

Financial Services Regulatory Authority (FSRA) via their letter dated 01st May 2024 issued updates pertaining to the Thematic Review on Client Money Controls. Below mentioned are the highlights derived from the review focusing on the Conduct of Business (COB) Rulebook Chapter 14.

Key Findings:

- Authorized Person must maintain a master list of all Client Accounts with complete details including, (a) the name of the account, (b) the account number, (c) the location of the account, (d) the bank, its address and contact information, (e) the account terms and conditions, (f) whether the account is currently open or closed, (g) the date of opening or closure.
- Authorized Person should ensure that a Client Account maintained with a Third-Party Agent includes the words “Client Account” in its title.
- Authorized Person may pay Client Money to a Third-Party Agent only where it has undertaken a prior assessment of the suitability of that Third Party Agent and concluded on reasonable grounds that the Third-Party Agent is suitable to hold Client Money in a Client Account.
- Authorized Persons should conduct appropriate due diligence on an ongoing basis, to ensure ongoing suitability and to ensure that the Client Money protections contained in FSRA rules can be met.

Below mentioned are the highlights derived from the review focusing on the Conduct of Business (COB) Rulebook Chapter 14. (Continued)

Key Findings:

- Authorized Person should review their license status and consider whether the permission to Hold or Control Client Money is required for their business activities.
- Co-mingling of client money and firm money should only be in exceptional cases in line with provisions contained within the Rules and fully disclosed to clients with additional controls and monitoring.
- Authorized Person conducting Investment Business must send a statement to a Retail Client at least monthly and to a Professional Client on agreed intervals in writing. This statement must include:
 - ❑ Client's total Client Money balances in the currency in which Client Money is held with the relevant exchange rate.
 - ❑ The amount, date and value of each credit and debit paid into and out of the account since the previous statement.
 - ❑ Any interest earned or charged on the Client Account since the previous statement.