

The Financial Conduct Authority has brought proceedings against companies running amateur football leagues, alleging unauthorised financial activity

23 Jan 2020 Syedur Rahman.

Syedur Rahman of business crime solicitors Rahman Ravelli analyses the FCA's line of attack.

The Financial Conduct Authority (FCA) has commenced civil proceedings against individuals and firms running football leagues for alleged unauthorised financial activity.

The FCA brought proceedings in the High Court against Bright Management Solution Limited as well as Soccer League International Limited, Soccer League UK Limited and senior individuals at these firms. It alleges that unauthorised deposit-taking was carried out, with money accepted from the public for projects including forex trading and crypto-assets.

The FCA alleges that the firms Soccer League International and Soccer League UK – as well as four men who held senior positions at the companies - were each 'knowingly concerned' in Bright Management Solution's contraventions.

An interim injunction has been secured by the FCA, stopping these activities from continuing and freezing up to £1.3M pending a further hearing. A future hearing will involve the FCA seeking to keep the freezing order in place until further order of the court or the end of the action.

London Office
36 Whitefriars Street
London
EC4Y 8BQ
+44 (0)203 947 1539
enquiries@rahmanravelli.co.uk

Midlands Office
3 Brindley Place
Birmingham, West Midlands
B1 2JB
+44 (0) 121 827 7985

Northern Office
Roma House, 59 Pellon Lane
Halifax, West Yorkshire
HX1 5BE
+44 (0)1422 346 666

Rapid Response Team
24 Hour Emergency Contact
0800 559 3500

Fax +44 (0)1422 430 526
DX16001 HX1

The FCA is seeking a declaration from the court that the defendants' actions amounted to unauthorised deposit-taking. It also wants an order preventing them from carrying out this activity in the future and a restitution order to return frozen funds to consumers who were affected by these alleged breaches.

While the defendants will need to establish whether unauthorised deposits were accepted, it is interesting to note that the FCA highlighted crypto assets in this case. At the moment, there is no legislation to identify crypto-assets as "property" in the traditional sense, other than in the guidance laid out by the UK Jurisdiction Taskforce. The defendants will also need to scrutinise what the FCA deemed unauthorised and provide explanations in respect of this.



Syedur Rahman
Partner
syedur.rahman@rahmanravelli.co.uk
+44 (0)203 910 4566

Syedur Rahman is a Legal Director at Rahman Ravelli with a great depth of experience in top-level global investigations and corporate crime. Legal guides have highlighted his achievements in the fields of worldwide asset tracing and recovery, high-stakes commercial and financial disputes and cross-border investigations.

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