
STATUTORY INSTRUMENTS

2008 No. 2674

**The Kaupthing Singer & Friedlander Limited
Transfer of Certain Rights and Liabilities Order 2008**

PART 2

THE FIRST TRANSFER

The first transfer

3.—(1) Subject to paragraph (2), by virtue of this Order the liabilities of Kaupthing to holders of Edge accounts in respect of principal and accrued interest are transferred to Deposits Management (Edge).

(2) From the effective time, Deposits Management (Edge) shall have the same rights in relation to each holder of an Edge account as it would have if Kaupthing's relevant terms of business applied.

(3) Paragraph (1) does not apply to any liability in respect of any breach of contract or other duty which arose before the effective time.

(4) In this article, "Edge account" means any of the following accounts held with Kaupthing –

- (a) the accounts known as Kaupthing Edge Savings Accounts; and
- (b) the accounts known as Kaupthing Edge fixed term deposit accounts.

(5) The transfer under paragraph (1) takes place at the time this Order comes into force.

No consent or concurrence required

4. The first transfer is effective despite the absence of any required consent or concurrence to, or in connection with, the transfer.

Associated liability and interference

5.—(1) The first transfer takes effect as if—

- (a) no associated liability existed in respect of any failure to comply with any requirement in respect of the transfer; and
- (b) there were no associated interference with the transferred rights and liabilities.

(2) In this article "associated liability" and "associated interference" have the meanings given in paragraph 2(2) of Schedule 2 to the Act.

Interests, rights and liabilities of third parties relating to transferred rights and liabilities

6.—(1) No interest or right of any third party relating to any of the transferred rights and liabilities shall arise or become exercisable by virtue of or in connection with this Order.

(2) Save as otherwise provided in this Order, no third party shall incur any liability, or be subject to any obligation, relating to any of the transferred rights and liabilities, by virtue of or in connection with this Order.

(3) Without prejudice to the generality of paragraphs (1) and (2)—

- (a) the consequences specified in paragraph (4) shall not arise in respect of any relevant instrument as a result of the first transfer or any other thing done, or matter arising, by virtue of or in connection with the transfer;
- (b) any circumstances which, but for sub-paragraph (a), would give rise to the consequences specified in paragraph (4) shall not be taken to have arisen for the purposes of any relevant instrument.

(4) The consequences are—

- (a) the termination of a relevant instrument or any rights or obligations under it;
- (b) any right to terminate a relevant instrument or any right or obligation under it becoming exercisable;
- (c) any amount becoming due and payable or capable of being declared due and payable;
- (d) any other change in the amount or timing of any payment falling to be made or due to be received by any person;
- (e) any right to withhold, net or set off any payment becoming exercisable;
- (f) any event of default or breach of any right arising;
- (g) any right not to advance any amount becoming exercisable;
- (h) any obligation to provide or transfer any deposit or collateral;
- (i) any right to give or withhold any consent or approval; or
- (j) any other right or remedy (whether or not similar in kind to those referred to in paragraphs (a) to (i)) arising or becoming exercisable.

(5) Without prejudice to paragraph (4), any provision in a relevant instrument that, as a result of the first transfer or any other thing done, or matter arising, by virtue of or in connection with the transfer or this Order, provides for an obligation not to be created, suspends or extinguishes (in whole or in part) such an obligation or renders such an obligation subject to conditions, shall be of no effect.

(6) In this article—

“relevant instrument” means an instrument which provides for interests or rights of third parties and in relation to which Kaupthing is a party or is bound;

“third party” shall be construed in accordance with paragraph 2(3) of Schedule 2 to the Act.

Exemption of Deposits Management (Edge)

7. Deposits Management (Edge) is an exempt person for the purposes of the 2000 Act in respect of any regulated activity of the kind specified by article 5 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001(1)(accepting deposits).