



Neutral Citation Number: [2023] EWHC 585 (Ch)

Case No: CR-2019-005229

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)

Rolls Building,
Fetter Lane,
London,
EC4A 1NL

Date: 16 March 2023

Before :

STEPHEN HOUSEMAN KC sitting as a Deputy Judge of the High Court

IN THE MATTER OF SVS SECURITIES PLC (IN SPECIAL ADMINISTRATION)

AND IN THE MATTER OF THE INVESTMENT BANK SPECIAL
ADMINISTRATION REGULATIONS 2011 (SI 2011/245)

Adam Al-Attar (instructed by **Ashurst LLP**) for the **Applicants**

Hearing date: 16 March 2023

Approved Judgment

This judgment was handed down remotely at 14:30 on 16 March 2023 by circulation to the parties or their representatives by e-mail and by release to the National Archives

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Stephen Houseman KC sitting as a Deputy Judge of the High Court:

1. This application was made on 18 January 2023 by the special administrators of SVS Securities Plc (company number 04402606) (“SVS”) pursuant to Rule 240 of the Investment Bank Special Administration (England and Wales) Rules 2011 (“IBSA Rules”).
2. The company was placed into special administration by Order of Zacaroli J. on 5 August 2019 (“Special Administration Order”). A distribution plan prepared pursuant to Rule 144 of the IBSA Rules was approved by Order of Miles J. on 7 May 2020 (“Distribution Approval Order”): see also [2020] EWHC 1501 (Ch). A novel or at any rate unusual feature of the distribution plan is a block transfer through the sanctioned sale of three nominee subsidiaries of SVS to a new broker.
3. By the present application, the special administrators seek final exit relief pursuant to various provisions of Schedule B1 to the Insolvency Act 1986 (as amended, in each case, by Regulation 15 of the IBSA Rules) as follows:
 - (i) the cessation or termination of their appointment as joint special administrators of SVS, pursuant to s.79(1);
 - (ii) permission to move SVS from special administration to dissolution, pursuant to s.84(1);
 - (iii) discharge of the Special Administration Order, pursuant to s.85(2); and
 - (iv) an order discharging them from liability, pursuant to s.98(2)(c).
4. The basis for seeking such final relief is set out in detail in the fourth witness statement of Alex David Cadwallader dated 8 March 2023. Mr Cadwallader is an insolvency practitioner at Leonard Curtis Limited who has primary responsibility for the day-to-day conduct of the special administration of SVS.
5. The special administrators filed a statement on 18 January 2023 pursuant to Rule 221(1)(b) of the IBSA Rules confirming their view that this administration should be brought to an end. They certified their opinion that SVS had no further property which might permit a distribution. This statutory statement also confirmed that prior notice of (what became when issued that day) the present application had been given to all relevant persons, including the FCA, and no objections had been received. Notice was also provided for good measure to the Financial Services Compensation Scheme qua statutory assignee of creditor/client rights in respect of compensation paid, although the present case does not involve a depositor bank administration.
6. The witness evidence describes the steps taken to ascertain and satisfy all potential claims in respect of client assets or client money in accordance with the Distribution Approval Order. There were approximately 18,600 (predominantly retail) clients of SVS at the time it was placed into special administration in August 2019.
7. I am satisfied that the steps taken by the special administrators are compliant with the court-approved regime and have been conducted conscientiously and rigorously in the interests of fairness and finality. This includes use of additional powers to return

proceeds of liquidated assets to clients after declaration of a long stop date in accordance with the distribution plan and as sanctioned separately by the Court in April 2021. The Court also sanctioned the setting of a hard bar date (which became 30 July 2021) in respect of both client assets and client money. This extensive process has involved, for example, a payment into court funds and arranging for a cheque to be issued and cashed by a dissolved client in Hong Kong (with the proceeds being held *bona vacantia* by the Hong Kong government should that entity be restored to the local companies register).

8. In the result, client assets and client money of 18,353 clients (representing over 99% of SVS' clients upon administration) with an aggregate value of approximately £205 million have been returned via the sanctioned block transfer to a new broker in accordance with the distribution plan. The FCA granted a relevant waiver of client consent to permit transfer of client money.
9. No misfeasance claims have been notified to the special administrators. They have not identified any that might be made. I was informed at the hearing this afternoon that nobody has sought to intervene or attend and no further claims have been notified.
10. As indicated at the hearing, I am satisfied that it is just and appropriate to grant all four heads of relief together with an order that the cost of and occasioned by the present application be paid as an expense of the special administration.
11. Although not necessary to record this decision or its evidential basis in a judgment, I have chosen to do so in briefest terms for three reasons. First, in the interests of completing the narrative of this high-profile special administration in the public domain, further to the judgment given by Miles J. when making the Distribution Approval Order. Secondly, to record my finding as to the completeness of distribution of client assets and client money which justifies termination and discharge as well as dissolution of SVS; cf. the position in *Re Beaufort Asset Clearing Services Limited (In Special Administration)* [2020] EWHC 3627 (Ch). Thirdly, to confirm that it is appropriate to make a discharge order on standard terms (i.e. giving effect to the discharge 28 days after such order) reflecting the “*current practice*” as noted by Miles J. in *Beaufort* (above) at [67] with reference to the decision of Hildyard J. in *Re Lehman Brothers Europe Limited* [2020] EWHC 1369 (Ch) at [25]-[27].
12. I am grateful to Mr Al-Attar for his assiduous preparation and presentation of this application.