



Preparing for Brexit

Part VII

Frequently Asked Questions

Part VII FAQs

1. What is a Part VII?

A banking business transfer under Part VII of the Financial Services and Markets Act 2000 (commonly referred to as 'Part VII') is a mechanism used to transfer books of business from one bank to another via a scheme sanctioned by an English court order.

It allows for the transfer and / or duplication of a large number of separate legal relationships with customers and others to be made under the scheme rather than requiring individual customer consent. The scheme is subject to regulatory and court scrutiny intended to make sure that any potential adverse effects of the scheme are identified and those persons adversely affected are given the opportunity to make representations.

2. What are the benefits of a Part VII?

A Part VII allows for existing contractual relationships to be transferred and/or duplicated with BBI without the need for 're-papering', which is expected to reduce the legal execution burden for both clients and Barclays. Additionally, the transfer of specific products or trading positions pursuant to a Part VII is effective by operation of law and as such, does not result in a new contract or new position being entered into between a client and BBI. This may have certain benefits for our clients, for example, the current EMIR treatment for clearing and margining obligations will be grandfathered in the case of OTC derivative positions which are transferred pursuant to the Part VII.

3. Which legal documents are in scope for the Part VII?

Please see "Further information about example contracts in scope for the Part VII and other contractual amendments" on this website [here](#) for a summary of the in scope contracts.

4. What is the approach and timeline for the Part VII? When will I receive further communications?

Barclays received approval from the High Court on 29 January 2019 to transfer certain Banking and Markets, Corporate and PBOS business to Barclays Bank Ireland (BBI) under Part VII of the Financial Services and Markets Act 2000.

Effective Dates

The timing of business transfers effected through the Part VII will differ dependant on both the type, and the location of the products and services provided to you:

- If you are an Investment Banking client and your product/contract is transferring through the Part VII scheme, the effective date for duplication of legal documentation is 1 February 2019, however we will confirm the date by which you are able to start conducting business with BBI. If you have existing positions that will transfer to the new entity, we will engage with you to agree with you both the transfer and the effective date. Note that to effect the transfer of a position under the Part VII, it must be executed within the Part VII effective window, which ends on 26 July 2019.
- If you are a Corporate Banking client, and your contract is booked with a branch of BBPLC, your transfer will be effected on the relevant branch transfer date. The dates were laid out in the "Part VII Scheme Summary" as follows:
 - for the Spanish branch of BBPLC, 1 February 2019;
 - for the Italian branch of BBPLC, 1 March 2019; and
 - for the French branch of BBPLC, 1 March 2019.

- As political stability is achieved with respect to the status of the UK withdrawal agreement, it may be appropriate to re-consider the exact timing of these transfers. In any event Barclays will notify you of the exact date of transfer ahead of the branch transfer event.
- If you are a Corporate Banking client, and your contract is booked with BBPLC and transferring through the Part VII scheme, your transfer will be effected on a date communicated to you.
- If you are a PBOS client, your transfer will be effected on a date communicated to you.
- For more detail on how business transfers are being effected through the Part VII and the timing of the effective date of these transfers, please see the “Scheme Summary”, or the definitions of “Relevant Effective Date” or “Branch Transfer Date” in the Scheme Document, all found on the website [here](#).

5. What documentation will I receive for the Part VII?

A Part VII transfer does not involve re-papering, and Barclays does not expect to provide clients with updated legal documentation, however following the Sanction hearing the court judgement and final scheme document, which details any contractual amendments, has been made available on the Barclays Part VII website [here](#). Depending on the nature of the business being transferred, clients may also receive additional communications with instructions to facilitate the next steps of their migration.

6. How can I object to the Part VII?

Please note that as the Court process has now completed it is no longer possible for you to file an objection to the Scheme, however if you have any questions or concerns in relation to the Scheme do not hesitate to contact the Brexit support team and / or your relationship manager.

7. How will my contract change as a result of being transferred through the Part VII?

In order to facilitate and give effect to the transfer of your business relationship(s) to BBI, we may need to make certain consequential amendments to the contracts and terms you have with Barclays (whether transferring and/or duplicating contracts through the Part VII or through one of the other mechanisms).

For more detail on contractual amendments being effected through the Part VII, please see the “Summary of Contractual Amendments” provided on this website, [here](#).

8. How will a contractual reference to specific ratings agencies be treated through the Part VII?

Barclays Bank Ireland (BBI) has sought a credit rating from two of the three main credit rating agencies, S&P and Fitch (see question 5 in the BBI FAQs found on this website [here](#) for more detail). Some contracts may reference Moody’s. As Barclays has not requested a rating from Moody’s at this time, any such contractual references will be substituted with a reference to Fitch and/or S&P (if they are not currently referred to in the contract).

For more detail on contractual amendments being effected through the Part VII, please see the “Summary of Contractual Amendments” provided on this website [here](#).

9. For my contracts that are being duplicated or migrated to BBI, will you be changing the governing law and/or choice of jurisdiction where claims under my agreement may be heard?

If you are a client whose agreement is governed by English law or contains a provision which gives jurisdiction to an English court, that will not change as a result of the Scheme. We acknowledge there is no certainty whether any agreement will be reached at a political level which would result in the continuation of the mutual recognition of such provisions between the UK and Ireland.

However, we believe that there are considerable benefits to retaining English law and jurisdiction for the types of commercial contracts. Notwithstanding the potential absence of a political agreement, the Irish courts could recognise

and give effect to English law on the same basis as they currently recognise the law and jurisdictions of other acknowledged third country legal systems (i.e., New York law). Although clients would no longer enjoy the same level of efficiency, cost and certainty in enforcing an English court's judgment against BBI, we understand the Irish procedural hurdles for enforcing a third country judgment are not significant.

10. I am a client of Barclays Capital Securities Limited (BCSL). Will my business transfer under the Part VII to BBI?

Yes, certain master trading agreements have been duplicated under the Part VII, allowing for underlying positions to then be transferred to BBI. This is via an ancillary order to allow the transfer of impacted client business by BCSL to BBI. This order is ancillary to the main order because BCSL is not a deposit taking entity and therefore cannot be an applicant in its own right to the Court under a Part VII.

11. What information about the client becomes public as a result of a Scheme?

Clients have not been named in the Scheme document.

The scope of transferring clients of the Corporate and IB businesses has been defined in reference to a list on a USB drive held by our appointed solicitors, Clifford Chance. Please note that the file containing this list is encrypted and password protected, and this list itself is comprised entirely of anonymised client identification numbers (no client names are used).

A client's name and/or other identifying details only became available to the Court in the event that a client objected (in which case the client was made aware of this disclosure, and relevant correspondence was shown to both the UK regulators and Court in advance of the hearing).

Note: Please also see additional FAQs prepared with information on [Barclays Bank Ireland](#), information for [Corporate and Investment Banking](#) clients, and information for [PB&OS](#) clients.

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