

Decision 2013-02 of 19 March 2014 against Arkeon Finance (compliance with regulatory minimum capital requirements)

In this case, in which the company was publicly named, the Committee handed Arkeon Finance a fine of EUR 100,000 for failing to comply with minimum capital requirements applicable to investment services providers, under which the capital of an investment firm holding client funds must not at any time fall below EUR 1.1 million. In particular, the Committee judged that (i) the aforementioned requirements apply in full and with no possible exemption, even when client funds are only held for a short period and only relate to part of the business; (ii) failure to comply with these requirements over a period of one year, with very significant divergences from the requirements, constitutes a serious and prolonged breach of an essential standard likely to constitute grounds for withdrawal of the licence, even if there was no intention on the part of the firm and regardless of any loss suffered by the market or customers.

The Committee nevertheless took into account the “energetic but belated measures” through which the company, which had refocused its business, had remedied the breach and which should lead to a significant recovery in its profitability during the financial year.