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## INVESTOR UPDATE – 22 December 2021

### Halifax Investment Services Pty Limited (In Liquidation) (Halifax AU)

### Halifax New Zealand Limited (In Liquidation) (Halifax NZ) (together the Halifax Group)

#### Introduction

This letter is being sent to you as an Investor client of the Halifax Group. This letter explains what you need to do in order to submit a claim to the Liquidators and receive a distribution from the available assets of the Halifax Group.

#### Court process

As outlined in previous updates, the date on which the proportionate entitlements of Investors to the assets of the Halifax Group is to be calculated is **27 November 2018**.

All distributions will be paid in Australian Dollars (**AUD**) electronically, to the bank account nominated by each investor via the Investor Portal (further details below).

#### Close out process

As noted in the update to Investors dated 29 November 2021, the Liquidators commenced close out of open positions on 30 November 2021 and are continuing to close out positions.

Shares that were subject to Investor claims in respect of Category 3 and Category 5 applications have been quarantined from the close out process.

#### Distribution to Investors

In order to facilitate the distribution process, the Liquidators in conjunction with Insol6 have developed an online Investor Portal (the **Portal**). The Portal is designed to ensure that the verification of Investor claims and subsequent payment of distributions is done as efficiently and securely as possible. Investors will be able to update their contact and bank details, and provide documents in support of their claim via the Portal.

Please note that Investors with account balances of \$100 AUD or less as at 27 November 2018 are not entitled to participate in the distribution process due to the cost of processing such claims. Such Investors will not receive a link to access the Portal.



## Key dates and next steps

The key steps and estimated timing in the Portal claim and distribution process are outlined below:


Timing	Description
22 December 2021	<b>Initial notice</b> Investor Portal notice and FAQ issued to Investors (this update)
January 2022	<b>Distribution Notice</b> A Distribution Notice will be sent to Investors via email (or registered Post where necessary) which will contain a unique code and Portal login information. Investors will be given 21 days from the date of the Distribution Notice to login to the Portal and either confirm or dispute the specified claim amount. It is important that Investors do not share their unique code with anyone else as it will be used to register for Portal access. If you inadvertently share your unique code, or suspect that your Portal account security has been compromised, please contact KPMG immediately at <a href="mailto:au-fm@halifax.com.au">au-fm@halifax.com.au</a> .
February 2022	<b>Deadline to Confirm or Dispute</b> The deadline for Investors to login to the Portal and confirm or dispute the claim amount will be 21 days after the issue of Distribution Notice.
March 2022	<b>Non-response deadline</b> Investors who have not logged in to the Portal, and Investors that have logged in to the Portal but have not confirmed or disputed the claim amount, will be deemed to have accepted the claim as recorded within the Portal by this date. In other words, all investors who do not dispute the claim will be taken to have accepted the specified claim amount. <b>Please note</b> that all payments will be made electronically to the bank account nominated by the Investor. All Investors are required to confirm their bank details via the Portal, even if they have previously provided bank account information to Halifax. In the event that Investors do not provide bank account information or contact KPMG for assistance within that timeframe, the Liquidators may make an application to the Courts for the distribution amount to be paid to the Public Trustees Office if not claimed by the Investor after 180 days of the distribution.

Timing	Description
*March 2022	<p><b>Dispute process</b></p> <p>Investors who dispute the claim amount recorded in the Portal must provide the Liquidators with detailed information in relation to the reasons for the dispute and provide supporting documentation (<b>Particulars</b>) via the Portal for the Liquidators' consideration.</p> <p>If the Liquidators consider that the dispute is well-founded, a notice will be issued to the Investor and the disputed claim amount will be accepted.</p> <p>If no Particulars of the dispute are submitted via the Portal, the Liquidators will issue a notice to the Investor to request Particulars within 21 days of issuing the notice. If none are provided after 21 days, the original claim amount listed within the Portal will be final and the distribution may proceed without further regard to the dispute.</p> <p>If Particulars are provided and the Liquidators do not consider the dispute to be well-founded, the Liquidators will issue a notice to the Investor that they must apply to the Court within 21 days of issuing the notice if they wish to pursue their dispute. Should no Court application be made, the distribution may proceed without further regard to the dispute.</p>
*First half 2022	<p><b>Distribution</b></p> <p>Distributions will be paid to Investors' nominated bank accounts electronically.</p>

\*The estimated timing of the Distribution is made on the assumption of minimal Investor disputes and identity verification issues, and no further Court applications. Court applications submitted by Investors are likely to delay payment of the distribution.

## Investor Portal

Where the account is held by a non-individual entity based in Australia, you will be prompted to enter an Australian Business Number (**ABN**). If you do not know your ABN, you may use the search function or the ABR Lookup to find the correct ABN. To ensure that your claim is admitted, please ensure that you select the correct ABN.



If you don't know your ABN can you use the ABR Lookup

ABR Lookup

Enter your ABN

12 345 678 901

Search again

If you do not have an ABN (and your account is in your own name or the entity is situated outside of Australia and therefore there is no ABN associated with the account), you should select 'I don't have an ABN' and may proceed to the next step. Please note that all Accounts in the name of corporate entities will be required to upload a company extract.


In order to submit a claim, Investors will be required to complete the following six steps.


### Step 1: Identity verification

Once Investors have logged into the Portal using their unique code and have created a password, they will be prompted to verify their identity. Identity verification will be processed through the Veriff Identification application embedded within the Portal.


Investors will be instructed to provide a photo of themselves and details of a government issued form of identification (e.g. passport or driver's license). For accounts held by multiple beneficial owners, such as joint individual accounts or superannuation funds with two trustees, each beneficial owner will be required to verify their identity in order to complete the claim process.


For more information on who is required to have their identities verified, please refer to Questions 5-7 of the FAQ at Annexure A of this update.







**Let's get you verified**

**Prepare a valid document**  
Make sure it's not expired or physically damaged

**Use a smartphone**  
You need a smartphone in order to continue

**Option 1: Scan the QR code**  
Scan the QR code with your camera app  


**Option 2: Send link via SMS**  
We'll text a secure link to your mobile at no extra cost.  


Australia (+61) 

Your phone number

NEXT

Read more about your personal data processing in Veriff's [Privacy Policy](#).

Don't have a smartphone? [Continue with your current device](#)

Powered by  veriff



1 Verification — 2 Documents — 3 Claim amount — 4 Bank details — 5 Declaration — 6 Confirmation

#### INDIVIDUALS TO BE VERIFIED

Please provide the details of individuals to be verified using our external identity provider

##### Individual

First name	<input type="text" value="John"/>
Last name	<input type="text" value="Smith"/>
Email address	<input type="text" value="investor@mail.com"/>
Verification status	<input type="text" value="Status"/> <span>Not started</span>



For joint claims or companies that do not have a sole director and secretary you must verify a minimum of two individuals

[Remove person](#)

### Step 2: Documentation

On the next screen Investors will be asked to upload relevant documents. For accounts held by superannuation funds and trusts, a certified copy of the trust deed will be required together with any variations. Investors will also be able to upload any other documents relevant to their claim on this page.

For more details on providing a certified copy of a trust deed, please refer to Question 15 of the FAQ at Annexure A.

For more details on what documentation is required to be uploaded where you dispute your claim, please refer to Question 11 of the FAQ at Annexure A.

1 Verification — 2 Documents — 3 Claim amount — 4 Bank details — 5 Declaration — 6 Confirmation

1 Verification  
Awaiting response

#### DOCUMENTS

If your claim is for a Superannuation Fund or a Trust, further documentation will need to be provided by you. For more information, refer to the Investor Portal notice and FAQ, or contact KPMG for assistance.

Is your claim for a Superannuation fund or a Trust? ☐

[Exit](#)

[Save for later](#)

[Back](#)

[Next section](#)



### Step 3: Claim amount

Investors' claim amounts will be pre-populated based on the value of the Halifax Investor Account as at **27 November 2018**, presented in AUD. Investors with foreign base currency accounts will be provided with the relevant exchange rate as at 27 November 2018 to assist in verifying their claim amount in AUD.

Please note that in some circumstances the claim amount listed within the Investor Portal may differ to the Halifax Investor Account balance as at 27 November 2018, due to adjustments processed by the Liquidators. Reasons for adjustments may include:

- A reduction in account balance and claim amount due to the transfer of shares or pending transfer of shares to the Investor pursuant to a Category 3 and/or Category 5 application;
- Adjustment made to correct unearned bonus credits recorded; or
- Known and clearly identifiable errors that had not previously been corrected.

Where an adjustment has been made to the claim amount, Investors will be provided with a reason and amount of the adjustment within a text field within the Portal.

1 Verification  
Awaiting response

2 Documents

3 Claim amount

4 Bank details

5 Declaration

6 Confirmation

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**CONFIRM CLAIM AMOUNT**

Confirm your claim amount is the same as your account equity on the relevant Halifax trading platform as at 27 November 2018 of A\$200.00. You can dispute this by entering a different amount.

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Claim type	Claim amount
Investor Claim	<div>Confirm claim amount in AUD</div> <div>\$ 1234</div> <div>NZ\$1,299.53</div>

Please note that foreign currency claims have been converted to Australian dollars using the rate applicable as at 27 November 2018. Please confirm your claim amount in Australian dollars using the below rate.

AUD 1 : NZD 1.0531

For more information, refer to the Investor Portal notice and FAQ, or contact KPMG for assistance.

Investors will be prompted either to confirm the claim amount listed or to raise a dispute by entering a different claim amount. Please note that all claim amounts, including disputed amounts, must be entered in AUD. If an Investor's base currency is not AUD, the exchange rate listed within the Portal must be used to determine the AUD equivalent. For an illustrative example please refer to Question 9 of the FAQ at Annexure A.

Investors who dispute the listed claim amount will be prompted to provide Particulars of their dispute by entering a description within a text field and uploading any relevant documents in support of the dispute. The Liquidators will consider the dispute and either:

- accept the dispute if it is well-founded;
- reject the dispute if not well-founded; or
- request Particulars should none be provided by the Investor.



As noted in the timeline above, should the Liquidators determine that the dispute is not well-founded, the Investor may apply to the Court within 21 days of receiving notice from the Liquidators. In the event that the Liquidators are not notified that a Court application has been made (by service of the application on them), the distribution may proceed without further regard to the dispute.

Please note that the date on which proportionate entitlements will be calculated is 27 November 2018. That has been determined by the Courts, including in the Appeals, as the appropriate date. Links to the Orders are available at page 9 of this update. The Liquidators will not, therefore, consider any dispute in respect of the date for calculation of proportionate entitlements.

It is important to note that your claim amount is not the amount that you will be paid. Your proportionate entitlement will be based on a percentage of the value of the assets of Halifax AU and Halifax NZ available to be distributed to Investors.

#### Step 4: Bank details

Investors will be asked to enter the details for the bank account into which they would like their distribution paid.

1 Verification  
Awaiting response

2 Documents

3 Claim amount

4 Bank details

5 Declaration

6 Confirmation

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**BANK DETAILS**  
Enter or confirm your bank details

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Country

Country

Australia

BSB

BSB

Account number

Account number

123123123

Account name

Account name

John Smith

By pressing 'Next section' you confirm the above bank account details are correct and up to date, and that you consent to electronic transfers to this account.

Please note that this section of the Portal will not be pre-populated. Investors must provide bank account details, even if you have previously provided your bank details to Halifax.

The distribution will be paid electronically to the bank account nominated in the Investor Portal. Investors will receive a confirmation email once the dividend has been paid.

It is important to note that the estimated timing of the Distribution is made on the assumption of minimal Investor disputes and no further Court applications. Court applications submitted by Investors are likely to delay payment of the distribution.



### Step 5: Declaration

Investors will have the opportunity to review their claim information before electronically signing a declaration to confirm that the information provided is correct. Investors can also save and exit their claim to complete it at a later time. It is recommended however, that Investors complete and submit their claim early in the process so as not to miss the deadline.



#### DECLARATION

By submitting this page you confirm the details provided are correct and you have authority to submit the claim on behalf of the Investor Claimant. To the best of my knowledge and belief, I have not, nor has any person, had or received any payment, satisfaction or security for the amount claimed.

I hereby undertake that the details I have provided are true and correct and I have the authority to submit this claim on behalf of the Claimant.

Exit

Save for later

Back

Submit

### Step 6: Confirmation

Once complete, Investors will be prompted to download a copy of their claim in PDF for their records.



#### CONFIRMATION

Thank you for submitting your claim. Your claim form has been forwarded to the Liquidator.

Download a copy of your submitted claim

Finish

Once completed, Investors can return to the home page to check that their claim has been submitted.

Should you have any further queries in relation to the Investor Portal and distribution process, please refer to the FAQ provided below prior to contacting the relevant mailbox.





#### **Annexure A: FAQs regarding the Investor Portal**

The purpose of this document is to assist Investors with submitting a claim through the Investor Portal. We note that the Investor Portal has been developed specifically for Halifax Investors in order to distribute funds in accordance with the Orders of their Honours Justice Markovic and Justice Venning of the Federal Court of Australia (**FCA**) and the High Court of New Zealand (**HCNZ**).

If you require further assistance after reading this document, please contact one of the following mailboxes to request assistance:

Investor Portal access	au-fmhalifax@kpmg.com.au
Investor Portal functionality	Refer to the "Help" menu icon located on the home page of the Investor Portal
Category 3 and Category 5	au-fmhalifaxcat3@kpmg.com.au
Statement requests and Halifax Account queries	helpdesk@halifaxonline.com.au
Court documents and Investor Updates	<a href="https://home.kpmg/au/en/home/creditors/halifax-investment-services.html">https://home.kpmg/au/en/home/creditors/halifax-investment-services.html</a> <a href="https://home.kpmg/au/en/home/creditors/halifax-nz-limited.html">https://home.kpmg/au/en/home/creditors/halifax-nz-limited.html</a>

**Please note that the offices of KPMG will close on 22 December 2021 and reopen on 10 January 2022. During this period KPMG may not be in a position to respond to queries.**

#### **1. When will I receive a distribution?**

At this stage, it is likely that an interim distribution will be paid to Investors in the first half of 2022.

This timeline is an estimate only and is subject to change. Please note that there is likely to be an interim distribution of funds to Investors, with a final distribution to follow once various matters are finalised. Events which, if they occur, *may* delay the payment of the distribution include:

- The possibility of a large number of Investors disputing their account balance as at 27 November 2018;
- The possibility of Investors making an application to the Courts in relation to their account balance which would have the effect of delaying payment to all Investors; and
- Issues which may arise with the operation of the Investor Portal including difficulties with verifying the identities of Investors.

We will continue to provide updates to Investors including details of any delays or changes to this document.

#### **2. Why are Investors not receiving access to the Investor Portal until early 2022?**

Distribution Notices are being issued in January 2022, which will provide access to the Investor Portal and commence the claim timetable. The claim process will commence *after* the holiday period to provide an uninterrupted period of 21 days for Investors to complete their claim.



The Appeal regarding the date on which the proportionate entitlements of Investors is to be calculated delayed the release of the Investor Portal because the Liquidators were unable to determine the claim amounts to populate within the Portal whilst this matter was before the Courts.

The Appeal was dismissed on **26 October 2021** and as such, the Liquidators are now able to finalise claim amounts and provide access to the Portal.

The Courts also made Orders relating to access to the Portal and distribution procedures which are available at <https://home.kpmg/au/en/home/creditors/halifax-investment-services.html>. The Orders issued on 19 May 2021 outline the various steps, claim periods, dispute mechanisms, and the distribution process. We estimate that the process (once commenced), will take approximately **three months** to progress to the distribution stage. The estimated timing of the Distribution is made on the assumption of minimal Investor disputes and identity verification issues, and no further Court applications. Court applications submitted by Investors are likely to delay payment of the distribution.

**3. I have already submitted a Proof of Debt form via Link Insolvency. Am I required to submit a claim via the Investor Portal?**

Yes. All Investors must submit a claim via the Investor Portal in order to receive a distribution.

**4. My Halifax Account is a joint account, will both owners receive a Distribution Notice with a unique code to submit a claim?**

A single Distribution Notice containing a unique code will be issued to the email address associated with the Halifax Account. If an Investor holds multiple Halifax Accounts (e.g. a personal Account and a Superannuation Account) they may receive two Distribution Notices. Both Account claims will be linked to the email address associated with the Account and two claims will be listed within the Investor Portal for completion.

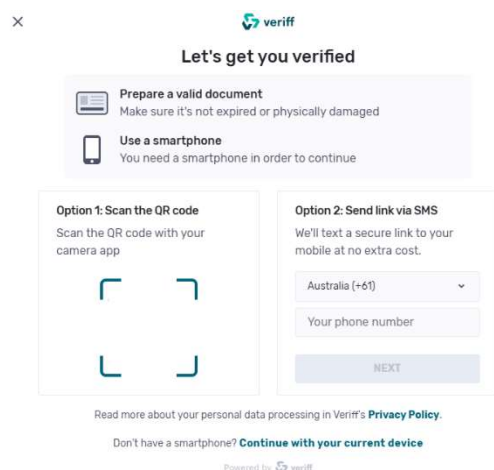
**5. Why am I required to verify my ID?**

ID verification is required to ensure that distributions are paid to the correct beneficial owners. It also assists in the compliance with of Anti-Money Laundering and Counter-Terrorism Financing legislation.

**6. My Halifax Account is a joint account, do both owners need to verify ID?**

Yes. Accounts with multiple beneficial owners will require each owner to verify their ID. If both beneficial owners are not available to complete the ID verification in one sitting, the claim can be saved and recommenced at a later date.

'Option 2' in the Veriff application allows you to send a link via SMS for a second beneficial owner to complete the verification process.



The screenshot shows the Veriff application interface. At the top, it says "Let's get you verified". Below this, there are two main instructions: "Prepare a valid document" (Make sure it's not expired or physically damaged) and "Use a smartphone" (You need a smartphone in order to continue). Below these, there are two options for verification:

- Option 1: Scan the QR code**: Scan the QR code with your camera app. This option shows a QR code placeholder.
- Option 2: Send link via SMS**: We'll text a secure link to your mobile at no extra cost. This option includes a dropdown menu for "Australia (+61)" and a text input field for "Your phone number". A "NEXT" button is visible below the input fields.

At the bottom, there is a link to "Read more about your personal data processing in Veriff's Privacy Policy." and a note: "Don't have a smartphone? Continue with your current device".

## 7. My account is held by a non-individual entity, for example, a company, superannuation fund or trust. How do I complete the ID verification?

You will be asked to upload a certified copy of a trust deed or corporate registry data to verify the individual/s entitlement to the claim and distribution. The documents uploaded will be reviewed by the Liquidators' staff once the claim is submitted. ID verification should be completed by the individual/s recorded as having a beneficial entitlement within the documents provided.

Where the account is held by a corporate entity and there is more than one director, two current directors must verify their identities. You must also upload a current company extract.

Where the account is held by a superannuation fund or a trust with more than one trustee, two trustees must verify their identities. You must also upload a current certified copy of the trust deed together with any variations. For more details on providing a certified copy of a trust deed, please refer to Question 15 of these FAQs.

Where the account is held by a partnership, two partners must verify their identities and a current partnership agreement must be uploaded.

It is important to note that your claim will not be admitted by the Liquidators until all of the above identity verifications have been satisfied. Where the Liquidators are not satisfied with the individuals that have been verified or the verifications have not been successful, the claim will not be admitted.

## 8. Why does my claim amount differ to the amount shown on my statement as at 27 November 2018?

Your claim amount listed within the Investor Portal will be shown in AUD at the relevant exchange rate as at 27 November 2018. Any adjustments made to the claim amount will be explained on the claim page.



**9. My base currency is not stated in AUD. How do I verify the claim amount or enter a disputed amount?**

Investors will be provided with the relevant exchange rate as 27 November 2018 within the claims section of the Portal in order to calculate the AUD equivalent. For example:

Halifax Account balance as at 27 November 2018: NZD \$1,043.00  
Exchange rate: AUD 1 : NZD 1.043  
= AUD 1,000.00

Should you require assistance determining a foreign currency claim amount please contact [au-fmhalifax@kpmg.com.au](mailto:au-fmhalifax@kpmg.com.au).

**10. My most recent Account balance is greater than the balance as at 27 November 2018, what happens to the difference?**

The Liquidators will distribute funds to Investors based on their claim amount on a pari passu basis. Investors will have an unsecured creditor claim for the difference between their proportional entitlement as at 27 November 2018 and their most recent Account balance.

For example:

Investor Account balance as per recent statement: AUD 2,400  
Claim amount as at 27 November 2018: AUD 2,000

In the event of a Distribution rate of 90 cents in the dollar:

Proportionate entitlement as at 27 November 2018 = Claim amount [2,000] X Distribution rate [90c/\$]  
Proportionate entitlement as at 27 November 2018 = AUD 1,800

Unsecured creditor claim amount: AUD 2,400 – AUD 1,800 = AUD 600

As at the date of this update, we do not anticipate that funds will be available in order to pay a distribution to unsecured creditors. However, Investors may receive a distribution of greater than 100 cents in the dollar in respect of their proportionate entitlement claim. The rate of distribution is dependent on a range of factors, including the outcome of claims being pursued by the Liquidators.

For further information, refer to question 6 of the FAQ document dated 7 December 2021, link below:

<https://assets.kpmg/content/dam/kpmg/au/pdf/creditors/halifax-investment-services/halifax-investor-faq-7-december-2021.pdf>

**11. I dispute my claim. What supporting documentation will I need to upload to the Portal?**

If you dispute your claim, you will be required to provide information to support your dispute.

You must upload supporting documentation to support your claim. Such documentation may include:

- Halifax Account statements;
- Correspondence with Halifax or the Liquidators in relation to your Account balance;
- Any other relevant documents that substantiate your claim.



Please note that the date on which proportionate entitlements will be calculated is 27 November 2018. The Liquidators will not, therefore, consider any dispute in respect of the date for calculation of proportionate entitlements.

**12. I have received a distribution of shares pursuant to the Category 3 and/or Category 5 orders. Am I required to claim via the Investor Portal?**

Category 3 and Category 5 Investor applicants will receive an application Outcome Statement that will include an adjusted account balance after the transfer of shares (i.e. the residual account balance (if any), excluding the shares transferred in specie). If this amount is greater than \$100 AUD, the Investor will be eligible for a distribution via the Investor Portal and the adjusted account balance will be listed in the Investor Portal as the claim amount. If the adjusted account balance is less than \$100 AUD, the Investor will not receive a Distribution Notice, Portal access, or a distribution.

**13. I have submitted an application for a distribution of shares pursuant to the Category 3 and/or Category 5 orders that is currently under review or subject to a dispute. Will I receive a Distribution Notice and access to the Investor Portal?**

It is not possible to determine an Investor's claim amount whilst a Category 3 and/or Category 5 application is pending. Distribution Notices and Portal access will be issued to Category 3 and Category 5 applicants who have received their Outcome Statement and confirmed the outcome prior to the Distribution Notice date (currently estimated for January 2022).

Should a Category 3 and/or Category 5 application be unresolved by the Distribution Notice date, the Investor's Distribution Notice and Portal access will be made available as and when their Category 3 and/or Category 5 application is resolved. Should this occur, Investors will be given 21 days following the issue of the Distribution Notice to complete their claim within the Investor Portal.

**14. Will I receive my claim amount in full? If not, how much money will I receive?**

The claim amount listed within the Portal is your entitlement to the trust assets of Halifax AU and Halifax NZ and will be used to calculate your proportionate entitlement. We currently estimate the total distribution to be 90 to 100 cents in the dollar. The rate of the first distribution will be determined once the close out process has been completed and claimed finalised.

**15. How can I certify my documents?**

For accounts in the name of superannuation funds and trustees, a certified copy of the trust deed will be required to be uploaded to the Portal together with any variations.

The trust deed must be certified by a Certified Signatory which can include:

- A registered legal practitioner (solicitor);
- A judge;
- A magistrate;
- A CEO of a Commonwealth court;
- A registrar or deputy registrar of a court;
- A Justice of the Peace;
- A notary public;
- A Police Officer;



- An Australia Post agent manager/owner;
- An Australian Consular Officer or an Australian Diplomatic Officer; or
- A member of the Institute of Chartered Accountants in Australia, CPA Australia, or the National Institute of Accountants with 2 or more years of continuous membership.

The Certified Signatory must put the following details on the copy on the front page of the trust deed:

- a) Print full name of Certified Signatory;
- b) Signature;
- c) Date;
- d) Category of Certified Signatory (e.g. Justice of the Peace); and
- e) Stamp, seal, or identification number of Certified Signatory.