

## Chapter 9

# Information to clients



9.5 Reporting to clients on request

- 9.5.1

G

(1) *Firms to which ■ COBS 16.4 applies are reminded that, under ■ COBS 16.4, they are required to send to each of their clients at least once a year a statement in a durable medium of those designated investments and/or client money they hold for that client. A firm which manages investments may provide this statement in its periodic statement, as required under ■ COBS 16.3.*

(2) ■ COBS 16.4 (Statements of client designated investments or client money) applies, in accordance with ■ COBS 16.1.2R, to a firm carrying on designated investment business other than MiFID, equivalent third country or optional exemption business.
- 9.5.2

G

*Firms are reminded that the requirements in ■ COBS 16.4, article 63 of the MiFID Org Regulation and ■ COBS 16A.4 only set out the minimum frequency at which firms must report to their clients on their holdings of designated investments and/or client money. Firms may choose to report to their clients more frequently.*
- 9.5.3

G

Subject to ■ CASS 9.5.5AR and ■ CASS 9.5.6 R, ■ CASS 9.5.4R, ■ CASS 9.5.4BR and ■ CASS 9.5.5 R require firms to comply with a client's request for information on the custody assets and/or client money the firm holds for a client under ■ CASS 6 and/or ■ CASS 7, and such request may be made by a client at any time.
- 9.5.4

R

When a firm to which ■ COBS 16.4 applies receives a request, made by a client, or on a client's behalf, for a statement of the custody assets and/or client money that the firm holds for that client, the firm must provide the client with the statement requested in a durable medium.
- 9.5.4A

R

(1) *Firms to which ■ COBS 16A applies are reminded of the requirements under article 63 of the MiFID Org Regulation (which are directly applicable to some firms and which are also applied to firms in other circumstances under ■ COBS 16A.1.2R) in relation to quarterly statements when the firm is holding a client's financial instruments or funds (see ■ COBS 16A.4.1EU and ■ COBS 16A.5.1EU).*

(2) ■ COBS 16A (Reporting information to clients (MiFID provisions) applies to a firm in relation to its MiFID, equivalent third country or optional exemption business.

- 9.5.4B** **R** When a *firm* to which **■ COBS 16A** applies receives a request, made by a *client*, or on a *client's* behalf, for a statement of the *custody assets* that the *firm* holds for that *client*, it must provide the *client* with a statement in a *durable medium* in relation to any *custody assets* that are not *financial instruments*.
- 9.5.4C** **G** A *firm* to which **■ COBS 16A** applies may combine the statement required under **■ CASS 9.5.4BR** with a statement issued in response to a request made under the last sentence of the first sub-paragraph of article 63(1) of the *MiFID Org Regulation*.
- 9.5.5** **R** When a *firm* receives a request, made by a *client*, or on a *client's* behalf, for a copy of any statement of *custody assets* and/or *client money* previously provided to that *client*, the *firm* must provide the *client* with the copy of the statement requested in a *durable medium* and within five *business days* following the receipt of the request.
- 9.5.5A** **R** A *firm* is not required to provide a *client* with a statement under **■ CASS 9.5.4R** or **■ CASS 9.5.4BR**, or a copy of a statement under **■ CASS 9.5.5R** (as applicable) where the following conditions are met:
- (1) the *firm* provides the *client* with access to an online system, which qualifies as a *durable medium*;
  - (2) up-to-date statements of the *client's custody assets* and/or *client money* can be easily accessed by the *client* via the system under (1); and
  - (3) the *firm* has evidence that the *client* has accessed this statement at least once during the relevant quarter.
- 9.5.6** **R** Any charge agreed between the *firm* and the *client* for providing the statements in **■ CASS 9.5.4R**, **■ CASS 9.5.4BR** or **■ CASS 9.5.5R** (as applicable) must be at a commercial cost.
- 9.5.7** **G** Any statement provided to a *client* under **■ CASS 9.5.4 R** or **■ CASS 9.5.5 R** (as applicable) may, although it is not required to, be in the same form as the statement a *firm* is required to provide to a *client* under **■ COBS 16.4** or, if appropriate, **■ COBS 16.3**.
- 9.5.8** **G** Consistent with the *fair, clear and not misleading rule*, a *firm* should ensure that, in any statements of *custody assets* and/or *client money* it provides to its *clients*, it is clear from the statement which assets and/or monies the *firm* reports as holding for the *client* are, or are not, protected under **■ CASS 6** and/or **■ CASS 7** (e.g. if the statement also includes information regarding assets and/or monies which are held by the *firm* for that *client* which are not subject to the *custody rules* and/or *client money rules*) .
- 9.5.9** **G** *Firms* are reminded that under **■ CASS 3.2.4 G** *firms* that enter into arrangements with *retail clients* covered by **■ CASS 3** (Collateral) should, when appropriate, identify in any statement of *custody assets* sent to the *client*

under ■ COBS 16.4 (Statements of client designated investments or client money), article 63 of the *MiFID Org Regulation* or ■ COBS 16A.4 (as applicable) or this section the details of the assets which form the basis of that collateral arrangement.