

Temporary permissions regime – client assets rules

Chapter 14

Temporary permissions
regime – client assets rules

14.1 General application

Who?

- 14.1.1 **R** This chapter only applies to a *TP firm* that has not *failed*.

What?

- 14.1.2 **R** Unless otherwise stated, the *rules* in ■ CASS 14 apply:

(1) in relation to:

- (a) a *TP firm's* activities to which ■ CASS 7 applies as a result of ■ GEN 2.2.26R, but subject to ■ CASS 14.1.3R; and
- (b) a *TP firm's* activities to which ■ CASS 5 or ■ CASS 6 applies as a result of ■ GEN 2.2.26R; and

(2) where those activities are carried on in reliance on the *TP firm's temporary permission*.

- 14.1.3 **R** ■ CASS 14 does not apply in relation to a *TP firm's* activities to which ■ CASS 7 applies if, during the period for which it is has a *temporary permission*, the *TP firm* does not hold any *client money* for the purposes of the *rules* in ■ CASS 7 that apply as a result of ■ GEN 2.2.26R.

- 14.1.4 **G** ■ CASS 14.1.3R may, for example, be relevant to a *TP firm* that can apply the exclusion from the definition of *client money* at ■ CASS 7.10.16R(1) (credit institutions) or at ■ CASS 7.11.1R(4) (title transfer collateral arrangements) throughout the period.

- 14.1.5 **G**
- (1) ■ CASS 14 does not apply in relation to a *TP firm's* activities which are carried on other than in reliance on its *temporary permission*. It only applies in relation to the part of its *Part 4A permission* that the *TP firm* is treated as having under regulation 8, 11, 28 or 34 of the *EU Exit Passport Regulations*.
 - (2) For example, where a *TP firm* had *Part 4A permission* immediately before *IP completion day* to act as trustee or depositary of an *AIF* or to act as trustee or depositary of a *UCITS*, and continues to hold that *permission*, the *rules* applying to activities under that part of its *Part 4A permission* are not affected by its *temporary permission* because of ■ GEN 2.2.26R(1) (see also the guidance at ■ GEN 2.2.37G(3)). In relation to those activities, it should continue to comply with the applicable *rules* in CASS. It may also consider making the election at

■ CASS 14.3.6R in relation to its activities that are carried on in reliance on the *TP firm's* temporary permission.

Where?

14.1.6 **R** The *rules* in ■ CASS 14 apply in relation to a *TP firm's* activities described at ■ CASS 14.1.2R wherever they are carried on.

14.1.7 **G** ■ CASS 14.1.6R means that the rules in ■ CASS 14 apply both to activities carried on from a *UK branch* and activities carried on other than from a *UK branch* into the *UK*.