

UK Regulator, FCA: Client Asset Sourcebook (CASS)



Why?	<p>Citi's core activities are safeguarding assets, lending money, making payments and accessing the capital markets on behalf of our clients. These clients deposit their money and safe custody assets with Citi and assume such money and assets will be "safe" in the event of insolvency by the firm.</p> <p>The overall risk is that client money or custody assets are treated incorrectly and the CASS requirements are not met, which may lead to regulatory action by the FCA against Citi.</p>
Who?	<p>Regulated activities resulting in UK legal entities holding and/or controlling client money or safe custody assets will be subject to the CASS regime.</p>
What?	<p>While there are many CASS rules, there are a number of key CASS requirements to be aware of.</p> <p>Treatment of client assets</p> <ul style="list-style-type: none"> • Custody assets: these must be segregated, with discrepancies or shortfalls resolved and accurate records kept • Client money: there are very specific rules on the segregation, reconciliation and holding of client money • Mandates: this is the ability of a firm to control clients' accounts it does not hold <p>Reporting on client assets</p> <ul style="list-style-type: none"> • Client statement: at least quarterly with full details of client assets held by the firm • Reporting to FCA: monthly reporting on client assets (including unclaimed money and custody assets) • Senior Manager responsibility: governance and oversight of client assets at UK legal entities <p>Protection in the event of insolvency</p> <ul style="list-style-type: none"> • Client agreements and notifications: ensuring clients' rights are protected • Resolution planning: information to be made available should the firm become insolvent • Distribution rules: facilitating return of client assets after a failure of a firm <p>Independent assurance</p> <ul style="list-style-type: none"> • Annual Independent Assurance (CASS audit) by external auditors with a report to the FCA