



AFX MARKETS LIMITED – IN SPECIAL ADMINISTRATION (“THE COMPANY”)

Frequently Asked Questions

These Frequently Asked Questions (“FAQs”) are prepared based in the information currently available to the Joint Special Administrators. They are intended as guidance only in relation to the Special Administration of AFX Markets Limited and the Investment Bank Special Administration (England and Wales) Rules 2011. Clients and creditors should consult their own legal and other professional advisors for advice in relation to your claim.

Q. What is a Special Administration?

A. The Investment Bank Special Administration Regulations 2011 were introduced in an attempt to improve the process where an Investment Bank fails. An Investment Bank for these purposes is a firm which holds client monies/assets and holds certain permissions from the Financial Conduct Authority (“FCA”).

There are many similarities between a Special Administration and a normal Administration under the Insolvency Act 1986, but some of the key aspects are set out below;

1. The three objectives the Joint Special Administrators must pursue;
 - ensure the return of client assets as soon as reasonably practicable
 - ensure timely engagement with market infrastructure bodies and the authorities pursuant to Regulation 13, and
 - either rescue the investment bank as a going concern or wind it up in the best interests of creditors

Unlike a normal Administration, there is no hierarchy between these objectives. A Special Administrator must commence work on each objective immediately following appointment, prioritising the objectives accordingly in order to achieve the best overall result for clients and creditors.

2. The appointment of the Joint Special Administrators creates a primary pooling event under the FCA Client Money Rules. The return of client monies will be dependent on the reconciliation undertaken. The costs and fees of the reconciliation and distribution of client monies are paid out of the client monies. Other costs and expenses are paid out of the firm’s assets.
3. A creditors' committee may be formed of both clients and creditors. Its composition should reflect the interests in the outcome of the Special Administration, so if there is unlikely to be any or any significant return to unsecured creditors, then the committee should be composed of primarily clients. Additionally, the FCA is entitled to attend and make representations at any committee meetings.

Q. Why has AFX Markets Limited entered Special Administration?

A. In this case, the FCA considered that the Company was either unable to pay its debts or would likely to become unable to pay its debts, and on the basis that it was fair for the Company to be put into Special Administration in order to protect client money and facilitate the return of client money as soon as reasonably practicable.

Q. Who are Special Administrators?

A. The Special Administrators are individuals who are suitably qualified to manage this organisation. Jonathan Elman Avery-Gee and Daniel Mark Richardson are Insolvency Practitioners who have been appointed following the application to court made by the FCA. The Special Administrators will report to relevant parties in due course on their findings and the anticipated outcome.

Q. Which Businesses does the Special Administration cover?

A. AFX Markets Limited has been placed into Special Administration. We are also aware the Company has an additional trading style of STO.

Q. I am a Client or Creditor – How do I Claim?

A. To make a claim in the Special Administration, please send the details below to afxmarkets@cg-recovery.com. Please state AFX Markets Limited and your name in the title of your email.

- Name
- Address
- Telephone number
- Email address
- State if you are a client or trade creditor
- Value of the claim (to the best of your knowledge)
- The bank account that funds were paid to
- The date of the transaction

You will receive an acknowledgement of your claim and be added to our database so you receive all notices and reports.

Q. When will I hear from the Special Administrators again?

A. The Joint Special Administrators are obliged to notify clients and creditors of their appointment as soon as reasonably practicable. We will update the website page once the first circular of the prescribed notice has been sent. If we hold your details at that time, you will be included in the first circular. Any other parties will receive the notice once we have registered their details. The Joint Special Administrators also advertise their appointment in the London Gazette as prescribed by the Insolvency Act 1986 and Investment Bank Special Administration (England and Wales) Rules 2011. The Special Administrators are obliged to provide you with a report of the proceedings and their actions within eight weeks of their appointment. This will be prior to 22 October 2019. The website page will be updated when the report is available and each party entitled to receive the report will be notified unless the court orders otherwise.

Q. Is my money safe?

A. All bank accounts held by the Company are frozen. The Joint Special Administrators are assessing the client money position, and once this assessment is complete it will become clearer whether any client money is missing. The initial view though is that there is likely to be a deficit in the client money.

Q. When will I get my money back?

A. The Joint Special Administrators will hopefully be in a position to provide more detail on this in the report to you, as mentioned above. It is not appropriate for the Joint Special Administrators to comment at this stage as to the size or timing of any dividend or return to clients.

Q. Can I make a claim to the Financial Services Compensation Scheme (“FSCS”) for the amounts owing to me?

A. The FSCS protects consumers when financial services firms fail. It is the compensation scheme for customers of UK authorised financial services firms. It has eligibility criteria both in respect of the people and businesses who are covered.

The FSCS will cover client money shortfalls, including the costs associated with their distribution back to clients, for eligible clients up to £85,000.

The Joint Special Administrators will work with the FSCS to determine the position and will provide further updates.

Contact Details

Website: www.cg-recovery.com/afxmarkets

Email: afxmarkets@cg-recovery.com

Telephone: 0330 995 1241

Jonathan Elman Avery-Gee and Daniel Mark Richardson were appointed as Joint Special Administrators of AFX Markets Limited on 27 August 2019 following an application to court by the FCA.

Jonathan Elman Avery-Gee is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales under number 1549. Daniel Mark Richardson is authorised to act as an insolvency practitioner by the Insolvency Practitioners Association under number 12650.

The affairs, business and property of AFX Markets Limited are being managed by the Joint Special Administrators who act as agents of the Company, without personal liability.