

31 July 2020

## N14/20 – Declaration of default – Jub Capital Management LLP

1. London Stock Exchange (“the Exchange”) suspended the membership of Jub Capital Management LLP (“Jub Capital”) on Friday 17 July 2020 pending clarification of the firm’s financial position.
2. The Designated Members of Jub Capital have instructed Sterling Ford to take the necessary steps to place Jub Capital into Creditors’ Voluntary Liquidation. The Designated Members have proposed that Philip Anthony Roberts of Sterling Ford be appointed as Liquidator to Jub Capital, this proposal is to be brought to a meeting of members to be convened for 7 August 2020. The Exchange has subsequently been in communication with Jub Capital and the proposed Liquidator with regard to the firm’s unsettled on Exchange trades.
3. In light of the information now available, the Exchange considers that Jub Capital is unlikely to be able to fulfil its obligations in respect of its unsettled Exchange market contracts. Therefore, under rule D100 of the Rules of the London Stock Exchange (“the rules”), Jub Capital Management LLP has been declared a Defaulter on the Exchange at 11:00 on 31 July 2020.

### **Ceasing of settlement**

4. Member firms should ensure that no further settlement of their on Exchange transactions with the defaulter takes place. This is to ensure that the unsettled transactions, which will be covered by the Exchange’s default procedures, are not separately settled. These default procedures will apply regardless of any "match-delete" activity undertaken in CREST; that process may change the status of the trade in the settlement system but cannot validly deal with the underlying trade. Similarly, any purported agreement between the parties to treat any unsettled trades as cancelled is ineffective as far as trades included in the default process are concerned.

### **Defaulter’s dealing capacity**

5. The Exchange can confirm that Jub Capital’s unsettled on Exchange non-central counterparty transactions were executed in an agency capacity. As a result, the Exchange will apply the rules relating to unsettled relevant agency contracts, D150 to D155, to the firm’s unsettled transactions. Under these rules, the parties to the contracts (i.e. the clients of the defaulting firm and the relevant market counterparties) remain obliged to complete their transactions on the terms on which they were originally dealt.

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## Settlement of on Exchange non-central counterparty agency trades

6. Once the Exchange has received unsettled trade information from the defaulter and market counterparties, the Exchange will:
  - Contact the market counterparties to each of these trades, detailing the trade(s) in question and the client(s) contact details.
  - Contact the clients for whom the defaulter has unsettled agency trades, notifying them of the default and the requirement for them to settle directly with the market counterparty. It may be necessary for agency clients to retain the services of a new broker to assist with this.
7. It will be for the market counterparty, as opposed to the agency client, to establish contact between the two parties for the purposes of arranging settlement. The Exchange will provide a “Default Settlement Direction” template letter for the market counterparty to use when contacting the agency client.

## Defaulter’s webpages

8. The Exchange has established a dedicated section on its website to provide interested parties with information on this default. This can be viewed at:

<https://www.londonstockexchange.com/resources/trade-resources/rules-and-regulations/default-information>

## Unsettled trade information

9. Any member firm who believes that they have an unsettled, on Exchange, non-central counterparty trade with Jub Capital at the time of their default are requested to provide the Exchange with details of their transaction(s). Notifications of unsettled trades should be made to the Deputy Default Official in accordance with the instructions given, and in the form provided as per the link below.

Member firms with unsettled trades with Jub Capital:

<https://docs.londonstockexchange.com/sites/default/files/documents/unsettled-jub-capital-management-llp-trades-member-firms.xls>

This information must be reported to the Exchange by 17:00 on Friday 7 August 2020.

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## Default Official

10. The Exchange has appointed Liam Smith as the Default Official and Dagmar Banton as Deputy Default Official in accordance with Rules D050 and D052 respectively. Any queries on this Notice should be addressed to [defaultofficial@lseg.com](mailto:defaultofficial@lseg.com).

Claire Foster  
Head of LSE Plc Regulation and Compliance

This Stock Exchange Notice will be available on the website at:  
<https://www.londonstockexchange.com/resources/london-stock-exchange-notices>

Calls to London Stock Exchange plc may be recorded to enable London Stock Exchange to carry out its regulatory responsibilities