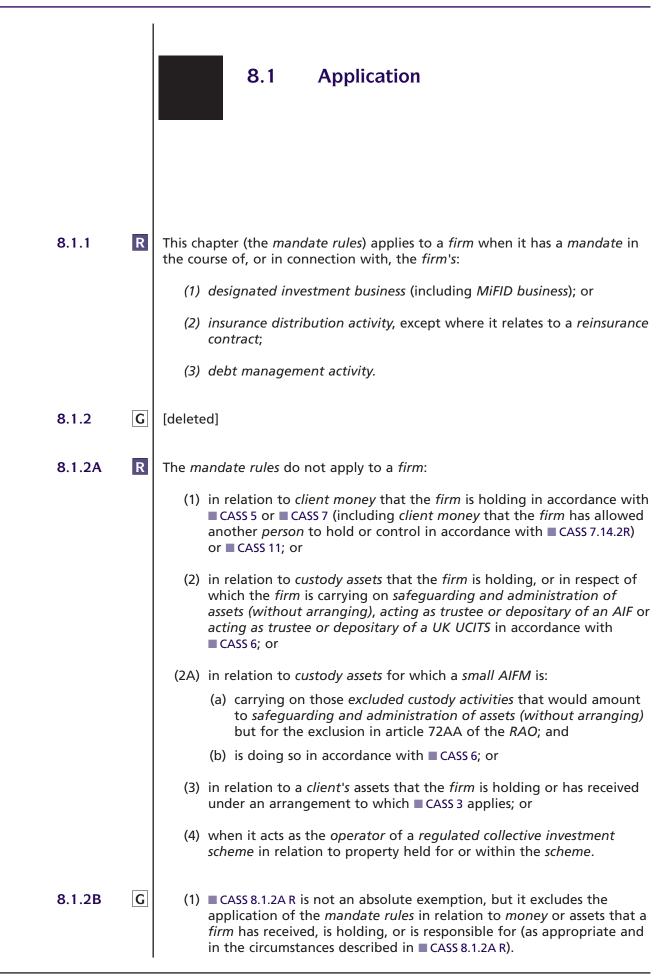
**Client Assets** 

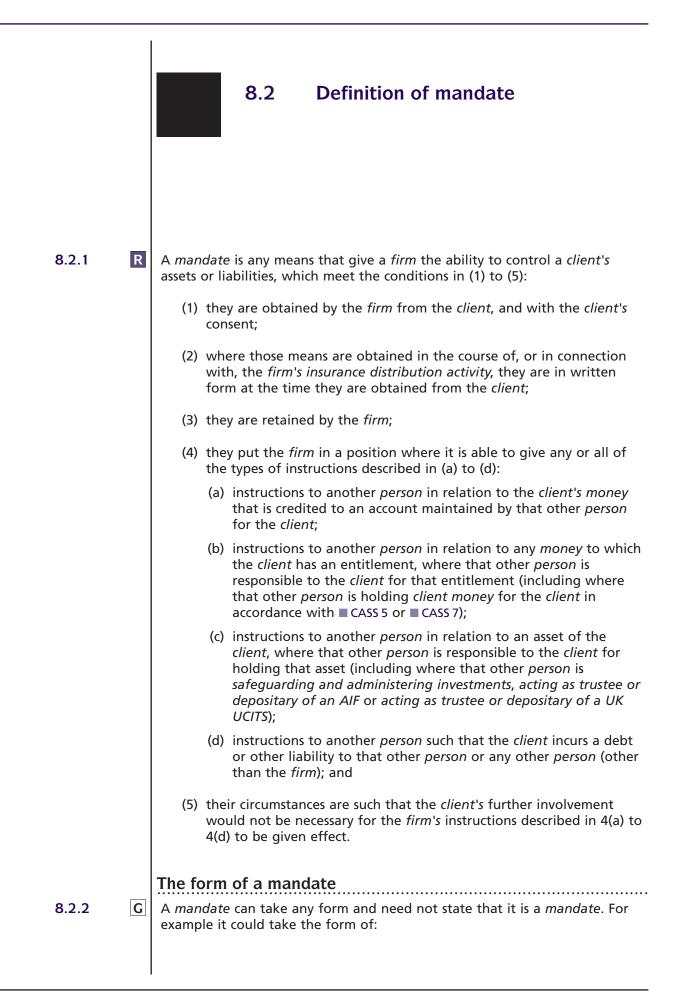
## Chapter 8

Mandates



		<ul> <li>(2) This means that, for example in respect of CASS 8.1.2A R (1), a firm holding client money in accordance with CASS 5 or CASS 7 does not also need to comply with the mandate rules in relation to the client money which it actually holds, but the mandate rules would apply if the firm has a mandate under which it can receive a client's money from another person in the course of, or in connection with, the activities set out at CASS 8.1.1 R (1) and CASS 8.1.1 R (2).</li> <li>(3) Similarly, in respect of CASS 8.1.2A R (4), the mandate rules apply to a firm that is the operator of a regulated collective investment scheme if, for example, it has a mandate under which it can receive a client's money from another person for the purposes of investing it in the scheme.</li> </ul>
8.1.3	G	[deleted]
		Purpose
8.1.4	G	The <i>mandate rules</i> require <i>firms</i> to establish and maintain records and <i>internal controls</i> to prevent the misuse of a <i>mandate</i> .
8.1.4A	G	The mandate rules only apply to a firm that has a mandate, and do not affect the duties of any other person to whom the firm is able to give the types of instructions referred to in CASS 8.2.1R (4). For example, if a person (A) has accepted a deposit from a client, and a firm (B) has a mandate in respect of that client's deposit held by A, the mandate rules only apply to B, and do not affect the duties of A in relation to the deposit.
8.1.5	R	[deleted]

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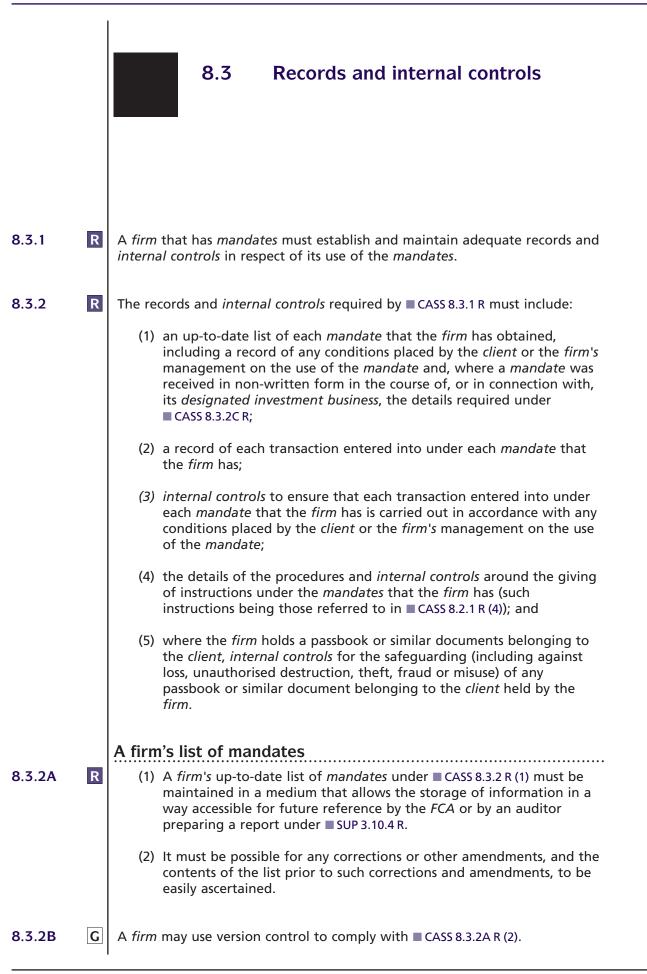


## CASS 8 : Mandates

		(1) a standalone document containing certain information conferring authority to control a <i>client's</i> assets or liabilities on the <i>firm</i> ;
		(2) a specific provision within a document or agreement that also relates to other matters; or
		(3) an authority provided by a client orally.
		Retention by the firm
8.2.3	G	<ul> <li>(1) If a <i>firm</i> receives information that puts it in the position described in</li> <li>CASS 8.2.1 R (4) in order to effect transactions immediately on receiving that information, then such information could only amount to a <i>mandate</i> if the <i>firm</i> retained it (for example by not destroying the relevant document, electronic record or telephone recording):</li> </ul>
		(a) after it uses it to effect those immediate transactions; or
		(b) because those transactions are not, for whatever reason, effected immediately.
		<ul> <li>(2) If a <i>firm</i> receives information that puts it in the position described in         ■ CASS 8.2.1 R (4) and the <i>firm</i> retains that information (for example in accordance with its record-keeping procedures or in order to effect transactions in the future or over a period of time) then such information could amount to a <i>mandate</i>.     </li> </ul>
		Ability to give instructions to another person
8.2.4	G	The instructions referred to at $\blacksquare$ CASS 8.2.1 R (4) are all instructions given by a <i>firm</i> to another <i>person</i> who also has a relationship with the <i>firm's client</i> . For example, the other person may be the <i>client's bank</i> , intermediary, <i>custodian</i> or credit card provider. This means, for example, that any means by which a <i>firm</i> can control a <i>client's money</i> or assets for which it is itself responsible to the <i>client</i> (rather than any other <i>person</i> ) would not amount to a <i>mandate</i> . This includes where the <i>firm</i> is holding a <i>client's money</i> or assets other than in accordance with $\blacksquare$ CASS 5, $\blacksquare$ CASS 6 or $\blacksquare$ CASS 7 (for example, because of an exemption in those <i>rules</i> ).
8.2.5	G	A mandate in relation to the type of instructions referred to in CASS 8.2.1R (4)(a) could include a direct debit instruction over a <i>client's</i> bank account in favour of the <i>firm</i> . The fact that the instruction was given by the <i>client</i> in the form of a paperless direct debit would not prevent it from being a mandate.
8.2.6	G	A <i>mandate</i> in relation to the type of instructions referred to in ■ CASS 8.2.1 R (4)(d) could include the <i>client</i> 's credit card details.
		Conditions on use of mandate and client's further involvement
8.2.7	G	(1) If a <i>firm</i> obtains the means by which it can give the types of instructions referred to in ■ CASS 8.2.1 R (4), but its use of those means is subject to any limits or conditions, then this does not necessarily prevent those means from being a <i>mandate</i> . For example, a <i>client</i>

might require that a *firm* uses a *mandate* only in connection with transactions up to a certain value.

(2) However, if a *firm* obtains the means by which it can give the types of instructions referred to in ■ CASS 8.2.1 R (4), but the *firm* cannot, in practice, use those means without the *client's* further involvement, then the condition in ■ CASS 8.2.1 R (5) would not be met. For example, a *firm* might have the means by which it can give instructions of the type referred to in ■ CASS 8.2.1 R (4)(a) in relation to an account maintained by another *person* for a *client*, but that other *person* might require the *client's* signature or other authorisation before it gives effect to those instructions.



## CASS 8 : Mandates

8.3.2C	An entry in a <i>firm</i> 's list of <i>mandates</i> under CASS 8.3.2 R (1) that relates to a <i>mandate</i> that was received in non-written form (eg in a telephone call) in the course of, or in connection with, its <i>designated investment business</i> must, as well as the information referred to at CASS 8.3.2 R (1), include the following details:
	(1) the nature of the <i>mandate</i> (eg debit card details);
	(2) the purpose of the <i>mandate</i> (eg collecting insurance premiums);
	(3) how the <i>mandate</i> was obtained (eg by telephone);
	(4) the name of the relevant <i>client</i> ; and
	(5) the date on which the <i>mandate</i> was obtained.
8.3.2D	If a <i>firm</i> receives information through a telephone call in the course of, or in connection with, its <i>designated investment business</i> that amounts to a <i>mandate</i> as a result of the <i>firm</i> retaining a recording of the call (see CASS 8.2.3 G), the requirements at CASS 8.3.2 R (1) apply, regardless of whether or not the <i>firm</i> intends to use the <i>mandate</i> in the future. The <i>firm</i> will meet the requirements of CASS 8.3.2 R (1) if the <i>firm</i> 's list of <i>mandates</i> is updated with the details of the <i>mandate</i> that the <i>firm</i> obtained as a result of the call.
8.3.2E	A firm should not reproduce information meeting the conditions under CASS 8.2.1 R as a separate record (eg by including such information in its list of mandates under CASS 8.3.2 R (1)) unless the firm considers this necessary, as this creates additional risk of misuse. Making a record of the details concerning the mandate described in CASS 8.3.2 C R would be appropriate.
8.3.2F	When keeping its list of <i>mandates</i> under CASS 8.3.2 R (1) up to date:
	(1) a <i>firm</i> should create a new entry in the list each time the <i>firm</i> obtains a new <i>mandate</i> ;
	<ul> <li>(2) if, for an existing entry on its list, a <i>firm</i> obtains the same information meeting the conditions in ■ CASS 8.2.1 R again (eg in a written confirmation following a paperless direct debit), the additional <i>mandate</i> is not a new <i>mandate</i> and the <i>firm</i> should not create another entry on the list; but</li> </ul>
	<ul> <li>(3) the <i>firm</i> should, for every entry on its list, identify each of the locations in which it has retained the information that meets the conditions in ■ CASS 8.2.1 R (eg a <i>client's</i> debit card details retained in a telephone recording and also the <i>firm's</i> written log of the call, or two separate documents containing the same information).</li> </ul>

8.3.2G R	<ul> <li>Retention of records</li> <li>A firm must retain the records required under ■ CASS 8.3.1 R in relation to a particular mandate for the following period after it ceases to have the mandate (e.g. because the firm has destroyed the relevant document, electronic record or telephone recording), as applicable: <ol> <li>subject to (2), a minimum of one year;</li> <li>a minimum of five years, where the relevant mandate was held by the firm in the course of, or in connection with, its MiFID business.</li> </ol> </li> </ul>
8.3.2H G	Where a <i>firm</i> has an obligation under CASS 8.3.2G R to retain records after it ceases to have a particular <i>mandate</i> , it may keep the <i>mandate</i> on the <i>firm</i> 's list under CASS 8.3.2 R (1) for the relevant period, but the list should be updated to reflect the fact that it ceased to have the relevant <i>mandate</i> at the relevant date.
8.3.3 G	<ul> <li>A firm should distinguish between conditions placed by a <i>client</i> on the <i>firm's</i> use of a <i>mandate</i>, and criteria to which transactions effected by a <i>firm</i> with or for a <i>client</i> may be subject.</li> <li>(1) The requirements in CASS 8.3.2 R (1) and CASS 8.3.2 R (3) apply only in respect of conditions placed around the <i>firm's</i> use of a <i>mandate</i> itself or around the instructions described in CASS 8.2.1 R (4). Examples of these include conditions under which a <i>mandate</i> may only be used by the <i>firm</i> in connection with transactions up to a certain value, or under which instructions under a <i>mandate</i> may only be given by certain personnel within the <i>firm</i>.</li> <li>(2) The requirements in CASS 8.3.2 R (1) and CASS 8.3.2 R (3) do not apply in respect of criteria which relate to the nature and circumstances of transactions effected by a <i>firm</i> with or for a <i>client</i>. Examples of those criteria include investment restrictions or exposure limits for a managed portfolio, and required or preferred execution prices or execution venues.</li> </ul>