

Chapter 7

Client money rules

7.10 Application and purpose

7.10.1 **R** This chapter applies to a *firm* that receives *money* from or holds *money* for, or on behalf of, a *client* in the course of, or in connection with, its:

- (1) *MiFID business*; and/or
- (2) *designated investment business*; and/or
- (3) *stocks and shares ISA business*; and/or
- (4) *innovative finance ISA business*; and/or
lifetime ISA business,

unless otherwise specified in this section.

7.10.2 **G** A *firm* is reminded that when **■** CASS 7.10.1 R applies it should treat *client money* in an appropriate manner so that, for example:

- (1) if it holds *client money* in a *client bank account* that account is held in the *firm's* name in accordance with **■** CASS 7.13.13 R;
- (2) if it allows another *person* to hold *client money* this is effected under **■** CASS 7.14; and
- (3) its *internal client money reconciliation* takes into account any *client equity balance* relating to its *marginied transaction requirements*.

Opt-in to the client money rules

7.10.3 **R** (1) A *firm* that receives or holds *money* to which this chapter applies in relation to:

- (a) its *MiFID business*; or
- (b) its *MiFID business* and its *designated investment business* which is not *MiFID business*;

and holds *money* in respect of which **■** CASS 5 applies, may elect to comply with the provisions of this chapter in respect of all such *money* and if it does so, this chapter applies as if all such *money* were *money* that the *firm* receives and holds in the course of, or in connection with, its *MiFID business*.

(2) A *firm* that receives or holds *money* to which this chapter applies solely in relation to its *designated investment business* which is not

MiFID business and receives or holds *money* in respect of which the *insurance client money chapter* applies, may elect to comply with the provisions of this chapter in respect of all such *money* and if it does so, this chapter applies as if all such *money* were *money* that the *firm* receives and holds in the course of or in connection with its *designated investment business*.

- (2A) (a) A *firm* may elect to comply with all the provisions of this chapter for *money* that it receives or holds in respect of an *ISA* that only contains a *cash deposit ISA*.
- (b) Where a *firm* makes an election under (a), this chapter applies to it in the same way that it applies to a *firm* who receives and holds *money* in the course of or in connection with its *MIFID business*.
- (3) A *firm* must make and retain a written record of any election it makes under this *rule*, including the date from which the election is to be effective. The *firm* must make the record on the date it makes the election and must keep it for a period of five years after ceasing to use it.
- (4) This *rule* is subject to ■ CASS 1.2.11 R.

- 7.10.3A** **R** Where a *firm* opts into this chapter under ■ CASS 7.10.3 R (2A) it must notify *clients* for whom it holds the opted-in *money* that it is holding their *money* in accordance with the *client money rules*.
- 7.10.4** **G** *Firms* are reminded that, under ■ CASS 1.2.11 R, they must not keep *money* in respect of which the *client money chapter* applies in the same *client bank account* or *client transaction account* as *money* for which the *insurance client money chapter* applies.
- 7.10.5** **G** The opt-in to the *client money rules* under ■ CASS 7.10.3R does not apply in respect of *money* that a *firm* holds outside of either the:
- (1) scope of the *insurance client money chapter*; or
 - (2) relevant *cash deposit ISA* wrapper;
- as the case may be.
- 7.10.6** **G** If a *firm* has opted to comply with this chapter under ■ CASS 7.10.3R, the *insurance client money chapter* will have no application to the activities to which the election applies.
- 7.10.7** **G**
- (1) A *firm* that is only subject to the *insurance client money chapter* may not opt to comply with this chapter under either or both ■ CASS 7.10.3 R (1) and ■ CASS 7.10.3 R (2).
 - (2) Under ■ CASS 7.10.3 R (2A), a *firm* may opt to comply with this chapter regardless of whether it is otherwise subject to the *client money rules*.

Loan-based crowdfunding

7.10.7A **R**

- (1) If both the conditions in (a) and (b) below are met in respect of a *firm*, or the *firm* reasonably expects that they will all be met in the future, then the *firm* has the option to elect to comply with this chapter for all of the *money* described in those conditions:
 - (a) the *firm* receives or holds *money* for one or more *persons* in the course of, or in connection with, the *firm's* activity of *operating an electronic system in relation to non-P2P agreements*; and
 - (b) those *persons* are customers of the *firm* in their capacity as lenders under *non-P2P agreements* or prospective lenders under *non-P2P agreements*.
- (2) A *firm* can only make the election under (1) by informing the *FCA* in writing of the election at least one *month* before the date on which it intends to start holding the *money* in accordance with the *client money rules* ("the effective date").
- (3) The communication in (2) must specify the effective date.
- (4) The *firm* may change the effective date after it has made the communication in (2) provided that:
 - (a) it informs the *FCA* in writing before the new effective date; and
 - (b) the new effective date is not less than one *month* after the date of the communication in (2).

7.10.7B **R**

- (1) When a *firm* makes an election under **■ CASS 7.10.7AR** it must write to any customer ("C") with whom it has agreed to provide *relevant electronic lending services* in C's capacity as a lender or prospective lender, informing C at least one *month* before it will start to hold the *money* in accordance with the *client money rules*:
 - (a) that all the *money* it holds in the course of, or in connection with, *operating an electronic system in relation to non-P2P agreements* for lenders and prospective lenders under *non-P2P agreements* will be treated in accordance with the *client money rules*; and
 - (b) of the date on which this will start.
- (2) The *firm* must also write to any customer ("C") with whom, following the *firm's* election, it agrees to provide *relevant electronic lending services* in C's capacity as a lender or prospective lender.
 - (a) The *firm* must make this communication in advance of it receiving any *money* from or on behalf of C.
 - (b) The communication must inform C that all the *money* the *firm* holds in the course of, or in connection with, *operating an electronic system in relation to non-P2P agreements* for lenders and prospective lenders under *non-P2P agreements* will be treated in accordance with the *client money rules* from the date specified under (1)(b) or, if that date has passed, that this will be the case from the time of the communication onwards.

- 7.10.7C** **R** Once an election made by a *firm* under ■ CASS 7.10.7AR becomes effective, and until it ceases to be effective:
- (1) the *firm* must treat all the *money* referred to under ■ CASS 7.10.7AR(1) in accordance with the election; and
 - (2) for the purposes of (1), this chapter applies to the *firm* in the same way that it applies to a *firm* that receives and holds *money* in the course of or in connection with its *designated investment business*, except that:
 - (a) ■ CASS 7.10.10R will not apply to the *money* referred to under ■ CASS 7.10.7AR(1); and
 - (b) "*client*" for the purposes of CASS and *rules* and *guidance* related to CASS and their application to the *firm* includes customers of the *firm* in their capacity as lenders or prospective lenders under *non-P2P agreements*.

- 7.10.7D** **R** If a *firm* that has made an election under ■ CASS 7.10.7AR subsequently decides to cancel that election:
- (1) it can only do so by writing to the FCA, at least one *month* before the date the election ceases to be effective;
 - (2) it must write to any customer with whom, as at the time of the cancellation, it has agreed to *operate an electronic system in relation to non-P2P agreements* in their capacity as a lender or prospective lender, informing them at least one *month* before the date the election ceases to be effective:
 - (a) of the extent to which it will cease to hold their *money* in accordance with the *client money rules*; and
 - (b) of the date from which those changes will take effect; and
 - (3) it must write to any customer ("*C*") with whom, following the *firm's* decision to cancel the election but before the election ceases to be effective, it agrees to *operate an electronic system in relation to non-P2P agreements* in *C's* capacity as a lender or prospective lender, in advance of the *firm* receiving any *money* from them or on their behalf, informing them:
 - (a) of the period during which it will continue to hold all the *money* of lenders and prospective lenders under *non-P2P agreements* in accordance with the *client money rules*;
 - (b) of the extent to which it will subsequently cease to hold their *money* in accordance with the *client money rules*; and
 - (c) of the date from which those changes will take effect.

- 7.10.7E** **R**
- (1) A *firm* must make and retain a written record of any election it makes under ■ CASS 7.10.7AR including:
 - (a) the date from which the election is to be effective; and
 - (b) if it cancels the election, the date from which the election is to cease to be effective.

- (2) The *firm* must:
 - (a) make the record on the date it makes the election;
 - (b) update the record if it decides to cancel the election or change the effective date; and
 - (c) keep the record for a period of five years after ceasing to use the election.

7.10.7F G

- (1) Where a *firm* has made an election under ■ CASS 7.10.7AR:
 - (a) it should treat *money* held for a *client* as *client money* both in the course of or in connection with:
 - (i) *operating an electronic system in relation to lending*; and
 - (ii) *operating an electronic system in relation to non-P2P agreements*;
 - (b) (a) is regardless of whether, at the time the *firm* is holding the *money*, the *client* could or could not be a lender under a *P2P agreement*; and
 - (c) under ■ SYSC 4.1.8ER(2) it will be not be able to accept, take, or receive the transfer of full ownership of *money* relating to *non-P2P agreements*.
- (2) Where a *firm* has not made an election under ■ CASS 7.10.7AR, or where it has previously made an election but the election has ceased to be effective under ■ CASS 7.10.7DR, any *money* it holds:
 - (a) in the course of, or in connection with *relevant electronic lending services*, for a *client* who at that time will or could be a lender under a *P2P agreement* in respect of that *money*, should be treated as *client money* (for example because that *client's* contractual investment criteria permit that *money* to be invested in a *P2P agreement*); and
 - (b) in the course of, or in connection with, *operating an electronic system in relation to non-P2P agreements*, for a customer who at that time could not be a lender under a *P2P agreement* in respect of that *money*, should not be treated as *client money* (for example because that customer's contractual investment criteria only permit that *money* to be invested in a *non-P2P agreement*).

Money that is not client money: 'opt outs' for any business other than insurance distribution activity

7.10.8 R

■ CASS 7.10.9 G to ■ CASS 7.10.15 G do not apply to a *firm* in relation to *money* held in connection with its *MiFID business* to which this chapter applies or in relation to *money* for which the *firm* has made an election under ■ CASS 7.10.3 R(1) or ■ CASS 7.10.7AR.

Professional client opt-out

7.10.9 G

The 'opt out' provisions provide a *firm* with the option of allowing a *professional client* to choose whether their *money* is subject to the *client money rules* (unless the *firm* is conducting *insurance distribution activity*).

- 7.10.10** **R** Subject to **■** CASS 7.10.12 R, money is not *client money* when a *firm* (other than a sole trader) holds that money on behalf of, or receives it from, a *professional client*, other than in the course of *insurance distribution activity*, and the *firm* has obtained written acknowledgement from the *professional client* that:
- (1) money will not be subject to the protections conferred by the *client money rules*;
 - (2) as a consequence, this money will not be segregated from the money of the *firm* in accordance with the *client money rules* and will be used by the *firm* in the course of its own business; and
 - (3) the *professional client* will rank only as a general creditor of the *firm*.
- 'Opt-outs' for non-IDD business**.....
- 7.10.11** **G** For a *firm* whose business is not governed by the *IDD*, it is possible to 'opt out' on a one-way basis. However, in order to maintain a comparable regime to that applying to *MiFID business*, all '*MiFID type*' business undertaken outside the scope of *MiFID* should comply with the *client money rules* or be 'opted out' on a two-way basis.
- 7.10.12** **R** Money is not *client money* if a *firm*, in respect of *designated investment business* which is not an *investment service or activity*, an *ancillary service*, a *listed activity* or *insurance distribution activity*:
- (1) holds it on behalf of or receives it from a *professional client* who is not an *authorised person*; and
 - (2) has sent a separate written notice to the *professional client* stating the matters set out in **■** CASS 7.10.10 R (1) to **■** CASS 7.10.10 R (3).
- 7.10.13** **G** When a *firm* undertakes a range of business for a *professional client* and has separate agreements for each type of business undertaken, the *firm* may treat *client money* held on behalf of the *client* differently for different types of business; for example, a *firm* may, under **■** CASS 7.10.10 R or **■** CASS 7.10.12 R, elect to segregate *client money* in connection with *securities* transactions and not segregate (by complying with **■** CASS 7.10.10 R or **■** CASS 7.10.12 R) *money* in connection with contingent liability investments for the same *client*.
- 7.10.14** **R** When a *firm* transfers *client money* to another person, the *firm* must not enter into an agreement under **■** CASS 7.10.10 R or **■** CASS 7.10.12 R with that other person in relation to that *client money* or represent to that other person that the money is not *client money*.
- 7.10.15** **G** **■** CASS 7.10.14 R prevents a *firm*, when passing *client money* to another person under **■** CASS 7.14.2 R (Transfer of client money to a third party), from making use of the 'opt out' provisions under **■** CASS 7.10.10 R or **■** CASS 7.10.12 R.

Credit institutions and approved banks

- 7.10.16** **R** In relation to the application of the *client money rules* (and any other rule in so far as it relates to matters covered by the *client money rules*) to the firms referred to in (1) and (2), the following is not *client money*:
- (1) any deposits within the meaning of the *CRD* held by a *CRD credit institution*; and
- [Note: article 16(9) of *MiFID* and article 4(1) of the *MiFID Delegated Directive*]
- (2) any money held by an *approved bank* that is not a *CRD credit institution* in an account with itself in relation to *designated investment business* carried on for its *clients*.
- 7.10.17** **G** A firm referred to in **■ CASS 7.10.16 R** must comply, as relevant, with **■ CASS 7.10.18 G** to **■ CASS 7.10.24 R**.
- 7.10.18** **G** The effect of **■ CASS 7.10.16 R** is that, unless notified otherwise in accordance with **■ CASS 7.10.20 R** or **■ CASS 7.10.22 R**, *clients* of *CRD credit institutions* or *approved banks* that are not *CRD credit institutions* should expect that where they pass money to such firms in connection with *designated investment business* these sums will not be held as *client money*.
- 7.10.19** **R** A firm holding money in either of the ways described in **■ CASS 7.10.16 R** must, before providing *designated investment business* services to the *client* in respect of those sums, notify the *client* that:
- (1) the money held for that *client* is held by the firm as banker and not as a trustee under the *client money rules*; and
 - (2) if the firm fails, the *client money distribution and transfer rules* will not apply to these sums and so the *client* will not be entitled to share in any distribution under the *client money distribution and transfer rules*.
- 7.10.20** **R** A firm holding money in either of the ways described in **■ CASS 7.10.16 R** in respect of a *client* and providing the services to it referred to in **■ CASS 7.10.19 R** must:
- (1) explain to its *clients* the circumstances, if any, under which it will cease to hold any money in respect of those services as banker and will hold the money as trustee in accordance with the *client money rules*; and
 - (2) set out the circumstances in (1), if any, in its terms of business so that they form part of its agreement with the *client*.
- 7.10.21** **G** Where a firm receives money that would otherwise be held as *client money* but for **■ CASS 7.10.16 R**:

- (1) it should be able to account to all of its *clients* for sums held for them at all times; and
- (2) that *money* should, pursuant to *Principle 10*, be allocated to the relevant *client* promptly. This should be done no later than ten *business days* after the *firm* has received the *money*.

7.10.22 **R** If a *CRD credit institution* or an *approved bank* that is not a *CRD credit institution* wishes to hold *client money* for a *client* (rather than hold the *money* in either of the ways described in **■ CASS 7.10.16 R**) it must, before providing *designated investment business* services to the *client*, disclose the following information to the *client*:

- (1) that the *money* held for that *client* in the course of or in connection with the business described under (2) is being held by the *firm* as *client money* under the *client money rules*;
- (2) a description of the relevant business carried on with the *client* in respect of which the *client money rules* apply to the *firm*; and
- (3) that, if the *firm fails*, the *client money distribution and transfer rules* will apply to *money* held in relation to the business in question.

7.10.23 **G** *Firms* carrying on *MiFID business* are reminded of their obligation to supply investor compensation scheme information to *clients* under **■ COBS 6.1.16 R** or **■ COBS 6.1ZA.22R** (Compensation Information).

7.10.24 **R** A *CRD credit institution* or an *approved bank* that is not a *CRD credit institution* must, in respect of any *client money* held in relation to its *designated investment business* that is not *MiFID business*, comply with the obligations referred to in **■ COBS 6.1.16 R** (Compensation information).

Affiliated companies: MiFID business

7.10.25 **G** A *firm* that holds *money* on behalf of, or receives *money* from, an affiliated company in respect of *MiFID business* must treat the affiliated company as any other *client* of the *firm* for the purposes of this chapter.

Affiliated companies: non-MiFID business

7.10.26 **R** A *firm* that holds *money* on behalf of, or receives *money* from, an affiliated company in respect of *designated investment business* which is not *MiFID business* must not treat the *money* as *client money* unless:

- (1) the *firm* has been notified by the affiliated company that the *money* belongs to a *client* of the affiliated company; or
- (2) the affiliated company is a *client* dealt with at arm's length; or
- (3) the affiliated company is a manager of an *occupational pension scheme* or is an overseas company; and

- (a) the *money* is given to the *firm* in order to carry on *designated investment business* for or on behalf of the *clients* of the affiliated company; and
- (b) the *firm* has been notified by the affiliated company that the *money* is to be treated as *client money*.

Coins

- 7.10.27 **R** The *client money rules* do not apply with respect to coins held on behalf of a *client* if the *firm* and the client have agreed that the *money* (or *money* of that type) is to be held by the *firm* for the intrinsic value of the metal which constitutes the coin.

Solicitors

- 7.10.28 **R**
- (1) An *authorised professional firm* regulated by the Law Society (of England and Wales), the Law Society of Scotland or the Law Society of Northern Ireland that, with respect to its regulated activities, is subject to the following rules of its *designated professional body*, must comply with those rules and, where relevant paragraph (3), and if it does so, it will be deemed to comply with the *client money rules*.
 - (2) The relevant rules are:
 - (a) if the *firm* is regulated by the Law Society (of England and Wales), the SRA Accounts Rules 2011;
 - (b) if the *firm* is regulated by the Law Society of Scotland, the Law Society of Scotland Practice Rules 2011; and
 - (c) if the *firm* is regulated by the Law Society of Northern Ireland, the Solicitors' Accounts Regulations 1998.
 - (3) If the *firm* in (1) is a *MiFID investment firm* that receives or holds *money* for, or on behalf of a *client* in the course of, or in connection with its *MiFID business*, it must also comply with the *MiFID client money (minimum implementing) rules* in relation to that business.

Long term insurers and friendly societies

- 7.10.29 **R** This chapter does not apply to the *permitted activities* of a *long-term insurer* or a *friendly society*, unless it is a *MiFID investment firm* that receives *money* from or holds *money* for or on behalf of a *client* in the course of, or in connection with, its *MiFID business*.

Contracts of insurance

- 7.10.30 **R**
- (1) Provided it complies with **■ CASS 1.2.11 R**, a *firm* that receives or holds *client money* in relation to *contracts of insurance* may elect to comply with the provisions of the *insurance client money chapter*, instead of this chapter, in respect of all such *money*.
 - (2) This *rule* is subject to **■ CASS 1.2.11 R**.

- 7.10.31 **R** A *firm* must make and retain a written record of any election which it makes under **■ CASS 7.10.30 R**.

Life assurance business

- 7.10.32** **G** (1) A *firm* which receives and holds *client money* in respect of life assurance business in the course of its *designated investment business* that is not *MiFID business* may:
- (a) under **■ CASS 7.10.3 R (2)** elect to comply with the *client money chapter* in respect of such *client money* and in doing so avoid the need to comply with the *insurance client money chapter* which would otherwise apply to the *firm* in respect of *client money* received in the course of its *insurance distribution activity*; or
 - (b) under **■ CASS 7.10.30 R**, elect to comply with the *insurance client money chapter* in respect of such *client money*.
- (2) These options are available to a *firm* irrespective of whether it also receives and holds *client money* in respect of other parts of its *designated investment business*. A *firm* may not however choose to comply with the *insurance client money chapter* in respect of *client money* which it receives and holds in the course of any part of its *designated investment business* which does not involve an *insurance distribution activity*.

Trustee firms

7.10.33 **R** A *trustee firm* which holds *money* in relation to its *designated investment business* which is not *MiFID business* to which this chapter applies, must hold any such *client money* separate from its own *money* at all times.

7.10.34 **R** Subject to **■ CASS 7.10.35 R** only the *client money rules* listed in the table below apply to a *trustee firm* in connection with *money* that the *firm* receives, or holds for or on behalf of a *client* in the course of or in connection with its *designated investment business* which is not *MiFID business*.

Reference	Rule
CASS 7.10.1 R to CASS 7.10.6 G, and CASS 7.10.16 R to CASS 7.10.27 R	Application
CASS 7.10.33 R to CASS 7.10.40 G	Trustee firms
CASS 7.10.41 G	General purpose
CASS 7.13.3 R to CASS 7.13.4 G	Depositing client money
CASS 7.13.8 R to CASS 7.13.11 G	Selection, appointment and review of third parties
CASS 7.13.12 R to CASS 7.13.19 G	Client bank accounts
CASS 7.13.20 R to CASS 7.13.25 R	Diversification of client money
CASS 7.13.26 R to CASS 7.13.29 G	Qualifying money market funds
CASS 7.15.5 R (3), CASS 7.15.7 R and CASS 7.15.12 R to CASS 7.15.34 G	Reconciliation of client money balances
CASS 7.16	The standard methods of internal client money reconciliation
CASS 7.17.2 R to CASS 7.17.4 G	Requirement

- 7.10.35** **R** (1) A *trustee firm* to which **■ CASS 7.10.34 R** applies may, in addition to the *client money rules* set out at **■ CASS 7.10.34 R**, also elect to comply with:
- (a) all the *client money rules* in **■ CASS 7.13** (Segregation of client money);
 - (b) **■ CASS 7.14** (Client money held by a third party);
 - (c) all the client money rules in **■ CASS 7.15** (Records, accounts and reconciliations); or
 - (d) **■ CASS 7.18** (Acknowledgement letters).
- (2) A *trustee firm* must make a written record of any election it makes under this *rule*, including the date from which the election is to be effective. The *firm* must make the record on the date it makes the election and must keep it for a period of five years after ceasing to use it.
- (3) Where a *trustee firm* has made an election under (1) which it subsequently decides to cease to use, it must make a written record of this decision, including the date from which the decision is to be effective, and keep that record from the date the decision is made for a period of five years after the date it is to be effective.
- 7.10.36** **R** A *trustee firm* to which **■ CASS 7.10.34 R** applies and which is otherwise subject to the *client money rules* must ensure that any *client money* it holds other than in its capacity as *trustee firm* is segregated from *client money* it holds as a *trustee firm*.
- 7.10.37** **G** A *trustee firm* to which **■ CASS 7.10.34 R** applies and which is otherwise subject to the *client money rules* should ensure that in designing its systems and controls it:
- (1) takes into account that the *client money distribution rules* will only apply in relation to any *client money* that the *firm* holds other than in its capacity as *trustee firm*; and
 - (2) has regard to other legislation that may be applicable.
- 7.10.38** **R** (1) A *trustee firm* to which **■ CASS 7.10.34 R** applies may elect that:
- (a) the applicable provisions of **■ CASS 7.13** (Segregation of client money) and **■ CASS 7.15** (Records, accounts and reconciliations) under **■ CASS 7.10.34 R**; and
 - (b) any further provisions it elects to comply with under **■ CASS 7.10.35 R** (1);
- will apply separately and concurrently for each distinct trust that the *trustee firm* acts for.
- (2) A *trustee firm* must make a written record of any election it makes under this *rule*, including the date from which the election is to be effective. The *firm* must make the record on the date it makes the election and must keep it for a period of five years after ceasing to use it.

- (3) Where a *trustee firm* has made an election under (1) which it subsequently decides to cease to use, it must make a written record of this decision, including the date from which the decision is to be effective, and must keep that record from the date the decision is made for a period of five years after the date it is to be effective.

7.10.39 **G** A *trustee firm* may wish to make an election under **■ CASS 7.10.38 R** if, for example, it acts for a number of distinct trusts which it wishes, or is required, to keep operationally separate. If a *firm* makes such an election then it should:

- (1) establish and maintain adequate internal systems and controls to effectively segregate *client money* held for one trust from *client money* held for another trust; and
- (2) conduct *internal client money reconciliations* as set out in **■ CASS 7.16** and *external client money reconciliations* under **■ CASS 7.15.20 R** for each trust.

7.10.40 **G** The provisions in **■ CASS 7.10.34 R** to **■ CASS 7.10.39 G** do not affect the general application of the *client money rules* regarding *money* that is held by a *firm* other than in its capacity as a *trustee firm*.

General purpose

- 7.10.41** **G**
- (1) *Principle 10* (Clients' assets) requires a *firm* to arrange adequate protection for *clients'* assets when the *firm* is responsible for them. An essential part of that protection is the proper accounting and treatment of *client money*. The *client money rules* provide requirements for firms that receive or hold *client money*, in whatever form.
 - (2) The *client money rules* also, where relevant, implement the provisions of *MIFID* which regulate the obligations of a *firm* when it holds *client money* in the course of its *MIFID business*.