

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*.

14.2 Temporary permission CASS firm classification

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- 14.2.1 **R** (1) Subject to paragraphs (2) to (5), this section applies only to a *TP firm* to which either or both of ■ CASS 6 and ■ CASS 7 apply as a result of ■ GEN 2.2.26R.
- (2) In relation to a *TP firm* to which both ■ CASS 5 and ■ CASS 7 (Client money rules) apply as a result of ■ GEN 2.2.26R, this section does not apply in relation to *client money* that the *TP firm* holds in accordance with ■ CASS 5 as a result of ■ GEN 2.2.26R.
- (3) The *rules* in this section apply to a *TP firm* even if at the date of the determination or, as the case may be, the notification required under them, either or both of ■ CASS 6 and ■ CASS 7 do not apply to it, provided that:
- (a) either or both of those chapters applied to it as a result of ■ GEN 2.2.26R during part or all of the previous calendar year; or
- (b) it projects that either or both will apply to it as a result of ■ GEN 2.2.26R in the current calendar year.
- (4) The *rules* in this section do not apply to a *TP firm* to which, as a result of ■ GEN 2.2.26R, only ■ CASS 6 applies, applied or is projected to apply, merely because it is, was, or is projected to be a *firm* which *arranges safeguarding and administration of assets*.
- (5) The *rules* in this section do not apply to a *TP firm* that has notified the FCA of an election made under ■ CASS 14.3.6R.
- 14.2.2 **G** This section does not apply to a *TP firm* to which, as a result of ■ GEN 2.2.26R, ■ CASS 5 applies but neither ■ CASS 6 nor ■ CASS 7 applies.
- 14.2.3 **G** The frequency of a *TP firm's* reporting obligations under ■ CASS 14.3 depends on the 'CASS firm type' within which a *TP firm* falls. The 'CASS firm types' are defined in accordance with ■ CASS 14.2.8R.
- 14.2.4 **R** (1) A *TP firm* must once every year, and by the time it is required to make a notification in accordance with ■ CASS 14.2.9R, determine whether it is a *CASS large TP firm*, *CASS medium TP firm* or a *CASS small TP firm* according to the amount of *client money* or *safe custody assets* which it holds, using the limits set out in the table in ■ CASS 14.2.8R.

- (2) For the purpose of determining its 'CASS firm type' in accordance with ■ CASS 14.2.8R, a *TP firm* must:
 - (a) if it currently holds *client money* or *safe custody assets*, calculate the higher of the highest total amount of *client money* and the highest total value of *safe custody assets* held during the previous calendar year ending on 31 December, and use that figure to determine its 'CASS firm type';
 - (b) if it did not hold *client money* or *safe custody assets* in the previous calendar year but projects that it will do so in the current calendar year, calculate the higher of the highest total amount of *client money* and the highest total value of *safe custody assets* that it projects that it will hold during that year, and use that figure to determine its 'CASS firm type'; but
 - (c) in either case, exclude from its calculation any *client money* held in accordance with ■ CASS 5.

14.2.5 G For the purposes of ■ CASS 14.2.4R a *TP firm* should only include *client money* and *safe custody assets* that it holds (or is projected to hold) in relation to the *TP firm's* activities which are carried on (or projected to be carried on) in reliance of the *firm's temporary permission*. It should not include *client money* and *safe custody assets* that it holds in reliance of any authorisation in its *Home State*.

14.2.6 R For the purpose of calculating the value of the total amounts of *client money* and *safe custody assets* that it holds on any given day during a calendar year a *TP firm* must:

- (1) in complying with ■ CASS 14.2.4R(2)(a), base its calculation on the reconciliation performed in accordance with ■ CASS 7.15.20R during the previous year;
- (2) in relation to *client money* or *safe custody assets* denominated in a currency other than sterling, translate the value of that *money* or those *safe custody assets* into sterling at the previous day's closing spot exchange rate; and
- (3) in relation to *safe custody assets* only, calculate their total value using the previous day's closing mark to market valuation, or if in relation to a particular *safe custody asset* none is available, the most recent available valuation.

14.2.7 R (1) Notwithstanding ■ CASS 14.2.4R, provided that the conditions in (2) are satisfied a *TP firm* may elect to be treated:

- (a) as a *CASS medium TP firm*, in the case of a *TP firm* that is classed by the application of the limits in ■ CASS 14.2.8R as a *CASS small TP firm*; and
- (b) as a *CASS large TP firm*, in the case of a *TP firm* that is classed by the application of the limits in ■ CASS 14.2.8R as a *CASS medium TP firm*.

(2) The conditions to which (1) refers are that in either case:

- (a) the election is notified to the *FCA* by email;

- (b) the notification in accordance with (a) is made at least one week before the election is intended to take effect; and
- (c) the *FCA* has not objected.

14.2.8 R CASS firm types

CASS firm type	Highest total amount of <i>client money</i> held during the <i>TP firm's</i> last calendar year or as the case may be that it projects that it will hold during the current calendar year	Highest total value of <i>safe custody assets</i> held by the <i>TP firm</i> during the <i>TP firm's</i> last calendar year or as the case may be that it projects that it will hold during the current calendar year
<i>CASS large TP firm</i>	more than £1 billion	more than £100 billion
<i>CASS medium TP firm</i>	an amount equal to or greater than £1 million and less than or equal to £1 billion	an amount equal to or greater than £10 million and less than or equal to £100 billion
<i>CASS small TP firm</i>	Less than £1 million	Less than £10 million

14.2.9 R Once every calendar year a *TP firm* must notify to the *FCA* by email the information specified in (1), (2) or (3) as applicable, and the information specified in (4), in each case no later than the day specified in (1) to (4):

- (1) if it held *client money* or *safe custody assets* in the previous calendar year, the highest total amount of *client money* and the highest total value of *safe custody assets* held during the previous calendar year, notification of which must be made no later than the fifteenth *business day* of January;
- (2) if it did not hold *client money* or *safe custody assets* in the previous calendar year but at any point up to the fifteenth *business day* of January the *TP firm* projects that it will do so in the current calendar year, the highest total amount of *client money* and the highest total value of *safe custody assets* that the *TP firm* projects that it will hold during the current calendar year, notification of which must be made no later than the fifteenth *business day* of January; or
- (3) in any other case, the highest total amount of *client money* and the highest total value of *safe custody assets* that the *TP firm* projects that it will hold during the remainder of the current calendar year, notification of which must be made no later than the *business day* before the firm begins to hold *client money* or *safe custody assets*; and
- (4) in every case, of its 'CASS firm type' classification, notification of which must be made at the same time the *TP firm* makes the notification under (1), (2) or (3).

14.2.10 R For the purpose of the annual notification to which R CASS 14.2.9R refers, a *TP firm* must apply the calculation rule in R CASS 14.2.6R.

- 14.2.11 **R** For the purpose of ■ CASS 14.2.9R(1), the *FCA* will treat that obligation as satisfied if a *TP firm* submitted a *TPCAR* for each period within the previous calendar year in compliance with the *rules* in ■ CASS 14.3.
- 14.2.12 **R** A *TP firm's* 'CASS firm type' and any change to it takes effect if the *TP firm*:
- (1) notifies the *FCA* in accordance with ■ CASS 14.2.9R(1) or ■ CASS 14.2.9R(2), on 1 February following the notification; or
 - (2) notifies the *FCA* in accordance with ■ CASS 14.2.9R(3), on the day it begins to hold *client money* or *safe custody assets*; or
 - (3) makes an election under ■ CASS 14.2.7R(1), and provided the conditions in ■ CASS 14.2.7R(2) are satisfied, on the day the notification made under ■ CASS 14.2.7R(2)(a) states that the election is intended to take effect.
- 14.2.13 **G** Any written notification made to the *FCA* under this chapter should be marked for the attention of: "Client Assets TP Firm Classification".

14.3 Temporary Permission Client Assets Return

- 14.3.1** **R** (1) A *TP firm* must submit a completed *TPCAR* to the *FCA* by email for each reporting period specified in ■ CASS 14.3.3R.
- (2) The *TP firm* must submit the *TPCAR* to the *FCA* by the deadline specified in ■ CASS 14.3.4R.
- (3) A *TPCAR* must be completed using the template specified at ■ CASS 14 Annex 1R.
- 14.3.2** **G** Guidance notes on completing a *TPCAR* are available at ■ CASS 14 Annex 2G.
- 14.3.3** **R** The *TPCAR* reporting periods for the purposes of ■ CASS 14.3.1R are:
- (1) for *TP firms* to which either or both of ■ CASS 6 and ■ CASS 7 applies as a result of ■ GEN 2.2.26R, either:
- (a) for *CASS small TP firms*, the initial twelve-month period 1 January 2021 to 31 December 2021, and each subsequent 12-month period; or
- (b) for *CASS medium TP firms* and *CASS large TP firms*, the initial one-month period from 1 January 2021 to 31 January 2021, and each subsequent one-month period; and
- (2) for *TP firms* to whom as a result of ■ GEN 2.2.26R, ■ CASS 5 applies:
- (a) if the *TP firm's* annual revenue from its business to which ■ CASS 5 applies as a result of ■ GEN 2.2.26R is £5 million or less:
- (i) the shorter of:
- (A) the initial period from 1 January 2021 to the *firm's accounting reference date*, and
- (B) the initial period from 1 January 2021 to the last day of the six-month period after the *firm's accounting reference date*; and
- (ii) each six-month period subsequent to the shorter of those initial periods; or
- (b) if the *TP firm's* annual revenue from its business to which ■ CASS 5 applies as a result of ■ GEN 2.2.26R exceeds £5 million:
- (i) the shorter of:

- (A) the initial period from 1 January 2021 to the *firm's accounting reference date*, and
 - (B) the initial period from 1 January 2021 to the last *day* of the three-month period after the *firm's accounting reference date*; and
- (ii) each three-month period subsequent to the shorter of those initial periods.

14.3.4 **R** The *TPCAR* submission deadlines for the purposes of **■ CASS 14.3.1R** are:

- (1) for *TP firms* to which either or both of **■ CASS 6** and **■ CASS 7** applies as a result of **■ GEN 2.2.26R**, either:
 - (a) for *CASS small TP firms* the 15th *business day* of the month that follows the reporting period specified in **■ CASS 14.3.3R(1)(a)**; or
 - (b) for *CASS medium TP firms* and *CASS large TP firms*, the 15th *business day* of the month that follows the reporting period specified in **■ CASS 14.3.3R(1)(b)**; and
- (2) for *TP firms* to which **■ CASS 5** applies as a result of **■ GEN 2.2.26R**, the 30th *business day* after the relevant reporting period specified in **■ CASS 14.3.3R(2)**.

- 14.3.5** **G**
- (1) If both **■ CASS 14.3.3R(1)** and (2) apply to a *TP firm*, then it should submit a completed *TPCAR* to the *FCA* to cover each reporting period that applies to it, by the relevant submission deadline in **■ CASS 14.3.4R(1)** and **■ (2)**.
 - (2) In those cases:
 - (a) a *TP firm* should only complete Part 1 and Part 2 of any *TPCAR* that is for a reporting period specified under **■ CASS 14.3.3R(1)**; and
 - (b) it should only complete Part 1 and Part 3 of any *TPCAR* that is for a reporting period specified under **■ CASS 14.3.3R(2)**.

Election to use the CMAR for TP firms that had a Part 4A permission before IP completion day

- 14.3.6** **R**
- (1) This *rule* applies to a *TP firm* to which **■ SUP 16.14.3R** (Client money and asset return) applies as a result of **■ GEN 2.2.26R(1)**, on the basis that it has classified itself as a *CASS large firm* or a *CASS medium firm* for the purposes of **■ CASS 1A**.
 - (2) A *TP firm* may comply with **■ SUP 16.14.3R** instead of **■ CASS 14.3.1R** provided that it has notified the *FCA* in advance and by email that it has elected to do so.
 - (3) A *TP firm* that makes the election under this *rule* must, when completing data field 8 of the *CMAR*:
 - (a) use a separate row to distinguish between types of business activity or services which are carried on in reliance of the *firm's temporary permission* and types which are not; and

14.3.7

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(b) clearly indicate which rows relate to a business activity or service which is carried on in reliance of the *firm's temporary permission*.

- (1) See ■ GEN 2.2.37G(3) for an explanation of the effect of ■ GEN 2.2.26R(1) and ■ CASS 14.1.5G.
- (2) ■ CASS 14.3.6R may be relevant to a *TP firm* that had a *Part 4A permission* immediately before *IP completion day* for acting as trustee or depositary of an AIF or acting as trustee or depositary of a UCITS and continues to hold that *permission*.
- (3) In complying with ■ CASS 14.3.6R(3):
 - (a) a *TP firm* should observe the guidance at ■ SUP 16 Annex 29AG (Guidance notes for the data item in SUP 16 Annex 29R) in relation to data field 8 of the *CMAR* and, therefore, distinguish between each different type of business activity or service which it carries on in reliance its *temporary permission*, as well as between each type which it carries on under its *Part 4A permission*;
 - (b) a *TP firm* could, for example, annotate each row which relates to a business activity or service which is carried on in reliance of the *firm's temporary permission* by including the letters "TP" in data field 8A; and
 - (c) if a *TP firm* follows sub-paragraph (b), the overall effect may be that data field 8 includes a number of rows that are prefaced with "TP" (for example, "TP CFD business" and "TP share custody business") and a number of rows that are not (for example, "AIF depositary business" and "UCITS depositary business").

14.4 Temporary permission auditor's report

- 14.4.1** **R** This section does not apply in relation to a *TP firm* to which only **■ CASS 5** applies as a result of **■ GEN 2.2.26R**.
- 14.4.2** **R** Subject to **■ CASS 14.4.3R**, a *TP firm* to which this section applies must ensure that the *FCA* receives any report made by its external auditors pursuant to a requirement in its *Home State* that implements article 8 of the *MiFID Delegated Directive*, in the following circumstances:
- (1) where the auditor's report confirms that the *TP firm's* arrangements referred to in article 8 of the *MiFID Delegated Directive* are not adequate; or
 - (2) in response to a request made by the *FCA* to the *TP firm* in writing.
- 14.4.3** **R**
- (1) If the *TP firm* did not have a *temporary permission* during the entire period covered by an auditor's report, that auditor's report is excluded from the requirement under **■ CASS 14.4.2R**.
 - (2) Where the auditor's report required under **■ CASS 14.4.2R** is not in English, the *TP firm* must ensure that the *FCA* receives both the auditor's report and an English translation of it.
- 14.4.4** **R**
- (1) A *TP firm* must ensure that any auditor's report and English translation which are required to be provided to the *FCA* under this section are sent by email.
 - (2) In the case of an auditor's report, this must be sent:
 - (a) where **■ CASS 14.4.2R(1)** applies, as soon as it is made available to the relevant *Home State* regulator; and
 - (b) where **■ CASS 14.4.2R(2)** applies, immediately on the *FCA's* written request.
 - (3) In the case of an English translation, this must be sent:
 - (a) where **■ CASS 14.4.2R(1)** applies, within one *month* of the auditor's report being made available to the relevant *Home State* regulator; and
 - (b) where **■ CASS 14.4.2R(2)** applies, within one *month* of the *FCA's* written request.

- 14.4.5 **R** Where a *TP firm* intends to rely on another *person* to send an auditor's report to the *FCA* under this section, it must inform the *FCA* in advance of that person's identity by email.
- 14.4.6 **R** The *rules* in this section apply regardless of whether the scope of an auditor's report includes a *TP firm's* activities specified in ■ CASS 14.1.2R.

14.5 Client information

- 14.5.1** **R** A *TP firm* must provide any *client* in respect of which it carries on the activities specified in **■ CASS 14.1.2R** with the following information (the “TP Firm CASS Disclosure”) in English and in a *durable medium*:
- (1) any non-UK jurisdiction under which the *TP firm’s failure* may be administered; and
 - (2) unless such an outcome is not possible under the law of that jurisdiction as it applies on *IP completion day*, a statement that makes clear the possibility that any *client money* or *safe custody assets* belonging to that *client* will, as a result of the law of that jurisdiction, be treated differently to *money* or *assets* belonging to other customers of the *TP firm* in the event of the *TP firm’s failure*.
- 14.5.2** **R**
- (1) A *firm* must ensure that the “TP Firm CASS Disclosure” is not obscured by or disguised within other information.
 - (2) Where a *firm* provides the “TP Firm CASS Disclosure” amidst or alongside other information, it must ensure that it uses a font size for the ‘TP Firm CASS Disclosure’ that is at least equal to the predominant font size used throughout the information provided, as well as a layout that ensures the “TP Firm CASS Disclosure” is prominent.
- 14.5.3** **G**
- (1) To comply with **■ CASS 14.5.1R(1)** it is sufficient to name the jurisdiction. For example, this may be the name of the *TP firm’s Home State*, or an administrative region within it.
 - (2) In order to comply with **■ CASS 14.5.1R(2)**, a *TP firm* should carefully consider the applicable law and insolvency rules in question as at *IP completion day* when deciding whether or not a statement is required to be given under that provision. For example, it could obtain a legal opinion on whether the law differentiates between the treatment of different classes of *clients*. If, following such careful consideration, the *firm* cannot rule out the possibility of different treatment, then it should make the statement under **■ CASS 14.5.1R(2)**.
- 14.5.4** **R** The “TP Firm CASS Disclosure” under **■ CASS 14.5.1R** is not required where a *firm* complies with those requirements of **■ CASS 5**, **■ CASS 6** or **■ CASS 7** that are applied under **■ GEN 2.2.26R** without needing to safeguard *client money* or *safe custody assets*.

- 14.5.5** **G** Situations falling under ■ CASS 14.5.4R include where, for example, the *TP firm* relies on:
- (1) ■ CASS 5.1.5R(1)(b) or (2);
 - (2) ■ CASS 7.10.6R; or
 - (3) ■ GEN 2.2.26R(3) or (4) and takes the approach set out in article 10.6.a, 10.6.b or 10.6.d of *IDD*.
- 14.5.6** **R** A *TP firm* must provide the “TP Firm CASS Disclosure” under ■ CASS 14.5.1R to a *client*:
- (1) where it safeguards *client money* or *safe custody assets* for the *client* on *IP completion day*, on that date (unless it has taken steps before that date which would have complied with the requirements under ■ CASS 14.5.1R and ■ CASS 14.5.2R); or
 - (2) otherwise, in good time before it safeguards *client money* or *custody assets* for the *client*.

14.6 Tied agents and appointed representatives of TP firms

- 14.6.1** **G** (1) CASS does not apply directly to a *TP firm's appointed representative or tied agent*.
- (2) A *TP firm* will be responsible for the acts and omissions of its *appointed representatives* and *tied agents* in carrying on business for which the *TP firm* has accepted responsibility.
- (3) In determining whether a *TP firm* has complied with any provision of CASS, anything done or omitted by a *TP firm's* appointed representative or tied agent (when acting as such) will be treated as having been done or omitted by the *TP firm*.
- (4) ■ CASS 14.6.2R further restricts the possibility of *appointed representatives* and *tied agents* of *TP firms* from receiving or holding *client money* and *safe custody assets*. But that rule does not apply in relation to the business of an *appointed representative* or *tied agent* of a *TP firm* in respect of which ■ CASS 5 would apply to the *TP firm* as a result of ■ GEN 2.2.26R.
- 14.6.2** **R** A *TP firm* must not permit an *appointed representative* or *tied agent* to receive or hold *client money* or *safe custody assets* in the course of or in connection with any of their business in respect of which ■ CASS 6 or ■ CASS 7 would apply to the *TP firm* as a result of ■ GEN 2.2.26R.

Temporary permissions client asset return (TPCAR)

[**Note:** A *firm* must answer all the questions in Part 1. A *firm* must also complete either Part 2 or Part 3, depending on the answer to question 1.1.3. Further guidance notes are available at

■ CASS 14 Annex 2G.]

CASS 14 Annex 1

Guidance notes for the TPCAR

1. This annex contains *guidance* on the TPCAR and is therefore only relevant to a *firm* that is subject to ■ CASS 14.3.
2. Italicised terms in the TPCAR have the same meaning as in the *Glossary*.
3. A *firm* is reminded of its obligation to determine their “CASS firm type” categorisation in accordance with ■ CASS 14.2.8R.
4. A *firm* should complete Part 1 and either Part 2 or Part 3, depending on whether it is reporting on *investment services and activities* or *insurance distribution activities*. See also the guidance at ■ CASS 14.3.5G for firms that carry on both sorts of activities under their *temporary permission*.
5. For the purposes of the TPCAR, the FCA does not prescribe any particular methodology or frequency for valuing *safe custody assets*.
6. Guide for completing individual questions in the TPCAR:

PART 1 - TO BE COMPLETED BY ALL TP FIRMS

Section 1.1 - Scope of this return

- 1.1.1 What is the reporting period start date for this return?
- 1.1.2 What is the reporting period end date for this return?
- The reporting period is a calendar period for which the TPCAR is required to be completed in accordance with CASS 14.3.1R, including the first *day* and the last *day* of the relevant period applicable to the *firm*. The first reporting period starts from 1 January 2021.
- For example:
- For a *firm* conducting *investment services or activities* under their *temporary permission* which is subject to monthly reporting under CASS 14.3.3R, the first reporting period will be 1 January 2021 to 31 January 2021, regardless of whether or not any *day* in January is a *business day*.
 - For a *firm* conducting *insurance distribution* activities under their *temporary permission* which is subject to half-yearly reporting under CASS 14.3.3R and has an accounting reference date of 31 March, the first reporting period will be 1 January 2021 to 31 March 2021, regardless of whether or not any *day* in this period is a *business day*. The next reporting period for such a *firm* will be 1 April 2021 to 30 September 2021.
- 1.1.3 Does this return report on:
- *investment services and activities*, to which CASS 6 or CASS 7 apply as a result of GEN 2.2.26R; or
 - *insurance distribution* activities, to which CASS 5 applies as a result of GEN 2.2.26R?
- A *firm* should identify the relevant activity in the course of which it holds *client money* or *safe custody assets* under its *temporary permission* and answer either “investment services or activities” or “insurance distribution activities”.
- If a *firm* is conducting both activities in the course of which it holds *client money* or *safe custody assets* under its *temporary permission*, then it will need to complete a separate TPCAR for each activity.

PART 1 - TO BE COMPLETED BY ALL TP FIRMS

Section 1.2 - Location of activities

- 1.2.1 Did the *firm* conduct the activities to which this return relates from an establishment in the UK?
A firm should answer either “Yes” or “No”. For example, a *firm* should answer “Yes” if, during the reporting period, it conducted the above activities from a *branch* in the UK.

Section 1.3 - Compliance

- 1.3.1 During the reporting period, did the *firm* have any breaches of its obligations under CASS 14?
A firm should answer either “Yes” or “No”.
- 1.3.2 During the reporting period, did the *firm* obtain an external auditor’s report on the adequacy of the *firm’s* arrangements under its client assets obligations?
A firm should answer either “Yes” or “No”.

Section 1.4 - Solvency

- 1.4.1 During the reporting period, were there any issues with the *firm’s* solvency?
A firm should answer either “Yes” or “No”.

Section 1.5 - Other issues

- 1.5.1 During the reporting period, were there any other issues with the *firm* in relation to its obligations under CASS which applied as a result of GEN 2.2.26R? If so, please provide a brief description.
A firm should describe any issues not covered by the TPCAR that may be relevant in respect of holding *client money* or *safe custody assets* to which CASS applies as a result of GEN 2.2.26R during the reporting period.

PART 2 - FOR REPORTING ON INVESTMENT SERVICES OR ACTIVITIES

- 2.1.1 During the reporting period, did the *firm* hold *client money* and/or *safe custody assets* in relation to activities carried on in reliance of the *firm’s* temporary permission to which CASS 6 or CASS 7 apply as a result of GEN 2.2.26R?
A firm should answer either “Yes” or “No”.
- 2.1.2 What was the highest balance of *client money* held in relation to activities carried on in reliance of the *firm’s* temporary permission, in relation to which CASS 7 applies as a result of GEN 2.2.26R?
A firm should report the highest total amount of *client money* that it held at any point during the reporting period.
A firm should ensure that it includes in the amount reported any *client money* that it is holding, which has or have been placed with a third party *custodian*, either by a *custodian* with which that *firm* has deposited those *client money*, or by that *firm* if it is a *custodian*.
A firm should determine the highest figures by reference to the data that it has recorded from its reconciliations required under article 2(1)(c) of the MiFID Delegated Directive that relate to the reporting period in question.
- 2.1.3 What was the highest amount of *safe custody assets* held in relation to activities carried on in reliance of the *firm’s* temporary permission, in relation to which CASS 6 applies as a result of GEN 2.2.26R?
A firm should report the highest total amount of *safe custody assets* that it held at any point during the reporting period.
A firm should ensure that it includes in the amount reported any *safe custody assets* that it is holding, which has or have been placed with a third party *custo*

PART 2 - FOR REPORTING ON INVESTMENT SERVICES OR ACTIVITIES

	<p><i>dian</i>, either by a <i>custodian</i> with which that <i>firm</i> has deposited those safe custody assets, or by that <i>firm</i> if it is a <i>custodian</i>.</p> <p>A <i>firm</i> should determine the highest figures by reference to the data that it has recorded from its reconciliations required under article 2(1)(c) of the <i>MiFID Delegated Directive</i> that relate to the reporting period in question.</p>
2.1.4	<p>What percentage of the <i>client money</i> reported in Question 2.1.2 was deposited with a <i>bank</i> or a <i>qualifying money market fund</i> in the same <i>group</i> as the <i>firm</i> (article 4, <i>MiFID Delegated Directive</i>)?</p> <p>A <i>firm</i> should state what percentage of <i>client money</i> are held with a <i>credit institution</i>, <i>bank</i> or <i>qualifying money market fund</i> of the same <i>group</i> as the <i>firm</i>.</p>
2.1.5	<p>What was the frequency of reconciliations between the <i>firm's</i> internal accounts and records and those of any third party with whom the <i>client money</i> reported in Question 3 was held (article 2(1)(c), <i>MiFID Delegated Directive</i>)?</p> <p>A <i>firm</i> should identify the frequency of its reconciliations in respect of <i>client money</i> required by article 2(1)(c) of <i>MiFID Delegated Directive</i> and answer either "Daily", "Quarterly", "Monthly", "Annually" or "Other".</p>
2.1.6	<p>What was the frequency of reconciliations between the <i>firm's</i> internal accounts and records and those of any third party with whom the <i>safe custody assets</i> reported in Question 2.1.2 were held (article 2(1)(c), <i>MiFID Delegated Directive</i>)?</p> <p>A <i>firm</i> should identify the frequency of its reconciliations in respect of <i>safe custody assets</i> required by article 2(1)(c) of <i>MiFID Delegated Directive</i> and answer either "Daily", "Quarterly", "Monthly", "Annually" or "Other".</p>
2.1.7	<p>Did the <i>firm</i> resolve all discrepancies identified by its reconciliations referred to in Questions 7 and 8 as applicable (article 2(1)(c), <i>MiFID Delegated Directive</i>)?</p> <p>A <i>firm</i> should answer either "Yes" or "No".</p>
2.1.8	<p>Were there any changes to the <i>firm's</i> officer responsible for compliance with obligations relating to safeguarding of client assets appointed pursuant to article 7 of the <i>MiFID Delegated Directive</i>?</p> <p>A <i>firm</i> should answer either "Yes" or "No".</p>
2.1.9	<p>Did the <i>firm</i> have any breaches of its obligations to segregate and/or keep records in accordance with its obligations under CASS 6 or 7 which applied as a result of GEN 2.2.26R?</p> <p>A <i>firm</i> should answer either "Yes" or "No".</p>

PART 3 - FOR REPORTING ON INSURANCE DISTRIBUTION ACTIVITIES

3.1.1	<p>During the reporting period, did the <i>firm</i> hold <i>money</i> in relation to activities carried on in reliance of the <i>firm's temporary permission</i> to which CASS 5 applies as a result of GEN 2.2.26R?</p> <p>A <i>firm</i> should answer either "Yes" or "No".</p>
3.1.2	<p>How did the <i>firm</i> protect such <i>money</i> in accordance with article 10.6 of the <i>IDD</i>?</p> <p>This question should only be answered if a <i>firm</i> answered "Yes" in Question 3.1.1.</p> <p>A <i>firm</i> should answer "Contractual risk transfer to the insurer", "Holding customers' monies in segregated customer accounts", "Holding capital on a permanent basis" or "A guarantee fund".</p> <p>A <i>firm's</i> answer may depend on which of these methods are permitted by its <i>Home State's</i> implementation of the <i>IDD</i>.</p> <p>More than one answer may be given if the <i>firm</i> protects <i>money</i> using more than one of these methods.</p>

PART 3 - FOR REPORTING ON INSURANCE DISTRIBUTION ACTIVITIES

3.1.3 What was the highest balance of *money* held by the *firm* in relation to activities carried on in reliance of the *firm's temporary permission* to which CASS 5 applies as a result of GEN 2.2.26R?

This question should only be answered if a *firm* answered "Yes" in Question 11.

A *firm* should take into account the amount recorded in the *firm's* records that relate to the reporting period in question. A *firm* should also take into account *money* held in all the possible methods of holding such *money* under *IDD*.

3.1.4 Did the *firm* have any breaches of its obligations to segregate and/or keep records in accordance with its obligations under CASS 5 which applied as a result of GEN 2.2.26R? .

A *firm* should answer either "Yes" or "No"