

Chapter 9

Information to clients

9.4 Information to clients concerning custody assets and client money

9.4.1

G

- (1) *Firms* to which ■ COBS 6.1 applies are reminded that, under ■ COBS 6.1.7R, a *firm* that holds *client designated investments* or *client money* must provide its *clients* with specific information about how the *firm* holds those *client designated investments* and *client money* and how certain arrangements might give rise to specific consequences or risks for those *client designated investments* and *client money*.
- (2) ■ COBS 6.1 (Information about the firm and compensation information (non-MiFID and non-insurance distribution provisions)) applies to a *firm* in relation to its *designated investment business*, other than *MiFID*, *equivalent third country* or *optional exemption business* or *insurance distribution activities*, for a *retail client*.

9.4.2

R

A *firm* to which ■ COBS 6.1 applies that holds *custody assets* or *client money* must, in relation to its business for which ■ COBS 6.1 applies:

- (1) provide the information in ■ COBS 6.1.7 R for any *custody assets* the *firm* may hold for a *client*, including any *custody assets* which are not *designated investments*; and
- (2) provide the information in ■ COBS 6.1.7 R and in (1) to each of its *clients*.

9.4.2A

R

Firms to which ■ COBS 6.1ZA applies are reminded of the requirements under article 49 of the *MiFID Org Regulation* (which are directly applicable to some *firms* and which are also applied to *firms* in other circumstances under ■ COBS 6.1ZA.3R) to provide certain information to a *client* when the *firm* is holding the *client's financial instruments* or funds (see ■ COBS 6.1ZA.9EU) and the requirement under ■ COBS 6.1ZA.10AR when a *firm* doing *insurance distribution activities* is holding *client money* and has elected to comply with the *client money chapter*.

- (2) ■ COBS 6.1ZA (Information about the firm and compensation information (MiFID and insurance distribution provisions)) applies to a *firm* in relation to its *MiFID*, *equivalent third country* or *optional exemption business* or its *insurance distribution activities* for a *client*.

9.4.2B

R

A *firm* to which ■ COBS 6.1ZA applies that holds *custody assets* or *client money* must, in relation to its business for which ■ COBS 6.1ZA applies:

provide the information referred to in paragraphs 2 to 7 of article 49 of the *MiFID Org Regulation* for any *custody asset* that the *firm* may hold for a *client*, including:

any *custody asset* which is a *designated investment* but not a *financial instrument*; and

any *custody asset* which is neither a *designated investment* nor a *financial instrument*; and

provide the information in (1) to each of its *clients*.

9.4.3**G**

A *firm* should provide the information required in ■ CASS 9.4.2 R or ■ CASS 9.4.2BR (as applicable) to any *client* for whom it holds *custody assets* or *client money*, including a *retail client*, a *professional client* and an *eligible counterparty*.

9.4.4**G**

- (1) *Firms* are reminded of their obligation, under ■ COBS 4.2.1 R, to be fair, clear and not misleading in their communications with *clients*.
- (2) *Firms* are also reminded of the requirements in respect of communications made to *retail clients* under ■ COBS 4.5 and *clients* under article 44 of the *MiFID Org Regulation* and ■ COBS 4.5A (as applicable).