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## Deadline for compensation claims looms

**Market participants** planning to claim compensation for being harmed by the actions of a group of banks involved in the US foreign exchange benchmark class action lawsuit need to start gathering data now, and file a claim to avoid losing out on a share of the settlement pot, which is more than \$2 billion, Peter Hansen, chairman of claims-filing service Battea, told *FX Week*.

The lawsuit, called the Foreign Exchange Benchmark Rates Antitrust Litigation case, has seen 13 of the 15 defendant banks settle to the collective sum of more than \$2 billion. Lawyers acting for the plaintiffs are now preparing to propose a so-called plan of allocation to the court, detailing the formula and eligibility of claimants, which is estimated to arrive in October.

While a deadline for filing has yet to be determined, potential claimants will have to produce data to support their claims. “You will not simply receive a cheque in the mail, even if the actions of the banks harmed you. You must certify and submit the required information and documents to collect your share of the settlement,” says Hansen.

“October (estimated release date of the allocation plan) is just around the corner. Because FX is an over-the-counter market, the lead time required to put together a claim is much longer than in securities markets, and if you want to get this put together before the plan of allocation is finalised, you need to start thinking about this now,” he adds.

In just a few months, the legal teams at Hausfeld and Scott & Scott, the co-leads for the case of the plaintiffs, will propose an allocation schedule, as well as a formula for calculating potential compensation claims.

Investors can already file claims anonymously, with the appropriate data showing the magnitude of their losses as a con-



Legal split: the court will have to approve a plan for allocating the \$2 billion settlement fund

sequence of defendants’ actions, but the deadline is fast approaching.

David Scott, a partner at Scott & Scott, who is co-lead of the lawsuit in the anti-trust case, highlighted that while the money is sitting there, investors should not expect to just receive compensation – they must file a claim for it.

“That money is not going back to the

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Peter Hansen, Battea

banks,” he said at the 14th annual *FX Week* USA conference in New York. “The amount will be distributed amongst those who filed a claim, however small the number of claimants may be. So if you don’t put a claim in you won’t receive any money, even if you had been damaged by the actions of the defendants.”

The amount in the settlement fund available to be distributed among investors could climb even higher once the remaining two banks either settle the dispute or if the outcome of the trial – currently expected to take place in the first

quarter of 2018 – favours the claimants.

But, to show a claim, market participants will need to have all the appropriate data. Hansen urged investors to contact his firm and deliver their transactional data for analysis before filing eligible claims.


“Data production is not necessarily easy and neither is estimating your losses. Now is the time to confirm your eligibility – you shouldn’t wait any longer,” he says.

“If you traded in the FX space, spot, forwards swaps, OTC options and futures between 2003 and 2015, you should absolutely file in this case,” he adds. The time period covered in the settlements spans some 12 years from January 1, 2003 to December 15, 2015.

Hansen said investors do not want to find themselves scrambling to gather data and decipher settlement details – including their recovery opportunity – and worrying about anonymity, and other related issues as the rollouts of the settlements quicken.

“In previous matters, including the recent CDS case, many claimants missed the boat or got shortchanged due to the lack of transparency to loss calculations, insufficient data production and other various reasons,” he warns.

Hansen said that worrying about the impact of claiming compensation on counterparty relationships is irrelevant at this stage, as filing does not mean a new claim will be lodged against the defendant, but rather it simply gives notice to the administrator of the settlement fund that an eligible party is filing a claim against the settlement fund.

“You’re essentially a passive beneficiary of the work that has been done by other plaintiffs and when you file in these cases it’s an anonymous filing – it’s protected. The counterparty will not know you are filing – it’s a confidential event,” Hansen adds.  [Eva Szalay](#)