
FINAL NOTICE

To: Global 4X Limited

Address: 57 Bethune Road, London, N16 5EE

FRN: 599701

Dated: 13 June 2024

ACTION

1. For the reasons set out in this Final Notice, the Authority hereby takes the following action against the Firm.
2. Pursuant to Regulation 10(1)(e) and Regulation 10(1)(h) of the PSRs, the Authority has decided to cancel the Firm's authorisation under the PSRs as an API.
3. The Authority issued to the Firm the Decision Notice which notified the Firm of the Authority's decision to take the action specified above. The Firm has not referred the matter to the Tribunal within 28 days of the date of the Decision Notice. Accordingly, the Authority has today cancelled the authorisation granted to the Firm as an API under the PSRs.

DEFINITIONS

4. The definitions below are used in this Final Notice (and in the Annexes):
- “the Act” means the Financial Services and Markets Act 2000;
 - “API” means authorised payment institution as defined in Regulation 2(1) of the PSRs;
 - “the Authority” means the Financial Conduct Authority;
 - “the Decision Notice” means the Decision Notice issued by the Authority to the Firm dated 2 May 2024;
 - “EG” means the Authority’s Enforcement Guide;
 - “the Firm” means Global 4X Limited;
 - “the Handbook” means the Authority’s Handbook of rules and guidance
 - “LBA” means the Letter Before Action;
 - “the PSRs” means the Payment Services Regulations 2017;
 - “Return” means the annual regulatory report submitted by an API to the Authority using form FSA056;
 - “SUP” means the Authority’s Supervision Manual, part of the Handbook;
 - “the Tribunal” means the Upper Tribunal (Tax and Chancery Chamber); and
 - “the Warning Notice” means the warning notice given the Firm dated 13 March 2024.

RELEVANT STATUTORY PROVISIONS

5. The statutory and regulatory provisions relevant to this Final Notice are set out in the Annex.

FACTS AND MATTERS RELIED ON

6. The Firm was authorised by the Authority as an API on 6 March 2014.
7. APIs are required by rules made by the Authority under the PSRs to report certain information to the Authority, by way of a Return, on an annual basis. The Return is made by submitting a form FSA056. The Return includes details of the payment services provided by the API in the preceding year.
8. According to the Authority’s records, the Firm submitted a Return (covering the period 1 January to 31 December) for each of the years 2020, 2021 and 2022. In each Return, it reported having undertaken no payment services which shows that the Firm has not provided any payment services for the last three years’ reporting period. The Firm also reported not having any appropriate safeguarding arrangements in place.
9. On 29 August 2023, the Authority sent a letter to the Firm by post and email, notifying it of the Authority’s view that it appeared not to have provided payment services within a period of 12 months, that it did not have appropriate safeguarding arrangements in place, and that its authorisation may be cancelled on that basis. On 12 September 2023,

the Firm confirmed that it was not trading. The Firm has not demonstrated to the Authority that it is providing payment services or that it has suitable safeguarding arrangements in place. The Firm has also failed to apply to cancel its authorisation.

REASONS FOR THE ACTION

10. The Authority has concluded that, on the basis of the facts and matters described above, the Firm is no longer meeting the conditions for authorisation as an API set out in Regulations and 6(7)(d) of the PSRs, as the Firm has not taken adequate measures for the purpose of safeguarding payment service users' funds in accordance with requirements set out in Regulation 23 of the PSRs. Accordingly, the Firm's authorisation as an API should be cancelled in accordance with Regulation 10(1)(e) of the PSRs.
11. Furthermore, the Firm has not provided payment services in the last 12 months. The Authority has therefore concluded that the Firm no longer requires its authorisation and that its authorisation as an API should be cancelled in order to protect the interests of consumers, in accordance with regulation 10(1)(h) of the PSRs.
12. The Authority has therefore cancelled the Firm's authorisation as an API for the reasons described above.

REPRESENTATIONS

13. Annex B contains a brief summary of the key representations made by the Firm and how they have been dealt with. In making the decision which gave rise to the obligation to give this Final Notice, the Authority has taken into account all the representations made by the Firm, whether or not set out in Annex B.

PROCEDURAL MATTERS

14. This Final Notice is given to the Firm in accordance with section 390(1) of the Act (as applied by paragraph 10 of Schedule 6 of the PSRs).

Decision maker

15. The decision which gave rise to the obligation to give this Final Notice was made by an Authority staff member under the executive procedures.

Publicity

16. Sections 391(4), 391(6) and 391(7) of the Act (as applied by paragraph 10 of Schedule 6 of the PSRs) apply to the publication of information about the matter to which this Final Notice relates. Under those provisions, the Authority must publish such information about the matter to which this Final 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 information would, in the opinion of the Authority, be unfair to the Firm or prejudicial to the interests of consumers.
17. The Authority intends to publish such information about the matter to which this Final Notice relates as it considers appropriate.

Authority contact

18. For more information concerning this matter generally, the Firm should contact Yasmin Moore at the Authority (direct line: 020 7066 5439).

Jeremy Parkinson
Enforcement and Market Oversight Division

ANNEX

RELEVANT STATUTORY PROVISIONS

1. The Authority's operational objectives established in section 1B of the Act include protecting and enhancing the integrity of the UK financial system and securing an appropriate degree of protection for consumers.
2. Regulation 6(7)(d) of the PSRs requires an API to satisfy the Authority that it has taken adequate measures for the purpose of safeguarding payment service users' funds in accordance with Regulation 23 of the PSRs (safeguarding requirements).
3. Under Regulation 10(1)(e) of the PSRs, the Authority may cancel the authorisation of an API where the firm no longer meets, or is unlikely to meet, any of the conditions set out in Regulation 6(4) to (9) of the PSRs (conditions for authorisation).
4. Under Regulation 10(1)(h) of the PSRs, the Authority may cancel the authorisation of an API where the cancellation is desirable in order to protect the interests of consumers.

RELEVANT HANDBOOK PROVISIONS

5. In exercising its powers to cancel the authorisation of a API, the Authority must have regard to guidance published in the Handbook and in regulatory guides, such as EG. The main considerations relevant to the action stated in this Final Notice are set out below.
6. The Authority's policy in relation to exercising its enforcement powers is set out in EG, the relevant provisions of which are summarised below.
7. EG 19.20.2 provides that the Authority's approach to enforcing the PSRs will mirror its general approach to enforcing the Act.
8. EG 19.20.5 provides that, in relation to the PSRs, the Authority has decided to adopt procedures and policies in relation to the use of its sanctioning and regulatory powers, akin to those it has under the Act.

ANNEX B

REPRESENTATIONS

1. A summary of the Firm's key representations (in italics), and the Authority's conclusion in respect of them, is set out below.

Conditions for Authorisation

2. The Firm failed to make any representations regarding its breach of Regulation 6(7)(d) of the PSRs, in respect of its failure to have adequate measures for the purpose of safeguarding payment service users' funds in accordance with requirements set out in Regulation 23 of the PSRs. Accordingly, cancellation of the Firm's authorisation as an API is in accordance with Regulation 10(1)(e) of the PSRs because the Firm does not meet the conditions for authorisation.

Non-provision of payment services

3. The Firm failed to make any representations regarding the provision of payment services. The Authority therefore considers that the Firm no longer requires its authorisation and that its authorisation as an API should be cancelled in order to protect the interests of consumers, in accordance with Regulation 10(1)(h) of the PSRs.

Change in Control Application

4. In its letter dated 28 March 2024, the Firm confirmed that it had submitted a change in control application on 22 March 2024 and that the Firm had always had intentions to develop the business in line with regulatory requirements or bring new experienced controller/senior management to the business in order to restart the business operations under new management. Accordingly, the Firm requested that the enforcement action be paused until the Authority's decision on the change in control application was finalised.
5. The Authority had been engaging with the Firm since 1 March 2021 to establish if it had been providing payment services and implementing safeguarding arrangements and the Firm had already submitted a change in control application which it had withdrawn on 15 September 2021. The Authority concluded that the Firm's change in control application did not change the position that the Firm did not meet the conditions for authorisation and did not provide payment services, and had not done so since 2019.
6. Accordingly, the Authority is satisfied that cancellation of the Firm's authorisation as an API is appropriate.