

**CLIENT ASSETS SUPERVISION (P2P CASS AUDITS) INSTRUMENT 2017**

**Powers exercised**

- A. The Financial Conduct Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137A (The FCA’s general rules);
  - (2) section 137T (General supplementary powers);
  - (3) section 139A (Power of the FCA to give guidance); and
  - (4) section 340 (Appointment).
- B. The rule-making provisions listed above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

**Commencement**

- C. This instrument comes into force on 21 August 2017.

**Amendments to the Handbook**

- D. The Supervision manual (SUP) is amended in accordance with the Annex to this instrument.

**Citation**

- E. This instrument may be cited as the Client Assets Supervision (P2P CASS Audits) Instrument 2017.

By order of the Board  
20 July 2017

## Annex

## Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text.

### 3 Auditors

#### 3.1 Application

...

##### 3.1.2 R Applicable sections (see SUP 3.1.1R)

...

(1) Category of firm		(2) Sections applicable to the firm	(3) Sections applicable to its auditor
...	...	...	...
(5C)	<u>CASS 7 loan-based crowdfunding firm</u>	<u>SUP 3.1-3.7, SUP 3.11</u>	<u>SUP 3.1, SUP 3.2, SUP 3.8, SUP 3.10</u>
...	...	...	...

...

#### TP 1 Transitional provisions

...

##### TP 1.2

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
3A	...	...	...		
<u>3AA</u>	<u>SUP 3.10.6R</u>	<u>R</u>	<u>(1) This transitional provision applies where an auditor would have been required to produce a report under SUP 3.10.4R for a CASS 7 loan-based</u>	<u>Indefinitely</u>	<u>21 August 2017</u>

			<p><u>crowdfunding firm</u> as a result of <u>CONC 12.1.4R</u> were it not for the <u>firm</u> obtaining <u>Part 4A permission</u>.</p> <p>(2) The period covered by the first report under <u>SUP 3.10.4R</u> produced after 21 August 2017 must end not more than 53 weeks after either:</p> <p>(a) the period covered by the previous report on such matters;</p> <p>(b) the date the <u>firm's application</u> for <u>Part 4A permission</u> to <u>operate an electronic system in relation to lending</u> is granted; or</p> <p>(c) the date the <u>firm</u> becomes subject to <u>SUP 3.11</u> and its auditor becomes subject to <u>SUP 3.10</u>.</p>		
<u>3AB</u>	<u>SUP 3.10.6R</u>	<u>R</u>	<p>(1) This transitional provision applies where an auditor is required to produce a report under <u>SUP 3.10.4R</u> for a <u>CASS 7 loan-based crowdfunding firm</u> that has not had an <u>interim permission</u>.</p> <p>(2) The period covered by the first report required under <u>SUP 3.10.4R</u> must end not more</p>	<u>Indefinitely</u>	<u>21 August 2017</u>

			<p><u>than 53 weeks after either:</u></p> <p><u>(a) the period covered by the previous report on such matters provided that period did not end more than 53 weeks before 21 August 2017;</u></p> <p><u>(b) the date the firm's application for Part 4A permission to operate an electronic system in relation to lending is granted; or</u></p> <p><u>(c) the date the firm becomes subject to SUP 3.11 and its auditor becomes subject to SUP 3.10.</u></p>		
3B	...	...	...		