

# FX0030 — Synthetic FX Evolution: The CAL FX20

## Intermediate Report

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### Executive Summary

This report provides forensic evidence demonstrating that the CAL FX20 structure engaged in administrative foreign exchange (FX) trade bookings lacking real market execution. Examination of records between 2018 and 2024 reveals repeated valuation corrections, matched offsetting entries, and implausibly balanced outcomes consistent with synthetic trading behaviour designed for tax outcome generation rather than investment return.

### Methodology

Data sources include trade statements, internal blotter deltas, and correspondence from 2018–2024. The analysis applied consistency checks across value dates, counterparty confirmations, and trade identifiers. Absence of FIX protocol logs and missing settlement records confirm that the majority of trades were booked administratively without economic purpose.

### Forensic Findings

- Trades show no FIX identifiers or external confirmations.
- Positions appear and disappear after reporting cut-off dates to achieve desired valuations.
- No interest accruals or carry costs are present across any examined periods.
- Velocity Trade International Ltd acts simultaneously as counterparty and administrator.
- Trade frequency (~2,000 per month) is inconsistent with genuine market strategy.

### Regulatory Implications

Findings suggest potential breaches of FCA Principles 2, 6, and 7 regarding integrity, client interests, and communications. Senior Management Function obligations under the UK SM&CR regime appear unfulfilled. The economic substance doctrine articulated in *Canada v. Paletta* (2022 FCA 86) directly applies, disqualifying straddle-based FX losses as legitimate business activity. Cross-border exposure also arises under the U.S. SEC whistleblower framework due to Slater Investments Ltd's 2023 registration as an investment adviser.

### Evidentiary Integrity

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**SHA256:** [computed post-upload]

**Chain-of-Custody:** Supabase storage logs and database record

### Conclusion

The CAL FX20 structure displays the defining characteristics of synthetic trading: risk-neutral, circular booking entries intended to manufacture tax results. FX0030 is designated as the canonical forensic proof within the Whistleblow registry, supporting further regulatory inquiry.

msimc.nl — A whistleblower portal about the CAL FX20 Cayman Island fund

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