

Chapter 16

Reporting information to clients (non-MiFID provisions)

16.4 Statements of client designated investments or client money

- 16.4.1 **R** (1) A *firm* that holds *client designated investments* or *client money* for a *client* must send that *client* at least once a year a statement in a *durable medium* of those *designated investments* or that *client money* unless:
- (a) such a statement has been provided in a *periodic statement*; or
 - (b) the *firm*:
 - (i) provides the *client* with access to an online system, which qualifies as a *durable medium*, where up-to-date statements of a *client's designated investments* or *client money* can be easily accessed by the *client*; and
 - (ii) the *firm* has evidence that the *client* has accessed an up-to-date statement at least once during the previous quarter.
- (2) A *credit institution* need not send a statement in respect of *deposits* held by it.
- (3) This *rule* does not apply in relation to a *firm* holding *client designated investments* or *client money* under a *personal pension scheme* or a *stakeholder pension scheme*.
- (4) A *CTF* account provider holding *client designated investments* or *client money* under a *CTF* must provide a statement but need not do so more frequently than required by Regulation 10 of the *CTF Regulations*.
- 16.4.2 **R** A *firm* must include the following information in a statement of *client* assets referred to under this section:
- (1) details of all the *designated investments* or *client money* held by the *firm* for the *client* at the end of the period covered by the statement;
 - (2) the extent to which any *client designated investments* or *client money* have been the subject of *securities financing transactions*; and
 - (3) the extent of any benefit that has accrued to the *client* by virtue of participation in any *securities financing transactions*, and the basis on which that benefit has accrued.
- 16.4.3 **R** In cases where the portfolio of a *client* includes the proceeds of one or more unsettled transactions, the information in a statement provided under this

section may be based either on the trade date or the settlement date, provided that the same basis is applied consistently to all such information in the statement.

16.4.4 **R** *A firm which holds designated investments or client money and is managing investments for a client may include the statement under this section in the periodic statement it provides to that client.*

16.4.5 **G** In reporting to a *client* in accordance with this section, a *firm* should consider whether to provide details of any assets loaned or charged including:

- (1) which *investments* (if any) were at the end of the relevant period loaned to any third party and which *investments* (if any) were at that date charged to secure borrowings made on behalf of the portfolio; and
- (2) the aggregate of any interest payments made and income received during the period in respect of loans or borrowings made during that period

16.4.6 **G** *Firms* subject to either or both the *custody chapter* and the *client money chapter* are reminded of the reporting obligations to *clients* in **■ CASS 9.2** (Prime broker's daily report to clients) and **■ CASS 9.5** (Reporting to clients on request).