CITY OF LONDON LAW SOCIETY

FINANCIAL LAW COMMITTEE

Minutes for the meeting held at 12.45 pm on 8 April 2026

at the offices of Slaughter and May and also by Teams

Present: Sarah Smith (Baker & McKenzie LLP) (Chairman) – in person
Edward Fife (Slaughter and May) – in person
Fiona Fitzgerald (Allen Overy Shearman Sterling LLP) – in person
James Bresslaw (Simmons & Simmons LLP) – in person
Nick Swiss (Eversheds Sutherland (International) LLP) – in person
Avril Forbes (Clifford Chance LLP) – as alternate for Matt Dunn – in person
Penny Angell (Hogan Lovells International LLP) – by Teams
Nigel Ward (Ashurst LLP) – by Teams
Emma Giddings (Norton Rose Fulbright LLP) – by Teams
Natalie Lewis (Travers Smith LLP) – by Teams
Flora McLean (Freshfields LLP) – by Teams
Paul Sidle (Linklaters LLP) – as alternate for Alexander Shopov – by Teams
Emily Barry (Herbert Smith Freehills Kramer LLP) - as alternate for Nick May – by Teams

Attending: Natalie Butchart (Slaughter and May) (Secretary) – in person

1. APOLOGIES FOR ABSENCE

The Chairman opened the meeting and reported that apologies had been received from Adam Pierce (Dentons UK and Middle East LLP) and Kevin Hart (CLLS) (Legal Policy Analyst).

2. APPROVAL OF MINUTES

The minutes of the last meeting, held on 14 January 2026, were approved.

3. DIGITAL ASSETS (S. SMITH)

3.1 Law Commission: Digital assets and (electronic) trade documents in private international law, including Section 72 of the Bills of Exchange Act 1882 Consultation Paper

Natalie Lewis reported that a meeting had taken place between her and the Chairman, on behalf of the Committee, and the new Law Commissioner for Commercial and Common Law, Solène Rowan, and a supporting barrister to discuss the concerns raised by the Committee in its response paper to this Consultation Paper. Natalie noted that she felt that the Committee's concerns had been recognised and understood during the discussion. A further consultation paper is expected to be published in the fourth quarter of 2026.

3.2 LawTech UK Conference

The Chairman reported that on 19 March 2026, the UKJT held a conference in London to launch its updated Legal Statement on Liability for AI Harms under the private law of England and Wales and its latest Report on Control of Digital Assets.

The Chairman noted that the work of the UKJT is part of the overall framework of work that is being carried out in this area of law in the UK, the EU and internationally. She referred the Committee to other items on the Agenda, being those now recorded in these minutes at 3.3, 4 and 5.

3.3 **International Jurisdiction Taskforce (IJT)**

The Chairman reported that in February 2026, the IJT published its first Position Paper – Comparative Analysis of the Private Law Treatment of Legal Nature and Attributes of Digital Assets Across the Seven Jurisdictions represented by the IJT. The Position Paper identifies four specific areas of future work for the IJT:

- **Principles on "Control":** It proposes that the IJT seek a technology neutral definition of control that is compatible with both common law and civil law traditions.
- **Transfer, Extinguishment, and Good Faith Acquisition**: It proposes that the IJT set out baseline principles identifying when transfers are effective, when title is cleansed of defects, and the circumstances under which good faith purchasers should be protected.
- **Tokenisation**: It proposes that the IJT provide conceptual clarity on when a token constitutes the asset itself and when it represents an underlying claim, together with guidance on governing law rules in tokenisation structures.
- **Custody and Insolvency Standards**: It suggests that the IJT should identify minimum standards for client asset segregation, custody arrangements, and re-hypothecation disclosures, aimed at reducing inconsistent treatment in cross-border insolvency scenarios.

The IJT stated that it welcomed feedback on the Position Paper, on the high-level comparative analysis in the Paper and on the proposals for the IJT's future work. However, no deadline was set for responses, so the Chairman contacted the Secretariat of the IJT to ask when responses should be submitted by. She was advised within the next few months.

The Chairman noted that the work of the IJT is also part of the overall framework of work that is being carried out in this area of law in the UK, the EU and internationally and that she would support the Committee submitting a response to the IJT papers. The Chairman will email Committee members asking for representatives to form a working group to prepare a response.

4. **DIGITALISATION TASKFORCE FINAL REPORT**

The Chairman reported that on 2 March 2026, a working group, composed of representatives from both this Committee and the Company Law Committee, met to discuss its response to a paper setting out the DBT's indicative approach to the proposed dematerialisation statutory instrument and a paper prepared by the Chartered Governance Institute UK & Ireland Registrars Group – Digitisation Sub Group setting out a transactional processing proposal.

On 6 March 2026, the response of the working group was submitted to the DBT.

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

Natalie Lewis reported that the FMLC had started to produce a draft response to the European Commission 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 advised that she would be emailing Committee members asking for representatives to join a working group to prepare a response to the proposal. She suggested that the working group liaise and collaborate with the FMLC to consider where there was alignment between the two bodies and where the working group of this Committee might wish to raise additional points.

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

The Chairman reported that she was in the process of producing a revised draft of the Guide, taking into consideration the comments that had been provided to her by members of the working group, and would be circulating that draft shortly for further comments.

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

The Chairman reported that on 25 March 2026, the Government launched the Consultation: Implementing a UK corporate re-domiciliation regime. The proposals in the consultation are based on the framework recommended by the DBT in a report published in October 2024 and seek views on the design for an inward corporate re-domiciliation regime that would allow non-UK companies to re-domicile in the UK by changing their place of incorporation while maintaining the same legal identity. The government also published an initial assessment of the likely impact of an inward-only regime – the DBT Analytical Paper.

The consultation closes on 19 June 2026.

After consideration, the Committee agreed that the Chairman should contact both the CLLS Company Law Committee and the Insolvency Law Committee to see if they were considering a response to this consultation and, if so, would they like to join forces to produce a combined response.

8. **UPDATES/CURRENT STATUS**

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

Penny Angell reported that on 12 March 2026, the government published its Response to the consultation on proposed changes to the National Security and Investment Act 2021 (Notifiable Acquisition) (Specification of Qualifying Entities) Regulations 2021 (the "NARS"). As well as announcing some minor amendments to the existing schedules to the NARs, the Response confirmed that:

- Critical Minerals will be carved out of the Advanced Materials schedule to create a new standalone schedule which will also incorporate other relevant minerals and activities;
- Semiconductors will be carved out from the Advanced Materials schedule and merged with the Computing Hardware schedule. Additional relevant activities will be added; and
- Water and/or sewerage undertakers will feature in a new schedule.

The Response also indicated that updated and more detailed guidance would be provided on a number of the sectors/schedules. Implementing these changes will require secondary legislation.

Penny noted that the response did not refer to the previously announced intention to pass secondary legislation to exempt some or all internal reorganisations and the appointment of liquidators, special administrators, and official receivers from mandatory notification requirements. However, from discussions with the ISU, it was her understanding that it is still the intention to proceed with these exemptions. It remains to be seen if they will be incorporated into the secondary legislation, expected later this year, to implement the introduction of Water as a new in-scope sector, and the other proposed amendments outlined in the Response.

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

Emma Giddings reported that a meeting of the CLLS ESG Committee was held on 15 January 2026. Emma noted that the general consensus amongst members of that Committee was that regulatory pressure in this area had significantly reduced in recent months and that moves were now being made towards reducing ESG related regulatory and administrative burden on companies.

Emma further reported that for the rest of this year the ESG Committee would be focused on the outcomes of the:

FCA Consultation on ESG Ratings: proposed approach to regulation, which closed 31 March 2026; and

FCA Consultation on Aligning listed issuer's sustainability disclosures with international standards, which closed 20 March 2026. A policy statement is expected to be issued by the FCA in this regard in Autumn 2026.

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

The Chairman noted that there was nothing to report on this item and that it would be moved to the Watching Brief List until such time as there was something to report.

10. **UK SECURITISATION FRAMEWORK**

The Chairman reported that on the 17 February, both the FCA and PRA published Consultation Paper 26/6 and Consultation Paper 2/26 in respect of the UK Securitisation Framework. The proposals include: (i) the simplification of due diligence requirements, (ii) the streamlining of transparency requirements, (iii) the introduction of an additional risk retention mode, (iv) the introduction of certain exceptions to the ban on re-securitisation, (v) multiple template changes and (vi) further clarification on the application of credit granting criteria.

The consultations will close on 18 May 2026.

After consideration, the Committee agreed that, as many of the member firms also have representatives involved with AFME, who are already preparing a draft response to this consultation, that this Committee would not prepare a response.

11. **ANY OTHER BUSINESS AND CLOSE**

11.1 **Report on new digital asset related cases**

Natalie Lewis reported on two new recent cases relating to digital assets that are of interest to the Committee in relation to its wider work in this area of law.

Ping Fai Yuen v Fun Yung Li & Anor [2026] EWHC 532 (KB)
This case involved the alleged misappropriation of Bitcoin and raised the question of whether the tort of conversion could extend to the new 'third category' of personal property created by the Property (Digital Assets etc) Act 2025, of which Bitcoin was found to be an example. The claim in conversion was struck out with the court citing the Supreme Court decision in OBG v Allan [2008] 1 AC 1 as the leading case confining the tort of conversion to tangible property under English law.

Poulton v Conrad [2025] TASFC 7 (19 September 2025)
In this case, which also concerned Bitcoin, the Supreme Court of Tasmania recognised Bitcoin as a 'third category' of personal property but went on to conclude that it was capable of possession and could be the subject of conversion. On 5 February 2026, special leave was granted to appeal to the High Court of Australia.

11.2 **Report on other new cases**

Abraaj Investment Management Ltd (in liquidation) v Kes Power Ltd and others [2026] EWHC 65 (Comm)

The High Court held that an assignment by way of security granted by the wrong group company was still valid due to estoppel convention. The High Court concluded that (i) the lender, parent company borrower (the assignor), and the group company actually entitled to the assigned receivable (who was also a guarantor) all acted on a shared assumption that an assignment agreement effectively assigned a receivable; (ii) the borrower and guarantor relied on this understanding to secure a loan extension; and (iii) it would be inequitable for the group company entitled to the receivable to later deny the assignment, given their mutual responsibility for and reliance on this established position.

11.3 **Update on ongoing cases**

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

This case was reported at the last two meetings 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.

The High Court gave its approval for the meetings of the Plan Creditors to be convened. The meetings were held on 11 March 2026 and the RP2 received the requisite majority approval, however, HMRC voted against the RP2 and is expected to oppose sanction of the plans at the hearing which is scheduled for 15 – 17 April.

Separately, a meeting for plan creditors under the restructuring plan for the Company's Scottish subsidiary, Waldorf CNS (I) Ltd, took place on 17 March at which the requisite majority approval was also obtained. The sanction hearing for this RP is expected to take place between 5 – 8 May.

12. **NEXT MEETING**

The next meeting of the Committee will be held at 12:45 pm on 15 July 2026 at the offices of Allen Overy Shearman Sterling LLP.

There being no further business, the meeting closed.