

STM Group PLC

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STM resumes trading as it challenges investigation by Gibraltar financial regulator

STM Group Plc (LON:STM) shares plunged after the pensions provider resumed trading and said it was launching a legal challenge against the Gibraltar financial regulator's decision to investigate compliance and governance concerns.

The Gibraltar Financial Services Commission (GFSC) issued STM with a notice to appoint inspectors to investigate the firm on 6 November after visiting its Gibraltar-based subsidiaries in September and October last year. STM said the GFSC also visited the sites in March this year "specifically to review the centralised compliance function in Gibraltar".

"As a result of these site visits, the GFSC have stated they have some concerns regarding certain aspects of compliance, governance and controls and the provision of professional and trustee services," STM said.

After taking legal advice on whether the regulator has sufficient grounds to appoint inspectors, the STM's subsidiaries have filed an appeal with the Gibraltar Supreme Court.

The announcement came after chief executive Alan Kentish was released from arrest and bail without charge on Monday in an unrelated investigation by Royal Gibraltar Police (RGP).

He was arrested in connection to his role as a director at a client company of STM, which was involved in a tax dispute between two countries about their rights to tax him from 2008 to 2013.

STM said Kenitsh "continues to cooperate fully with the RGP whilst they conclude their investigation".

Shares in STM were suspended on Monday as it revealed it had acquired Malta-based Harbour Pensions for an undisclosed sum.

It resumed trading at noon on Tuesday with shares down 27.10% to 39p each in the afternoon session.

Price: 28.5

Market Cap: £16.93 m

1 Year Share Price Graph



Share Information

Code: STM

Listing: AIM

52 week High Low
45 18

Sector: Financial Services

Website: www.stmgrouplc.com

Company Synopsis:

The STM Group PLC is a financial services group operating in the international corporate and trustee service provider (CTSP) sector. Its main operating company, STM Fidecs, operates principally from Gibraltar. In January 2008, the Company announced the acquisition of Compagnie Fiduciaire Trustees Limited (CFTL), based in Jersey, Channel Islands.

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