
FINAL NOTICE

To: Andrew James Pearse

Reference Number: IRN AJP01211

Dated: 28 February 2025

1. ACTION

- 1.1. For the reasons given in this Final Notice, the Authority hereby makes an order prohibiting Andrew James Pearse (Mr Pearse) from performing any function in relation to any regulated activities carried on by any authorised or exempt persons, or exempt professional firm pursuant to section 56 of the Act.
- 1.2. The Authority gave Mr Pearse the Decision Notice which notified Mr Pearse of the decision to take the action specified above.
- 1.3. Mr Pearse has not referred the matter to the Tribunal within 28 days of the date of the Decision Notice was given to him.
- 1.4. Accordingly, the Authority hereby makes the prohibition order set out in paragraph 1.1 above against Mr Pearse. This prohibition order takes effect from the date of this Final Notice.

2. SUMMARY OF REASONS

- 2.1. As set out in more detail in the facts and matters described below, the Authority hereby takes this action because Mr Pearse engaged in criminal activity between 2011 and December 2018, including for a period when he was employed as a managing director and approved by the Authority to perform the CF30 Customer Function at Credit Suisse, in connection with the arrangement, facilitation and provision of funds for two loans to the Republic of Mozambique by Credit Suisse, worth over US\$1.3bn.
- 2.2. Following a criminal investigation in the United States, on 19 December 2018, Mr Pearse was indicted by the United States Department of Justice ("DoJ") with four counts of conspiracy in relation to his conduct in connection with those loans.

- 2.3. On 19 July 2019, Mr Pearce pleaded guilty before the United States District Court for the Eastern District of New York to Count One of the indictment, namely conspiracy to commit wire fraud and, for the purposes of sentencing, he also admitted to conspiring to launder money. For his part in the conspiracy, Mr Pearce admitted in the US court proceedings to receiving personal payments amounting to at least US\$45,000,000.
- 2.4. Whilst aware of Mr Pearce's guilty plea in the US, the Authority decided to await his sentencing in order to take the judge's sentencing remarks into account. For reasons beyond the control of the Authority, as at the date of this Notice, Mr Pearce's sentencing has not yet taken place. However, following Mr Pearce having given evidence for the prosecution in July/August 2024 in related US criminal proceedings, and following the 29 July 2024 judgment of the High Court in *The Republic of Mozambique v Credit Suisse International & Ors [2024] EWHC 1957 (Comm)* (in which Mr Pearce was a defendant), the Authority hereby determines it appropriate to proceed with its action prior to the passing of Mr Pearce's sentence in the US proceedings.
- 2.5. By reason of the facts and matters described below, it appears to the Authority that Mr Pearce is not a fit and proper person to perform any function in relation to any regulated activity. Mr Pearce's conviction for conspiring to commit wire fraud and his admission of conspiring to commit money laundering demonstrate a clear and serious lack of honesty and integrity.
- 2.6. In reaching this conclusion, the Authority has had regard to all relevant circumstances, including: the seriousness and relevance and materiality of the offence, the fact that Mr Pearce has been convicted of an offence of dishonesty connected with financial crime, the fact that the period of the offence included a time whilst he was an approved person, and the severity of the risk posed by Mr Pearce to consumers and financial institutions and to confidence in the UK financial system.
- 2.7. The Authority hereby imposes the prohibition order set out in paragraph 1.1 to achieve its consumer protection and integrity objectives (sections 1C and 1D of the Act, respectively).

3. DEFINITIONS

3.1 The definitions below are used in this Notice (and in the Annex):

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

"the Authority" means the Financial Conduct Authority;

"Credit Suisse" means Credit Suisse International (FRN 146702), Credit Suisse Securities (Europe) Ltd (FRN 124611) and Credit Suisse AG (FRN 119206);

"DEPP" means the Authority's Decision Procedure and Penalties manual;

"DoJ" means the United States Department of Justice;

"EG" means the Enforcement Guide;

"FIT" means the Authority's 'Fit and Proper Test for Employees and Senior Personnel', forming part of the Handbook;

"the Handbook" means the Authority's Handbook rules and guidance;

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

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

"the Decision Notice" means the Decision Notice given to Mr Pearse dated 29 January 2025.

4. FACTS AND MATTERS

- 4.1 On 19 October 2021, the Authority published a Final Notice (see [here](#)) fining Credit Suisse over £147 million for serious financial crime due diligence failings (in the period 1 October 2012 to 30 March 2016) related to loans worth over US\$1.3 billion, which the bank arranged for the Republic of Mozambique. These loans, and a bond exchange, were tainted by corruption. Credit Suisse also agreed with the Authority to forgive US\$200 million of debt owed by the Republic of Mozambique as a result of these tainted loans.
- 4.2 Between 1 November 2007 and 13 September 2013, Mr Pearse was an approved person at Credit Suisse holding the CF30 Customer Function and had the title managing director until his resignation, which took effect on or around 13 September 2013.
- 4.3 On 19 December 2018, following a criminal investigation in the US, Mr Pearse was indicted by the DoJ in respect of offences that related to his conduct in connection with the loans arranged by Credit Suisse described at paragraph 4.1 above.
- 4.4 Count One of the indictment charged Mr Pearse (and others) with conspiracy to commit wire fraud. The indictment stated, among other things, that Mr Pearse, together with others, "*In or about and between 2011 and the date of the filing of this Indictment (19 December 2018) [...] did knowingly and intentionally conspire to devise a scheme and artifice to defraud one or more investors and potential investors*", and that he did so "*to obtain money and property from them by means of one or more materially false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice, to transmit and cause to be transmitted by means of wire communication...*".
- 4.5 On 19 July 2019, Mr Pearse pleaded guilty to Count One of the indictment. On 15 October 2019, for the purpose of an account being taken during sentencing, he also admitted to conspiring to money launder. Upon entering his guilty plea, and whilst testifying in court, Mr Pearse admitted, amongst other things, and in relation to both the time he was employed by Credit Suisse and as an approved person and afterwards until December 2018:

"I conspired with others to defraud certain investors in connection with certain loans".

Other parties "wired me millions of dollars in unlawful kickbacks from loan proceeds and illegal payments for my assistance [...] I agreed to accept and keep

these monies knowing that they were the proceeds of illegal activity [...] that it was illegal for me to do so and that by doing so, I was helping to conceal the source of the proceeds of the unlawful activity. I took these actions to enrich myself and my co-conspirators [...]".

"I made two payments of \$1 million each to [a co-conspirator]".

In respect of conspiring to money launder he stated that: *"I received millions of dollars in kickbacks and unlawful payments into my bank accounts in the United Arab Emirates. I used those funds to pay another banker who was involved in the scheme, and I used that account to conceal the fact that those were the proceeds of a crime"*.

- 4.6 Mr Pearse admitted in the US proceedings that he received over US\$45,000,000 in kickbacks and unlawful payments in connection with the tainted loans. He also stated that he negotiated or made corrupt payments totalling US\$8,200,000 to his co-conspirators at Credit Suisse.

5. LACK OF FITNESS AND PROPRIETY

- 5.1 The statutory and regulatory provisions relevant to this Notice are set out in the Annex.
- 5.2 FIT 1.3.1G states that the Authority will have regard to a number of factors when assessing an individual's fitness and propriety. FIT 1.3.1BG states that the most important factors include the individual's honesty, integrity and reputation.
- 5.3 Due to Mr Pearse's lack of honesty and integrity, as evidenced by the serious nature of Mr Pearse's criminal offence of wire fraud, for which he was convicted following his guilty plea, and his admitted conduct in respect of conspiring to commit money laundering, the Authority considers that Mr Pearse is not a fit and proper person to perform any function in relation to regulated activities.

Prohibition

- 5.4 EG 9.1.1 provides that the power to prohibit an individual will hereby be exercised by the Authority to achieve its statutory objectives, which include both securing an appropriate degree of protection for consumers and protecting and enhancing the integrity of the UK financial system.
- 5.5 Due to Mr Pearse's lack of fitness and propriety arising from the serious nature of the crimes he participated in and the conduct he has admitted in respect of it, the Authority hereby prohibits him from performing any function in relation to any regulated activity carried on by any authorised or exempt persons, or exempt professional firm pursuant to section 56 of the Act.

6. PROCEDURAL MATTERS

- 6.1 This Final Notice is given to Mr Pearse under and in accordance with section 390(1) of the Act.

Decision maker

- 6.2 The decision which gave rise to the obligation to give this Final Notice was made by the 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:

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

Publicity

- 6.3 Sections 391(4), 391(6) and 391(7) of the Act apply to the publication of information about the matter to which this notice relates. Under those provisions, the Authority must publish such information about the matter to which this notice relates as the Authority considers appropriate. The information may be published in such manner as the Authority considers appropriate. However, the Authority may not publish information if such publication would, in the opinion of the Authority, be unfair to Mr Pearse or prejudicial to the interests of consumers or detrimental to the stability of the UK financial system. The Authority intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

Authority Contacts

- 6.4 For more information concerning this matter generally, contact Hayley England-Secker at the Authority (direct line: 020 7066 0832/email: Hayley.England-Secker@fca.org.uk).

Allegra Bell
Enforcement and Market Oversight Division

ANNEX

RELEVANT STATUTORY AND REGULATORY PROVISIONS

RELEVANT STATUTORY PROVISIONS

1. The Authority's operational objectives are set out in section 1B(3) of the Act and include securing an appropriate degree of protection for consumers (section 1C of the Act) and protecting and enhancing the integrity of the UK financial system (section 1D of the Act).
2. Section 56(1) of the Act provides:

"The [Authority] may make a prohibition order if it appears to it that an individual is not a fit and proper person to perform functions in relation to a regulated activity carried on by:

 - (a) an authorised person,
 - (b) a person who is an exempt person in relation to that activity, or
 - (c) a person to whom, as a result of Part 20, the general prohibition does not apply in relation to that activity."

RELEVANT REGULATORY PROVISIONS

3. In exercising its power to make a prohibition order, the Authority must have regard to guidance published in the Handbook and in regulatory guides, such as EG. The relevant main considerations in relation to the action specified above are set out below.

The Enforcement Guide

4. The Authority's policy in relation to exercising its power to issue a prohibition order is set out in EG.
5. EG 9.1 explains the purpose of prohibition orders in relation to the Authority's regulatory objectives.
6. EG 9.2 sets out the Authority's general policy on making prohibition orders. In particular—
 - (a) EG 9.2.1 states that the Authority will consider all relevant circumstances, including whether enforcement action has been taken against the individual by other enforcement agencies, in deciding whether to make a prohibition order;
 - (b) EG 9.2.2 states that the Authority has the power to make a range of prohibition orders depending on the circumstances of each case; and
 - (c) EG 9.2.3 states that the scope of a prohibition order will depend on, among other things, the reasons why the individual is not fit and proper and the severity of risk he poses to consumers or the market generally.

7. EG 9.5.1 states that where the Authority is considering whether to make a prohibition order against someone who is not an approved person, the Authority will consider the severity of the risk posed by the individual and may prohibit him where it considers that it is appropriate to achieve one or more of the Authority's statutory objectives.
8. EG 9.5.2 provides that, when considering whether to exercise its power to make a prohibition order against someone who is not an approved person, the Authority will consider all the relevant circumstances of the case. These may include, but are not limited to, the factors set out in EG 9.3.2. Those factors include: whether the individual is fit and proper to perform functions in relation to regulated activities (noting the criteria set out in FIT 2.1, 2.2, and 2.3); the relevance and materiality of any matters indicating unfitness; the length of time since the occurrence of any matters indicating unfitness; and the severity of the risk which the individual poses to consumers and to confidence in the financial system.

Fit and Proper Test for Employees and Senior Personnel

9. FIT sets out the criteria that the Authority will consider when assessing the fitness and propriety of a candidate for a controlled function, and may consider when assessing the continuing fitness and propriety of approved persons.
10. FIT 1.3.1BG (1) states that the most important considerations when assessing the fitness and propriety of a person to perform a controlled function include that person's honesty, integrity and reputation.
11. FIT 2.1.1G provides that in determining a person's honesty, integrity and reputation, the Authority, where assessing the impact of an individual's conviction for a criminal offence, will have regard to all relevant matters including, but not limited to, those set out in FIT 2.1.3G. It notes, amongst other things and by way of example, that the Authority will take into account the seriousness of, and circumstances surrounding, the offence, the explanation offered by the convicted person, the relevance of the offence to the proposed role, the passage of time since the offence was committed and evidence of the individual's rehabilitation.
12. FIT 2.1.3G(1) states that the matters referred to in FIT 2.1.1G include, but are not limited to, whether a person has been convicted of any criminal offence, noting that particular consideration will be given to offences including dishonesty, fraud and financial crime (amongst other things).