

21 February 2020

Debt Capital Markets - Global Insights - Spring 2020

Actions taken to seize control of a securitisation structure and the underlying loan portfolio declared void and of no effect.

Two recent High Court cases, *Business Mortgage Finance 6 Plc v Greencoat Investments Limited and others* [2019] EWHC 2128 (Ch) (the Greencoat Case) and *Business Mortgage Finance 6 Plc v Roundstone Technologies Ltd* [2019] EWHC 2917 (Ch) (the Roundstone Case) (together, the Business Mortgage Cases), have affirmed a number of principles relating to securities held through the clearing systems and the powers of receivers, including the following:

- The ability of noteholders to direct the trustee to act is set out in the terms of the transaction documents.
- The question of who has the ability to direct the trustee should be construed by reference to the specific terms of the transaction documents and how the notes are held within the clearing systems.
- Where noteholders wish to instruct the trustee, they must establish their entitlement to do so by delivering proof of holding satisfactory to the trustee. A trustee is not bound to act until it has received satisfactory proof of holding (and indemnification, if required).
- Typically the powers of a receiver are restricted to dealing with the assets over which the issuer has granted security to the trustee and do not extend to control over specific corporate matters, such as the ability to appoint and remove directors of the issuer.

[Read the article here.](#)

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