



Decision No. 9343127a  
26/07/2022

## Supervisory Board Report

Dear Sergey Shiyan, The Supervisory Board of the RFIN (Cook Island Regulatory Financial Commission) has carried out a full audit in connection with your complaint No. 156412388. During the audit, the Supervisory Board used data obtained with your permission, information that you provided personally, as well as applicable law. The audit results confirm that « Global FX » brokerage company did not fulfill all its obligations to work with the client and violated the rules established by the regulator. The Supervisory Board identified both violations related to trading activities and violations related to the provision of brokerage services. When making this decision, the members of the Supervisory Commission operated on the totality of all the facts related to this appeal. Each particular case mentioned in this appeal was analyzed.

### **1. The facts of violation related to trade activities on the complaint No.156412388.**

Brokerage company « Global FX » carried out unauthorized actions on the client's account, and also provided the client with incorrect information and deliberately misled him.

As a result of the audit it was revealed that:

- 1) Providing the client with incorrect information regarding the current state of the deposit account;



- 2) Use of internal quotations when trading, without agreement with the quotation commission;
  - 3) Artificial increase in the client's account due to internal transactions not confirmed by the quotation commission;
  - 4) Carrying out trading activities using funds of individuals (clients), at the time of the absence of a license to carry out exchange trading;
- 2. The facts of violation not related to trading activity on complaint No. 156412388.**

The brokerage company « Global FX » did not timely withdraw funds from the client's account at his request, ignored the client's relevant requests, and also did not settle with the client within a month after the license to carry out exchange activities was suspended.

As a result of the audit it was revealed that:

- 1) « Global FX » repeatedly ignored withdrawal requests;
- 2) Ignoring the client's requests for withdrawal of funds « Global FX » transferred funds in order to generate additional income;
- 3) « Global FX » did not notify customers of the license renewal within the allotted period.
- 4) Brokerage company « Global FX » did not settle unilaterally with the client after the termination of the exchange license.

Having studied the audit materials and the facts of violations of the company related to trading activities in relation to Mr. Shiyan, the Supervisory Board decided to recognize him as a victim and satisfy the claim in full.

Based on all the data obtained and identified during the audit on the basis of complaint No. 156412388 and violations, both related to trading activities and violations not related to trading activities, Mr. Shiyan, the Supervisory Board made the following decision:

1. Approve complaint No. 156412388 in full;
2. To award compensation on complaint No. 156412388 in the amount of USD 15,679.00 (fifteen thousand six hundred and seventy nine US dollars). This amount is formed from the amount of investment, turnover income and compensation for damage caused;
3. Require the Compensation Fund to reserve an amount of USD 15,679.00 (fifteen thousand six hundred and seventy nine US dollars) in the name of Mr. Shiyan for subsequent claim. The reserve must be made within three days from the date of entry into force of this decision.



4. An extract from the Compensation Fund confirming the reserve must be provided within 3 days from the moment the reserve was made.

This amount of compensation is fully consistent with the principles and established limits of RFIN.

This decision takes effect immediately. Complaints and revisions under this decision, if any, must be submitted within three days from the date of its entry into force.

Chair of the Supervisory Board

Felix Mersch

Vice-Chair of the Supervisory Board

Victoria Routs

The Supervisory Board members

Rob Haynes

Erica Ramsay

John Mann

Secretary of the Supervisory Board

Margarita Delgado