

Chapter 7

Client money rules

Sub-pool disclosure document

[letterhead of firm, including full name and address of firm, firm reference number]

[addressee - client participating in specified sub-pool]

[date]

Sub-pool disclosure document (under the rules of the Financial Conduct Authority)

1. The sub-pool to which this sub-pool disclosure document relates is designated in the firm's records as:

[insert name of sub-pool in firm's records]

(for the purposes of this document, the "sub-pool")

2. The net margined omnibus client account relating to the sub-pool is held at [insert name of authorised CCP] and is designated as:

[insert the account title, the account unique identifier and (if applicable) any abbreviated name of the account as reflected in the authorised CCP's systems]

(for the purposes of this document, the "omnibus client account").

3. The purpose of this letter is to:

(a) provide you with information relating to the sub-pool [operated or to be operated] by [insert name of CASS firm] in relation to the omnibus client account held by the firm at [insert name of authorised CCP];

(b) obtain your consent to holding your money in the sub-pool; and

(c) confirm your direction that upon the failure of [insert name of CASS firm], we are to use any client money held by the firm in the sub-pool to facilitate porting.

4. [name of CASS firm] will hold any client money that we receive from you in relation to the cleared transactions that we maintain for you in the omnibus client account in client bank accounts that we open in relation to the sub-pool, or we will allow the CCP to hold this client money in the omnibus client account.

5. In the event of the failure of the [insert name of CASS firm], you hereby direct the [insert name of CASS firm] to use any client money held by the [insert name of CASS firm] in the sub-pool to facilitate the porting of the positions recorded in the omnibus client account.

6. In the event of the failure of [insert name of CASS firm], if porting is not effected, or if porting is effected but any money in the sub-pool is not used to facilitate porting, you and the other beneficiaries of the sub-pool will be entitled to a distribution from any client money held in respect of this sub-pool, in accordance with the client money distribution rules in CASS 7A. Save to the extent that [insert name of CASS firm] holds any other client money for you in the context of any other business or sub-pool, you will not be entitled to a distribution of any other client money held by [insert name of CASS firm].

7. You hereby consent to the firm receiving and holding your money as client money as part of [sub-pool specified above or specify name of sub-pool]. Until you sign and return this letter the

firm will not hold money for you in the sub-pool and you will not be a beneficiary of the sub-pool.

8. This letter shall be governed by the laws of [*England and Wales/Scotland/Northern Ireland / insert appropriate jurisdiction*].

If you are in agreement with the foregoing terms, please sign and return the enclosed copy of this letter as soon as possible. You should retain a copy of this letter for your records.

[*insert name of CASS firm*]

x _____

Authorised Signatory

Print Name:

Title:

ACKNOWLEDGED AND AGREED:

[*insert name of client*]

x _____

Authorised Signatory

Print Name:

Title:

Contact Information: [*insert signatory's phone number and email address*]

Date: