



CHP 09/0037

**IN THE HIGH COURT OF JUSTICE OF THE ISLE OF MAN  
CIVIL DIVISION  
CHANCERY PROCEDURE**

**IN THE MATTER** of the Companies Acts 1931-1996

and

**IN THE MATTER** of Kaupthing Singer & Friedlander (Isle of Man) Limited (In Liquidation)

and

**IN THE MATTER** of the Application Notice of Michael Simpson as Liquidator of Kaupthing Singer & Friedlander (Isle of Man) Limited (in liquidation) dated 3 July 2018

At a Court held on  
the 30th day of October 2018

**HIS HONOUR  
DEEMSTER CORLETT**

**UPON** hearing the foregoing Application this day in presence of Counsel for the Applicant and Counsel for the Financial Services Authority and for the Isle of Man Treasury AND having heard Counsel **UPON CONSIDERATION** had thereof **IT IS ORDERED** that:

1. In this Order the following abbreviations shall be used –

<b>"KSFIOM"</b>	Kaupthing Singer & Friedlander (Isle of Man) (In Liquidation)
<b>"The Liquidator"</b>	Michael Simpson as Liquidator of KSFIOM
<b>"The 2008 DCS Regulations"</b>	The Compensation of Depositors Regulations 2008 (SD No.826/08), as amended by the Compensation of Depositors (Amendment) Regulations 2009 (SD No.232/09)
<b>"The 2009 DCS Amendment Regulations"</b>	the Compensation of Depositors (Amendment) Regulations 2009 (SD No. 232/09)
<b>"DCS"</b>	The Depositors' Compensation Scheme brought into force by the 2008 DCS Regulations, as amended
<b>"Depositors"</b>	Creditors of KSFIOM who deposited monies with KSFIOM and were thereby entitled to claim in the DCS and the EPS (defined below)

**"EPS"**

Collectively, the Kaupthing Singer & Friedlander (Isle of Man) Limited Early Payment Scheme (GC1/09) and the Kaupthing Singer & Friedlander (Isle of Man) Limited Early Payment (No. 2) Scheme (GC4/09), set up by the Treasury of the Isle of Man Government

**"Statutory Interest"**

Statutory interest due to be paid to the Depositors pursuant to Section 23(4) of the Bankruptcy Code 1892 (as applied by Section 248 of the Companies Act).

**"Deferred Interest"**

the balance of interest due to unsecured creditors of KSFIOM who had their outstanding contractual interest for the period up to the date of the Winding-Up Petition capped at 5% pa (for the purposes of calculating dividends) pursuant to the provisions of s.23(3) of the Bankruptcy Code 1892 (as applied to KSFIOM by s.248 of the Companies Act 1931), and who are now entitled to the balance of such interest pursuant to the judgment of His Honour Deemster Corlett dated 16 June 2017 in this matter.

2. In relation to the payment of Statutory Interest and/or Deferred Interest to Depositors, the Liquidator shall –
  - 2.1 pay Statutory Interest and/or Deferred Interest upon the admitted proofs of debt of Depositors who did not claim in the DCS or the EPS to such Depositors;
  - 2.2 pay to the DCS all Statutory Interest and/or Deferred Interest due to Depositors who claimed in the DCS and/or the EPS, irrespective of whether-
    - 2.2.1 such Depositors filed proofs of debt in the liquidation of KSFIOM, which were admitted, before they claimed in the DCS and assigned to the DCS their rights to prove in the liquidation of KSFIOM;
    - 2.2.2 such Depositors filed proofs of debt in the liquidation of KSFIOM, which were admitted, before they claimed in the EPS and assigned a limited part of their right to prove in the liquidation of KSFIOM to the Treasury, which was further assigned to the DCS by the operation of Regulation 16(3A) of the 2008 DCS Regulations, as amended, and such Depositors also claimed in the DCS;
    - 2.2.3 such Depositors filed proofs of debt in the liquidation of KSFIOM, which were admitted, before they claimed in the EPS and assigned a limited part of their right to prove in the liquidation of KSFIOM to the Treasury, which right was further assigned to the DCS by the

operation of Regulation 16(3A) of the 2008 DCS Regulations, as amended, but such Depositors did not claim in the DCS;

- 2.2.4 such Depositors did not file a proof of debt in the liquidation of KSFIOM, but simply assigned to the DCS and/or the EPS their rights to prove in the liquidation of KSFIOM (although the Liquidator cannot pay Statutory Interest to a Depositor who has not filed a proof of debt which has been admitted in any event, and this direction is sought only for the avoidance of doubt).
3. With regard to Statutory Interest, in respect of proofs of debt admitted by the Liquidator before any final date fixed by the Court by which creditors must prove their debts or claims, or be excluded from the benefit of any distributions in the liquidation of KSFIOM, the Liquidator shall pay simple interest at the rate of 4% per annum pursuant to section 23(4) of the Bankruptcy Code 1892 from 9 October 2008 until the date of the final distribution.



**SEAL OF THE HIGH COURT**





ISLE OF MAN COURTS  
OF JUSTICE

EXAMINED AND CERTIFIED A  
TRUE COPY

DEPUTY ASSISTANT CHIEF REGISTRAR

31 OCT 2018