
British MP calls for an end to liquidation of BCCI

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Keith Vaz wants remaining dividend to be paid to creditors; employees say a settlement will save the exchequer huge legal aid costs

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A senior UK parliamentarian has urged the liquidators of the failed Bank of Credit and Commerce International (BCCI) to end liquidation and give the remaining dividend to creditors, sources said.

With the liquidation in its 11th year and charges mounting and some \$2 billion reportedly unavailable for distribution, Keith Vaz, MP has expressed anxiety that liquidators had not paid a dividend for some time and has told the Ministry of Trade and

Industry to write to the liquidators urging them to end the process.

Keith Vaz was accompanied by members of the BCCI Campaign Committee in London, who represent former employees, at a recent meeting with Meleine Johnson, minister at the Department of Trade and Industry.

The minister was briefed by the campaign committee about efforts to secure a global settlement of the alleged staff loans, indebtedness of the former employees and large claims being litigated by them against the BCCI, for example, claims for

stigma and misrepresentation damages.

"The settlement would release large sums blocked as provisions for a variety of claims brought by over 1,000 former employees. A settlement with former employees would enable the liquidators to pay a further dividend to the long suffering creditors of the BCCI who also include many former employees," said Mohammed A Qayyum, joint co-ordinator of the BCCI Campaign Committee.

The employees' representatives told the minister that the cost of the employees litigation was

mounting and a settlement would save the exchequer huge legal aid costs and also help the creditors save huge future liquidation costs for continuing with expensive litigation.

It was agreed that a separate meeting should be held with the Lord Chancellor's Department for any assistance that could be given.

The liquidators of the BCCI have brought a claim for misfeasance against the Bank of England and concern was expressed by the representatives that the litigation could go on for a few years and about the huge

legal costs that the creditors will have to bear, possibly £100 million.

This is in addition to the huge costs the Bank of England is also having to bear separately to defend the action.

"Keith Vaz advised the minister that now is the time to resolve the case. It was suggested that the savings in legal costs could be used to settle the litigation."

The representatives of the creditors and former employees were of the view that the creditors should be entitled to have the benefit of all the interest income received on their monies held

with the Department of Trade and Industry (DTI). It was agreed that the matter should be taken up with the Treasury.

The creditors monies recovered by the English liquidators of the BCCI is required to be deposited with the Department of Trade and Industry earning a meagre 3.5 per cent interest and that the interest income in excess of 3.5 per cent received by the DTI on the creditors' monies was being paid by the DTI into a fund with the Treasury.

So far, dividends aggregating to 60 per cent have been paid out by the liquidators.