

Corporate & Financial Weekly Digest

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FSA Publishes Policy Statement on the Client Assets Sourcebook

On October 20, the UK Financial Services Authority (FSA) published its Policy Statement (10/16) on the Client Assets Sourcebook (Enhancements) Instrument 2010.

The policy statement is relevant to regulated investment firms who hold the relevant client assets and money permissions, as well as their senior management and staff with client money and/or asset responsibility, their trade associations and firms who intend to hold or control client money.

Despite mixed feedback, the FSA broadly intends to proceed with proposals which were contained in CP10/9 *Enhancing the Client Assets Sourcebook* (CASS) (issued in March 2010). The FSA proposed:

- disclosure annexes for prime brokerage agreements;
- daily reports to prime brokerage clients;
- reduced maximum placements of client money with banks in the same corporate group as the relevant broker;
- prohibiting general liens in custodial agreements;
- establishing a CASS operational oversight controlled function; and
- bringing back the requirement to produce client money and asset returns.

The rules detailed in the policy statement will come into force in 2011.

The full policy statement can be found [here](#).

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