

Harju County Court appointed liquidators of Versobank

The Harju County Court has published a court order to appoint liquidators of Versobank. An application to the Court for the appointment of liquidators was presented by Estonian Financial Services Authority (EFSA). On 26th of March 2018, the European Central Bank, upon the recommendation of the EFSA, withdrew the authorisation of Versobank AS to operate as a credit institution.

Under the court order, the liquidators are Certified Public Accountant **Eero Kaup** (Partner at KPMG Baltics OÜ), Internal Auditor **Viljar Alnek** (Head of Internal Audit Services at KPMG Baltics OÜ) and Attorney-at-Law **Ksenia Kravtšenko** (Law Office KPMG Law OÜ). In their appointment of the liquidators, EFSA took into consideration their impartiality, qualifications, and their ability to conduct the liquidation process of a credit institution, which by its nature is a complex task demanding top-level competence in various fields.

“The liquidators have started with their tasks and are getting up to speed on the accounting data of the bank. We are working in close cooperation with the Guarantee Fund, so that the Fund can start with compensations of up to €100,000 for deposits by private and business clients of Versobank on 5 April, 2018“, said Eero Kaup in on KPMG’s announcement.

Kaup added that, according to the law, the liquidation process of the credit institution will last at least 6 months and liquidators are aiming for clear cooperation with all parties involved.

For a smooth liquidation process of Versobank AS, the Guarantee Fund has decided to launch from 5 April 2018 compensation of the client deposits and investments, according to the limits set by the law, which are up to €100,000 per depositor and up to €20,000 per investment service client. Deposits by non-residents are also guaranteed and will be compensated according to legislation.

The exact amounts to be compensated will be communicated to clients and the Guarantee Fund by the liquidator of Versobank AS, which is obliged to ensure that every client has the opportunity to become acquainted with the accounting data relevant to their deposits and receive a balance notice within two working days.

Deposits that will not be refunded by the Guarantee Fund are listed in section 30 of the Guarantee Fund Act, and these include deposits by the Estonian state, foreign states or institutions related to them, credit institutions, insurance companies, fund management companies or other financial institutions. Claims not compensated by the Guarantee Fund will be handled in the general liquidation process. The Guarantee Fund will not compensate deposits that are confiscated due to convictions under legislation dealing with money laundering or terrorism financing. If the use of the deposit is restricted by RAB (the Estonian Financial Intelligence Unit), or if the deposit is seized due to an ongoing criminal procedure related to money laundering or terrorism financing, the compensation of the deposit will be halted until the cancellation of the relevant order or the enactment of a court order. The liquidators will provide details about the collection, handling and compensation of claims under the law.

Depositors could check their account balance via Versobank's Internet bank at www.versobank.com. For receiving compensation from the Guarantee Fund, depositors have to submit an application that will be available in Versobank's Internet Bank as of 29 March 2018. If a depositor does not have access to Versobank's Internet Bank, the bank office at Versobank's location (Hallivanamehe 4, 11317 Tallinn) will be open in the weekdays from 09:00 a.m. to 5:00 p.m. from 29 March 2018. For additional information, the liquidators can be contacted by phone +372 5679 8500 (on weekdays from 09:00 a.m. to 5:00 p.m.) or by email versobank@kpmg.ee.

According to the Credit Institution Act, liquidators must conduct a full inventory of all assets of the credit institution as of the day of enactment of the liquidation decision; publish the announcement regarding the liquidation of the credit institution in at least two daily national newspapers twice with a week-long interval; and inform all known creditors of the liquidation process in writing, also announcing the credit institution through which the compensation will be paid. Liquidators must also request all known creditors to present the balance confirmation of their financial claims within two months of the day of the first publication of the liquidation announcement in newspaper.

Additional information for the media only:

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