

**CITY OF LONDON LAW SOCIETY  
FINANCIAL LAW COMMITTEE**

**Minutes for the meeting held at 12.45pm on 17 April 2024  
at the offices of Baker & McKenzie LLP, 280 Bishopsgate, London EC2M 4RB and also by  
Teams**

**Present:** Sarah Smith (Baker & McKenzie LLP) (Chairman) – in person  
Simon Roberts (Allen & Overy LLP) - in person  
Matt Dunn (Clifford Chance LLP) – in person  
Penny Angell (Hogan Lovells International LLP) – in person  
Jeremy Stokeld (Linklaters LLP) – in person  
Edward Fife (Slaughter and May) – in person  
Jake Jackaman (Herbert Smith Freehills LLP) – by Teams  
Nick Swiss (Eversheds Sutherland (International) LLP) – by Teams  
Nigel Ward (Ashurst LLP) – by Teams  
Mark Evans (Travers Smith LLP) – by Teams  
Emma Giddings (Norton Rose Fulbright LLP) – by Teams  
James Bresslaw (Simmons & Simmons LLP) – by Teams  
Craig Jones (Sullivan & Cromwell LLP), as alternate for Presley Warner – by  
Teams

**Attending:** Natalie Butchart (Baker & McKenzie LLP) (Secretary) – in person  
Kevin Hart (CLLS) (Legal Policy Analyst) – by Teams

**1. APOLOGIES FOR ABSENCE, APPROVAL OF MINUTES**

**1.1 Apologies for absence**

The Chairman opened the meeting and reported that apologies had been received from Flora McLean (Freshfields Bruckhaus Deringer LLP).

**1.2 Minutes of the last meeting**

The minutes of the last meeting, held on 16 January 2024, were approved.

**2. DIGITAL ASSETS (M. EVANS, S. SMITH)**

**2.1 Law Commission Consultation Paper**

- It was reported by the Chairman that [draft legislation and a short consultation paper](#) had been published 22 February 2024 to reflect the recommendation of the Law Commission, set out in the [Final Report on Digital assets](#) published 28 June 2023, that legislation should be passed to confirm the existence of a third category of personal property.

It was reported by the Chairman that members of this Committee had prepared a response to this draft legislation and short consultation, which was submitted on 22 March 2024.



In summary, the response states that members of the Committee agree with the Law Commission's view that English law in this area is best left to continuing development under the common law and principles of equity, and expressed their concern that the Bill, in its current form, may inhibit the ongoing development of the common law/equity in this area. The responding members of the Committee concluded that the Bill is not needed; or, at least, is not needed at this point in time, and that its proposed ambit should be clarified. Clifford Chance LLP, Linklaters LLP and Norton Rose Fulbright LLP confirmed that they would be making their own individual firm submissions and should be excluded from the Committee's response.

- It was further reported by the Chairman that the Law Commission had published a Call for Evidence 22 February 2024 on [Digital assets and ETDs in private international law: which court, which law?](#) The deadline for responses to this Call for Evidence is 16 May 2024. The Chairman confirmed that she would be preparing an initial draft response that she would be circulating shortly for review by the Committee.

It was reported by Mark Evans that the Committee's response to the draft legislation and short consultation had been shared with Lord Holmes, who had expressed an interest in the Committee's views. It was proposed that the Committee also share its final response to the Call for Evidence on Digital assets and ETDs in private international law with Lord Holmes. It was further noted that Mark Evans was in discussions with certain members of the working group convened by the FMLC to consider its response to the Call for Evidence.

## 2.2 UK Judicial Taskforce Consultation

The Chairman reported that UKJT had published a [Legal Statement on Digital Assets and English Insolvency Law](#) on 17 April 2024 and would be holding a launch event on 24 April 2024, at the Guildhall, to discuss the key findings of the consultation.

## 3. **FRISCHMANN V. VAXEAL HOLDINGS S.A. & ORS [2023] EWHC 2698 (CH) (M.DUNN)**

It was reported by Matt Dunn that the working group had met on 4 March 2024 to consider a draft note, prepared by Clifford Chance LLP, on the issues raised by the case. The working group agreed that the Committee should seek the opinion of Leading Counsel on a number of points relating to the case. Clifford Chance LLP then repurposed their note into Instructions to Leading Counsel (the Instructions). Clifford Chance LLP circulated the first draft of the Instructions on 15 March 2024 for comments and scheduled a further meeting of the working group on 19 April 2024.

*Postscript:* A meeting of the working group took place on 19 April 2024. During this meeting some specific outstanding points of the Instructions were discussed and agreed. It was also agreed that a fee quote be obtained from proposed Leading Counsel.

## 4. **COMPANIES HOUSE (S.SMITH)**

The Chairman reported that, during the third week of February 2024, it was brought to the attention of a number of City law firms and Companies House that someone was inappropriately filing MR04 (statement of satisfaction) forms at Companies House in respect of outstanding charges.

Companies House identified the account from which these forms were being filed and blocked it as of 23 February 2024.

Companies House then conducted an internal investigation to identify the companies that had been impacted and released to UK Finance (for and on behalf of some of the affected lenders) a list of 193 affected companies relating to a total of 800 charges. Companies House

have not made any public statement though regarding this list being complete. UK Finance cannot release the list as it is marked confidential but it is understood that they have written to Companies House to encourage them to make a public statement, so far this has not been forthcoming.

On 4 March, Companies House utilised their new powers under the Economic Crime and Corporate Transparency Act 2023 that had been brought into force by the Economic Crime and Corporate Transparency Act 2023 (Commencement No 2 and Transitional Provision) Regulations 2024 to rectify the register in respect of those 800 identified charges. In respect of each rectification Companies House wrote to the affected company informing them of the rectification.

It is understood that the internal investigation continues into how the perpetrator was able to carry out these filings.

The Committee agreed that being able to rely on the accuracy of the Companies House register of charges was essential for companies, lenders and their legal advisers. It was discussed whether it would be appropriate for the Committee to address its concerns in writing to the Government Department for Business and Trade. It was decided that all members of the Committee would consider the concerns in further detail and investigate how similar risks in other common law jurisdictions are mitigated against. The issue would then be placed on the agenda for further discussion at the next Committee meeting.

## 5. **UPDATES/CURRENT STATUS**

### 5.1 **Potential Reform of the Financial Collateral Regulations (S. SMITH)**

The Chairman confirmed that there were no further updates to report.

### 5.2 **National Security and Investment Act 2021 (P. ANGELL)**

Penny Angell confirmed that there were no further updates to report. In anticipation of a General Election taking place before the end of 2024, the question was raised whether it would be helpful to discuss the Committee's ongoing concerns regarding the application of the Act with the Shadow Cabinet Office Minister. Penny Angell agreed to raise this question with the working group and report back to the Committee.

*Postscript:* A General Election was called shortly after the meeting and scheduled for 4 July 2024. On 18 April the Government issued its [response](#) to the Call for Evidence on the Act and on the 22 May it published updated [market guidance](#). Taking all that into account it was agreed that the working group would convene on 5 July 2024.

### 5.3 **Prospectus Regime (E. FIFE; M. DUNN)**

Matt Dunn confirmed that there were no further updates to report.

### 5.4 **ESG (E. GIDDINGS)**

Emma Giddings confirmed that there were no further updates to report from the sub-working groups that she was a member of. She noted that there would be a meeting of the CLLS ESG Committee the week commencing 22 April 2024 and that she would report back to the Committee following that meeting.

## 6. **ANY OTHER BUSINESS AND CLOSE**

- **Revised Procedure Guide**

The Chairman noted that the CLLS proposes to use a revised Procedure Guide for the ongoing management of the CLLS specialist committees and that it should be read in association with the [Constitution of the CLLS](#)

- **HM Treasury consultation on improving the effectiveness of the Money Laundering Regulations**

The Chairman reported that, in February 2024, HM Treasury published a [consultation](#) on improving the effectiveness of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the 'MLRs') and that responses to the consultation are due by 9 June 2024. It was agreed that, although of general interest to the Committee, the subject matter was not within the remit of the Committee and it would not be submitting a response.

7. **NEXT MEETING**

The Committee was reminded that the next meeting will be held at 12:45 pm on 10 July 2024 at the offices of Norton Rose Fulbright LLP.

There being no further business, the meeting closed.