

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

**Minutes for the meeting held at 12.45 pm on 14 January 2026
at the offices of Dentons UK and Middle East LLP and also by Teams**

Present: Sarah Smith (Baker & McKenzie LLP) (Chairman) – in person
Matt Dunn (Clifford Chance LLP) – in person
Edward Fife (Slaughter and May) – in person
Fiona Fitzgerald (Allen Overy Shearman Sterling LLP) – in person
Natalie Lewis (Travis Smith LLP) - in person
Nick May (Herbert Smith Freehills Kramer LLP) – in person
Flora McLean (Freshfield LLP) – in person
Adam Pierce (Dentons UK and Middle East LLP) – in person
Alexander Shopov (Linklaters LLP) – in person
Penny Angell (Hogan Lovells International LLP) – by Teams
James Bresslaw (Simmons & Simmons LLP) – by Teams
Emma Giddings (Norton Rose Fulbright LLP) – by Teams
Nick Swiss (Eversheds Sutherland (International) LLP) – by Teams
Nigel Ward (Ashurst LLP) – by Teams

Attending: Kevin Hart (CLLS) (Legal Policy Analyst) – in person
Natalie Butchart (Slaughter and May) (Secretary) – in person

1. APOLOGIES FOR ABSENCE

The Chairman opened the meeting and reported that there had been no apologies.

2. APPROVAL OF MINUTES

The minutes of the last meeting, held on 15 October 2025, were approved.

3. COMMITTEE MEMBERSHIP

The Chairman noted that as it was the start of a new year, the CLLS suggests that each Specialist Committee considers its composition. It was agreed that, as the Committee had refreshed its membership over the last 12 – 24 months and current members had expertise in a wide range of specialist areas of financial law, there was no further action to be taken.

The Chairman reminded the Committee of the procedure for membership applications upon openings on the Committee becoming available.

4. DIGITAL ASSETS (S. SMITH)

4.1 Property (Digital Assets Etc) Bill

The Chairman reported that the [Bill](#) had continued its passage through Parliament, without amendment, and had received Royal Assent on 2 December 2025 to become the Property (Digital Assets etc) Act 2025. The Act came into force with immediate effect.

4.2 Digitalisation Taskforce Final Report

The Chairman reminded the Committee that:

- on 15 July 2025, the Digitalisation Taskforce published its Final Report setting out its final recommendations for modernising the UK shareholder framework; and the UK Government published a response to the report indicating that it accepted the recommendations made in the report and setting out how it intends to take them forward; and
- on 9 October 2025, the government announced the appointment of Mark Austin CBE to establish and chair the Dematerialisation Market Action Taskforce (DEMAT) and published Terms of Reference setting out the objectives and governance structure of the DEMAT.

The Chairman reported that on 3 December 2025, on the invitation of Lucy Fergusson, who leads the CLLS Company Law Committee's working group on share digitisation, the Chairman joined a call, alongside members of that working group, with the Department for Business and Trade (DBT), representatives from HMT and the FCA and Mark Austin as chair of the DEMAT to discuss a list of points provided to the DBT by Lucy Fergusson flagging some key legal considerations regarding, in particular, Step 1 (abolition of share certificates) as proposed by the Taskforce.

The Chairman noted that she had also raised with that group ongoing concerns with the Financial Collateral Arrangements (No.2) Regulations 2003 (the "FCARS"), which are listed in Schedule 1 to the Financial Services and Markest Act 2023 and are, therefore, due to be revoked and replaced, and suggested that the reform of the FCARS be placed on the DEMAT's agenda.

The Committee agreed that this item should remain a watching brief.

4.3 The regulatory framework for digital assets

The Chairman noted that on 15 December 2025, the final draft text of [The Financial Services and Markets Act 2000 \(Cryptoassets\) Regulations 2025](#) were laid before parliament and await approval. Following parliamentary approval, the regime will go live on 25 October 2027.

4.4 International Jurisdiction Taskforce (IJT)

The Chairman reminded the Committee that on 5 August 2025, LawTech UK announced the establishment of the International Jurisdiction Taskforce (IJT), a new independent body convened to reduce international barriers to the adoption of digital technology. The IJT is chaired by Sir Geoffrey Vos, the Master of the Rolls. As discussed at the previous meeting of the Committee, the Committee would welcome the opportunity to engage with the IJT.

The Chairman reported that, as yet, no action had been taken by the IJT but that, on 1 November 2025, Sir Geoffrey Vos delivered a [speech](#), at Queen Mary, University of London, setting out the background to the creation of the IJT and the outlook for its work.

4.5 FCA Consultation on fund tokenisation

The Chairman reminded the Committee that on 14 October 2025, the FCA published a [consultation paper](#) on its proposed new rules for fund tokenisation and direct-to-fund dealing. The consultation set out how the FCA aims to support innovation in UK asset management, while protecting consumers.

The deadlines for responses were:

- 21 November 2025 for proposals set out in chapters 2 to 4; and
- 12 December 2025 for future tokenisation models set out in chapter 5.

The Chairman confirmed that this Committee did not submit a response to the consultation paper but will continue to follow developments.

5. **EU SETTLEMENT FINALITY REGULATION (N. LEWIS)**

The Chairman reported that on 4 December 2025, the European Commission published a proposal for an [EU Regulation on settlement finality](#) that will repeal Directive 98/26/EU (i.e. converting the existing Settlement Finality Directive into a Regulation) and amend Directive 2002/47/EC on financial collateral arrangements.

Natalie Lewis outlined a list of initial points of concern with the proposed Regulation that require further consideration. The Chairman proposed that a working group be established, possibly an expanded version of the existing digital assets working group, to consider the issues raised by Natalie in respect of the Regulation together with any issues arising out of the implementation of the recommendations in the final report of the Digitisation Taskforce via the work of the newly established DEMAT (refer to Item 4.2 above) and the work of the IJT (refer to item 4.4 above) to help ensure consistency of approach in respect of points of convergence between the matters these bodies are tasked with; and that the Committee engage with other industry groups and committees interested in this matters, for example, the CLLS Regulatory Committee, the FMLC and ISDA.

6. **MACDONALD HOTELS LTD V BANK OF SCOTLAND PLC**

[Macdonald Hotels Ltd and another v Bank of Scotland plc \[2025\] EWHC 32 \(Comm\)](#)

The Chairman reminded the Committee that, at the last meeting, this Committee approved a final form draft of a note produced by a working group of members, in light of this case, regarding what is required to meet the “face value requirement” set out in section 2 of the Law of Property (Miscellaneous Provisions) Act 1989 that have raised some concerns for finance lawyers.

The Chairman reported that the note was:

- shared with the Company Law Committee who endorsed it at a meeting held on 26 November 2025;
- published on this Committee’s CLLS webpage; and
- the subject of an LMA statement supporting the findings in the note.

7. **CLLS GUIDE ON ENGLISH LAW OPINION LETTERS (S. SMITH)**

The Chairman reported that a working group of Committee members and their nominated colleagues met on 16 October 2025 to discuss and consider possible revisions to the Guide, following which attendees at that meeting provided their written suggestions and comments to the Chairman.

The Chairman will produce a revised draft of the Guide for consideration by the working group, taking into consideration the comments provided.

8. **REPORT OF THE UK INDEPENDENT EXPERT PANEL ON CORPORATE RE-DOMICILIATION**

The Chairman reported that the Government has not yet published details of the consultation it proposed to hold in respect of the proposed regime for re-domiciled entities following the publication by the Department for Business and Trade (DBT) of a [Report of the UK Independent Expert Panel on Corporate Re-Domiciliation](#) on 14 October 2024.

This item will remain a watching brief.

9. **UPDATES/CURRENT STATUS**

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

Penny Angell noted that there was nothing to report on this matter and that we are still waiting for the Cabinet Office to bring forward proposed secondary legislation before Parliament to remove the requirement for businesses to have to notify certain internal reorganisations and the appointment of liquidators, special administrators and official receivers.

It was also noted that on 28 November 2025, the Court of Appeal dismissed an [appeal](#) in respect of the case of L1T FM Holdings UK Ltd and another v Chancellor of the Duchy of Lancaster [\[2024\] EWHC 2963 \(Admin\)](#) affirming the High Court's ruling that the principle of proportionality had been satisfied despite the absence of further compensation and was accordingly lawful under Article 1 of Protocol 1 (A1P1) to the European Convention on Human Rights, which requires compensation to be paid following a forced sale made pursuant to a final order under the NSIA.

9.2 **ECONOMIC CRIME AND CORPORATE TRANSPARENCY ACT 2023**

The Committee was reminded that on 18 November 2025, significant changes to company law came into force, including, mandatory identity verification for all individual directors, members of limited liability partnerships and persons with significant control. At the last meeting of this Committee members discussed the new requirements, in particular with regards to the ability to conduct reliable due diligence on ID verification status; and the potential consequential impact on condition precedent requirements, legal opinions and timing/closing mechanics, and agreed that this was an area of practice to keep under review.

Members of the Committee reported that when conducting company searches they were now including a specific review of this aspect of the register but did not consider that any additional steps were required.

9.3 **CLLS ESG (E. GIDDINGS)**

Emma Giddings reported that the next meeting of the CLLS ESG Committee was scheduled for 15 January 2026 and that she would provide an update at the next meeting of this Committee.

10. **LAW COMMISSION 14TH PROGRAMME OF LAW REFORM – DEEDS**

The Chairman noted that there was nothing to report on this item and that the Committee would continue to keep a watching brief.

11. **HOUSE OF LORDS FINANCIAL SERVICES REGULATION COMMITTEE REPORT ON THE PRIVATE MARKETS**

The Chairman reported that on 9 January 2026, the House of Lords Financial Services Regulation Committee (FSRC) published a report on the [Private markets: Unknown unknowns](#) accompanied by a [press release](#) that provides an overview of the report and highlights the FSRC's key findings and conclusions. The report is the outcome of a [Call for Evidence](#) and inquiry into the growth of private credit markets in the UK, launched by the FSRC on 2 July 2025.

The Committee agreed to keep a watching brief on the potential consequences of the report's findings.

12. **ANY OTHER BUSINESS AND CLOSE**

12.1 **Update on ongoing cases**

[National Iranian Oil Company, Retirement, Saving and Welfare Fund of Oil Industry Workers v Crescent Gas Corporation Limited \[2025\] EWCA Civ 1211](#)

This case was reported at the last meeting of the Committee. The Court of Appeal considered and dismissed an appeal concerning the interpretation and effect of section 53(1)(b) of the Law of Property Act 1925, holding that the section requires personal signature by the trustee and that signature by their agent would not be sufficient.

The Court of Appeal has granted permission to appeal to the Supreme Court.

[Vietjet Aviation JSC v FW Aviation \(Holdings\) 1 Ltd \[2025\] EWCA Civ 783](#)

This case was reported at the last meeting of the Committee. The Court of Appeal drew a distinction between an assignee's entitlement to exercise contractual rights assigned to it pursuant to a security agreement and its rights to enforce the security. The former could arise immediately but the latter only upon a stated trigger event.

The Court also considered the meaning of 'financial institution' in the context of permitted loan transfers, i.e. had the loans in question been transferred to a permitted financial institution (a 'Qualifying Lender') within the definition of the loan transfer provisions. It gave the term a broad meaning – following the case of *Argo Fund Ltd v Essar Steel* [2006] EWCA Civ 241 – concluding that an English SPV that had been set up to acquire the loans fell within the definition.

On 30 October 2025, an application to appeal was made to the Supreme Court and that appeal was rejected. It was concluded that the application did not raise a point of law of general public importance.

[Re Waldorf Production UK Plc \[2025\] EWHC 2297 \(Ch\)](#)

This case was reported at the last meeting of the Committee. The High Court refused to sanction a Part 26A restructuring plan for Waldorf Production UK plc (the Company) but issued a leapfrog certificate allowing the Company to appeal directly to the Supreme Court bypassing the Court of Appeal.

However, on 12 December 2025, the Company announced the sale of the Waldorf Group to Harbour Energy plc and that it would be withdrawing its appeal to the Supreme Court. On 23 December, the Company issued a practice statement letter (PSL) in respect of a new Restructuring Plan (RP2), which is being proposed in the context of satisfying a condition to the proposed sale of the Company to Harbour Energy plc. Amongst other things, the PSL confirms the Company's intention to apply to and appear before the High Court on 4 February 2026 for orders granting permission to convene meetings of the Plan Creditors for the purpose of considering and, if thought fit, approving the RP2.

12.2 Report on new cases

[King Crude Carriers SA v Ridgebury November & Ors \[2025\] UKSC 39](#)

The Supreme Court held that there is no principle in English law that, where a defendant's breach of contract prevents the fulfilment of a condition precedent to its debt obligation, that condition is deemed to be waived or fulfilled (meaning that the debt would be due). This decision overturned the Court of Appeal's decision that Lord Watson's judgment in *Mackay v Dick* [1881] 6 App Cas 251 (a case based on Scots law) established this "deemed fulfilment principle". The Supreme Court rejected the supposed principle because (amongst other reasons) the English law of contract is concerned with the terms of the contract, express and implied, and their proper interpretation, which promotes certainty and predictability and there was no convincing explanation for the fiction of a deemed waiver. Rejecting the proposed principle did not lead to injustice as damages are still available for the breach and a debt claim would potentially allow the claimant to recover more than its loss.

[Beneathco DMCC v RJ O'Brien Ltd \[2025\] EWHC 3079 \(Comm\)](#)

The High Court declined to imply a term into a contract excusing RJOL (a FCA regulated broker) from making payments to sanctioned clients (which Beneathco was pursuant to US sanction laws). However, on interpreting the terms of the contract between the parties the court held that RJOL was only obliged to pay money to Beneathco itself (not to a third party, as Beneathco had requested) in US dollars (the currency in which the relevant monies were held), and not AED as requested. RJOL was, therefore, not in breach, did not have a debt obligation and continued to hold the monies on trust.

The court also made some *obiter* comments in considering whether the *Ralli Bros* principle would apply if RJOL had been contractually obliged to make the requested payment via a

US correspondent bank. The court noted that the *Ralli Bros* principle only prevents the courts ordering illegal "contractual performance", and not things done to prepare for contractual performance. If the money had been owed to Beneathco as a debt payable in Dubai, then RJOL would not be excused from taking preparatory steps necessary to find a way to pay (whether in USD or AED), even if these breached sanctions (unless its terms provided otherwise). However, because RJOL was holding Beneathco's money on trust in dollars, contractual performance itself would involve paying those specific monies to Beneathco via the US banking system, as this would involve illegal acts under US law a court could not order it.

The court also stated that, in this case, the *Ralli Bros* principle would take precedence over the Protecting Against the Effects of the Extraterritorial Application of Third Country Legislation (Amendment) (EU Exit) Regulations 2020 (SI 2020/1660) (UK Blocking Regulation) (see paragraph 98 of the judgment).

12.2 **Proposals for the modernisation of the UK securitisation special purpose entity framework (Alex Shopov)**

Alex Shopov reported that he and other colleagues at Linklaters LLP had written an [article](#) that was published in the January 2026 edition of the Journal of International Banking & Financial Law that presents proposals for the modernisation of the UK securitisation special purpose entity framework.

Alex proposed that these issues be put on the agenda for discussion at the next meeting of the Committee.

13. **NEXT MEETING**

The next meeting of the Committee will be held 12:45 pm on 8 April 2026 at the offices of Slaughter and May.

There being no further business, the meeting closed.