

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

**Minutes for the meeting held at 12.45 pm on 15 January 2025
at the offices of Ashurst LLP and also by Teams.**

Present: Sarah Smith (Baker & McKenzie LLP) (Chairman) – in person
Penny Angell (Hogan Lovells International LLP) – in person
Matt Dunn (Clifford Chance LLP) – in person
Edward Fife (Slaughter and May) – in person
Nick May (Herbert Smith Freehills LLP) – in person
Nigel Ward (Ashurst LLP) – in person
Simon Roberts (A&O Shearman LLP) – in person
Nick Swiss (Eversheds Sutherland (International) LLP) – in person
James Bresslaw (Simmons & Simmons LLP) – by Teams
Emma Giddings ((Norton Rose Fulbright LLP) – by Teams
Natalie Lewis (Travis Smith LLP) – by Teams
Flora McLean (Freshfield Bruckhaus Deringer LLP) – by Teams

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

1. APOLOGIES FOR ABSENCE

The Chairman opened the meeting and reported that apologies had been received from Presley Warner (Sullivan & Cromwell LLP).

2. DOROTHY LIVINGSTON

The Chairman acknowledged the dedicated service and outstanding contribution of the late Dorothy Livingston to both the work of this Committee and the wider legal community. She noted that a letter of condolence had been sent to Dorothy's daughters on behalf of the Committee and that details of an upcoming memorial service had been circulated.

Kevin Hart further noted that Dorothy would be remembered at the annual CLLS service in May, with further details on that event to be circulated.

3. APPROVAL OF MINUTES

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

4. RESIGNATION AND ELECTION OF NEW COMMITTEE MEMBER(S)

The Chairman reminded the Committee that Jeremy Stokeld had resigned from the Committee at the end of 2024 and that an advertisement for the position on the Committee had been posted on the CLLS website.

The Chairman reported that two applications had been received from Adam Pierce (Dentons UK and Middle East LLP) and Alex Shopov (Linklaters LLP) and that copies of these applications had been provided by email to all members of the Committee for consideration ahead of the meeting.

In the interests of ensuring a wide spread of knowledge and expertise on the Committee the Chairman recommended the appointment of both candidates and asked the Committee if there were any objections to these appointments. No objections were raised and the appointment of both Adam Pierce and Alex Shopov to the Committee was confirmed.

5. **DIGITAL ASSETS (S. SMITH)**

5.1 **Law Commission Consultation Paper**

The Chairman reported that, on the 20 December 2024, the Committee had submitted the attached response to the [call for evidence](#) issued by the Special Public Bill Committee on the Property (Digital Assets etc) Bill. She noted that, although the attached response was approved by a majority of the members of this Committee, a number of firms that members of the Committee represented had made separate submissions and had been excluded from the Committee's response; the Committee's response summarised certain of these alternative arguments. The Chairman acknowledged that some comments had not been received until after the Committee's response had been submitted.



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The Chairman further reported that a considerable number of responses had been submitted to the Special Public Bill Committee, most of which were published on 9 January 2025 on the [web page](#) established for the Special Public Bill Committee (a few being published before Christmas). She noted the various and divergent views that have been expressed in these responses, which were reflective of the differing views amongst members of this Committee.

The Chairman brought to the attention of the Committee the [FAQ paper](#) that had been issued by the Law Commission the day before this meeting, 14 January 2025, on Digital assets in private international law: FAQs on the relationship with tax law, banking regulation, and the financial markets and the fact that the next formal stage of the Law Commission's work on this project would be to publish a Consultation Paper with proposals for law reform.

The Chairman proposed that a new working group be formed to focus on and distil the key issues in respect of digital assets specifically from a financial law perspective and requested volunteers. She proposed that the working group be composed of at least 5 – 6 members in order to represent and capture different viewpoints.

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

The Chairman reminded the Committee that at the last Committee meeting, following feedback from the working group led by Matt Dunn, it was agreed that, instead of appointing Counsel to provide an opinion on certain aspects of the decision in this case, the Committee would produce and publish a short guidance note.

Matt Dunn reported that the note had been produced and circulated to the Committee members for comments on 14 November 2024. The draft note was then shared with the CLLS Company Law Committee to be tabled at their next meeting, on 27 November 2024, for consideration as to whether they would like to be a party to its publication.

Following receipt of comments from members of both Committees a final draft of the note was agreed amongst the members of the working party on the morning of this meeting. It was reported that this final form version would be shared with the CLLS Company Law Committee to be tabled at their next meeting, on 29 January 2025 for approval.

Postscript: The final form of the note was approved by the CLLS Company Law Committee and published on the Committee website on 30 January 2025.

7. **COMPANIES HOUSE**

The Chairman reminded the Committee that Jeremy Stokeld had led a sub-group of Committee members in a joint project with the FMLC to consider the publication of an educational piece following the events of February 2024, when it came 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.

Following several meetings of the sub-group of the Committee and members of the FMLC to discuss the project the sub-group finally concluded not to publish a note.

It was noted that this item would now be removed from the Agenda of the next meeting of the Committee.

8. **CLLS GUIDE ON ENGLISH LAW OPINION LETTERS**

The Chairman reminded the Committee that at the last meeting it was proposed that the Committee form a working group to consider updates to certain aspects of the CLLS Guide on English Law Opinion Letters, which was last updated in December 2020.

The Committee acknowledged that the scope of any additional points to be considered and discussed for inclusion in the Guide by the working group would need careful consideration to ensure that professional conduct requirements are met.

The Chairman asked for Committee members to email her with the names of volunteers for the working group and confirmed that colleagues of Committee members would be welcome to join.

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

The Chairman reminded the Committee that on 14 October 2024, the Department for Business and Trade (DBT) had published the [Report of the UK Independent Expert Panel on Corporate Re-Domiciliation](#) and that in the DBT's press release attached to the Report indicated that the Government intends to consult in due course on the details of the proposed regime for re-domiciled entities.

At the last Committee meeting, the Chairman advised that the Committee should consider responding to any such consultation, including in conjunction with other CLLS specialist committees. However, it was noted that the Government has not yet published details of the consultation.

10. **UPDATES/CURRENT STATUS**

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

The Chairman noted that she had still not received any response to the email sent to the member of the legal group at the Funds, Markets and Securities section of H. M. Treasury and, therefore, there was no further update to report on this matter.

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

Penny Angell reported that on 19 December 2024, the UK Government published a [report](#) on the National Security and Investment Act 2021 (Notifiable Acquisition) (Specification of Qualifying Entities) Regulations 2021 (the NARs). In general terms the report concluded that the NARs were covering the correct 17 high-risk sectors and broadly achieving their objectives. Penny noted that some opaque language had been included indicating that the Government would be considering some small changes, however, there was no reference to further guidance being provided on any of the issues previously raised by this Committee, for example, exempting historic transactions and delaying the trigger for notification to the exercise of voting rights rather than acquiring the right to exercise votes.

Consequently, her sense was that there would be no real appetite from the Government to reopen a conversation on these points. She agreed to confirm this view with other members of the Committee working group on this matter and report back.

Penny also reported that on 19 December 2024, the High Court issued its first ruling on a challenge to an unwinding order imposed by the UK government under the Act in the case of L1T FM Holdings UK Ltd and another v Chancellor of the Duchy of Lancaster [\[2024\] EWHC 2963 \(Admin\)](#). She noted that, unsurprisingly, the court confirmed the broad discretion of the Secretary of State to determine the appropriate remedy for resolving national security concerns arising from a transaction.

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

The Chairman reported, on behalf of Emma Giddings, that the [UK Green Taxonomy Consultation](#) was issued in November 2024 following on from the Transition Finance Market Review report. She further reported that Emma Giddings would be coordinating the response to the Consultation on behalf of the CLLS ESG Committee and in conjunction with the CLLS Environment Committee. It was noted that responses are due to be submitted by 6 February 2025.

Members of the Committee requested that the form of response be circulated to members of this Committee.

11. **ANY OTHER BUSINESS AND CLOSE**

11.1 **Alpha Schools (Holdings) Ltd v Signal Alpha III Fund LP [\[2024\] EWHC 2862 \(Ch\)](#)**

This case was interesting for a number of reasons but in particular for its consideration of the binding nature of provisions in a term sheet. An application was made for an injunction to restrain presentation of a winding up petition by a company that asserted that it was entitled to a £350,000 break fee and certain other costs and expenses under the provisions of a term sheet after the applicant had decided to obtain funding from a third party. In the view of the judge there were “serious issues as to whether the term sheet has any contractual (as opposed to evidential) status”. This view was based on the fact the term sheet was hedged with qualifications e.g. “indicative only and subject to finalisation”. Furthermore, the term sheet stated that certain provisions were agreed to be legally binding and the provision enabling the respondent to seek the fee was not included in that category. The applicant argued that under ordinary principles of construction, if a document states that only certain parts of it are binding, the natural conclusion is that the others are not. The counter argument was based on commercial practice, i.e. that break fees are common place in term sheets and would be redundant if not legally binding. The judge was not confident enough to determine the point summarily but concluded that the applicant’s submission was plainly capable of argument. The application succeeded but on the main argument that there was sufficient evidence of misrepresentation.

11.2 **Constitution of the CLLS**

Kevin Hart reported that the process of changing the constitution of the CLLS was underway and that it would become a Limited Company (without shares). One of the consequences of this change would be that the memberships of each Committee would be considered to have been reset on day 1 of the new constitution and he asked that the Chairman keep this in mind with regards to the tenure of Committee members.

12. **NEXT MEETING**

The Committee was reminded that the next meeting will be held at 12:45 pm on 23 April 2025 at the offices of Travers Smith LLP.

There being no further business, the meeting closed.