

AFX Markets Ltd - In Special Administration

**In the High Court of Justice, Business and Property Courts of
England and Wales**

Court reference: 2019-005638

**Joint Special Administrators' Report and Statement of Proposals
for achieving the purpose of Special Administration**

17 October 2019

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

CONTENTS

- 1** Introduction and Background
- 2** Objectives of the Special Administration and Strategy
- 3** Client Account Monies & Claims
- 4** General Assets
- 5** Liabilities
- 6** Investigations
- 7** Estimated Financial Position
- 8** Duration of the Administration
- 9** The Proposals
- 10** Costs of the Administration
- 11** Initial Meeting
- 12** Creditors Committee
- 13** Future Reports

APPENDICES

- A** Statutory Information
- B** Receipts and Payments Account for the Period from 27 August 2019 to 17 October 2019
- C** Summary of the Estimated Financial Position of the Company as at 27 August 2019
- D** Time Analysis for the Period from 27 August 2019 to 17 October 2019
- E** Administrators post-appointment work
- F** Additional Information in Relation to the Administrators' Fees
- G** Notice of Initial Meeting
- H** Proof of Debt Forms
- I** Proxy Forms
- J** Privacy Notice for Clients and Creditors

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

DEFINITIONS

"Act"	The Insolvency Act 1986
"Administrators"	the Joint Special Administrators of the Company being Jonathan E Avery-Gee and Daniel Richardson of CG&Co. 1 Booth Street, Manchester M2 4DU
"Agents"	Global Asset Support (GARC Ltd)
"Authorities"	FCA
"Bar Date"	the deadline for Clients to submit their claims
"Capital"	AFX Capital Markets Ltd
"CASS"	the Client Asset Sourcebook, the FCA's rules for holding Client Money
"CG&Co."	CG&Co. Greg's Building, 1 Booth Street, Manchester M2 4DU
"Chattel Assets"	the Company's own assets (excluding Client Money)
"Claim Form"	the form to be completed and returned to the Administrators by any Creditor or Client who wishes to vote at the Initial Meeting, in the form set out in Appendix H
"Client Money Pool"	the pool of client money which is held on trust by the Company in accordance with the Client money rules and which is pooled in accordance with those rules for the purpose of distribution
"Clients"	a client for whom the Company has undertaken to hold client money for investment trading and who may be entitled to receive a distribution from the Client Money Pool
"Client Money Rules"	CASS7 and & 7A, which makes provision for the handling and distribution of money held by a person who is authorised by the FSMA
"Client Money"	client cash balances held by the Company as at the Administrators appointment on 27 August 2019 and which is subject to the Client Money Rules
"Client Statement"	the statement of Client Money
"CMAR"	a Client Money and Asset Return
"Company"	AFX Markets Ltd (Company No. 07612002)
"Creditor"	Includes: (i) a client who is not entitled to participate in the Client Money Pool held by the Company; (ii) any other creditor who is owed an amount from the Company, and may include secured, preferential or ordinary unsecured creditors.
"Creditors Committee"	the committee proposed to be established in order to take certain decisions on behalf of the Clients and Creditors as a whole
"CySEC"	the Cyprus Securities Exchange Commission
"Directors"	the registered directors of the Company as listed in Appendix A

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

"Drydens"	Drydensfairfax, the Administrators Solicitors
"FCA"	the Financial Conduct Authority
"FSCS"	the Financial Services Compensation Scheme, the UK's statutory investors' compensation scheme for customers of authorised financial services firms
"FSMA"	the Financial Services and Markets Act 2000
"ICAEW"	Institute of Chartered Accountants in England and Wales
"Initial Meeting"	the Initial Meeting of Client and Creditors to be held on 5 November 2019
"IPA"	Insolvency Practitioners Association
"OIREQ"	an own-initiative requirement imposed by the FCA upon an FCA-regulated firm's permissions or activities
"Proposals"	the Administrators proposals for achieving the statutory Objectives of the Special Administration
"Proxy Form"	the form to appoint a proxy to attend the Initial Meeting by any Client or Creditor who either does not intend to attend the Initial Meeting or who represents a body corporate, in the form set out in Appendix I
"Regulations"	the Investment Bank Special Administration Regulations 2011
"Rules"	the Investment Bank Special Administration (England and Wales) Rules 2011
"Special Administration"	a process introduced in 2011 to deal with, amongst other things, insolvent investment firms holding Custody Assets and/or Client Money
"VREQ"	a voluntary requirement imposed by an FCA-regulated firm upon its own permissions or regulated activities.

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

1 INTRODUCTION AND BACKGROUND

Introduction

- 1.1 Special Administration is an insolvency process that applies, amongst other things, to failed investment firms that hold custody assets and/or client money.
- 1.2 Jonathan E Avery-Gee and Daniel Richardson of CG&Co were appointed Administrators of the Company by the High Court of Justice Business & Property Courts on 27 August 2019. Jonathan E Avery-Gee is licensed to act as an insolvency practitioner in the UK by the ICAEW. Daniel Richardson is licensed to act as an insolvency practitioner in the UK by the IPA.
- 1.3 This document sets out the Administrators' Proposals for achieving the statutory Objectives of the Company's Special Administration. The Proposals are listed in Section 9 below.
- 1.4 Our privacy notice, which is attached to this report at Appendix J, explains how we process your personal data.

Background

- 1.5 The Company was incorporated on 24 April 2011 under Company number 07612002. It's registered office was 3 More London Riverside London SE1 2RE and the Company had 2 Directors and Shareholders, Mario Persichino and Giovanni Duo.
- 1.6 On 13 June 2011 Ricardo Dytz was appointed as a Director but he resigned as a Director on 8 February 2012. On 5 July 2011 Patricia Sanjurjo-Razzell was appointed as a Director but she also resigned as a Director on 27 June 2012. On 26 August 2011 Manuella Mazzacco was appointed as a Director.
- 1.7 In May 2012 the Company was authorised by the FCA under member number 560872 and the Company acted as broker for customers trading on its online trading platforms (www.afxgroup.com and www.stofs.co.uk), principally in foreign exchange and contracts for difference products. According to figures provided by the firm it had approximately 1,200 customers and was responsible for the safekeeping of approximately £7.5m of client money.
- 1.8 The Company acted as an intermediary and trades placed were contractually executed by Capital. One consequence of this is that the majority of client money, in the form of margin to secure open positions or to cover obligations, was held with Capital. Capital was the Company's parent and is based in Cyprus.
- 1.9 The Company was authorised to either arrange deals in investments; to deal in investments as Agents; or making arrangements with a view to transactions in investments in respect of the following:-
 - The Commodity Future
 - Contract for Differences (excluding a spread bet and, a rolling spot forex contract and a binary bet)
 - Future (excluding a commodity future and a rolling spot forex contract)
 - Option (excluding a commodity option and an option on a commodity future)
 - Rights to or interests in investments (Contractually Based Investments)
 - Rolling spot forex contract
 - Spread Bet

On behalf of the following type of Client

- Eligible Counterparty
- Professional
- Retail (Investment)

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

1.10 The Company traded under the following names:-

AFX Capital	From 14.05.2012
AFX Group	From 20.04.2016
Quantic Prime	From 17.08.2017
STO	From 26.08.2016
SuperTradingOnline UK (STO UK)	From 16.04.2013

1.11 In the financial years ended 30 April 2018 and 2017, the Company's turnover was £3,752,363 and £1,658,511 respectively of which net profits of £1,426,289 and £182,803 were generated respectively.

1.12 The Company traded from 2nd Floor, 33 Sun Street, London EC2M 2PY and, at the date of the Administrators appointment the Company employed 6 members of staff excluding the Directors.

Events Leading to the Administrators Appointment

1.13 Since February 2019 the Financial Ombudsman Service had begun to receive a number of complaints from Clients regarding their inability to withdraw funds.

1.14 The Company submitted a CMAR to the FCA detailing the level of client monies held in June 2019 as being £7,533,000. Of this sum, £7,307,000 was held with Capital, who is the parent company of AFX, and £226,000 with Barclays Bank.

1.15 Subsequent information provided by the Company to the FCA on 23 July 2019 indicated that the Company held £7.8Million in client money with 1,025 live customers. Capital is regulated by the Cyprus Securities and Exchange Commission (CySEC).

1.16 On 19 July 2019 CySEC announced that it had suspended the authorisation of Capital as a result of suspected violations of Cypriot law regarding the safeguarding of client's funds. The suspension remains in place and it is not anticipated that this will be lifted in the immediate future.

1.17 On 22 July 2019 the FCA was notified that a Freezing Order had been obtained in the Limassol District Court in Cyprus against the Company and Capital, preventing either company from disposing of assets to the amount of €686,394.20.

1.18 The FCA sought clarification as to the position of the Company but did not receive satisfactory answers from the Company or its' directors. In that time the Company had also commenced discussions with an Insolvency Practitioner regarding the Company's and Capital's insolvent status. On 31 July 2019 the FCA served the Company with a First Supervisory Notice imposing various requirements on the Company with the intention of safeguarding client assets as far as possible. This included requiring the Company to cease regulated activities; close all open trading positions by no later than 7 August 2019; and to return all monies held by third parties in connection with its' trading activities back to the Company's UK client money bank account.

1.19 In addition the Company was not to make any payments to any clients without prior written consent of the FCA and to publish a notice on the front page of all website used by the Company outlining these requirements. In addition the Company was required to notify all its' clients in writing by 7 August 2019 of these requirements.

1.20 On 12 August 2019 the Company notified the FCA that there was only £458,697.13 held in their UK bank accounts, which was a long way short of the anticipated £7.8 Million that should have been returned. The Company's advisors at that time indicated to the FCA their belief that there was a large deficit in the client money fund and that the directors had informed them that the Company was insolvent

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

- 1.21 Despite strenuous efforts by the FCA, they have not been able to ascertain any meaningful information on the state of client monies resting with the Company and the FCA were not able to ensure that these monies are appropriately secured.
- 1.22 On 27 August 2019 the FCA applied to the High Court in London for the appointment of Special Administrators to investigate the Company. At that Hearing it was ordered that Jonathan E Avery-Gee and Daniel Richardson of CG&Co. be appointed as Joint Special Administrators of the Company. Their appointment became effective at 12.23pm on that date.
- 1.23 The functions of the Administrators may be exercised by any one or more of them acting jointly or alone.

2 OBJECTIVES OF THE SPECIAL ADMINISTRATION AND STRATEGY

Objectives

- 2.1 The Administrators have three Objectives, which are set out in the Regulations, namely
- (i) To ensure the return of Client Money as soon as is reasonably practicable;*
 - (ii) To ensure timely engagement with market infrastructure bodies and the Authorities); or*
 - (iii) Either (a) rescue the Company as a going concern; or (b) to wind it up in the best interests of creditors.*
- 2.2 The Regulations require the Administrators to commence work on each Objective immediately after their appointment. No one Objective takes priority over the others, the Administrators must work towards achieving the best outcome overall for Clients and Creditors.
- 2.3 The Administrators are pursuing the first Objective as a priority whilst concurrently pursuing Objectives 2 and 3. As mentioned earlier, the Administrators are in communication with market infrastructure bodies and the Authorities. At present, the Administrators consider it is not possible to rescue the Company as a going concern, and will take the necessary steps to wind up the Company's affairs.

Progress Since Appointment

- 2.4 Immediately prior to and following the appointment of the Administrators on 27 August 2019, the strategy for the Administration was carefully assessed to ensure that a coherent planned process for the case could be achieved.
- 2.5 The Administrators have dealt with a number of statutory formalities which are required of them under related legislation. Typically, this includes issuing and filing all appointment notices with Clients and creditors and the Registrar of Companies and also advertising our appointment in the London Gazette.
- 2.6 The Administrators contacted all known banks, where it was believed that accounts had been held at those banks to obtain information on funds held and details of these are shown below at Section 5.
- 2.7 The Administrators liaised with the key members of staff in order to identify and safeguard the IT systems and relevant data sources required to achieve the Objectives of the Special Administration. This information is currently being disassembled by the Administrators IT Consultants.
- 2.8 Given that the Company had effectively ceased to trade, it was necessary for the Administrators to make the staff redundant.

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

- 2.9 The Administrators have consulted extensively with the FCA during the period prior to the Special Administration and subsequently since appointment and regular updates have been provided in conference calls. The Administrators will continue to liaise closely with the FCA in relation to a variety of matters regarding Clients' positions and Clients funds and reporting requirements and the strategy as regards the Objectives.
- 2.10 The FSCS is the compensation scheme fund for retail customers of authorised financial services firms. It protects private individuals and small businesses if an authorised firm becomes insolvent and cannot return money or investments to its customers. For eligible claims the FSCS can pay up to £85,000 in compensation per person. If claims are paid by the FSCS, the FSCS will then assume those Clients' claims against the Company.
- 2.11 Shortly following their appointment, the Administrators contacted the FSCS with regards to the Clients' ability to claim for compensation and the related processes surrounding making such claims should there be a shortfall in the Client Money.
- 2.12 As the Administrators were aware of CySEC's involvement with Capital in Cyprus, the Administrators have been in discussions with CySEC in seeking their co-operation in respect of the funds held in the Capital account for repatriation of those funds back to the UK and into this Company. These discussions are still ongoing.
- 2.13 The Administrators have sought the assistance of the Directors and continue to press for further information in respect of the Client funds and positions. Though requests for important information to assist the Administrators remains outstanding.
- 2.14 The Administrators and their staff have dealt with a substantial number of telephone calls and in excess of 1,250 email exchanges from Clients by explaining the current position of the Company and responding to email enquiries accordingly.
- 2.15 Other statutory duties performed are outlined in further detail in the post-appointment work which can be found at Appendix E. Please note that much of this work will have been performed to comply with statutory requirements and as such may not necessarily add any value to the insolvent estate.

Trading

- 2.16 The Administrators formed the view that it was not possible to trade the Company as all trading activities had been suspended by the FCA.

3 CLIENT ACCOUNT MONIES & CLAIMS

CLIENT ACCOUNT MONIES

- 3.1 Please note that all figures shown have been converted from the relevant currencies into Sterling for the purposes of this report

Client Monies – UK

- 3.2 It should be noted that, at the date of the Administrators appointment, the Company was stated as having 603 live accounts with a value of €8,491,040,62 with a conversion rate into GBP of £7,665,711.47. This is the level of funds which the Administrators would have expected to see within the Company's bank accounts.
- 3.3 The Company operated various bank accounts with Barclays Bank and NatWest Markets where the accounts were held in the UK.
- 3.4 For the purpose of this report the conversion rate on the day of the Appointment of the Administrators on 27 August 2019 has been used and are listed below. It should be noted that due to exchange rate fluctuations that the conversion to GBP may differ to those stated.

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

Sterling	£1.00	= £1.00
Euro	€1.00	= £0.9028
US Dollar	\$1.00	= £0.8141
Swiss Franc	CHF1.00	= £0.82939

The balances held within the various Barclays Bank accounts are as follows:-

<u>Currency</u>			<u>Conversion value in GBP</u>
GBP	£	131,552.01	£131,552.01
EUR	€	309,545.49	£279,457.67
USD	\$	16,965.13	£ 13,811.31
CHF	CHF	8,813.13	£ 7,309.52
AUSD	\$	0.00	£ 0.00
Total			£432,130.51

Client Monies – Switzerland

- 3.5 The Company operated an account with Swissquote Bank, who based in Switzerland.
- 3.6 Despite attempts to obtain details of the funds held in the Swissquote account, Swissquote has refused to provide any details of the accounts held with themselves and this matter is now with the Administrators Solicitors to ascertain what action, if any, can be taken to obtain information on those accounts.

Monies held by Capital in Cyprus

- 3.7 Despite attempts to obtain information from CySEC in respect of the funds held in the Capital account, CySEC has not provided any information in this matter as they are still carrying out their own investigations and are not in a position to provide a definitive response at present. The Administrators are liaising with CySEC in this regard. Until their findings are reported, the Administrators are unable to comment on the Client funds position in Cyprus.
- 3.8 It should be noted that the Company is subject to a Freezing Order and therefore the funds held by the Banks have not been realised whilst the Order remains in place.

NatWest Markets Account

- 3.9 The Company operated a FX Cash Call Account with NatWest Markets. The Company had a Supply of Services Agreement with MFP Trading Limited (MFP Trading), and this bank account was utilised for this operation. At the commencement of the agreement, the Company deposited \$500,000.00 to fund the trading. The Administrators are tracing the origin of these funds.
- 3.10 The balance held by NatWest Markets is \$674,449.12 (which converts to a value of GBP of £608,892.67 as at the date of appointment), though MFP Trading is claiming \$174,449.12 is owed to them. The Administrators and their legal advisers are currently reviewing the bank account and the documentation provided in support of MFP Trading's claim.

CLIENT ACCOUNT CLAIMS

- 3.11 The Administrators have received limited information from the Directors in respect of Client balances. From correspondence and emails received from Clients it is clear that the information provided by the Directors is not fully accurate. Therefore, at present, it is not possible to provide Clients with a Statement in respect of their funds, however this will be provided once the Administrators receive further information from the Directors and can cross-reference this to the claims already notified to them by Clients.

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

- 3.12 Where Clients have submitted evidence, which matches the information provided by the Director, this will be taken to be an accurate record of that Client's position.
- 3.13 In respect of those Clients where the Director has not advised the Administrators of a balance due, or where the Director has advised that there is no monies owed to that Client, the Administrators may not be in a position to confirm any claim without requesting further evidence of monies owed to that Client.

Client Accounts - Marked as "Open"

- 3.14 The Director has provided a schedule of balances marked as "open" which comprises of 602 Clients owed £7,665,711.

Client Accounts - Marked as "Closed"

- 3.15 In the schedule of balances provided by the Director, there were 316 Clients which were listed as "Nil" balance "closed accounts". The Administrators have been contacted by numerous clients disputing that they have a "Nil" balance but that, in fact, they still have open accounts. The monies deposited by those 316 clients are shown as €3,884,160,77 which gives a conversion value in GBP of £3,506,620.34. For the purposes of the Estimated Financial Statement at Appendix C, this is shown as uncertain. These claims, when received, will be reviewed by the Administrators accordingly.

Distribution of Client Monies

- 3.16 The Special Administration has the effect of commencing a Primary Pooling Event (PPE) where all client monies held at the date of appointment are treated as pooled client monies. All Clients with outstanding balances will be entitled to a share in the pooled client monies on a pro rata basis.
- 3.17 Once the client monies have been received and claims agreed the Administrators will seek guidance and approval from the relevant authorities on any proposed distribution of the funds to clients. The Administrators aim to return Client Money to Clients as soon as practicably possible.
- 3.18 One option to do this could be by way of a transfer to one or more nominated regulated brokers and are currently exploring this option. This might enable the Administrators to expedite the transfer of Client Money to that broker, so Clients could access their monies more quickly.
- 3.19 Whilst this would be a quicker process, the Company's records cannot be relied upon given their uncertain nature, therefore further processes need to be followed first. This is to protect both the Clients and the Administrators and avoid the possibility of needing to reverse distributions following the receipt of additional competing claims. A formal Bar Date in accordance with the Regulations.
- 3.20 The advantage of a formal Bar Date is that the Regulations and Rules expressly provide that distributions made cannot be disturbed by late claims from Clients who assert that they were entitled to share in those funds.
- 3.21 At present it is not possible to give an estimated outcome to Clients as the investigation and pursuit of the recovery of client monies is still continuing.
- 3.22 The costs and expenses of the Joint Special Administrators in dealing with the recovery of client monies and dealing with Clients' claims will be an expense deducted from the Client Account pooled funds.

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

Compensation on Shortfall

- 3.23 In the event that there is a shortfall on the repayment of Client Account monies this shortfall will rank as an unsecured claim within this Administration. Until the formal agreement of Clients' claims has been concluded, the Administrators are unable to provide a reliable estimate of the total amount of the unsecured debts.
- 3.24 As outlined previously, Money Clients may be able to claim compensation through the FSCS subject to the overall statutory limit of £85,000 per person. Until such time that the Client Monies position is reconciled, the Administrators are unable to estimate the extent of any compensation claims. Where compensation is paid, the FSCS will be entitled to subrogate and claim in the Special Administration. We will advise Clients in due course in this respect.

4 ASSETS

Chattel Assets

- 4.1 The Company had office furniture; equipment and computers which have been collected by the Agents. These are estimated to realise £3,323.
- 4.2 The work undertaken by the Administrators and their staff to date in realising the Company's assets has been necessary in order to maximise the likelihood of a return to Clients/creditors being made. Where assets remain to be realised, these will be dealt with as the Administration progresses and further updates will be provided to creditors in our progress reports.
- 4.3 Further information on the estimated outcome of the Administration can be found in section 9 below.

5 LIABILITIES

- 5.1 Please note that all figures shown have been converted from the relevant currencies into Sterling for the purposes of reporting.

Secured Creditors

- 5.2 The Company did not grant any security over its' assets and therefore there are no secured creditors. As a result, there is no floating charge assets and no requirement for a Prescribed Part calculation.

Preferential Creditors

- 5.3 Preferential creditors encompass liabilities for employees in respect of arrears of pay, accrued but unpaid holiday pay and any unpaid pension contributions. Such claims will be paid by the Redundancy Payments Service, a department within the Department for Business, Energy and Industrial Strategy. Preferential claims in respect of outstanding wages are capped at a maximum of £800 per employee.
- 5.4 The Company's employees were dismissed when the Company ceased to trade and there are estimated outstanding wages in the sum of £3,200.
- 5.5 The Administrators do not anticipate that, after allowing for the costs and expenses of the Administration, there will be a distribution to preferential creditors in this matter.

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

Unsecured Creditors

Trade & Expense Creditors

- 5.6 The trade and expense creditors are estimated at £38,356. The Administrators do not anticipate that, after allowing for the costs and expenses of the Administration, there will be a distribution to unsecured creditors in this matter.

HM Revenue & Customs

- 5.7 There is a debt due to HM Revenue & Customs for VAT in the sum of £885 and a further sum of £209,654 is owed in respect of Corporation Tax.

Employee Claims

- 5.8 There are further employee claims in the sum of £11,319 in respect of unpaid wages and holiday pay that are outside the preferential creditor statutory limits.
- 5.9 Based on present information the Administrators do not anticipate that, after allowing for the costs and expenses of the Administration, there will be a distribution to unsecured creditors in this matter.

6 INVESTIGATIONS

Investigations

- 6.1 Some of the work the Joint Administrators are required to undertake is to comply with legislation such as the Company Directors' Disqualification Act 1986 (**CDDA 1986**) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvent Liquidations and may not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that can be pursued for the benefit of creditors.
- 6.2 My report on the conduct of the Directors of the Company to the Department for Business, Energy & Industrial Strategy under the CDDA 1986 has not yet been submitted. It should be noted that the report is confidential.
- 6.3 At the present time, I am unable to comment on matters relating to investigations into the affairs of the Company as these are at an early stage and not complete. Part of the Administrators investigations include the review of any transactions that are considered recoverable, where cost effective, which may result in additional recoveries for creditors.
- 6.4 If any Client or Creditor has any information they consider may assist the Administrators in carrying out their investigations then they are invited to provide details to the Administrators as soon as possible.
- 6.5 Further updates on this work will be commented on in the subsequent reports.

7 ESTIMATED FINANCIAL POSITION

- 7.1 As the Directors have failed to provide a signed and completed Statement of Affairs as at the date of the Administrators appointment, the Administrators have prepared a Summary of the Estimated Financial Position of the Company as at 27 August 2019 which is attached as Appendix C. This is based on information currently available and should not be relied upon. The Administrators would comment as follows:-

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

- The book values of the bank accounts are based on information supplied by the relevant banks. Where these are marked as "uncertain" this is due to such information not being made available to the Administrators as at the date of this report.
- Even though the Director advised the Administrators that there were only 602 open Live Accounts totalling £7,665,711, Client claims received to date total £9,762,274. It is therefore anticipated that the level of Clients claims will change as and when the Clients claims are adjudicated upon.
- No provision has been made for any costs and expenses of realisation of the assets and the costs and expenses of the Special Administration.
- Under the provisions of Rule 3.35 of the Rules, where those clients are individuals, their names and addresses have not been disclosed.

8 DURATION OF THE SPECIAL ADMINISTRATION

- 8.1 Administration under the Act would normally automatically end after one year. As this is a Special Administration, under the Regulations the case will continue until the Administrators have completed their duties, allowing the Company's creditors to prove and receive a distribution in the Special Administration, rather than in a subsequent liquidation.
- 8.2 Once the Special Administration is concluded the Administrators can exit either by filing a notice of the Company's dissolution at Companies House; or putting forward proposals for a Company Voluntary Arrangement.
- 8.3 On present information the expected exit route will be to file a notice of the Company's dissolution once all distributions have been made and all statutory obligations completed.
- 8.4 At this stage it is not possible to provide a definitive timescale for the duration of the Special Administration.

9 THE PROPOSALS

- 9.1 The Administrators Proposals for achieving the Objectives of the Special Administration follow. These will be voted on by Clients and Creditors as a single resolution at the Initial Meeting, being accepted by a simple majority. The Proposals will not be approved unless both Clients and Creditors in favour.
- (a) That the Special Administration Objectives be pursued being (i) to ensure the return of Client Money as soon as is reasonably practicable; (ii) to ensure timely engagement with market infrastructure bodies and the Authorities; or (iii) either (a) rescue the Investment Bank as a going concern; or (b) to wind it up in the best interests of creditors;
 - (b) That, in the absence of a direction from the FCA, the Special Administration Objectives continue to be addressed in parallel;
 - (c) The Administrators shall do all such things and generally exercise all of their powers as contained within the Act and the Regulations, as they consider desirable or expedient to achieve the Objectives of the Special Administration;
 - (d) The Administrators move funds realised or held on behalf of Clients into bank accounts controlled by the Administrators, and to convert foreign currency accounts to Sterling accounts to avoid currency fluctuations;
 - (e) The Administrators move and hold funds realised on behalf of the Company into bank accounts controlled by the Administrators;

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

- (f) That Client Money be returned to Clients prior to any distribution to any other class of creditors being made;
- (g) The Administrators realise the Company's remaining assets in pursuit of the Objectives of the Special Administration;
- (h) The Administrators make distributions to the Company's preferential and unsecured creditors as appropriate;
- (i) The Administrators continue to investigate, and if appropriate, pursue any claims that an officeholder and/or the Company may have under the Companies Act 2006, the Act or other legislation against any parties concerned with the affairs of the Company;
- (j) Once the Objectives of the Special Administration are complete, the Administrators seek to conclude the case by either; (i) filing appropriate notices that the Objectives have been achieved, that the Company no longer holds client assets (including Client Money) and the Company will be dissolved thereafter without further recourse to the Creditors or Clients of the Company, or (ii) put forward proposals for a Company Voluntary Arrangement;
- (k) The Clients and Creditors consider establishing a Creditors' Committee and that if any such Committee is formed they be authorised to sanction the basis of the Administrators' remuneration and disbursements and any proposed act on the part of the Administrators without the need to report back to creditors generally, to include any decision regarding the most appropriate exit route from the Administration;
- (l) The basis of the Administrators' remuneration may be fixed as one or more of the following bases and different bases may be fixed in respect of different things done by them:
 - As a percentage of the value of the assets they have to deal with, or
 - By reference to time properly spent by the Administrators and their staff managing the Administration, or
 - As a set amount
- (m) Where no Creditors' Committee is appointed the remuneration and disbursements of the Administrators may be fixed by a decision of Clients and Creditors. The Administrators will also seek approval for any unpaid pre-administration costs detailed in this report and their discharge from liability in the same manner.
- (n) The Administrators are seeking to approve the basis of their remuneration by reference to the time properly spent by the Administrators and their staff in attending to matters arising in the Special Administration.
- (o) The Administrators will be discharged from liability under the Act immediately upon their appointment as Administrators ceasing to have effect

10 COSTS OF THE SPECIAL ADMINISTRATION

Pre-Administration Costs

- 10.1 Pre-Administration costs are defined as fees charged and expenses incurred by the Administrators or another person qualified to act as an Insolvency Practitioner before the Company entered into Special Administration but with a view to it doing so. "Unpaid Pre-

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

Administration costs" are pre-administration costs which have not been paid when the Company entered into Special Administration.

- 10.2 Due to the sensitivities of this case prior to the appointment of the Administrators, the Administrators have waived their costs for the pre-appointment period.
- 10.3 The costs incurred by the FCA in making the application for the Special Administration were ordered to be paid as an expense of the Special Administration. The FCA have advised that these costs amount to £30,146.61.

Post-Appointment Costs

- 10.4 During the period from their appointment on 27 August 2019 to 17 October 2019, the Administrators have incurred time costs of £41,907.00 which represents 208.90 hours at an average rate of £200.61 per hour. A detailed description of the work carried out in respect of those time costs is set out in Appendix D.
- 10.5 Details of the Administrators post-appointment work undertaken in this matter is shown at Appendix E.

Information on Fees and charge-out rates

- 10.6 Clients and Creditors are referred to Appendix F for further details regarding CG&Co's charge out rates. Which also includes details of CG&Co's policies regarding the recharge of disbursements; staff allocation; support staff and the use of sub-contractors.
- 10.7 Further guidance may be found in "A Creditors Guide to Administrators Fees", although it should be noted that the requirements for approval of the Administrators' remuneration differ from a normal administration. This guide may be downloaded from:-

<https://www.r3.org.uk/what-we-do/publications/professional/fees>

11 INITIAL MEETING

- 11.1 The Initial Meeting of Clients and Creditors will be held at 3&4 Centurion House, 129 Deansgate, Manchester M3 3WR on **5 November 2019** and will commence at 11.00am. Registration will begin at 10.00am. Formal notice of the Initial Meeting is attached at Appendix G.
- 11.2 The purpose of the Initial Meeting is to consider the following resolutions;
- (a) **Resolution 1** - For the Acceptance/Rejection of the Proposals
 - (b) **Resolution 2** - For the establishment of a Creditors' Committee
- 11.3 Clients and Creditors will vote separately and the Resolutions will be accepted on a simple majority, by value of claims. Please note that the resolutions will not be approved unless both Clients and Creditors have voted to approve them.
- 11.4 If no Creditors Committee is established at the initial meeting, the Administrators may adjourn the Initial Meeting and to seek to establish a Creditors' Committee at a later date. If no Creditors' Committee is established at an adjourned meeting, the Administrators may request that Clients and Creditors approve certain Administrators costs and remuneration that would otherwise be determined by the Creditors' Committee.
- 11.5 Should you wish to vote on the Resolutions, you must complete and return a **Claim Form** (using the Form at **Appendix H**) to the Administrators' office at CG&Co, Greg's Building, 1 Booth Street, Manchester M2 4DU, or by email to afxmarkets@cg-recovery.com by no later than 12 Noon on **4 November 2019**, being the last business day before the Initial Meeting.

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

- 11.6 If you do not intend to attend the Initial Meeting in person (or if you represent a limited Company or other corporation), you must complete a **Proxy Form** (using the Form at **Appendix I**) and send it to us before the Initial Meeting by post or by email to the address above.
- 11.7 If you choose not to vote at or attend the Initial Meeting, this will not affect your claims to Client Money, or as a Creditor. Though you must be aware once approved the Proposals are binding on all Clients and Creditors, whether present or not at the Initial Meeting.

12 CREDITORS COMMITTEE

- 12.1 At the Initial Meeting, Clients and Creditors will be asked to consider whether they wish to establish a Creditor's Committee. The purpose of the Creditors' Committee will be to represent the Clients and Creditors as a whole, and where required to assist the Administrators in carrying out their duties and functions. A Creditors' Committee is especially useful in cases with large numbers of clients and creditors, as is the case here, and therefore the Administrators would encourage the establishment of a Creditors' Committee.
- 12.2 The Creditors Committee must have no less than three and no more than five members who are willing to serve on it. Please note that no person may act as a member of the Creditors' Committee unless and until he or she has agreed to do so.
- 12.3 The FSCS has an interest in the Special Administration as it is likely that it will, in due course, be the largest creditor. The Administrators will be recommending that the FSCS be appointed to the Creditors' Committee.
- 12.4 If you would like to nominate yourself or someone else to be elected to the Creditors' Committee, please submit your nomination in advance of the Initial Meeting to the Administrators office at CG&Co, Greg's Building, 1 Booth Street, Manchester M2 4DU, or by email to afxmarkets@cg-recovery.com. The Creditors' Committee will come into being once the Administrators have issued a certificate of its due constitution.

13 FUTURE REPORTS

- 13.1 You will be notified of the outcome of the Initial Meeting as soon as is practicable after the Initial Meeting has been held.
- 13.2 The Administrators aim to provide Clients and Creditors with regular updates on progress and to provide you with relevant information and guidance to assist you through the Special Administration process. The Administrators intend to achieve this through the designated webpage www.cg-recovery.com/afxmarkets.
- 13.3 The Administrators are also required to provide a progress report to Clients and Creditors within one month of the end of each period of six months of the commencement of the Special Administration. The Administrators' first progress report will be circulated within one month after 26 February 2020.

Insolvency Practitioners at CG&Co. are bound by the Insolvency Code of Ethics when carrying out all professional work relating to an insolvency appointment.

The Administrators are agents of the Company and contract without personal liability.

The Administrators will not accept any liability in respect of these Proposals.

Should you have any queries in relation to this report please contact the dedicated email address afxmarkets@cg-recovery.com or contact Bill Brandon at my office, in writing. Electronic communications should also include a full postal address.

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

For and on behalf of
AFX Markets Ltd

A handwritten signature in black ink, appearing to read 'Jonathan E Avery-Gee', written in a cursive style.

Jonathan E Avery-Gee
Joint Special Administrator

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

Appendix A

Statutory Information

1 Company information

Company name	AFX Markets Ltd
Trading name(s)	AFX Capital AFX Group Quantic Prime STO SuperTradingOnline UK(STO UK)
Registered number	07612002
Registered office address	Greg's Building 1 Booth Street Manchester M2 4DU
Former registered office address	2nd Floor 33 Sun Street London EC2M 2PY
Trading address(s)	2nd Floor 33 Sun Street London EC2M 2PY
Court details	Business & Property Courts Insolvency & Companies List
Court reference number	CR-2019-005638 of 2019

- **Details of the Company's Directors, Secretary and Shareholdings**

	Date appointed	Date resigned	Shares held
Directors			
Manuela Mazzacco	26.08.2011		
Patricia Marie Sanjurjo-Razzell	05.07.2011	27.06.2012	
Ricardo Dytz	12.06.2011	08.02.2012	
Mario Persichino	21.04.2011		1
Giovanni Duo'	21.04.2011		1
Secretary	N/A	N/A	
Other Shareholding			
AFX Capital Markets Ltd			567,468

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

- **Joint Administrators' Details**

Name of Administrators	Jonathan E Avery-Gee	Daniel Richardson
Address	Greg's Building 1 Booth Street Manchester M2 4DU	Greg's Building 1 Booth Street Manchester M2 4DU
Telephone Number	0161 358 0210	0161 358 0210
Fax Number		
Administrator's IP Number	1549	12650
Authorising Body	ICAEW	IPA
Date of Appointment	27 August 2019	27 August 2019

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

Appendix B

Receipts and Payments Account for the Period from 27 August 2019 to 17 October 2019

**AFX Markets Ltd
(In Administration)**

**Receipts and Payments Account
27 August 2019 to 17 October 2019**

INCOME	Total (£)
Bank Interest Gross	0.02
Petty Cash	124.63
	<hr/>
	124.65
	<hr/>
EXPENDITURE	
Special IT Provider	1,887.10
Specific Bond	300.00
Agents/Valuers Fees	3,384.60
Website Agents	250.00
Re-Direction of Mail	211.00
Statutory Advertising	71.00
Insurance of Assets	168.00
	<hr/>
	6,271.70
	<hr/>
Balance	(6,147.05)
	<hr/>
MADE UP AS FOLLOWS	
Vat Receivable	919.70
Bank 1 Current	39.45
Office	(7,106.20)
	<hr/>
	(6,147.05)
	<hr/> <hr/>

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

Appendix C

Summary of the Estimated Financial Position of the Company as at 17 October 2019

Insolvency Act 1986

AFX Markets Ltd

Appendix C - Estimated Financial Position of the Company as at 27 August 2019

	Book Value £	Estimated to Realise £	
		£	£
ASSETS			
Barclays Bank - Client Monies	432,131.00	432,131.00	
NatWest Markets - Client Monies	608,893.00	608,893.00	
Swissquote	Uncertain	Uncertain	
AFX Capital Markets Ltd	Uncertain	Uncertain	
Client Accounts "Open"		(7,665,711.00)	
Client Accounts "Closed"		Uncertain	
Deficiency c/d		<u>(6,624,687.00)</u>	
Furniture & Equipment	3,323.00		<u>3,323.00</u>
			3,323.00
LIABILITIES			
PREFERENTIAL CREDITORS:-			
Employee Arrears/Hol Pay (Count=4)		3,200.00	
			<u>3,200.00</u>
			123.00
DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003			
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS			
			<u>NIL</u>
			123.00
Estimated prescribed part of net property where applicable (to carry forward)			
			<u>NIL</u>
			123.00
DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003			
			<u>NIL</u>
			123.00
Estimated prescribed part of net property where applicable (brought down)			
			<u>NIL</u>
			123.00
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)			
Deficiency b/d		6,624,687.00	
Trade & Expense Creditors		38,356.00	
Employees		11,319.00	
HM Revenue & Customs - VAT		885.00	
HM Revenue & Customs - Corp Tax		<u>209,655.00</u>	
			6,884,902.00
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)			
			<u>(6,884,779.00)</u>
			(6,884,779.00)
Issued and called up capital			
Ordinary Shareholders		567,470.00	
			<u>567,470.00</u>
TOTAL SURPLUS/(DEFICIENCY)			<u><u>(7,452,249.00)</u></u>

CG&Co
AFX Markets Ltd
B - Company Creditors

Key	Name	Address	£
CA05	Aquamatics Limited	Moorgrove, Tolgullow, Redruth, Cornwall, TR16 5PD	150.00
CB0N	British Telecom plc	BT Payment Centre, Durham, DH98 1BT	4,715.76
CC04	Close Brothers Premium Finance	Wimbledon Bridge House, 1 Hartfield road, London, SW19 3RU	767.74
CE06	EE & T Mobile	EE Customer Services, 6 Camberwell Way, Doxford Technology Park, Doxford, Sunderland, SR3 3XN	573.23
CE09	Ecovis Wingrave Yeats LLP	Waverley House, 7-12 Noel Street, London, W1F 8GQ	17,263.80
CH03	HM Revenue & Customs - VAT	Debt Management, South Wales, Ty Glas, Llanishen, Cardiff, CF14 5ZP	885.00
CH0B	HM Revenue & Customs - CT	Debt Management, South Wales, Ty Glas, Llanishen, Cardiff, CF14 5ZP	209,654.73
CS0S	Shire Leasing plc	C/O Baker Tilly Creditor Services Ltd, 6th Floor, Salisbury House, 31 Finsbury Circus, London, EC2M 5SQ	14,621.60
CS1U	Sector Analysis Limited		264.36
9 Entries Totalling			248,896.22

Signature _____

CG&Co
AFX Markets Ltd
C - Shareholders

Key	Name	Address	Type	Nominal Value	No. Of Shares	Called Up per share	Total Amt. Called Up
HA00	AFX Capital Markets Ltd	73 Ayias Zouris & Tifeou, Limassol, 3090, CYPRUS	Ordinary	1.00	567,468	0.00	0.00
HD00	Giovanni Duo	2nd Floor, 33 Sun Street, London, EC2M 2PY	Ordinary	1.00	1	0.00	0.00
HP00	Mario Persichino	33 Sun Street, 2nd Floor, London, EC2M 2PY	Ordinary	1.00	1	0.00	0.00
3 Ordinary Entries Totalling					567,470		

Signature _____

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

Appendix D

Time Analysis for the Period from 27 August 2019 to 17 October 2019

Appendix D - Time Entry - Detailed SIP9 Time & Cost Summary

A0065 - AFX Markets Ltd
 From: 27/08/2019 To: 17/10/2019
 Project Code: POST

Classification of Work Function	Partner	Manager	Other Senior Professionals	Assistants & Support Staff	Assistant Manager	Total Hours	Time Cost (£)	Average Hourly Rate (£)
700 : Formalities	0.00	13.10	0.00	0.00	0.00	13.10	2,947.50	225.00
701 : Strategy (incl Sales)	9.00	0.00	0.00	0.00	0.00	9.00	2,700.00	300.00
Admin & Planning	9.00	13.10	0.00	0.00	0.00	22.10	5,647.50	255.54
600 : Case Specific	5.10	0.00	0.00	0.00	0.00	5.10	1,530.00	300.00
Case Specific Matters	5.10	0.00	0.00	0.00	0.00	5.10	1,530.00	300.00
501 : Unsecured Creditors	34.80	26.90	0.00	75.50	0.00	137.00	23,982.50	175.05
502 : Employee Matters	0.40	2.20	0.00	0.00	0.00	2.60	615.00	236.54
504 : Statutory Reporting to Creditors	8.80	32.70	0.00	0.00	0.00	41.50	9,957.00	240.89
Creditors	43.80	61.80	0.00	75.50	0.00	181.10	34,554.50	191.02
201 : CDDA Reports	0.00	0.30	0.00	0.00	0.00	0.30	67.50	225.00
Investigations	0.00	0.30	0.00	0.00	0.00	0.30	67.50	225.00
306 : Other Assets	0.00	0.30	0.00	0.00	0.00	0.30	67.50	225.00
Realisation of Assets	0.00	0.30	0.00	0.00	0.00	0.30	67.50	225.00
Total Hours	57.90	75.50	0.00	75.50	0.00	208.90	41,907.00	200.61
Total Fees Claimed							0.00	

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

Appendix E

Administrators post-appointment work

- Notifying creditors of the Administrators' appointment and other associated formalities including statutory advertising and filing relevant statutory notices at Companies House
- Formulating, monitoring and reviewing the Special Administration strategy
- Review of Client Accounts and dealing with Client queries
- Dealing with queries arising during the appointment
- Reviewing matters affecting the outcome of the Special Administration
- Consideration of foreign exchange conversion
- Setting up Special Administration bank accounts, including trust account for client monies and dealing with the Company's pre-appointment accounts.
- Liaising with the FCA
- Liaising with the FSCS as regards strategy on any compensation to be paid to Clients
- Allocating and managing staff
- Liaising with legal advisors regarding the various instructions
- Meeting with and providing written and oral updates to representatives of the Authorities
- Collating information from the Company's records regarding the assets
- Liaising with Agents regarding the sale of the assets
- Arranging insurance cover for the assets
- Drafting and circulating our proposals to Members, Clients and Creditors for achieving the objectives of the Special Administration and thereafter providing periodic progress reports to Members, Clients and Creditors (typically every 6 months)
- Convening and preparing for the Initial Meeting
- Creating and updating the list of clients and unsecured creditors
- Lodging periodic returns with the Registrar of Companies for the Administration
- Complying with statutory duties in respect of the Administrators' specific penalty bond
- Reconciling post-appointment bank accounts to internal systems
- Creation and update of case files on the firm's insolvency software
- Documenting strategy decisions
- Redirection of the Company's mail to the Administrators' office.
- Establishing and holding periodic meetings of the creditors' committee and associated filing formalities (if a committee is appointed)

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

- Securing the Company's books and records
- Pension regulatory reporting and auto-enrolment cancellation
- Completion and filing of the notice of the Company's insolvency to HMRC.
- Periodic case progression reviews (typically at the end of Month 1, Month 3 and every 6 months thereafter)
- Opening, maintaining and managing the Administration estate cashbook and bank accounts
- Dealing with all post-appointment VAT and Corporation Tax compliance
- Dealing with employees to provide support and assistance in lodging any claims they may be entitled to make for unpaid wages, holiday pay and other statutory entitlements from the National Insurance Fund and the Company.
- Reviewing time cost data and producing analyses of time incurred which is compliant with Statement of Insolvency Practice 9
- Initial assessment required by Statement of Insolvency Practice SIP2 and the Company Directors Disqualification Act 1986 ("CDDA") including the review of the Company books and records and the identification of potential further asset realisations which may be pursued in the Administration

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

Appendix F

Additional Information in Relation to Joint Administrators' Fees

Fee Basis

The Administrators are seeking to agree the basis of their remuneration in this case as time properly spent by them and their staff in dealing with the affairs of the Company. Details of the work the Administrators proposes to undertake is shown at Appendix E.

The expenses the Administrators consider will be, or are likely to be, incurred are detailed below.

Where a time cost basis is being sought, the Administrators' fees estimate will be included in this information, which also provides details of the rates the Administrators and their staff propose to charge for each part of that work and the time they anticipate each part of that work will take. This is also attached as part of this Appendix.

The fees estimate is based on information about the Company's affairs available to the Administrators at the present time. Should any matters arise which impact on this estimate, such as additional investigatory matters or potential realisable assets, further time or cost will be incurred and it may be necessary to revise the Administrators' estimate of fees.

In this case, we do not anticipate that it will be necessary to seek further approval to increase the level of the fees estimate if the time incurred is in excess of the fees estimate enclosed with this report.

Expenses

Below is a table which outlines the expenses that we consider at this stage will be, or are likely to be, incurred in dealing with the Company's affairs. We will provide an update to creditors in my future progress reports.

Expense	Provider	Basis of fee arrangement	Cost to date £	Anticipated Costs £
Agent's costs in uplifting the chattel assets	Global Asset Support (GARC Ltd)	Time costs and disbursements	1,887.10	1,887.10
Agents costs as Specialist IT Supplier	Global Asset Support (GARC Ltd)	Time costs and disbursements	3,242.10	3,242.10
Agent's costs in dealing with /chattel asset sales	Global Asset Support (GARC Ltd)	25% of realisations to be charged and disbursements	0.00	825.00
Solicitor's costs in dealing with legal matters relating to the Administration	DrydensFairfax Solicitors	Time costs	15,500.00	50,000.00
Change of Locks	Hunphrey & Gray	Set Fee	142.50	142.50
Statutory Advertising	EPE Reynell Ltd	Cost = £71.00 per Advert	71.00	355.00
Administrator's bond	AUA Insolvency Risk Services	Cost = £300.00	300.00	300.00
Insurance of Assets	AUA Insolvency Risk Services	Cost = 168.00	168.00	168.00
Re- Direction of Mail	Royal Mail	Cost = £211.00	211.00	211.00

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

Staff Allocation and the Use of Sub-Contractors

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.

Where the basis of the Administrators' remuneration is being proposed on a time cost basis, details of our current charge-out rates can be found below.

We are not proposing to utilise the services of any sub-contractors in this case.

Joint Administrators' Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise of external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case. Any Category 1 disbursements we anticipate being incurred in this case are included in the table of expenses above.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

We would confirm that this firm does not seek to charge any Category 2 disbursements.

Charge-out Rates

A schedule of CG&Co charge-out rates as agreed with the FCA in respect of this Special Administration is shown below. Please note this firm records its time in minimum units of 6 minutes

	(Per hour) £
Partner	300.00
Manager	225.00
Assistant Manager	125.00
Administrator	100.00

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

Appendix G

Notice of Initial Meeting

Notice of a meeting of Clients and Creditors

Rule 73 of The Investment Bank Special Administration (England and Wales) Rules 2011 ("the Rules")

Name of Company AFX Markets Ltd	Company number 07612002
In the Business & Property Courts of England and Wales Insolvency & Companies List (ChD) (full name of court)	Court case number CR-2019-005638 of 2019

(a) Insert full name(s)
and address(es) of
administrator(s)

Notice is hereby given by (a)
Jonathan E Avery-Gee
CG&Co
Greg's Building
1 Booth Street
Manchester
M2 4DU

Daniel Richardson
CG&Co
Greg's Building
1 Booth Street
Manchester
M2 4DU

(b) Insert full name and
address of registered
office of the company

that a combined meeting of creditors of (b) **AFX MARKETS LTD – IN SPECIAL
ADMINISTRATION**

C/o CG&Co.
Greg's Building
1 Booth Street
Manchester

(c) Insert details of place
of meeting

is to be held at (c) Rooms 3&4 Centurion House, 129 Deansgate, Manchester M3 3WR

(d) Insert date and time
of meeting

on (d) 5 November 2019 at 11.00am

The meeting is an initial creditors' meeting in accordance with the Investment Bank Special Administration Regulations 2011 and under paragraph 51 of Schedule B1 of the Insolvency Act 1986.

I invite you to attend the above meeting. The Resolutions to be tabled at the meeting are to approve the Joint Special Administrators' proposals and to establish a creditors committee.

A proxy form is enclosed which should be completed and returned to me by the date of the meeting if you cannot attend and wish to be represented.

In order to be entitled to vote under Rule 2.38 at the meeting you must give to me, not later than 12.00 hours on the business day before the day fixed for the meeting (if you have not already done so), details in writing of your claim.

Signed



Jonathan E Avery-Gee - Joint Administrator

Dated 17 October 2019

*Delete as applicable

A copy of the proposals/ is attached

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

Appendix H

Proof of Debt Form

Client Proof of Debt Form

AFX Markets Ltd - In Administration		
1	Client Name <i>(If a company, please also state company registration number)</i>	
2	Address of Client for correspondence	
3	Email address for Client	
4	Total amount of claim, including VAT and outstanding uncapitalised interest	£
6	Details of any documents by reference to which the debt can be substantiated (please attach copies)	
7	Particulars of how and when the debt was incurred	
8	Particulars of any security held, the value of the security, and the date it was given	Value = £ Date given / /
10	Signature of Client or person authorised to act on his behalf	
11	Name in BLOCK CAPITALS	
12	Date	
13	Position with or in relation to Client Address of person signing (if different from 2 above)	

Creditor Proof of Debt Form

AFX Markets Ltd - In Administration

1	Creditor Name <i>(If a company, please also state company registration number)</i>	
2	Address of creditor for correspondence	
3	Email address for creditor	
4	Total amount of claim, including VAT and outstanding uncapitalised interest <i>Note: Any trade or other discounts (except discount for immediate or early settlement) which would have been available to the company but for the insolvency proceedings should be deducted from the above claim where relevant. Where any payment is made in relation to the claim or set-off applied after date of winding-up, this should be deducted</i>	£
5	If the amount in 4 above includes outstanding uncapitalised interest, please state the amount	£
6	Details of any documents by reference to which the debt can be substantiated (please attach copies)	
7	Particulars of how and when the debt was incurred by the Company	
8	Particulars of any security held, the value of the security, and the date it was given	Value = £ Date given / /
9	Particulars of any reservation of title claimed, in respect of goods supplied to which the claim relates	
10	Signature of creditor or person authorised to act on his behalf	
11	Name in BLOCK CAPITALS	
12	Date	
13	Position with or in relation to creditor Address of person signing (if different from 2 above)	

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

Appendix I

Proxy Forms

Creditor Proxy Form

AFX Markets Ltd – In Special Administration

Name of Creditor

Address

Please insert name of person (who must be 18 or over) or the Chairman of the Meeting. If you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well

Name of Proxy Holder

1 _____
2 _____
3 _____

Please delete words in brackets if the proxy holder is only to vote as directed i.e. he has no discretion

I appoint the above person to be my/the Creditor's proxy holder at the meeting of Clients and Creditors to be held on **5 November 2019** or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion).

Voting Instructions for resolutions

*Please delete as appropriate

- 1. For the acceptance/~~rejection~~ of the Administrators' proposals.
- 2. For the appointment of the person named below as a member of the Creditors' Committee:

Name

Address.....

This form must be signed

Signature _____ Date ____ / ____ / ____

Name in CAPITAL LETTERS _____

Only to be completed if the Creditor has not signed in person

Position with Creditor or relationship to Creditor or other authority for signature

Client Proxy Form

AFX Markets Ltd – In Special Administration

Name of Client

Address

Please insert name of person (who must be 18 or over) or the Chairman of the Meeting. If you wish to provide for alternative proxy holders in the circumstances that your first choice is unable to attend please state the name(s) of the alternatives as well

Name of Proxy Holder

1 _____
2 _____
3 _____

Please delete words in brackets if the proxy holder is only to vote as directed i.e. he has no discretion

I appoint the above person to be my/the Client's proxy holder at the meeting of Clients and Creditors to be held on **5 November 2019** or at any adjournment of that meeting. The proxy holder is to propose or vote as instructed below (and in respect of any resolution for which no specific instruction is given, may vote or abstain at his/her discretion).

Voting Instructions for resolutions

*Please delete as appropriate

- 1. For the acceptance/~~rejection~~ of the Administrators' proposals.
- 2. For the appointment of the person named below as a member of the Clients' Committee:

Name

Address.....

This form must be signed

Signature _____ Date ____/____/____

Name in CAPITAL LETTERS _____

Only to be completed if the Client has not signed in person

Position with Client or relationship to Client or other authority for signature

AFX MARKETS LTD - IN SPECIAL ADMINISTRATION

Appendix J

Privacy Notice for Clients and Creditors

Privacy Notice

Use of personal information

We process personal information to enable us to carry out our work as insolvency practitioners which includes processing data that was held by companies/individuals before our appointment together with data collected during an insolvency procedure or a fixed charge receivership. Our legal obligation to process personal data arises from work we are required to carry out under insolvency and other related legislation.

Insolvency practitioners are Data Controllers of personal data in so far as defined by data protection legislation. CG & Co will act as Data Processor on their instructions about personal data in relation to an insolvency procedure or fixed charge receivership.

Personal data will be kept secure and processed only for matters relating to the insolvency procedure being dealt with.

The data we may process

The personal data insolvency practitioners may process in most cases will be basic details that may identify an individual and will typically be sufficient to allow us to carry out our work as insolvency practitioners, for example, dealing with the claims of individuals who are owed monies by the companies/individuals over whom we have been appointed.

However, insolvency practitioners may be appointed over entities that process personal data that is considered more sensitive, for example health records and this sensitive data will usually have been created before our appointment. Although we will take appropriate steps to safeguard sensitive data (or to destroy it where it is appropriate to do so), subject to limited exceptions, for example, where we identify previous conduct and/or action that requires further investigation, we will not be processing sensitive data.

Sharing information

We may share personal data with third parties where we are under a legal or regulatory duty to do so, or it is necessary for the purposes of undertaking our work as insolvency practitioners. We may also share personal data to lawfully assist the police or other law enforcement agencies with the prevention and detection of crime, where disclosure is necessary to protect the safety or security of any persons and/or otherwise as permitted by the law.

How long will we hold it?

Personal data will be retained for as long as any legislative or regulatory requirement requires us to hold it. Typically, this may be up to 6 years after which it will be destroyed.

What are your rights?

You have the right to receive the information contained in this document about how your personal data may be processed by us.

You also have the right to know that we may be processing your personal data and, in most circumstances, to have information about the personal data of yours that we hold, and you can ask for certain other details such as what purpose we may process your data for and how long we will hold it.

Individuals have the right to request that incorrect or incomplete data is corrected and in certain circumstances, you may request that we erase any personal data on you which may be held or processed as part of our work as insolvency practitioners. If you have any complaints about how we handle your personal data, please contact Daniel Richardson on daniel.richardson@cg-recovery.com so we can resolve the issue, where possible. You also have the right to lodge a complaint about any use of your information with the Information Commissioners Office (ICO), the UK data protection regulator.