

FS-2018-000001

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
BUSINESS LIST (ChD)
FINANCIAL SERVICES AND REGULATORY

The Chancellor of the High Court

Date: 22 January 2018



IN THE MATTER OF HSBC BANK PLC

AND

IN THE MATTER OF HSBC UK BANK PLC

AND

**IN THE MATTER OF PART VII OF THE
FINANCIAL SERVICES AND MARKETS ACT 2000**

ORDER

UPON THE APPLICATION by Part 8 Claim Form issued on 15 January 2018 (the "**Claim Form**") of the above-named HSBC Bank plc (registered number 00014259) (the "**Transferor**") whose registered office is at 8 Canada Square, London, United Kingdom, E14 5HQ and HSBC UK Bank plc (registered number 09928412) (the "**Transferee**") and together with the Transferor, the "**Companies**") whose registered office is at 8 Canada Square, London, United Kingdom, E14 5HQ, both of which form part of the HSBC group (the "**HSBC Group**"), for sanction of a ring-fencing transfer scheme (the "**Scheme**") under Part VII of the Financial Services and Markets Act 2000 ("**FSMA**")

AND UPON the Transferor having previously applied for provisional directions to assist it in the preparation of the Scheme, in particular, in relation to the HSBC Group's proposed communications programme for notifying customers and other stakeholders of the Scheme (Claim No. CR-2017-003467)

AND UPON the Court having given provisional directions by order dated 26 May 2017 (the "**May Order**") requiring the HSBC Group to give individual notice of the Scheme to any and all customers

and other stakeholders who might wish to allege that they would be adversely affected by the carrying out of the Scheme

AND UPON HEARING Martin Moore QC and Stephen Horan, Counsel for the Companies and Sophie Mallinckrodt, Counsel for the Prudential Regulation Authority (“**PRA**”) and the Financial Conduct Authority (“**FCA**”)

AND UPON the Transferor having agreed that any person alleging that they would be adversely affected by the Scheme and wishing to be heard at the hearing at which the Companies will ask the Court to sanction the Scheme (currently listed to take place on 21 and 22 May 2018) who files a written statement of representations at Court in accordance with section 110(5)(a) of FSMA need not serve such statement on the Transferor

AND UPON READING the Claim Form and the evidence

IT IS ORDERED THAT:

1. the communications plan described in (i) paragraphs 193 to 284 of the witness statement of António Pedro dos Santos Simões dated 12 January 2018 (the “**Witness Statement**”) and (ii) the document entitled “**Communications Plan**” at Schedule 1 to this Order (together with such amendments which amount to the correction of typographical errors and such other amendments as Counsel shall advise as being non-material) constitutes sufficient notice of the Scheme to the customers and other stakeholders of the HSBC Group listed in the second column of the Communications Plan for the purpose of paragraphs 2(a) and 3(a) (as applicable) of the May Order and the HSBC Group shall not be required to give any further notice to other consumers, customers or stakeholders of the HSBC Group;
2. the guidance note substantially in the form included at Schedule 2 to this Order be made available on the Ring-fencing Website (as such term is defined in paragraph 211 of the Witness Statement) for persons alleging that they would be adversely affected by the carrying out of the Scheme and who may wish to make a written statement of representations under section 110(5) of FSMA; and
3. the application be adjourned to a case management conference to be heard on 4 May 2018

AND IT IS ORDERED that there be liberty to apply, any such application to be on appropriate notice to the PRA and FCA

This Order shall be served by the Companies on the PRA and FCA

Service of this Order: Copies to the solicitors for the serving parties: Allen & Overy LLP, One Bishops Square, London E1 6AD, marked “FAO Ian Stanley”

SCHEDULE 1

COMMUNICATIONS PLAN

No.	Stakeholder	Individual Communication Channel	Date of Notification	General Communication Channel
(A) Transferring Customers Receiving an Individual Notification				
(a)	first direct customers	Individual Scheme notification by direct mail	29 January 2018 - 2 March 2018	<ul style="list-style-type: none"> • Ring-fencing website • Branch brochures (UK and Channel Islands and Isle of Man only) • ATM screens (UK only) • Gazette notices (UK only) • UK newspapers • International newspaper • Branch posters (UK only) • Branch radio (UK only) • Meetings / on-going dialogue with consumer groups, charities and MPs (the “ General Ring-fencing Awareness Programme ”)
(b)	New UK RBWM and UK CMB customers of the Transferor between January 2018 and the Effective Date	Individual Scheme notification as part of on-boarding	As part of on-boarding process	General Ring-fencing Awareness Programme

No.	Stakeholder	Individual Communication Channel	Date of Notification	General Communication Channel
(c)	UK RBWM potentially vulnerable customers of the Transferor	Individual Scheme notification by direct mail and business as usual additional support	29 January 2018 - 2 March 2018	General Ring-fencing Awareness Programme
(d)	M&S Bank customers who have undergone a BIC and IBAN change	Individual Scheme notification by direct mail	29 January 2018 - 2 March 2018	General Ring-fencing Awareness Programme
(e)	Transferring customers and ex-customers of the Transferor that are subject to collection proceedings	Individual Scheme notification by direct mail	29 January 2018 - 2 March 2018	General Ring-fencing Awareness Programme
(f)	To the extent not included in the above cohorts, UK RBWM and UK CMB customers	Individual Scheme notification by direct mail	29 January 2018 - 2 March 2018	General Ring-fencing Awareness Programme
(B) UK GPB Customers Receiving an Individual Notification				
(a)	Customers of UK GPB who are also customers of the Transferor in respect of securities dealing, execution and custody services and whose terms and conditions with the Transferor in respect of these services are changing as a result of the Scheme	Individual Scheme notification by direct mail	29 January 2018 - 2 March 2018	General Ring-fencing Awareness Programme

No.	Stakeholder	Individual Communication Channel	Date of Notification	General Communication Channel
(b)	New customers (as well as existing customers that take out new products that involve them contracting with the Transferor) of UK GPB between 31 December 2017 and the Effective Date who are also customers of the Transferor in respect of securities dealing, execution and custody services and whose terms and conditions with the Transferor in respect of these services are changing as a result of the Scheme	Individual Scheme notification as part of on-boarding	As part of on-boarding process	General Ring-fencing Awareness Programme
(c)	Potentially vulnerable customers of UK GPB who are also customers of the Transferor	Individual Scheme notification by direct mail and business as usual additional support	29 January 2018 - 2 March 2018	General Ring-fencing Awareness Programme
(C) Non-Transferring Customers Receiving an Individual Notification				
(a)	UK CMB NBFIs including RFIs (excluding Business Banking NBFIs) not affected by the sort code migration process	Notified by direct mail as part of another communication	October 2017	General Ring-fencing Awareness Programme
(b)	CMB customers of the Transferor's EEA branches	Notified by direct mail as part of another communication and	March - October 2017 and 29 January 2018 - 2 March 2018 (for	General Ring-fencing Awareness Programme Link to ring-fencing website on HSBC local websites

No.	Stakeholder	Individual Communication Channel	Date of Notification	General Communication Channel
		for some customers Individual Scheme notification by direct mail	those customers communicated to in March 2017)	
(c)	UK CMB NBFIs including RFIs (excluding Business Banking NBFIs) affected by the sort code migration process	Notified by direct mail as part of another communication and individual Scheme notification by direct mail	October 2017 and 29 January 2018 - 2 March 2018	General Ring-fencing Awareness Programme
(d)	UK GBM customers (excluding EEA branch customers) not affected by the sort code migration process	Notified by direct mail as part of another communication	July - September 2017	General Ring-fencing Awareness Programme
(e)	GBM customers of the Transferor's EEA branches	Notified by direct mail as part of another communication	July - September 2017	General Ring-fencing Awareness Programme Link to ring-fencing website on HSBC local websites
(f)	UK GBM customers affected by the sort code migration process	Notified by direct mail as part of another communication and individual Scheme notification by direct mail	July – September 2017 and 29 January 2018 - 2 March 2018	General Ring-fencing Awareness Programme

No.	Stakeholder	Individual Communication Channel	Date of Notification	General Communication Channel
(g)	Former customers of HBIB who are now customers of the Transferor's Jersey branch	Notified by direct mail as part of another communication	June 2017	General Ring-fencing Awareness Programme Link to ring-fencing website on HSBC's website for the Channel Islands and Isle of Man
(h)	Former customers of PBCI who are now customers of the Transferor's Guernsey branch	Notified by direct mail as part of another communication	June 2017	General Ring-fencing Awareness Programme Link to ring-fencing website on HSBC's website for the Channel Islands and Isle of Man
(i)	Other customers of the Transferor's Channel Islands and Isle of Man branches	Notified by direct mail as part of another communication	July - August 2017	General Ring-fencing Awareness Programme Link to ring-fencing website on HSBC's website for the Channel Islands and Isle of Man
(j)	European corporate banking centre customers	Notified by direct mail as part of another communication and for some customers Individual Scheme notification by direct mail	March - October 2017 and 29 January 2018 – 2 March 2018 (for those customers communicated to in March 2017)	General Ring-fencing Awareness Programme
(k)	New UK GBM customers of the Transferor between August 2017 and the Effective Date and new UK CMB RFI and NBFII (excluding Business Banking)	Individual Scheme notification as part of on-boarding	As part of on-boarding process	

No.	Stakeholder	Individual Communication Channel	Date of Notification	General Communication Channel
	customers of the Transferor between January 2018 and the Effective Date, who would have received communications had they been customers prior to that date			General Ring-fencing Awareness Programme
(D) Transferring Stakeholders Receiving an Individual Notification				
(a)	Landlords	Individual Scheme notification by direct mail and, in the case of 16 landlords, a call from CBRE	29 January 2018 - 2 March 2018	General Ring-fencing Awareness Programme
(b)	Commercial tenants	Individual Scheme notification by direct mail	29 January 2018 - 2 March 2018	General Ring-fencing Awareness Programme
(c)	Residential tenants	Individual Scheme notification by direct mail	29 January 2018 - 2 March 2018	General Ring-fencing Awareness Programme
(d)	Predecessors in title to the Transferor's leases	Individual Scheme notification by direct mail	29 January 2018 - 2 March 2018	General Ring-fencing Awareness Programme
(e)	New real estate stakeholders	Individual Scheme notification by direct mail	Various	General Ring-fencing Awareness Programme

No.	Stakeholder	Individual Communication Channel	Date of Notification	General Communication Channel
(f)	Suppliers of goods and services and third party distribution and referral agreement counterparties	Individual Scheme notification by direct mail	29 January 2018 - 2 March 2018	General Ring-fencing Awareness Programme
(g)	Employees of the Transferor subject to special requirements	Individual Scheme notification by direct mail	29 January 2018 - 2 March 2018	General Ring-fencing Awareness Programme HSBC intranet site
(h)	Other employees of the Transferor and inbound and outbound assignees	Individual Scheme notification by direct mail	29 January 2018 - 2 March 2018	General Ring-fencing Awareness Programme HSBC intranet site
(i)	Pension trustees	Individual Scheme notification by direct mail	December 2017	General Ring-fencing Awareness Programme
(j)	Claimants and defendants (excluding collections) against the Transferor	Individual Scheme notification by direct mail	29 January 2018 - 2 March 2018	General Ring-fencing Awareness Programme
(k)	Lenders' agents in respect of syndicated loans that are transferring	Individual Scheme notification by direct mail	29 January 2018 - 2 March 2018	General Ring-fencing Awareness Programme
(l)	Third party beneficiaries of comfort letters and guarantees	Individual Scheme notification by direct mail	29 January 2018 - 2 March 2018	General Ring-fencing Awareness Programme
(m)	JV counterparties (Marks and Spencer, John Lewis, Vaultex,	Individual Scheme notification by direct mail and	Prior to 22 January 2018 and between 29	General Ring-fencing Awareness Programme

No.	Stakeholder	Individual Communication Channel	Date of Notification	General Communication Channel
	Global Payments and IPSL)	bilateral discussions	January 2018 – 2 March 2018	
(E) Non-Transferring Stakeholders Receiving an Individual Notification				
(a)	Landlords of properties in the UK	Individual Scheme notification by direct mail and, in the case of 1 landlord, a call from CBRE	29 January 2018 - 2 March 2018	General Ring-fencing Awareness Programme
(b)	New real estate stakeholders	Individual Scheme notification by direct mail	Various	General Ring-fencing Awareness Programme
(c)	Suppliers of goods and services that have on-going contractual obligations with the Transferor and third party distribution and referral agreement counterparties	Individual Scheme notification by direct mail	29 January 2018 - 2 March 2018	General Ring-fencing Awareness Programme
(d)	Social investments (namely Big Society, Business Growth Fund and Motability Operations Group)	Individual Scheme notification by direct mail	29 January 2018 - 2 March 2018	General Ring-fencing Awareness Programme
(e)	Employees of the Transferor subject to special requirements	Individual Scheme notification by direct mail	29 January 2018 - 2 March 2018	General Ring-fencing Awareness Programme HSBC intranet site

No.	Stakeholder	Individual Communication Channel	Date of Notification	General Communication Channel
(f)	Other employees of the Transferor and inbound and outbound assignees	Individual Scheme notification by direct mail	29 January 2018 - 2 March 2018	General Ring-fencing Awareness Programme HSBC intranet site
(g)	Pension trustees	Individual Scheme notification by direct mail	December 2017	General Ring-fencing Awareness Programme
(h)	Claimants and defendants (excluding collections) against the Transferor	Individual Scheme notification by direct mail	29 January 2018 - 2 March 2018	General Ring-fencing Awareness Programme
(i)	Third party beneficiaries of comfort letters and guarantees	Individual Scheme notification by direct mail	29 January 2018 - 2 March 2018	General Ring-fencing Awareness Programme
(F) Cohorts not Receiving an Individual Notification				
(a)	Consumers (as defined in section 1G of FSMA) not included in any of the above cohorts (in particular, future customers of the Transferor and Transferee)	None	N/A	General Ring-fencing Awareness Programme
(b)	Customer and stakeholders of members of the HSBC Group that are not subsidiaries of the Transferor	None		General Ring-fencing Awareness Programme Disclosures in annual reports since 2011

No.	Stakeholder	Individual Communication Channel	Date of Notification	General Communication Channel
(c)	Customers of transferring subsidiary PBGB who do not have a contractual relationship with the Transferor or other stakeholders of PBGB	None		General Ring-fencing Awareness Programme
(d)	Customers or other stakeholders of Marks and Spencer Financial Services plc who have not undergone a BIC and IBAN change	None		General Ring-fencing Awareness Programme
(e)	Customers or other stakeholders of John Lewis Financial Services Limited	None		General Ring-fencing Awareness Programme
(f)	Customers or other stakeholders of B&Q Financial Services Limited	None		General Ring-fencing Awareness Programme
(g)	Customers or other stakeholders of HSBC Equipment Finance (UK) Limited and HSBC Invoice Finance (UK) Limited who are not customers of the Transferor	None		General Ring-fencing Awareness Programme
(h)	Customers or other stakeholders of non-transferring subsidiaries	None		General Ring-fencing Awareness Programme
(i)	Customers or other stakeholders of non-EEA branches of the Transferor (Switzerland, South	None		General Ring-fencing Awareness Programme

No.	Stakeholder	Individual Communication Channel	Date of Notification	General Communication Channel
	Africa and Israel but excluding the Channel Islands and Isle of Man)			Link to ring-fencing website from HSBC's websites for Switzerland, South Africa, and Israel
(j)	Deceased UK RBWM customers of the Transferor (including executors and personal representatives)	None		General Ring-fencing Awareness Programme
(k)	Former customers of the Transferor's Athens branch	None		General Ring-fencing Awareness Programme Link to ring-fencing website from HSBC's website for Greece
(l)	Pension scheme members	None		General Ring-fencing Awareness Programme Bespoke FAQ on ring-fencing website and intranet site
(m)	Syndicated loan counterparties	None		General Ring-fencing Awareness Programme
(n)	Debt holders, including holders of capital market instruments	None		General Ring-fencing Awareness Programme Disclosures in annual reports since 2011 and prospectuses since 2014
(o)	Real property third parties of the Transferor	None		General Ring-fencing Awareness Programme
(p)	Superior landlords of RFB properties	None		General Ring-fencing Awareness Programme

No.	Stakeholder	Individual Communication Channel	Date of Notification	General Communication Channel
(q)	Landlords of the Transferor's non-transferring properties located outside the UK	None		General Ring-fencing Awareness Programme
(r)	Third parties with no legal or contractual relationship with the Transferor	None		General Ring-fencing Awareness Programme
(s)	Parties to derivative transactions referencing, but not involving, the Transferor	None		General Ring-fencing Awareness Programme
(t)	Lenders' agents in syndicated loans of the Transferor	None		General Ring-fencing Awareness Programme
(u)	Beneficiaries of trade finance letters of credit and guarantees issued by the Transferor	None		General Ring-fencing Awareness Programme
(v)	Regulatory bodies	Regular contact		General Ring-fencing Awareness Programme
(w)	M&A counterparties	Bilateral discussions in respect of Visa		General Ring-fencing Awareness Programme
(x)	Third party security providers, including guarantors	None		General Ring-fencing Awareness Programme
(y)	Trading counterparties	None		General Ring-fencing Awareness Programme

No.	Stakeholder	Individual Communication Channel	Date of Notification	General Communication Channel
(z)	Transferring end-investor counterparties to derivative transactions with Balance Sheet Management	Bilateral discussions		General Ring-fencing Awareness Programme
(aa)	Unions and works councils	Bilateral discussions		General Ring-fencing Awareness Programme
(bb)	Third party beneficiaries of regulatory undertakings and regulatory attestations	Bilateral discussions		General Ring-fencing Awareness Programme
(cc)	Operators of FMI	Bilateral discussions		General Ring-fencing Awareness Programme

SCHEDULE 2

GUIDANCE NOTE

The following guidance for the making of a written statement of representation which a person wishes the Court to consider in relation to the ring-fencing transfer scheme proposed by HSBC under s 110(3)-(5) of the Financial Services and Markets Act 2000 (a “Statement”) has been approved by the Chancellor of the High Court, the Rt. Hon Sir Geoffrey Vos, on 22 January 2018.

The Statement

To help the Court to understand the point(s) you wish to make, we suggest that the Statement should be short and should at least contain the following:

- *Your name and your relationship(s) with the bank i.e. a customer with an account (e.g. current or savings), borrower or other. It is not necessary to disclose your account or other balances.*
- *The nature of the adverse effect which you allege you will suffer as a result of the ring-fencing transfer scheme proposed by HSBC.*
- *The reason you say that you will suffer the adverse effect.*

In addition, if you disagree with any aspect of the report [include link] on the terms of the ring-fencing transfer scheme that has been produced by the “Skilled Person” appointed to carry out this role it would be very helpful if you identify those aspects and explain why you disagree.

The decision that the Court must make is whether it is appropriate in all the circumstances to allow the ring-fencing transfer scheme to be carried out.

Filing

The Financial Services and Markets Act 2000 requires that your Statement must be filed with the Court. This may be done in one of three ways, as follows:

- *In person at the Court Office over the counter at the Business and Property Courts of England and Wales, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL. Please mark it “FAO HSBC Ring-Fencing Transfer Scheme – FS-2018-000001”.*
- *By post to Business and Property Courts of England and Wales, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL. Please mark it “FAO HSBC Ring-Fencing Transfer Scheme – FS-2018-000001”.*
- *Electronically using the Court CE Filing system. Guidance on the use of this facility is available at <https://www.gov.uk/guidance/ce-file-system-information-and-support-advice>.*

The case number for the HSBC Ring-Fencing Transfer Scheme is FS-2018-000001 and further HSBC specific instructions for assisting with the Court CE Filing system process can be found at [●].

Service

A copy of any Statement filed with the Court must be provided to the Prudential Regulation Authority. Guidance on how this can be done (e.g. in person, by post or electronically) is available at <http://www.bankofengland.co.uk/pru/Pages/authorisations/structuralreform/representations.aspx>.

HSBC has agreed with the Court that a copy of any Statement filed at Court does not need to be provided to HSBC.