

To: All firms
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HAT FCA CLIENT ASSETS REPORTS MANUAL ~ JANUARY 2020

The FCA has issued a revised Client Asset Assurance Standard (November 2019) which is mandatory for accounting periods commencing on or after 1 January 2020 (with no ability for the amendments to be adopted for a prior accounting period). The updated HAT FCA Client Assets Reports Manual should therefore be utilised for all such accounting periods.

In addition to reflecting minor amendments to ensure that the Manual is fully aligned with the FCA Handbook, the following are the main changes made in this update:

FRC CLIENT ASSET ASSURANCE STANDARD (REVISED):

The majority of the enhancements required as a result of the revision to the FRC Client Asset Assurance Standard are minor and all have been fully reflected within the updated Manual.

The only reduction is that an EQCR will become a mandatory requirement solely for any reasonable assurance assignment on a Large / Medium CASS investment business firm. It is recommended on all other reasonable assurance assignments (Ass. Std. Paragraph 137 / 139).

It will be acceptable for the Manual to be “early adopted” so long as an EQCR is performed on all reasonable assurance assignments and as such, the relaxation of this requirement is not applied to an earlier period for which the relaxation is not available.

CASS 13: CLAIMS MANAGEMENT – CLIENT MONEY:

With effect from 1 April 2019, the Financial Conduct Authority became responsible for regulating claims management companies. The basis on which claims management companies handle client money is set out in CASS 13.

SUP 3.1 requires a Client Assets Report to be obtained by all claims management companies.

Documentation is included within the HAT Client Assets Reports Manual covering CASS 13 assignments (noted by a suffix of “CM” within documentation) and this can be utilised with immediate effect. However, as noted above, it should be ensured that for all reasonable assurance assignments for a claims management company, where the accounting period commences before 1 January 2020, that an EQCR is performed.

We are always pleased to receive feedback on our manuals. If you have any comments or questions please email roger@hatgroup.co.uk.