
VARIATION OF SUPERVISORY NOTICE

To: **Straumur-Burdaras Investment Bank hf**

Of: **Berkeley Square House
3rd Floor, Berkeley Square
London
W1J 6BU**

Date: **2 September 2009**

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

1. Action

1.1 On 9 March 2009 the FSA imposed the following requirements on you, Straumur-Burdaras Investment Bank hf. (“the Firm”):

(1) The Firm must not take any action which has, or may have, the effect of:

(a) transferring, by dividend, loan, transfer of collateral or otherwise, any assets located in the United Kingdom on or from the date this requirement takes effect (“UK assets”) from;

(b) creating any security interest over any UK assets; or

(c) incurring, or increasing, the contractual or other liabilities (including, without limitation, any liability under a guarantee or indemnity) in the United Kingdom of,

the Firm to, in favour of, or for the benefit of any person unless the Firm has given the FSA at least 3 days' written notice of its proposed action and the FSA has confirmed, in writing, that it has no objection to the proposal.

(2) The Firm must cease carrying out any regulated or unregulated activities through its branch in the United Kingdom unless the Firm has given the

FSA at least 3 days' written notice of its proposed activity and the FSA has confirmed, in writing, that it has no objection to the activity. This requirement does not prevent the Firm from continuing to perform advisory functions as an AIM registered nominated adviser in relation to client relationships that were in existence on 9 March 2009.

1.2 Pursuant to sections 194, 196, 197 and 200 of the Financial Services and Markets Act (“the Act”), and upon the written application of the Firm, the FSA has decided to vary the requirements referred to in paragraph 1.1 by replacing them with the following requirement:

(1) The Firm must cease carrying out any regulated or unregulated activities through its branch in the United Kingdom, other than activities which are necessary to achieve the objectives of the Moratorium entered into on 9 March 2009 and extended on 16 June 2009, unless the Firm has given the FSA at least 3 days' written notice of its proposed activity and the FSA has confirmed in writing that it has no objection to the activity. This requirement does not prevent the Firm from continuing to perform advisory functions as an AIM registered nominated adviser in relation to client relationships that were in existence on 9 March 2009.

1.3 This decision to vary the requirement imposed on the Firm has been taken by an individual member of FSA staff through executive procedures.

1.4 This Notice is to take effect immediately.

2. Relevant Statutory Provision

2.1 Section 200(1) of the Act states that the FSA may vary a requirement imposed in exercise of its power of intervention on its own initiative or on the application of the person subject to the requirement.

3. Publication

3.1 The FSA is required by section 391(5) of the Act to publish such information about the matter to which this notice relates as it considers appropriate in the circumstances, unless under section 391(6) such publication would in its opinion be unfair to the firm to which the requirement applies or is prejudicial to the interests of consumers.

3.2 The FSA considered that it was appropriate to publish the supervisory notice setting out the requirements imposed on the Firm on 9 March 2009. The FSA considers it appropriate to publish this notice so that the public is aware that the requirements imposed under the supervisory notice dated 9 March 2009 have been varied.

Michael Ainley

**Head of Department, Wholesale Firms
Financial Services Authority**