

Neutral Citation Number: [2020] EWHC 1388 (Ch)

Case No: CR-2018-009677

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)

Royal Courts of Justice, Rolls Building
Fetter Lane, London, EC4A 1NL

Date: 12 May 2020

Before :

Mr Justice Trower

**IN THE MATTER OF CERTAIN OF THE MEMBERS AT
LLOYD'S FOR ANY OR ALL OF THE 1993 TO 2020
(INCLUSIVE) YEARS OF ACCOUNT, REPRESENTED BY
THE SOCIETY OF LLOYD'S**

- and -

IN THE MATTER OF LLOYD'S INSURANCE COMPANY SA

-and-

**IN THE MATTER OF PART VII OF THE FINANCIAL
SERVICES AND MARKETS ACT 2000**

Martin Moore QC and Mary Stokes (instructed by Freshfields Bruckhaus Deringer LLP)
for the Society of Lloyds and Lloyds Insurance Company SA
Tom Weitzman QC for the Prudential Regulation Authority
Charlotte Eborall for the Financial Conduct Authority

Hearing date: **12th May 2020**

Mr Justice Trower
(10:29 am)

Tuesday, 12 May 2020

MR JUSTICE TROWER

1. This is an application for directions by the Society of Lloyd's ("Lloyd's") and a Belgian incorporated subsidiary of Lloyd's called Lloyd's Insurance Company SA ("the Transferee"), made in proceedings seeking the sanction of an insurance business transfer scheme (the "Scheme") under Part VII of the Financial Services and Market Act 2000 ("FSMA").
2. The Scheme relates to Lloyd's EEA policies and its purpose is to ensure that, once passporting rights have come to an end at the conclusion of the Brexit transition period, those EEA policies can be serviced, and claims can be made under them, without members of Lloyd's and their managing agents breaching any legal or regulatory authorisation requirements in the EEA.
3. The applicants appear by Mr Martin Moore QC and Ms Mary Stokes. The Prudential Regulation Authority ("PRA"), in its capacity as Lloyd's prudential regulator, also appears by counsel, Mr Tom Weitzman QC. The Financial Conduct Authority ("FCA"), in its capacity as Lloyd's conduct regulator, appears by Ms Charlotte Eborall. Both regulators have filed reports which have been of great assistance.
4. An independent expert has also been appointed by Lloyd's and approved by the PRA. He is Mr Carmine Papa of PKF Littlejohn LLP. He does not appear by counsel, but his report is in the papers before the court. In his view the Scheme will have no material adverse effect on the transferring policyholders, the non-transferring policyholders remaining at Lloyd's, the current policyholders of the Transferee, or the outwards reinsurers.
5. It is unusual for a Part VII directions application to be listed before a High Court judge, but this one raises some very unusual issues. It is a scheme co-ordinated by Lloyd's (which is not itself an insurer) for the whole Lloyd's market, and it involves the transfer of business on a vast scale. It gives rise to greater potential complexity in relation to the communication plan than is normally

the case. There is what Mr Moore called a myriad of different types of business and different ways in which the business is transacted. I mention in particular, simply because they feature from time to time in the evidence, open market business where the policy was written by the managing agent on presentation by a Lloyd's broker and delegated authority business, the latter of which is mostly comprised of coverholder business where the policy has been written under a binding authority. Finally, and importantly for present purposes, the Society does not have control over the notification process in its entirety, and so notification has to reflect what Mr Moore described as persuasion rather than coercion.

6. To put a little more flesh on the size of what Lloyd's is undertaking by proposing the Scheme, it is estimated that approximately £35.9 billion of gross premium, representing about 8% of total Lloyd's market gross premium, relates to EEA risks or multi-jurisdictional policies with some EEA exposure written since 1993. Of this, about two-thirds represents open market business and one third represents coverholder business. Lloyd's present estimate of the outstanding amount of the gross liabilities proposed to be transferred is approximately 4.7 billion euros. In my view, against that background it was clearly appropriate for the application to be made to a High Court judge.
7. This application is the second occasion on which these proceedings have been before the court. In November 2018 Norris J gave judgment (*Re The Society of Lloyd's* [2018] EWHC 1901 (Ch)) expressing provisional views on a number of issues, the answers to which were intended to assist Lloyd's in the design and development of the Scheme. For present purposes, one of the more relevant issues is the view which Norris J expressed about the definition of "transferring policies", which were defined by reference to concept, rather than as a matter of evidential certainty. The precise description of the relevant concept is something which has now been altered and refined, an alteration which is reflected by a proposed amendment to the claim form, but he determined

that in principle there was no reason why the transferring policies should not be defined in that way.

8. Before going any further, I should say a little about the constitutional and legal context in which this application is made, because it is relevant to the nature of the notification difficulties which have arisen.
9. Lloyd's does not itself conduct insurance business. It admits members to the market who, through managing agents, conduct business on their own account. There are special provisions contained in the Financial Services and Markets Act (Control of Transfers of Business Done at Lloyd's) Order 2001 (SI 2001/3626) (the "Lloyd's Part VII Order") which applies Part VII of FSMA to schemes for the transfer of insurance business carried on by underwriting members or former members of Lloyd's. The following conditions, set out in Article 4 of the Lloyd's Part VII Order, must be satisfied.
10. First of all, the scheme must result in the transferred business being carried on from an establishment of the transferee in an EEA State. Secondly, the Council of Lloyd's must have authorised one person to act as transferor in connection with the transfer. Thirdly, a copy of the resolution must have been given to the PRA and the FCA.
11. The Scheme satisfies these three jurisdictional criteria:
 - a. It involves the transfer from Lloyd's members to the Transferee of certain non-life insurance and reinsurance policies allocated to the 1993 to 2020 years of account. The Transferee is authorised as an insurer and reinsurer by the regulators in Belgium, and the Scheme will result in the transferred business being carried on from an establishment in Brussels.
 - b. The Council of Lloyd's has by resolutions dated 20 September 2018 and 17 September 2019 authorised Lloyd's itself to act as transferor in connection with the transfer.
 - c. The resolution of the Council of Lloyd's has been delivered to the PRA and the FCA.

12. The business to be transferred incorporates policies written by approximately 20,000 members of Lloyd's, covering a very wide spectrum of different non-life insurance risks. It excludes life policies, non-EEA policies, policies in certain jurisdictions where it would be onerous for the Transferee to obtain the necessary local authorisation, inwards reinsurance, except where authorisation for the business was required from the German regulator, and non-transferable policies. In broad terms, the characteristic which the transferring policies have in common is a risk situated in the EEA, and/or an EEA resident policyholder. The intention is that any policy which has one of those characteristics will transfer either in whole or in part to the Transferee.
13. I say "in whole or in part" because it is proposed that policies which have EEA and non-EEA elements will be split, and only the EEA elements will transfer as a separate policy to the Transferee. There may also be a split where a member of Lloyd's and a non-member of Lloyd's wrote a policy as coinsurers; only the member's element will transfer. The question of splitting was one of the issues considered by Norris J in his judgment in November 2018 ([2018 EWHC 3228 (Ch) at [49]). Although he did not consider the point in the sense of making a final or binding determination, he could see no road-block arising out of it.
14. For the most part, EEA reinsurance is not included in the Scheme, because Lloyd's members will be permitted to continue servicing those policies, notwithstanding the loss of passporting rights. The exception is where the cedant is domiciled or resident in Germany, and for that reason what I shall call German reinsurance policies are within the scope of the transferring business.
15. Transferring policies will be those identified on a master list which will be compiled by Lloyd's and provided to the Transferee prior to the date on which the Scheme will become effective. They will be non-life policies or parts of policies allocated to a relevant year of account which, immediately after the Brexit transition period end-date, will require to be carried out or serviced by an insurer authorised by an EEA regulator in order to ensure that no legal or regulatory authorisation requirements in the EEA are breached.

16. At the time that the claim form was issued, the transferring business was limited to relevant policies allocated to the 1993 to 2018 years of account and it was intended that the Transferee would take over the writing of all EEA policies from 1 January 2019. The Transferee did indeed start underwriting on 1 January 2019, reinsuring the risks back into the Lloyd's market, but, for reasons which do not matter for present purposes, a relatively small number of EEA policies and in-scope reinsurance business has been written directly by members of Lloyd's during 2019 and 2020. It is now proposed that this business should also be included in the Scheme.
17. The design of the Scheme is relatively straightforward in concept. The business to which it relates will be transferred to the Transferee and will then be administered on behalf of the Transferee by the relevant managing agents under outsourcing agreements. The liabilities in respect of the transferring policies will be reinsured by the members of the syndicate which originally underwrote the policy under quota share reinsurance agreements which will be entered into by the Transferee and the members before the Scheme becomes effective. This structure means that economically the liabilities attaching to the transferring policies will continue to rest with the members who underwrote those policies.
18. The members' existing reinsurance will not transfer to the Transferee, but it will stay in place. The idea is that it will do so as retrocessional cover for the member's own obligations under the quota share reinsurance arrangements.
19. The FCA and the PRA have identified a number of regulatory issues relating to the Scheme. They include the policy splitting that I have already mentioned, the proposed arrangements for converting the existing reinsurance cover into retrocessional cover, and whether that might be challenged by existing reinsurers. They have identified recognition issues for the Scheme both in relation to the reinsurance point I have mentioned and the effect of the Scheme more generally. They also have considered in a regulatory context the impact of the Scheme on the availability to policyholders of the Lloyd's central fund, policyholder access to the Financial Services

Compensation Scheme and the Financial Ombudsman Service, and the impact generally of the Scheme on policy administration and servicing.

20. The regulators are also keeping under review developments on Brexit, and the impact of the present Covid-19 pandemic on the ability of Lloyd's to put in place the arrangements that it has proposed and evidenced for the purposes of this application.
21. The hearing today is not the occasion for doing more than noting that these are all important issues which the court will examine further at the sanction hearing. The regulatory issue which is relevant for today is the identification of transferring policies and the proposed communication plan, which has an impact on the FCA's consumer protection objective. That communication plan has been considered by the FCA, the PRA and the independent expert. The independent expert is satisfied that the proposals within it are reasonable and proportionate, and the regulators are satisfied that they are appropriate and reasonable and will ensure adequate coverage of those affected by the Scheme.
22. This feeds into the main task for the court on this hearing, which is to give directions in the light of that communication plan and to consider whether or not to grant certain waivers.
23. Lloyd's are faced with formidable challenge in achieving comprehensive coverage. There are a number of reasons for this, some of which I have already alluded to. I can summarise them as follows:
 - a. The Scheme involves the whole Lloyd's market with a wide range of policyholders.
 - b. The transferring policies have been written over the last 26 years.
 - c. Lloyd's does not hold or have access to policyholder records and nor do its members. The records are held by a range of third parties, such as managing agents, Lloyd's brokers, coverholders, service companies, retail brokers and third party administrators.
 - d. The Lloyd's market involves many different participants. There are some 20,000 members, 420 Lloyd's syndicates, 120 managing agents, 570 Lloyd's brokers, 14,000

coverholders and many more retail brokers and third party administrators, although it is right to say that the aggregate numbers actually affected by the Scheme itself may not be quite as many as I have just listed.

- e. There are a variety of ways in which business is written in the Lloyd's market, and hence different market participants will have different primary relationships with different policyholders.
- f. Generally speaking, Lloyd's does not have regulatory authority over market participants who might be able to assist with the notification exercise. Its regulatory authority is limited to members and managing agents.

24. These difficulties are all highly relevant for the purposes of today's hearing because the terms of section 110(1) of FSMA provide that any person who alleges that he would be adversely affected by the carrying out of the Scheme has a right to be heard at the sanction hearing. To facilitate the exercise of that right, the Financial Services and Markets Act 2000 (Control of Business Transfers) (Requirements on Applicants Regulations) 2001 (SI 2001/3625) (the "2001 Regulations") impose requirements on an applicant to give wide publicity to an application for the sanction of a Part VII transfer scheme. The 2001 Regulations apply to the transfer of Lloyd's business under the Lloyd's Part VII Order.

25. Widespread advertising is prescribed by the 2001 Regulations, as is an obligation to send a notice to every policyholder of both the transferor and the transferee. Notice must also be sent to outwards reinsurers whose contracts are to be transferred. The form of the notices to be advertised and sent has to be approved by the PRA, which, as I have already mentioned, has already happened in this case.

26. The court does, however, have power under regulation 4(2) of the 2001 Regulations to waive the requirements in all but one of those parts of regulation 3 which provide for publicity and notification, in such circumstances and subject to such conditions as it considers appropriate. In

the present case, Lloyd's and the Transferee seek waivers from the requirements of the following regulations:

- a. Regulation 3(2)(a)(iv): Where inwards reinsurance policies are included in the scheme, advertising in a business newspaper circulating in the EEA State in which each of the policyholders had an establishment at the time the policy was entered into is required.
- b. Regulation 3(2)(b): this requires the sending of a notice to every policyholder of the parties (defined by regulation 1(2) as the authorised person concerned and the transferee).
- c. Regulation 3(2)(c): this requires the sending of a notice to every outwards reinsurer whose contract is to be transferred.

27. The question whether a waiver should be granted is very fact-sensitive, but waiver may be appropriate where the court is satisfied that sufficient alternative notification provision is made by the applicants. In *Aviva International Insurance Limited* [2011] EWHC 1901 (Ch) at [8], Norris J identified a number of factors to which the court has regard when considering whether it is appropriate to waive compliance with the requirement in regulation 3(2)(b) that every policyholder of the parties be sent a notice. They are the impossibility of contacting policyholders; the practicality of contacting policyholders; the utility of contacting policyholders; the availability of other information channels through which notice of the application can be made available; the proportionality of strict compliance; the impact of collateral commercial concerns; the object of the insurance business transfer itself; and the likely impact of the insurance business transfer upon policyholders.

28. The court looks at those factors bearing in mind that the whole point of sending a policyholder notice stating that an application has been made is so that they can participate, if they so choose, in the transfer process, either by making written representations or by appearing at the sanction hearing to express any objection. In a case such as the present, the exercise of the power of

waiver must therefore involve a consideration of the extent to which that purpose can still be fulfilled by alternative arrangements.

29. Although these guideline factors were not laid down in relation to waivers other than the requirement in regulation 3(2)(b), the general policy which underpins the desirability of widespread and effective notification seems to me to be equally applicable to waivers of the other notification requirements with appropriate adaptation. As section 110(1)(b) of FSMA entitles any person who alleges that he would be adversely affected by the carrying out of the scheme to be heard at the sanction hearing, it seems to me to be obvious that appropriate notice should be given to enable that right effectively to be exercised.

30. Mr Moore stressed the significance of the penultimate one of these factors (i.e the object of the transfer scheme itself), because he said that the Scheme had been designed to minimise its impact on policyholders. He also stressed that the Scheme was not a commercially motivated transfer scheme. In this context he cited Snowden J's decision in *Aviva Life and Pensions UK Limited* [2019] EWHC 312 (Ch), which was concerned with the impact of such considerations at the sanction stage. Mr Moore submitted that it expressed a wider truth. Snowden J said at [85] as follows:

"I approach this point by reminding myself that this is not a scheme designed to achieve a commercial advantage for Aviva: it is not a scheme that Aviva would have promoted were it not for the uncertainties caused by Brexit. It is also not a scheme under which some policyholders are being prejudiced in order to provide benefits to other policyholders: the potential prejudice to policyholders arises from an external source. Some latitude is therefore required."

31. It follows from this that one of the reasons that the court may be more comfortable with a modified notification structure in a case such as the present is the way in which the Scheme itself has been designed, reflecting as it does the underlying reason for the proposal of the Scheme in

the first place. It is designed to operate in a manner which is neutral for policyholders. This is achieved economically and structurally by the reinsurance back into the Lloyd's market provided for under the quota share reinsurance provisions. Mr Moore made a final submission on this point, that the court must be careful to ensure that, in this kind of area, the best does not become the enemy of the good. I think there is real substance in that submission.

32. Turning to the waivers themselves, the first waiver sought is relatively straightforward. The only inwards reinsurance to be included in the Scheme is reinsurance where the cedant is domiciled or resident in Germany. As Lloyd's would in any event be advertising in two national newspapers in Germany, *Bild* and *Süddeutsche Zeitung*, I am satisfied there is no need to advertise as well in a business newspaper in Germany. I note that the international edition of *The Financial Times* is also proposed as a newspaper in which an advertisement will be placed, which may in substance in any event satisfy the requirements of regulation 3(2)(iv). I am content to grant the waiver sought in relation to regulation 3(2)(iv).
33. The second waiver is more complex. It is obviously a wide waiver. Like the other two, it has been considered in a regulatory context by the PRA, and I think more specifically the FCA. Ms Eborall for the FCA stressed that the FCA's approach was driven by the *Aviva International Insurance* principles, and the report which the FCA has prepared makes clear that that is the case. Whether or not to waive requires an understanding of what Lloyd's has done and will be doing in order to identify policyholders and notify them of the Scheme.
34. In considering the context of this question, I bear in mind that the word "parties" as used in regulation 3(2)(b) is referring to the authorised person concerned and the Transferee. In the present case, the relevant Lloyd's members are one of the parties, because they are treated by regulation 5(1)(a) of the Lloyd's Part VII Order as the authorised person, so it is their policyholders as well as those of the Transferee who must officially be notified.

35. I have been given very detailed evidence as to the data which is available to Lloyd's. What is available depends in part on whether the policy concerned was written as open market business or coverholder business. I have also received detailed evidence on the data validation exercise which was performed between Lloyd's and the managing agents at an earlier stage of the process. In very brief summary:

- a. For open market business, Lloyd's holds information about the category and location of the policyholder and the risk, and detailed premium and claims values, but not the contact details of the policyholder himself. Through a data system called xChanging and Lloyd's Direct Reporting there is a unique market reference or UMR for each policy.
- b. For coverholder business, Lloyd's holds information about each binding authority, including risk classes covered, and premium and claims information, but not the policies or the policyholders covered under the binding authority. The information which Lloyd's holds also includes a UMR for each binding authority.

36. Building on the availability of the UMR, Lloyd's has arranged, through a procedure called Match and Attach, for the UMRs to be put into notification control lists to be sent out to market participants. However, doing this on a comprehensive basis has given rise to considerable logistical difficulties, which I have been taken through both in the evidence that was adduced from Mr Spires, Lloyd's general counsel and in the submissions which have been made to me both in writing by Lloyd's and orally by Mr Moore. As Mr Spires, who gave evidence for Lloyd's, concluded at the end of his explanation, and I quote:

"The conclusion from the above is that the time and effort required to identify and contact each individual Market Participant who may hold policyholder contact data for the Match and Attach process is disproportionate, especially given the fact that, even if data is obtained, there would be a further reduction in usable volume due to the data being incomplete and not current."

37. In consequence, a more focused approach has now been taken, and the Match and Attach exercise has been limited to brokers holding the majority, I understand approximately 80%, of qualifying policyholders. There will also be a much more focussed approach for coverholders. There is detailed evidence as to how the market participants who will now participate in this exercise were identified, but in summary they are those who have been identified as closest to the centre of the market, aimed at managing agents and brokers with the most EEA business and most likely to be able to extract the relevant information from their files.
38. Lloyd's knows that this will not catch every policyholder, but submits that it is a reasonable and proportionate response. It will then bolster this process by emailing all managing agents, Lloyd's brokers, coverholders and third party administrators known to have written or serviced EEA business, requesting that they pass on details of the Scheme to interested parties, mostly policyholders, who may wish to appear at the sanction hearing.
39. I have been shown the form of notifications which have been sent out to policyholders through the Match and Attach process, which in essence summarises the Scheme and explains where further information can be obtained on the Lloyd's Brexit transfer scheme website. I have also been shown the different forms of notification documentation which will be sent to managing agents, brokers, coverholders and third parties, each of which has been designed to reflect the nature of the interest. Market participants have also been requested to add statements to their websites.
40. Quite apart from specific notifications in this form, Lloyd's has detailed proposals in relation to advertising in newspapers and market bulletins, to social media publicity, and to notification on its website, all of which are designed to give widespread publicity to the proposals. So far as advertising is concerned, where appropriate it will take place in the local language, and I have been taken through the detail of how that is to be achieved. I should add that the form of notice has been approved by the PRA, as is required.

41. Finally, on this aspect, Lloyd's has put in place a response management structure to deal with the responses which it expects to receive from policyholders. It seems to me that this is a structure which on its face is reasonable and appropriate.
42. I have considered the proposals in the round, having regard to the factors identified by Norris in *Aviva International Insurance*. I am satisfied that complete policyholder coverage is wholly impracticable. I am also satisfied that the alternative notification proposals, which I have been taken through in great detail by Mr Moore, amount to a reasonable and proportionate response to the need to ensure that proper notification is given to those who may be adversely affected by the Scheme.
43. Finally, it is proposed that there should be no notification to non-transferring policyholders of Lloyd's or to policyholders of the Transferee.
44. As to non-transferring policyholders, given the nature of the Scheme, the size of the undertaking, the fact that it would be disproportionate to any possible benefit for remaining policyholders that might be achieved, the attitude of the independent expert, the FCA, and the PRA all of whom are content that the Scheme should proceed without such notification, that also is a reasonable and proportionate response.
45. As to existing policyholders of the Transferee, I am also satisfied that this is a reasonable and proportionate response. Those policyholders will only have purchased policies since 1 January 2019 and are likely to have known about the Scheme at the time they did so. There is also evidence that there is a high degree of commonality between them and the policyholders of members who will be within scope for notification anyway. Finally, the independent expert is satisfied that the policyholders of the Transferee will be no worse off as a result of the transfer to be given by the Scheme.
46. Accordingly, I am satisfied that the waiver sought in relation to regulation 3(2)(b) is appropriate and proportionate in the light of the communication plan proposed.

47. The third waiver sought is of the requirement in regulation 3(2)(c) of the 2001 Regulations to give notice to every reinsurer. This is important because the Scheme will provide for the effective conversion of members' reinsurance policies into retrocession cover for the Transferee's claims against the member under the quota share reinsurance arrangements. The waiver is not sought because no notice will be given. It is sought because, while Lloyd's considers that its plan for communicating with reinsurers is reasonable and proportionate, it recognises that it may not achieve full compliance.
48. Lloyd's does not have a centralised database with detailed policy by policy information. So, the proposal is that Lloyd's will work with managing agents to prepare a list by an exercise which is likely to catch all reinsurers of the more recent years of account. But there are doubts about the comprehensive nature for policies dating from earlier years.
49. These concerns will be mitigated in part by the wide-spread advertising, and also the fact that many reinsurers of business written in the earlier years of account will also have continued to reinsure in the later years and will be notified that way. The same approach will also be adopted in relation to notifying trustees of collateral and other security counterparties which support the outwards reinsurance for the transferring policies.
50. I have been shown a copy of the notification which will be sent to reinsurers and security providers. It seems to me they raise all the matters which need to be raised and point the recipient to where they can find further information.
51. The PRA has given careful consideration to the question of notification to reinsurers, as has the FCA. The regulators have concluded that the proposals described in Lloyd's evidence are a reasonable and proportionate response to the problem. I agree. Accordingly, I am satisfied that the waiver sought in relation to regulation 3(2)(c) is appropriate in the light of the evidence as to what Lloyd's will be doing in order to achieve the underlying policy purpose.

52. I raised a point with Mr Moore as to whether it was appropriate that the order should contain more prescriptive provisions as to what Lloyd's should do in accordance with its communication plan, or whether it was appropriate that the order should simply record the waivers against the background of the evidence which had been adduced to justify the grant of the relief. This question was also addressed by Ms Eborall for the FCA.
53. Both Mr Moore and Ms Eborall explained to me that the advantage of a less prescriptive approach was greater flexibility. But Ms Eborall also took me to parts of SUP 18 and to paragraph 7.38 of the FCA's May 2018 guidance on its approach to the review of Part VII insurance business transfers (FG18/4). These materials made clear that compliance with the notification proposals put forward at the directions stage continues to be a matter for regulatory review throughout the Scheme process. The court will also have regard to similar issues when considering the appropriateness of granting the sanction relief ultimately sought.
54. In these circumstances, I am satisfied that an element of flexibility remains appropriate and that there is no more prescriptive provision that is required on the face of the order, apart from to grant the waivers sought against the background of a recital that the court is satisfied with the steps intended to be taken.
55. The final question with which I ought to deal is whether to give permission to amend the claim form so as to reflect the changes in the description of the transferring policies, which I have already briefly mentioned at the outset of this judgment. Whether or not strictly necessary, it seems to me that amendment is a sensible proposal and I have no difficulty in granting the permission required. I have been shown a draft copy of the claim form with the amendments included and I will give the permission sought.
56. In those circumstances, I will make an order in the form which has been put before me in draft. I do not think that I am able to initial it in the conventional way. But I can seal it, because that can be done electronically, if that is appropriate, Mr Moore.