



# SVS SECURITIES PLC (IN SPECIAL ADMINISTRATION) ("THE COMPANY")

## FREQUENTLY ASKED QUESTIONS – TRANSFER TO ITI CAPITAL LIMITED 11 JUNE 2020

This frequently asked questions ("FAQs") list has been prepared using the information currently available to the Joint Special Administrators (the "Administrators") as regards the Company's precise circumstances.

As explained in the Administrators' previous communications, the Administrators have concluded that the most appropriate strategy for the return of the client assets and client money held by the Company is an orderly and coordinated transfer to a single regulated broker. On 3 June 2020, clients were notified by way of notice given on the dedicated website of the identity and contact details of the single regulated broker (referred to as the "Nominated Broker" in the Distribution Plan) which has been selected by the Joint Special Administrators, being ITI Capital Limited ("ITI").

These FAQs contain key information about the transfer of Client Assets and Client Money to ITI. You are encouraged to read these FAQs in conjunction with your Client Statement, the Distribution Plan (including the accompanying explanatory documents) and any other communications you have received from the Administrators and, if necessary, seek professional advice as to their terms and their legal, tax and financial implications for you.

Nothing in these FAQs is intended to constitute legal, tax, financial or other professional advice. Clients should take advice from their own professional advisers in relation to the transfer of their Client Assets and/or Client Money to ITI.

### GENERAL QUERIES

#### Q. WHO IS THE NOMINATED BROKER?

The single regulated broker selected by the Administrators is ITI Capital Limited ("ITI").

#### Q. WHO IS ITI CAPITAL LIMITED?

ITI is a registered company in England and Wales (registration no. 02926252), authorised and regulated in the UK by the Financial Conduct Authority (registration no. 171487), and is a member of the London Stock Exchange. The registered office address of ITI is Level 33, Tower 42, 25 Old Broad Street, London, United Kingdom, EC2N 1HQ.

## Q. WHY WAS ITI SELECTED?

As previously advised, the Administrators have concluded that the quickest and most cost-effective way for Client Assets and Client Money to be returned to clients is by way of a transfer to a single broker regulated by the FCA.

Following their appointment, the Administrators engaged a specialist marketing company with relevant experience to undertake an accelerated marketing process to identify an appropriate single broker to whom the Client Assets and Client Money held by the Company could be transferred.

As part of the accelerated marketing process, a shortlist of over 100 potential bidders was created, with company information being made available to those parties that expressed an interest in participating in the transfer, subject to the receipt of a confidentiality undertaking. A deadline was subsequently set for indicative offers, of which the Administrators received eleven from FCA regulated firms. The Administrators considered those offers in conjunction with the overall strategy and allowed the eleven potential bidders to conduct further due diligence, setting a further deadline for best and final offers. Three parties submitted final offers, one of whom subsequently withdrew from the bidding process. Further due diligence was then undertaken by the remaining two brokers and negotiations undertaken with each party.

The Administrators subsequently selected ITI as the preferred broker for the transfer and the terms of the proposed transfer were agreed between the parties (in the "**Sale and Purchase Agreement**"). A key factor in the Administrators' decision was the scope of the FCA permissions granted to ITI, which made ITI a suitable broker to receive, and deal with, the variety of Client Assets and Client Money held by the Company.

Following the completion of this process, ITI was selected as the preferred broker by the Administrators without objection by the FSCS or the FCA. The Creditors' Committee were also consulted on the choice of ITI.

## Q. WHO WILL TRANSFER TO ITI?

The Client Assets and Client Money of all of the Company's clients will transfer to ITI, except for the following:

- Clients owing outstanding amounts to the Company which have not been paid prior to the transfer date of 11 June 2020;
- Clients not eligible for FSCS compensation who have not paid the costs attributable to their client assets and/or client money prior to the transfer date of 11 June 2020;
- Any client subject to a freezing order or other sanctions restrictions; and
- FX Elective Professional Clients.

Your Client Statement made available to you by the Administrators on 18 May 2020 contains details of (a) which of your Client Assets and/or Client Money (if any) are expected to transfer to ITI and (b) whether you are required to take any action (i.e. completion an Instruction Form) before your Client Assets and/or Client Money can be transferred to ITI.

Non-transferring clients have been contacted directly by the Administrators and will in due course be provided with instructions on the steps that they are now required to take.

#### **Q. WHAT IF I DO NOT WANT MY CLIENT ASSETS AND/OR CLIENT MONEY TO TRANSFER TO ITI?**

The consent of clients is not required for the transfer of their Client Assets and/or Client Money to ITI. Following Court approval of the Distribution Plan, the Administrators intend to effect the transfer of the vast majority of Client Assets and Client Money to ITI. The vast majority of the Company's clients will therefore become clients of ITI on 11 June 2020, with clients expected to be able to access their Client Assets and engage with ITI from 23 July 2020.

However, as set out in the Distribution Plan, you will be able to request, by contacting the Company's client services team, after the transfer to ITI on 11 June 2020, that your Client Assets and/or Client Money be transferred back to the Company. The Administrators do not expect clients to exercise this option, as this would create a further delay in the return of their Client Assets and/or Client Money. If any such requests are received, the Sale and Purchase Agreement provides that ITI will hold the assets as sub-custodian for the Company. This will not affect your rights to the return of Client Assets by another means (whether by transfer to another broker nominated by the Administrators pursuant to the Distribution Plan or return by distribution).

Further, once the transfer to ITI has completed, clients will be able to instruct to move some, or all, of their Client Assets and/or Client Money to another custodian, in accordance with ITI's client terms of business. If clients elect to instruct ITI in this way within six months of the Settlement Date (as defined in the Sale and Purchase Agreement, which is anticipated to be 23 July 2020), clients will not be required to pay exit fees to ITI.

#### **Q. WHEN WILL I BE ABLE TO ACCESS AND BEGIN TRADING AFTER THE TRANSFER TO ITI?**

The Administrators currently anticipate that the transfer of Client Assets and Client Money to ITI will complete on 11 June 2020. Following the transfer of Client Assets and Client Money to ITI, the Sale and Purchase Agreement permits ITI a further six week period, during which both parties will be required to take certain steps to migrate clients, Client Assets and/or Client Money onto ITI's system. ITI will also carry out a reconciliation exercise of the Client Assets transferred to them.

Clients should not engage directly with ITI until the end of this six week period. Clients are expected to be able to engage with ITI and transact on their new accounts from 23 July 2020. Any query which you may have in the meantime should continue to be directed towards the Administrators either by telephone on 0203 457 4871 or by email at [svs@leonardcurtis.co.uk](mailto:svs@leonardcurtis.co.uk).

#### **Q. WHEN WILL I BE CONTACTED?**

On or around 11 June 2020, two letters will be made available to clients. A letter will be issued by the Company (a "goodbye" letter) and a letter will be issued by ITI (a "welcome" letter) respectively and each letter will have different content. A full introduction to ITI and its services will be provided as part of these communications, together with further details on the transfer.

A further communication will be issued by ITI during the period to 23 July 2020. This will include details of the steps required by clients to register an account with ITI.

ITI will contact clients individually with specific instructions on how to register for an account with them in due course. Please **DO NOT** contact ITI until you are instructed to do so by ITI. Any queries

that you may have in the meantime should continue to be directed towards the Administrators at the contact details below.

#### **Q. WHAT IF MY CLIENT ASSETS AND/OR CLIENT MONEY ARE NOT ELIGIBLE TO TRANSFER TO ITI?**

Any clients who are not eligible to be transferred to ITI have been informed. These clients will be provided with instructions on the steps that they are now required to take.

### **TAX**

#### **Q. WHAT IS MY TAX POSITION/TAX WRAPPERS?**

ITI is an approved ISA manager and the bulk transfer of accounts has been designed so as to take account of tax wrappers such as SIPPS and ISAs. For more information in relation to the transfer of ISAs, please see the *"Notification of intention to bulk transfer Individual Savings Accounts (ISAs)"* (<https://www.leonardcurtis.co.uk/wp-content/uploads/2020/05/Notification-of-intention-to-bulk-transfer-Individual-Savings-Accounts.pdf>).

Clients should take advice from their own professional advisers in connection with the tax implications of the transfer to ITI.

#### **Q. WHAT WILL HAPPEN TO MY TAX STATEMENT BEFORE AND AFTER THE TRANSFER?**

The Administrators will issue tax statements for the periods from 6 April 2019 to 5 April 2020 and from 6 April 2020 to 11 June 2020. Thereafter, following the transfer, ITI will take on the responsibility for the production of tax statements.

### **TREATMENT OF CLIENT DATA**

#### **Q. WHAT HAPPENS TO MY DATA?**

The arrangements agreed between the Administrators and ITI in respect of Client Data (as defined in the Sale and Purchase Agreement) are set out in clause 12 of the Sale and Purchase Agreement. From the point of transfer (11 June 2020), legal responsibility for Client Data protection (as data controller) passes from the Company to ITI for all clients who will be transferred to ITI. That legal responsibility will include all of the relevant responsibilities under GDPR (the General Data Protection Regulation (EU) 2016/679). Accordingly, ITI will assume responsibilities directly to clients and clients will have enforceable rights against ITI.

In relation to Client Data relating to a Reverse Transfer Client or a Non-Transferring Client Asset (each as defined in the Sale and Purchase Agreement), alternative arrangements (including the return of such data and the destruction of any copies) have been agreed with ITI to reflect that the relevant clients will not become/remain clients of ITI.

Following the transfer to ITI, the Administrators will continue to retain client data as a processor (on behalf of the Company as the data controller) in the same manner as the data is currently held and processed in relation to (a) Reverse Transfer Clients and (b) Non-Transferred Claimants (as defined in the Distribution Plan) in respect of whom ITI holds Client Assets as a sub-custodian. This will allow the Administrators to continue to liaise with such clients in respect of their holdings of Client Assets and Client Money to fulfil the purpose of the special administration.

In relation to any other clients who will transfer to ITI, the Administrators will retain client data on the basis that the data is required in order for the Administrators to determine any creditor claims that are made against the insolvent estate, as the Administrators are required to do under the legislation governing the special administration. This will include the determination of any unsecured Reconciliation Shortfall claims or Costs Shortfall claims (each as defined in the Distribution Plan), along with other potential claims of such clients against the estate.

## ADDITIONAL QUERIES

### Q. WHAT IF I HAVE QUESTIONS BEFORE 23 JULY 2020?

Please direct all queries to the Administrators, using the contact details below, until advised otherwise by ITI.

We encourage you to remain vigilant and to exercise caution when dealing with correspondence regarding the special administration of the Company. If you are in any doubt regarding the authenticity of any correspondence you may receive, please do not hesitate to contact the Administrators on 0203 457 4871 or by email at [svs@leonardcurtis.co.uk](mailto:svs@leonardcurtis.co.uk). Support is available to all clients and further information on the special administration should be sought in the first instance from [www.leonardcurtis.co.uk/svs](http://www.leonardcurtis.co.uk/svs).

## CONTACT DETAILS

Website: [www.leonardcurtis.co.uk/svs](http://www.leonardcurtis.co.uk/svs)

Email: [svs@leonardcurtis.co.uk](mailto:svs@leonardcurtis.co.uk)

Phone: 0203 457 4871

Address: SVS Securities PLC (In Special Administration), c/o Leonard Curtis, Princes Court, 7 Princes Street, London EC2R 8AQ

Andrew Poxon, Julien Irving and Alex Cadwallader were appointed as Joint Special Administrators of SVS Securities PLC on 5 August 2019. Julien Irving was subsequently replaced as Joint Special Administrator by Andrew Duncan of Leonard Curtis on 12 May 2020. The affairs, business and property of SVS Securities PLC are being managed by the Joint Special Administrators who act as agents of the Company, without personal liability. Andrew Poxon, Alex Cadwallader and Andrew Duncan are authorised to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. SVS Securities PLC is authorised and regulated by the Financial Conduct Authority. FCA reference number 220929. Registered in England No. 04402606. Registered Office: Riverside House, Irwell Street, Manchester M3 5EN.

Leonard Curtis acts as data controller in respect of personal data obtained in relation to the Company's Special Administration and is therefore responsible for complying with data protection law in respect of any personal data Leonard Curtis process. Leonard Curtis' privacy notice can be found at: <https://www.leonardcurtis.co.uk/svs/data-and-protection>.