

CHC Update for Claimants

Following from the most recent update on our website in relation to Custom House Capital Limited [“CHC”] which is also available from our website, on 12th November 2015, at the High Court, the Official Liquidator¹ of CHC, Mr Kieran Wallace, provided a report to the Court of recent progress made on a range of liquidation matters. Of particular relevance to the ICCL, and potentially to former clients of CHC that have claimed for compensation from the ICCL, are the following updates, in respect of client asset and money positions:

Liquidators update – point 1

- The reconciliation of segregated client asset and money positions has been completed and the Official Liquidator has communicated with those clients directly regarding the discharge of management fees due to CHC and the return/transfer of their assets (subject to the payment of the management fee by each client in accordance with existing contractual terms and conditions);
- The return/transfer of liquid reconciled assets where management fees have been discharged is anticipated by the end of March 2016.

What does this mean for Compensation purposes?

- Segregated Asset and/or Money Claims only - In respect of claims that solely relate to Segregated Assets and/or Money, arising from the completion of the reconciliation process by the Official Liquidator, the ICCL now expects that the full and final certification of those client’s compensatable losses, if any, should be finalised not later than 31 March 2016.
- Segregated and Pooled Asset and/or Money Claims - In respect of claims that relate to both Segregated and Pooled Assets and/or Money, the ICCL now expects that the interim certification of that client’s compensatable loss, if any, in respect of their Segregated Assets and/or Money, should be finalised not later than 31 March 2016.

The timeline for the certification of the element of these claims that relate to Pooled Assets and/or Money should be clarified following the Court hearing on 4th February 2016. **(See Liquidators update – point 2 below)**

Liquidators update – point 2

- The Official Liquidator has yet to determine a strategy for resolving the position of clients who participate in Pooled Asset and/or Money positions;
- Dependent on the strategy pursued by the Official Liquidator, which is scheduled to be communicated to the Court on 4th February 2016, the Official Liquidator may need to make a MiFID application to access Pooled Client Assets and Money to defray the associated reconciliation and return costs of Pooled Assets and/or Money only.

¹ The Official Liquidator was also appointed as Administrator for the purpose of certifying clients’ losses in accordance with the legislative requirements of the Investor Compensation Act, 1998.

What does this mean for Compensation purposes?

- *Pooled Asset and/or Money Claims* - In respect of claims that relate solely to Pooled Assets and/or Money, it is generally understood that the certification of these claims by the Administrator cannot commence until the reconciliation work, which forms part of the liquidation work, has been completed. This work is not expected to commence until sometime in 2016 at the earliest. The timeline to completion of this reconciliation work has previously been estimated by the Official Liquidator as circa two years.

Other matters

Claimants are advised that the ICCL continues to stand ready to pay any certified losses and has the necessary funds and procedures in place to make the payments within a matter of days of any forthcoming certification.

In the period August to October 2015, the Administrator certified a further 60 claims and the ICCL paid the compensatable losses of €186,616.71 on average within 8 days. The total compensatable losses paid by ICCL to date amount to €7,012,921.05 in relation to 553 claims.

The Official Liquidator, in his capacity as Administrator, has advised the ICCL that, of the remaining circa 1,400 claims awaiting certification of loss, the timeline for the certification of the element of these claims that relate to Pooled Assets and/or Money should be clarified following the Court hearing on 4th February 2016.

The ICCL will continue to engage with the Official Liquidator, in his capacity as Administrator, to achieve further certifications in accordance with the Investor Compensation Act, 1998.