

Chapter 16

Reporting requirements

16.14 Client money and asset return

Application

- 16.14.1 **R** This section applies to a *CASS large firm* and a *CASS medium firm*.

Purpose

- 16.14.2 **G** The purpose of the *rules* and *guidance* in this section is to ensure that the *FCA* receives regular and comprehensive information from a *firm* which is able to hold *client money* and *safe custody assets* on behalf of its *clients*.

Report

- 16.14.3 **R**
- (1) Subject to (3), a *firm* must submit a completed *CMAR* to the *FCA* within 15 *business days* of the end of each month.
 - (2) In this *rule* month means a calendar month and **■ SUP 16.3.13 R (4)** does not apply.
 - (3) A *firm* which changes its 'CASS firm type' and notifies the *FCA* that it is a *CASS medium firm* or a *CASS large firm* in accordance with **■ CASS 1A.2.9 R** is not required to submit a *CMAR* in respect of the month in which the change to its 'CASS firm type' takes effect in accordance with **■ CASS 1A.2.12 R**, unless it was a *firm* to which the requirement in (1) applied immediately prior to that change taking effect.
- 16.14.4 **R** For the purposes of the *CMAR*:
- (1) *client money* is that to which the *client money rules* in **■ CASS 7** apply; and
 - (2) *safe custody assets* are those to which the *custody rules* in **■ CASS 6** apply but only in relation to:
 - (a) the holding of *financial instruments* (in the course of *MiFID business*);
 - (b) the *safeguarding and administration of assets* (without *arranging*) (in the course of business that is not *MiFID business*);
 - (c) *acting as trustee or depositary of an AIF*, and in this case also include any *safe custody investments* to which the *firm*, when acting for an *authorised AIF*, is required by **■ CASS 6.1.16IAR (2)** to apply the *custody rules* under **■ CASS 6.1.1BR (2)**;

- (d) *acting as trustee or depositary of a UK UCITS* and in this case also include any *safe custody investments* to which the *firm* is required by ■ CASS 6.1.16IDR to apply the *custody rules* under ■ CASS 6.1.1BR(3); and
- (e) those *excluded custody activities* carried on by a *firm* acting as a *small AIFM*, that would amount to the *safeguarding and administration of assets (without arranging)* but for the exclusion in article 72AA of the RAO.

16.14.5 G For the avoidance of doubt, the effect of ■ SUP 16.14.4 R is that the following are to be excluded from any calculations which the CMAR requires:

- (1) any *client money* held by the *firm* in accordance with ■ CASS 5;
- (2) any *safe custody assets* in respect of which the *firm* is merely *arranging safeguarding and administration of assets* in accordance with ■ CASS 6;
- (2A) any *safe custody assets* for which a *small AIFM* is:
 - (a) carrying on those *excluded custody activities* that would merely amount to *arranging safeguarding and administration of assets* but for the exclusion in article 72AA of the RAO; and
 - (b) is doing so in accordance with ■ CASS 6; and
- (3) any *client money* or *safe custody assets* in respect of which the *firm* merely has a *mandate* in accordance with ■ CASS 8.

Method of submission

16.14.6 R A CMAR must be submitted by electronic means made available by the FCA.

Reporting of 'unbreakable' client money deposits

- 16.14.7** R
- (1) This *rule* applies to a *firm* in respect of a CMAR required under ■ SUP 16.14.3R where, at the end of the reporting period for the CMAR:
 - (a) the *firm* holds *client money* using a *client bank account* under ■ CASS 7.13.13R(3A)(b) (Segregation of client money); and
 - (b) the *firm* is unable to make a withdrawal from that *client bank account* until the expiry of a period lasting between 31 and 95 days.
 - (2) A *firm* must use a separate row in data field 13 of its CMAR to report on any aggregate positive balance of *client money* held with a particular bank which, as at the end of the reporting period for the CMAR:
 - (a) the *firm* is able to withdraw within a period of up to 30 days;
 - (b) the *firm* is unable to withdraw for a period of 31 to 60 days; and
 - (c) the *firm* is unable to withdraw for a period of 61 to 95 days.

16.14.8

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- (3)
 - (a) A *firm* must denote a balance falling under (2)(b) by using the words “unbreakable 31-60” in data field 13B of the *CMAR*.
 - (b) A *firm* must denote a balance falling under (2)(c) by using the words “unbreakable 61-95” in data field 13B of the *CMAR*.
- (1) Because of ■ SUP 16.14.7R(1)(b), ■ SUP 16.14.7R would not apply to a *firm* where, for example:
 - (a) it was using a *client bank account* under ■ CASS 7.13.13R(3A)(b) that had a fixed term of over 30 *days*, but by the end of the reporting period for the *CMAR* there were fewer than 31 *days* remaining before the *firm* could withdraw all the *money* in that account; or
 - (b) it was using a *client bank account* under ■ CASS 7.13.13R(3A)(b) that had a notice period of over 30 *days* for withdrawals, but by the end of the reporting period for the *CMAR* the *firm* had already served notice for withdrawal for all the *money* in that account and there were fewer than 31 *days* remaining before the end of the notice period.
- (2) Further *guidance* is available in ■ SUP 16 Annex 29AG on completing data field 13 of the *CMAR* in cases where ■ SUP 16.14.7R applies.