

CHC Update for Claimants

On 10th February 2015, at the High Court, the Official Liquidator¹ of Custom House Capital Limited [“CHC”], Mr Kieran Wallace, informed the Court of his intention to proceed with the liquidation of CHC (in respect of client asset positions) on the following basis:

- Reconcile and return segregated client assets (subject to the payment of a management fee by each client in accordance with existing contractual terms and conditions) within a target timeline of December 2015;
- Determine the funding requirement for the reconciliation and return of pooled client assets;
- As appropriate, make a MiFID application to access pooled client assets to defray the associated reconciliation and return costs of pooled assets only;

On 9TH July 2015, at the High Court the above timelines were re-confirmed by the Liquidator.

What does this mean for Compensation purposes?

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.

However, the Official Liquidator, in his capacity as Administrator, has advised the ICCL that, of the remaining claims awaiting certification of loss, he cannot certify an individual client's losses in CHC, to enable the ICCL to pay compensation, until such time as he has reconciled each client's position within various asset classes – e.g. Property Funds, Pooled Bank accounts etc.

- Segregated Asset Claims only - In respect of claims that solely relate to Segregated Assets, the ICCL would expect that the full and final certification of that client's compensatable loss should immediately follow the reconciliation of that client's position. In any event, not significantly later than December 2015, being the timeline indicated by the Official Liquidator to the Court for reconciliation purposes.
- Segregated and Pooled Asset Claims - In respect of claims that relate to both Segregated and Pooled Assets, the ICCL would expect that the interim certification of that client's compensatable loss in respect of their Segregated Assets, should immediately follow the reconciliation of that client's position. In any event, not significantly later than December 2015, being the timeline indicated by the Official Liquidator to the Court for reconciliation purposes.

The certification of their claim in respect of Pooled Assets cannot properly be completed until the reconciliation has been completed which is not expected until sometime in 2016 at the earliest.

- Pooled Asset Claims - In respect of claims that relate solely to Pooled Assets, 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 is estimated by the Liquidator as circa two years.

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.