



**BEFORE THE ROYAL COURT OF JERSEY**

**His Majesty's Attorney General**

- v -

**AFEX OFFSHORE LIMITED**

**AFEX OFFSHORE LIMITED** is charged with the following offences:-

**Count 1**

**Statement of offence**

Failure to comply with the requirements of Article 3 and 13 of the Money Laundering (Jersey) Order 2008, contrary to Article 37 (4) of the Proceeds of Crime (Jersey) Law 1999

**Particulars of offence**

AFEX OFFSHORE LIMITED being a person subject to the measures mentioned in paragraph (1)(a) of the Money Laundering Order 2008, between 21 December 2018 and 17 January 2019, in respect of a business relationship with K, failed to apply identification measures as required by Art 13 (1) (a) of the Money Laundering (Jersey) Order 2008 in that, during the course of a relationship with K, a person AFEX OFFSHORE LIMITED believed to be acting on behalf of Shazad Ashfaq, J and TEK Capital Limited, AFEX OFFSHORE LIMITED failed to properly identify and verify Shazad Ashfaq, the purported beneficial owner of funds being the subject of a transaction and a third party on whose behalf K was acting, contrary to Articles 3 (2) (a), 3 (2) (b) (i) and 3 (4) of the Money Laundering (Jersey) Order 2008.

## **Count 2**

### **Statement of offence**

Failure to comply with the requirements of Article 3 and 13 of the Money Laundering (Jersey) Order 2008, contrary to Article 37 (4) of the Proceeds of Crime (Jersey) Law 1999

### **Particulars of offence**

AFEX OFFSHORE LIMITED being a person subject to the measures mentioned in paragraph (1)(a) of the Money Laundering Order 2008, between 21 December 2018 and 17 January 2019, in respect of a business relationship with K, failed to apply identification measures as required by Art 13 (1) (a) of the Money Laundering (Jersey) Order 2008, in that during the course of a relationship with K, a person AFEX OFFSHORE LIMITED believed to be acting on behalf of Shazad Ashfaq, J and TEK Capital Limited, it failed to properly identify and verify J, a third party on whose behalf K was acting, contrary to Articles 3 (2) (a), 3 (2) (b) (i) and 3 (4) of the Money Laundering (Jersey) Order 2008.

## **Count 3**

### **Statement of offence**

Failure to comply with the requirements of Article 3 and 13 of the Money Laundering (Jersey) Order 2008, contrary to Article 37 (4) of the Proceeds of Crime (Jersey) Law 1999

### **Particulars of offence**

AFEX OFFSHORE LIMITED being a person subject to the measures mentioned in paragraph (1)(a) of the Money Laundering Order 2008, between 10 January 2019 and 17 January 2019, in respect of a business relationship with K, failed to apply identification measures as required by Art 13 (1) (a) of the Money Laundering (Jersey) Order 2008, in that during the course of a relationship with K, a person AFEX OFFSHORE LIMITED believed to be acting on behalf of Nasir Ali Shah Bukhari, Shazad Ashfaq, J and TEK Capital Ltd, it failed to properly identify and verify Nasir Ali Shah Bukhari, the beneficial owner of funds involved in a transaction, contrary to Articles 3 (2) (a), 3 (2) (b) (i) and 3 (4) of the Money Laundering (Jersey) Order 2008.

#### **Count 4**

##### **Statement of offence**

Failure to comply with the requirements of Article 3 and 13 of the Money Laundering (Jersey) Order 2008, contrary to Article 37 (4) of the Proceeds of Crime (Jersey) Law 1999

##### **Particulars of Offence**

AFEX OFFSHORE LIMITED being a person subject to the measures mentioned in paragraph (1)(a) of the Money Laundering Order 2008, between 21 December 2018 and 17 January 2019, in respect of a business relationship with K, failed to apply identification measures as required by Art 13 (1) (a) of the Money Laundering (Jersey) Order 2008, in that during the course of its business relationship with K, a person AFEX OFFSHORE LIMITED believed to be acting on behalf of Nasir Ali Shah Bukhari, Shazad Ashfaq, J and TEK Capital Ltd it failed to properly identify and verify Tek Capital Ltd, the purported beneficial owner of funds involved in a transaction, and failed to identify and verify its owner and controller, contrary to Article 3 (2) (a), 3 (2) (b) (ii) and 3 (4) of the Money Laundering (Jersey) Order 2008.

#### **Count 5**

##### **Statement of offence**

Failure to comply with the requirements of Article 11 of the Money Laundering (Jersey) Order 2008, contrary to Article 37 (4) of the Proceeds of Crime (Jersey) Law 1999

##### **Particulars of Offence**

AFEX OFFSHORE LIMITED being a person subject to the measures mentioned in paragraph (1)(a) of the Money Laundering Order 2008, between 21 December 2018 and 17 January 2019, in respect of a business relationship with K, failed to maintain appropriate and consistent policies and procedures relating to risk assessment and management, as set out in Articles 11 (1) (f), 11 (3) and 11 (3A) of the Money Laundering (Jersey) Order 2008 in that it failed to properly scrutinise and address a money laundering risk relating to the funds and persons involved in the proposed transfer of funds from 2ON (UK) Limited to a range of beneficiaries, whilst AFEX OFFSHORE LIMITED was aware:

- a) that the beneficial owner of the funds, Nasir Ali Shah Bukhari, was the subject of allegations of fraud, money laundering and corruption in Pakistan;
- b) that the information and instructions provided in relation to this transaction, its beneficiaries and its purpose were inconsistent and commercially questionable;
- c) that there had been no adequate explanation of why funds that were purportedly being moved from a UK bank account to beneficiaries in other jurisdictions should be moved through a Jersey money service business using a Dubai-based intermediary;
- d) that the source of the information relating to the persons and funds involved in the transaction was actually a beneficiary of the same transaction; and

e) that insufficient identification evidence and verification of the source of funds had been obtained at all stages in the transaction.

## **Count 6**

### **Statement of offence**

Failure to comply with the requirements of Article 16(5) of the Money Laundering (Jersey) Order 2008, contrary to Article 37 (4) of the Proceeds of Crime (Jersey) Law 1999

### **Particulars of Offence**

AFEX OFFSHORE LIMITED being a person subject to the measures mentioned in paragraph (1)(a) of the Money Laundering Order 2008, between November 2019 and 11 February 2020, in respect of placing reliance on IQ EQ (Jersey) Limited to operate as an “obliged person” as specified in Article 16 of the Money Laundering (Jersey) Order 2008, failed to conduct tests in such a manner and at such intervals as AFEX OFFSHORE LIMITED considered appropriate, being an on-site visit within 18 months of establishing the “Obligated Persons” relationship, to establish whether IQ EQ (Jersey) Limited had appropriate policies and procedures in place to apply the identification measures described in Article 13 (1) and Article 13 (1) (a) of the Money Laundering (Jersey) Order 2008, contrary to Article 16 (5) (a) (i) of the Money Laundering (Jersey) Order 2008.

## **Count 7**

### **Statement of offence**

Failure to comply with the requirements of Article 16(8) of the Money Laundering (Jersey) Order 2008, contrary to Article 37 (4) of the Proceeds of Crime (Jersey) Law 1999

### **Particulars of Offence**

AFEX OFFSHORE LIMITED being a person subject to the measures mentioned in paragraph (1)(a) of the Money Laundering Order 2008, between 12 February 2020 and July 2021, in respect of placing reliance on IQ EQ (Jersey) Limited to operate as an “obliged person” as specified in Article 16 of the Money Laundering (Jersey) Order 2008, failed to conduct tests in such a manner and at such intervals as AFEX OFFSHORE LIMITED considered appropriate, being an on-site visit within 18 months of establishing the “Obligated Persons” relationship, to establish whether IQ EQ (Jersey) Limited had appropriate policies and procedures in place to apply the identification measures described in Article 13(1) and Article 13 (1) (a) of the Money Laundering (Jersey) Order 2008, contrary to Article 16 (8) (a) of the Money Laundering (Jersey) Order 2008.

## **Count 8**

### **Statement of offence**

Failure to comply with the requirements of Article 16(8) of the Money Laundering (Jersey) Order 2008, contrary to Article 37 (4) of the Proceeds of Crime (Jersey) Law 1999

### **Particulars of Offence**

AFEX OFFSHORE LIMITED being a person subject to the measures mentioned in paragraph (1)(a) of the Money Laundering Order 2008, between December 2020 and June 2021, in respect of placing reliance on Y to operate as an “obliged person” as specified in Article 16 of the Money Laundering (Jersey) Order 2008, failed to conduct tests in such a manner and at such intervals as AFEX OFFSHORE LIMITED considered appropriate, being an on-site visit within 18 months of establishing the “Obligated Persons” relationship and an audit at the end of 2021, to establish whether Y had appropriate policies and procedures in place to apply identification measures as set out in FATF Recommendation 10, contrary to Article 16(8)(a) of the Money Laundering (Jersey) Order 2008.

## **Count 9**

### **Statement of offence**

Failure to comply with the requirements of Article 16(5) of the Money Laundering (Jersey) Order 2008, contrary to Article 37 (4) of the Proceeds of Crime (Jersey) Law 1999

### **Particulars of Offence**

AFEX OFFSHORE LIMITED being a person subject to the measures mentioned in paragraph (1)(a) of the Money Laundering Order 2008, between September 2017 and March 2019, in respect of placing reliance on X Ltd to operate as an “obliged person” as specified in Article 16 of the Money Laundering (Jersey) Order 2008, failed to conduct tests in such a manner and at such intervals as AFEX OFFSHORE LIMITED considered appropriate, being an on-site visit within 18 months of establishing the “Obligated Persons” relationship, to establish whether X Ltd had appropriate policies and procedures in place to apply the identification measures described in Article 13 (1) and Article 13 (1) (a) of the Money Laundering (Jersey) Order 2008, contrary to Article 16 (5) (a) (i) of the Money Laundering (Jersey) Order 2008.

**Count 10**

**Statement of offence**

Failure to comply with the requirements of Article 16(5) of the Money Laundering (Jersey) Order 2008, contrary to Article 37 (4) of the Proceeds of Crime (Jersey) Law 1999

**Particulars of Offence**

AFEX OFFSHORE LIMITED being a person subject to the measures mentioned in paragraph (1)(a) of the Money Laundering Order 2008, between March 2018 and September 2019, in respect of placing reliance on Z Ltd to operate as an “obliged person” as specified in Article 16 of the Money Laundering (Jersey) Order 2008, failed to conduct tests in such a manner and at such intervals as AFEX OFFSHORE LIMITED considered appropriate, being an on-site visit within 18 months of establishing the “Obligated Persons” relationship, to establish whether Z Ltd had appropriate policies and procedures in place to apply the identification measures described in Article 13 (1) and Article 13 (1) (a) of the Money Laundering (Jersey) Order 2008, contrary to Article 16 (5) (a) (i) of the Money Laundering (Jersey) Order 2008.

**Count 11**

**Statement of offence**

Failure to comply with the requirements of Article 11 of the Money Laundering (Jersey) Order 2008, contrary to Article 37(4) of the Proceeds of Crime (Jersey) Law 1999

**Particulars of Offence**

AFEX OFFSHORE LIMITED being a person subject to the measures mentioned in paragraph (1)(a) of the Money Laundering Order 2008, on or about 1 July 2022, in respect of a relationship with IQ EQ (Jersey) Limited, failed to maintain appropriate and consistent policies and procedures relating to risk assessment and management, as set out in Articles 11 (1) (f), of the Money Laundering (Jersey) Order 2008 in that it failed to properly scrutinise and address the money laundering risk of placing reliance on IQ EQ (Jersey) Limited under the provisions of Article 16 of the Money Laundering (Jersey) Order 2008 following the imposition of a financial penalty and the issuing of a Public Statement by the Jersey Financial Services Commission on 1 July 2022 relating to IQ EQ (Jersey) Limited and significant failures of its anti-money laundering systems and controls, including a failure to keep orderly and adequate Customer Due Diligence records.

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His Majesty’s Attorney General

*The Royal Court did not make any findings of fact. No process took place by which the culpability of any natural person was determined or assessed.*

*Companies only act through human agency. As a result, it was necessary for the Court to consider the conduct of natural persons for that reason. The Court did not hear any evidence from any natural person nor make any invitation for them to give evidence.*

*The judgment in the DPA solely dealt with the culpability of the company Afex Offshore Limited and no other person.*