

FSCS DETERMINATION INSTRUMENT 2017 (Strand Capital Limited)

1. Using its powers in the Financial Services and Markets Act 2000 ("FSMA"), the Financial Services Authority ("FSA") made compensation rules in Chapter 7 of the Compensation Sourcebook of the FSA Handbook ("COMP") providing the Financial Services Compensation Scheme Limited ("FSCS") with specific rights and obligations against firms in default and third parties. On 1 April 2013, the Financial Conduct Authority ("FCA") became responsible for the conduct of business regulation for all authorised firms and prudential regulation for firms other than banks, building societies, credit unions, insurers and major investment firms. From that date, the compensation rules relevant to investment firms (other than major investment firms) can be found in the Compensation Sourcebook of the FCA Handbook.
2. On 17 May 2017, the Court made a special administration order against Strand Capital Limited (the "Firm") and, as a result, the Firm is in default (the "FSCS Default") for the purposes of COMP 6.3.1(2)(b)R of the COMP Sourcebook.
3. FSCS has determined to use the powers in COMP Chapter 7.3R set out below in respect of the Firm and all eligible claimants who have protected investment claims against the Firm as at the date of the FSCS Default ("claimants"). For the avoidance of doubt, claimants will not include those investors who have assigned their claim against the Firm to a third party, nor will it include the third party to whom the claim against the Firm has been assigned.
4. Having originally made FSCS Determination instrument 2017 (Strand Capital Limited) (2017/ No 3) on 5 June 2017, the FSCS hereby amends and remakes that determination in accordance with COMP 7.3.4R(5). The current instrument supersedes and replaces the original instrument in its entirety.
5. Using the powers specified below, FSCS has determined that:
 - i. The payment of compensation by it shall have the effects specified in COMP 7.3.8R(3), (4) and (5);
 - ii. In accordance with COMP 7.3.8R(3), FSCS shall be subrogated:
 - (a) to all of each claimant's rights against the Firm and/or any third party in respect of the Claim, the Client Money Claim and any third party claims; and
 - (b) upon payment of compensation in respect of the Client Assets Claim, to:
 1. all of each claimant's rights against the Firm and/or any third party in respect of the Client Assets Claim; and
 2. All of each claimant's rights against the Firm and/or any third party in respect of the Claim, the Client Money Claim and any third party claims that have not already been assigned to FSCS under 5(ii)(a) above.

The following definitions apply for the purpose of this instrument:

“Claim” means any right, claim or cause of action that the claimant has or may have against the Firm excluding in respect of the Client Assets Claim and in respect of the Client Money Claim.

“Client Assets Claim” means any right, claim or cause of action that the claimant has or may have against the Firm in respect of any asset excluding Client Money held by the Firm for or on behalf of the claimant.

“Client Money Claim” means any right, claim or cause of action that the claimant has or may have against the Firm in respect of Client Money held by the Firm for or on behalf of the claimant.

“Client Money” has the meaning set out in the Glossary to the Financial Conduct Authority Handbook as applicable to COMP.

- iii. In accordance with COMP 7.3.9R, it will make the payment of compensation by it conditional upon claimants assigning or transferring the whole or any part of all the rights they may have against the Firm and/or any third party on such terms as FSCS determines are appropriate; and
 - iv. In accordance with COMP 7.3.10R, in the event that any of the scenarios listed in COMP 7.3.10R(1)(a)-(c) arise, claimants shall be treated as having irrevocably and unconditionally appointed the chairman of the FSCS for the time being to be their attorney and agent and on their behalf and in their name or otherwise to do such things and execute such deeds and documents as may be required under such laws of the United Kingdom, another EEA State or other state or law-country to create or give effect to such assignment or transfer or otherwise give full effect of those powers.
6. FSCS reserves the right to amend, remake, or revoke these determinations at any time as permitted by COMP 7.3.4R(5).
 7. This instrument is made under COMP 7.3R and takes effect on 17 May 2017.
 8. Unless defined in this determination, all expressions used which are also defined terms in the FCA Handbook Glossary shall have the same meaning as given to them in that glossary.

This Determination under COMP 7.3R is agreed on behalf of the Executive by:


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Jimmy Barber

Date 17/5/18

Time 17:56