



Financial Services Authority

FIRST SUPERVISORY NOTICE

To: **Asgar Ali Ravjani (trading as Astrad Finance)**
Of: **Atlas Business Centre**
Oxgate Lane
Staples Corner
London
NW2 7HJ

Dated: **4 January 2008**

TAKE NOTICE: The Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS (the "FSA") has taken the following action

1. ACTION

1.1 For the reasons listed below and pursuant to section 45 of the Financial Services and Markets Act 2000 (the "Act"), the FSA has decided to vary the permission granted to you, Asgar Ali Ravjani (trading as Astrad Finance), pursuant to Part IV of the Act ("your Permission") by removing all regulated activities with immediate effect. Accordingly, your Permission no longer includes the following regulated activities:

- advising on investments (except on pension transfers and pension opt outs);
- agreeing to carry on a regulated activity;
- arranging (bringing about) deals in investments;
- making arrangements with a view to transactions in investments;
- advising on regulated mortgage contracts;
- arranging (bringing about) regulated mortgage contracts, and
- making arrangements with a view to regulated mortgage contracts.

1.2 The FSA has further decided to vary your Permission by including the following requirements, namely that within 14 days you must:

- (i) advise in writing all clients for your regulated activities that you are no longer permitted by the FSA to carry on regulated activities; and
- (ii) provide the FSA with a copy of the written advice sent to all clients for your regulated activities pursuant to (i) above, together with a list of all clients to whom such advice has been sent.

2. REASONS FOR ACTION

Summary

2.1 The FSA has concluded, on the basis of the facts and matters described below, that you are failing to satisfy the threshold conditions set out in Schedule 6 to the Act ("the threshold conditions") in that the FSA is not satisfied that you are a fit and proper person having regard to all the circumstances. That is because, in the opinion of the FSA, you have failed to conduct your business with integrity. Furthermore, your conduct has not met the requirements of Principle 11 under which firms must co-operate with the FSA.

2.2 The FSA also considers, on the basis of those facts and matters, that it is necessary, in order to protect the interests of consumers, for the action specified above to take immediate effect.

Relevant Principles

2.3 Principle 1 of the FSA's Principles for Businesses requires that a firm must conduct its business with integrity.

2.4 Principle 11 requires a firm to deal with its regulator in an open and cooperative way, and to disclose to the FSA appropriately anything relating to the firm of which the FSA would reasonably expect notice.

Relevant Statutory Provisions

2.5 The FSA's regulatory objectives, established in section 2(2) of the Act, include the protection of consumers.

2.6 By section 45 of the Act, the FSA is authorised:

- to vary an authorised person's permission, where it appears to the FSA that such person is failing to satisfy the threshold conditions;
- to vary such permission by removing a regulated activity from those for which the permission is given;
- to vary an authorised person's permission, where it is desirable to exercise that power in order to protect the interests of consumers; and

- to include any provision in the permission as varied that could be included if a fresh permission were being given in response to an application under Section 40 of the Act, including the imposition pursuant to section 43 of the Act of such requirements as the FSA considers appropriate.

2.7 Section 53(3) of the Act allows such a variation to take effect immediately if the FSA reasonably considers that it is necessary for the variation to take effect immediately.

Relevant Regulatory Provisions

2.8 In exercising its power to vary a Part IV permission, the FSA must have regard to the relevant regulatory provisions and guidance, including the provisions and guidance contained in the FSA's Handbook of Rules and Guidance (the "Handbook"), and also, in particular, the Enforcement Guide ("EG"). The main considerations in relation to the action specified above are set out below.

EG 8 - The FSA's policy for exercising its own-initiative power to vary a Part IV permission

2.9 EG 8.1 provide that the FSA will have regard to its regulatory objectives and the range of regulatory tools that are available to it.

2.10 EG 8.2 provides that the FSA will take formal action affecting the conduct of a firm's commercial business only if that business is being conducted in such a way that the FSA judges it necessary to act in order to address the consequences of non-compliance with the Act, the Principles for Businesses and other rules.

2.11 EG 8.5 provides that the circumstances in which the FSA will consider exercising its power include where the FSA has serious concerns that the authorised person has breached requirements imposed on it by or under the Act (including Principles and rules) and the breaches are material in number or individual seriousness. EG 8.5(1) (b) (iii) G specifies that the FSA will consider exercising its own-initiative power where a firm has breached requirements imposed on it by or under the Act (including the Principles and rules) for example in respect of disclosure or notification requirements, and the breaches are material in number or individual seriousness.

2.12 EG 8.9 includes among the factors which will determine whether the urgent exercise of the FSA's own-initiative power is an appropriate response to serious concerns, the extent of any loss or risk of loss or other adverse effect on consumers and the steps the authorised person has taken or is taking to address the issue.

Guidance concerning the relevant Threshold Condition ("COND")

COND 2.5 - Threshold Condition 5: Suitability (paragraph 5, Schedule 6 to the Act)

2.13 COND 2.5.1D reproduces the relevant statutory provision that the person concerned must satisfy the FSA that he is a fit and proper person having regard to all the circumstances, including, among other things, the need to ensure that his affairs are

conducted soundly and prudently.

- 2.14 COND 2.5.4G(2)(a) requires the FSA, when forming its opinion as to whether an authorised person is conducting its affairs soundly and prudently, to have regard to relevant matters, including whether it conducts its business with integrity and in compliance with proper standards.
- 2.15 COND 2.5.4G(3) requires the FSA only to take into account relevant matters which are significant in the context of the suitability of the firm.
- 2.16 COND 2.5.6G permits the FSA, when forming its opinion as to whether an authorised person is conducting its business with integrity and in compliance with proper standards, to have regard to relevant matters, including whether:
- "(1) the firm has been open and co-operative in all its dealings with the FSA and is ready and willing to comply with the requirements and standards under the regulatory system", and
 - "(4) the firm has contravened, among other things, the requirements of the regulatory system, which includes the threshold conditions and the FSA Principles and other rules".

Facts and matters relied on

- 2.17 The FSA has become aware of the following material adverse information about you which was not disclosed by you to the FSA in your applications for authorisation and approval or at any later stage:
- you were declared bankrupt on 25 November 1995 at Oldham County Court. The bankruptcy was discharged on 21 November 1998.

Conclusions

- 2.18 The facts and matters described above lead the FSA, having regard to its regulatory objectives which include the protection of consumers, to the following conclusions:
- you failed to disclose in your application to the FSA for authorisation your bankruptcy of 25 November 1995, and in doing so you denied the FSA the opportunity of making a fully informed assessment of your fitness and propriety to be authorised to conduct regulated activities, and you have breached Principles 1 and 11;
 - your explanation for not disclosing your bankruptcy, specifically that you were unaware you were required to disclose it because it had taken place a long time in the past, is not accepted by the FSA. The relevant FSA application form clearly requires disclosure of any bankruptcy proceedings, from any date in the past, it therefore appears that you chose not to disclose this matter to the FSA;
 - these matters are material in relation to your permitted regulated activities and

you therefore fail to satisfy Threshold Condition 5 (Suitability); and

- the bankruptcy, and your failure to disclose it to the FSA cause the FSA to have very serious concerns about you such that the exercise of the FSA's own-initiative power to vary your Permission with immediate effect is an appropriate response to those concerns.

3. DECISION MAKER

The decision which gave rise to the obligation to give this Supervisory Notice was made by the Chairman of the Regulatory Decisions Committee.

4. IMPORTANT

This Supervisory Notice is given to you in accordance with section 53(4) of the Act. The following statutory rights are important.

The Tribunal

- 4.1 You may refer this matter to the Financial Services and Markets Tribunal ("the Tribunal"). Under section 133 of the Act, you have 28 days from the date you were sent this Supervisory Notice to refer the matter to the Tribunal or such other period as specified in the Tribunal Rules or as the Tribunal may allow. A reference to the Tribunal is made by way of a written notice signed by you and filed with a copy of this Notice. The Tribunal's address is: 15-19 Bedford Avenue, London WC1B 3AS (telephone 020 7612 9700). The detailed procedures for making a reference to the Tribunal are contained in section 133 of the Act and the Tribunal Rules.
- 4.2 You should note that the Tribunal Rules provide that at the same time as filing a reference notice with the Tribunal, you must send a copy of the notice to the FSA. Any copy notice should be sent to Tom Pollock at the FSA, 9th Floor, 25 The North Colonnade, Canary Wharf, London E14 5HS.

Representations

- 4.3 You have the right to make written and oral representations to the FSA. If you wish to make written representations you must do so by 8 February 2008 or such later date as may be permitted by the FSA. Written representations should be made to the Regulatory Decisions Committee and sent to Lynn Cheesman, Regulatory Decisions Committee Professional Support Services. The Regulatory Decisions Committee Professional Support Services' address is: 25 The North Colonnade, Canary Wharf, London E14 5HS. If you wish to make oral representations, you should inform Lynn Cheesman not less than 5 business days before 8 February 2008.

Confidentiality and publicity

- 4.4 You should note that this Supervisory Notice may contain confidential information and should not be disclosed to a third party (except for the purpose of obtaining advice on its contents). You should also note that section 391 of the Act requires the

FSA when the Supervisory Notice takes effect, to publish such information about the matter as it considers appropriate.

FSA contacts

- 4.5 If you have any questions regarding the procedures of the Regulatory Decisions Committee, you should contact either Lynn Cheesman (direct line: 020 7066 3192 /fax: 020 7066 3193) or Jackie Noonan, Head of RDC Professional Support Services (direct line: 020 7066 3074/fax: 020 7066 1015).
- 4.6 For more information concerning this matter generally, you should contact Tom Pollock at the FSA (direct line: 020 7066 7884/fax: 020 7066 1459).

Tim Herrington
Chairman, Regulatory Decisions Committee