

Chapter 8

Mandates



8.1 Application

8.1.1	R	<p>This chapter (the <i>mandate rules</i>) applies to a <i>firm</i> when it has a <i>mandate</i> in the course of, or in connection with, the <i>firm's</i>:</p> <ul style="list-style-type: none">(1) <i>designated investment business</i> (including <i>MiFID business</i>); or(2) <i>insurance distribution activity</i>, except where it relates to a <i>reinsurance contract</i>;(3) <i>debt management activity</i>.
8.1.2	G	[deleted]
8.1.2A	R	<p>The <i>mandate rules</i> do not apply to a <i>firm</i>:</p> <ul style="list-style-type: none">(1) in relation to <i>client money</i> that the <i>firm</i> is holding in accordance with ■ CASS 5 or ■ CASS 7 (including <i>client money</i> that the <i>firm</i> has allowed another <i>person</i> to hold or control in accordance with ■ CASS 7.14.2R) or ■ CASS 11; or(2) in relation to <i>custody assets</i> that the <i>firm</i> is holding, or in respect of which the <i>firm</i> is carrying on <i>safeguarding and administration of assets (without arranging)</i>, acting as trustee or depositary of an AIF or acting as trustee or depositary of a UK UCITS in accordance with ■ CASS 6; or(2A) in relation to <i>custody assets</i> for which a <i>small AIFM</i> is:<ul style="list-style-type: none">(a) carrying on those <i>excluded custody activities</i> that would amount to <i>safeguarding and administration of assets (without arranging)</i> but for the exclusion in article 72AA of the RAO; and(b) is doing so in accordance with ■ CASS 6; or(3) in relation to a <i>client's assets</i> that the <i>firm</i> is holding or has received under an arrangement to which ■ CASS 3 applies; or(4) when it acts as the <i>operator</i> of a <i>regulated collective investment scheme</i> in relation to property held for or within the <i>scheme</i>.
8.1.2B	G	<ul style="list-style-type: none">(1) ■ CASS 8.1.2A R is not an absolute exemption, but it excludes the application of the <i>mandate rules</i> in relation to <i>money</i> or assets that a <i>firm</i> has received, is holding, or is responsible for (as appropriate and in the circumstances described in ■ CASS 8.1.2A R).

		<p>(2) This means that, for example in respect of ■ CASS 8.1.2A R (1), a <i>firm</i> holding <i>client money</i> in accordance with ■ CASS 5 or ■ CASS 7 does not also need to comply with the <i>mandate rules</i> in relation to the <i>client money</i> which it actually holds, but the <i>mandate rules</i> would apply if the <i>firm</i> has a <i>mandate</i> under which it can receive a <i>client's money</i> from another <i>person</i> 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).</p> <p>(3) Similarly, in respect of ■ CASS 8.1.2A R (4), the <i>mandate rules</i> apply to a <i>firm</i> that is the <i>operator</i> of a <i>regulated collective investment scheme</i> if, for example, it has a <i>mandate</i> under which it can receive a <i>client's money</i> from another <i>person</i> for the purposes of investing it in the <i>scheme</i>.</p>
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 <i>mandate rules</i> only apply to a <i>firm</i> that has a <i>mandate</i> , and do not affect the duties of any other <i>person</i> to whom the <i>firm</i> is able to give the types of instructions referred to in ■ CASS 8.2.1R (4). For example, if a <i>person</i> (A) has accepted a <i>deposit</i> from a <i>client</i> , and a <i>firm</i> (B) has a <i>mandate</i> in respect of that <i>client's deposit</i> held by A, the <i>mandate rules</i> only apply to B, and do not affect the duties of A in relation to the <i>deposit</i> .
8.1.5	R	[deleted]