futures trading, Islamic finance, insurance, crowdfunding platforms, an international equities exchange and an international commodities derivatives exchange. In addition to regulating financial and ancillary services, the DFSA is responsible for administering Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) legislation that applies in the DIFC. Please refer to the DFSA's [website](#) for more information.

Bryan Stirewalt was appointed Chief Executive of the DFSA on 1 October, 2018, after nearly eight years as the DFSA's Managing Director of the Supervision Division. In his role as Chief Executive, Bryan steers the work of the DFSA, further developing its capability as a robust regulator delivering world-class financial services regulation in the DIFC. Bryan plays a vital part in executing the DFSA's regulatory mandate and developing its risk-based supervision framework. Bryan also plays an active role in supporting the work of international standard-setting bodies. He now serves as the Co-Chair of the Basel Consultative Group (BCG), which provides a forum for deepening the Basel Committee on Banking Supervision's engagement with non-member, global supervisors on banking supervisory issues. Through this role, Bryan also serves as an Observer at the Basel Committee on Banking Supervision.