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)

... 

<table>
<thead>
<tr>
<th>(1) Category of firm</th>
<th>(2) Sections applicable to the firm</th>
<th>(3) Sections applicable to its auditor</th>
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<tr>
<td>(5C) CASS 7 loan-based crowdfunding firm</td>
<td>SUP 3.1-3.7, SUP 3.11</td>
<td>SUP 3.1, SUP 3.2, SUP 3.8, SUP 3.10</td>
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TP 1 Transitional provisions

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TP 1.2

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<tr>
<td>3AA</td>
<td>SUP 3.10.6R</td>
<td>R</td>
<td>(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</td>
<td>Indefinitely</td>
<td>21 August 2017</td>
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crowdfunding firm as a result of CONC 12.1.4R were it not for the firm obtaining Part 4A permission.

(2) The period covered by the first report under SUP 3.10.4R produced after 21 August 2017 must end not more than 53 weeks after either:
   (a) the period covered by the previous report on such matters;
   (b) the date the firm's application for Part 4A permission to operate an electronic system in relation to lending is granted; or
   (c) the date the firm becomes subject to SUP 3.11 and its auditor becomes subject to SUP 3.10.

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<th>3AB</th>
<th>SUP 3.10.6R</th>
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(1) This transitional provision applies where an auditor is required to produce a report under SUP 3.10.4R for a CASS 7 loan-based crowdfunding firm that has not had an interim permission.

(2) The period covered by the first report required under SUP 3.10.4R must end not more
than 53 weeks after either:
(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;
(b) the date the firm’s application for Part 4A permission to operate an electronic system in relation to lending is granted; or
(c) the date the firm becomes subject to SUP 3.11 and its auditor becomes subject to SUP 3.10.

| 3B | … | … | … |