

Annex C

Amendments to the Client Assets sourcebook (CASS)

In this Annex, underlining indicates new text and striking through indicates deleted text.

5 Client money: insurance distribution activity

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5.5 Segregation and the operation of client money accounts

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Discharge of fiduciary duty

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5.5.80 R Money ceases to be *client money* if it is paid:

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(5) to the *firm* itself, when it is an excess in the *client bank account* as set out in CASS 5.5.63R(1)(b)(ii); ~~or~~

(6) to a dormant asset fund operator under the applicable provisions of Part 1 of the Dormant Assets Act 2022 and in accordance with CASS 5.5.85R.

5.5.81 G ...

(4) ...

(5) A payment of *client money* under section 21 of the Dormant Assets Act 2022 to a *dormant asset fund operator* that has *Part 4A permission for dealing with unwanted asset money* would amount to a payment to a third party with the instruction of the *client* for the purposes of CASS 5.5.80R(2).

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5.5.84 R ...

Transfers of client money to a dormant asset fund operator under Part 1 of the Dormant Assets Act 2022

5.5.85 R A firm may transfer a *client money* balance to a *dormant asset fund operator* under the applicable provisions of Part 1 of the Dormant Assets Act 2022. If it does so the transferred balance will cease to be *client money* under CASS 5.5.80R(6), provided that the *firm* can demonstrate it took reasonable steps

to trace the *client* concerned and to return the balance prior to making such a transfer.

- 5.5.86 E (1) (a) This paragraph applies where the balance of *client money* in question is of a minimal amount. For these purposes, a ‘minimal amount’ means either:
- (i) in respect of a balance held for a *consumer*, £25 or less in aggregate; or
 - (ii) in respect of a balance held for a *commercial customer*, £100 or less in aggregate.
- (b) Where the balance of *client money* in question is of a minimal amount, taking reasonable steps in CASS 5.5.85R includes the *firm* making at least one attempt to contact the *client* to return the balance (using the most up-to-date contact details the *firm* has for the *client*) and allowing the *client* 28 days to respond.
- (2) This paragraph applies in all other cases where paragraph (1) does not apply. In all other such cases, taking reasonable steps in CASS 5.5.85R includes following this course of conduct:
- (a) determining, as far as reasonably possible, the correct contact details for the relevant *client*;
 - (b) writing to the *client* at the last known address either by post or by electronic mail to inform it of the *firm*’s intention to no longer treat the *client money* balance as *client money* and to transfer the sums concerned to a *dormant asset fund operator* if the *firm* does not receive instructions from the *client* within 28 days (naming the specific relevant *dormant asset fund operator*);
 - (c) where the *client* has not responded after the 28 days referred to in (b), attempting to communicate the information set out in (b) to the *client* on at least one further occasion by any means other than that used in (b), including by post, electronic mail, telephone or media advertisement;
 - (d) subject to (e) and (f), where the *client* has not responded within 28 days following the most recent communication, writing again to the *client* at the last known address either by post or by electronic mail to inform them:
 - (i) that, as the *firm* did not receive a claim for the relevant *client money* balance, it will in 28 days transfer the balance to a *dormant asset fund operator* (naming the specific relevant *dormant asset fund operator*); and

- (ii) of the steps that they must take to make a *repayment claim*;
 - (e) if the *firm* has carried out the steps in (b) or (c) and in response has received positive confirmation in writing that the *client* is no longer at a particular address, the *firm* should not use that address for the purposes of (d);
 - (f) if, after carrying out the steps in (a), (b) and (c), the *firm* has obtained positive confirmation that none of the contact details it holds for the relevant *client* are accurate or, if utilised, the communication is unlikely to reach the *client*, the *firm* does not have to comply with (d); and
 - (g) waiting a further 28 days following the most recent communication under this rule before transferring the balance to the *dormant asset fund operator*.
- (3) Compliance with (1) or (2) (as applicable) may be relied on as tending to establish compliance with CASS 5.5.85R.
- (4) Contravention of (1) or (2) (as applicable) may be relied on as tending to establish contravention of CASS 5.5.85R.
- 5.5.87 G (1) Unless the *firm* has failed and CASS 5.3.2R(4) or CASS 5.4.7R(4) applies (as applicable), any costs associated with a *firm* ceasing to treat unclaimed *client money* balances as *client money* pursuant to CASS 5.5.85R should be paid for from the *firm's* own funds.
- (2) When transferring a *client money* balance to a *dormant asset fund operator* under the applicable provisions of Part 1 of the Dormant Assets Act 2022, a *firm* will need to consider its obligations under any contractual or other arrangements of the sort described at section 23 of the Dormant Assets Act 2022 in addition to meeting its obligations under the *client money rules* and the *client money (insurance) distribution rules*.

5.6 Client money distribution

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Pooling and distribution

5.6.7 R If a *primary pooling event* occurs:

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- (2) the *firm* must distribute that *client money* in accordance with CASS 5.3.2R or, as appropriate, CASS 5.4.7R, so that each *client* receives a sum which is rateable to the *client money* entitlement calculated in accordance with CASS 5.5.66R; and

- (3) the *firm* must, as trustee, call in and make demand in respect of any debt due to the *firm* as trustee, and must liquidate any *designated investment*, and any letter of credit or guarantee upon which it relies for meeting any *shortfall* in its *client money* resource and the proceeds shall be pooled together with other *client money* as in (1) and distributed in accordance with (2); and;
- (4) (a) subject to (b), as an alternative to distributing a *client's client money* to them under (2), a *firm* may transfer all of that *client's client money* to a *dormant asset fund operator* under the applicable provisions of Part 1 of the Dormant Assets Act 2022 and in accordance with CASS 5.5.85R; and
- (b) as a consequence of any such transfer to a *dormant asset fund operator*, the *firm* must not distribute to any other *client* an amount of *money* that would be less than that which such other *client* was entitled to have distributed under this rule.

5.6.7A G The purpose of CASS 5.6.7R(4)(b) is to ensure that where a particular *client's client money* is transferred under CASS 5.5.7R(4)(a) to a *dormant asset fund operator*, such a transfer does not prejudice any other *client*. This means, for example, that the amount that may be transferred to a *dormant asset fund operator* under that provision should take account of any *shortfall* that affects the relevant *clients*.

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5.6.12 G ...

Closing a client money pool - transfers to dormant asset fund operator

- 5.6.12A R (1) This rule applies to a *firm* which, prior to a *primary pooling event*, had put in place contractual or other arrangements with a *dormant asset fund operator* of the sort described at section 23 of the Dormant Assets Act 2022.
- (2) If, having attempted to, a *firm* is unable to distribute a balance of *client money* in accordance with CASS 5.6.7R to the relevant *client*, it must attempt to transfer the balance to a *dormant asset fund operator* under the applicable provisions of Part 1 of the Dormant Assets Act 2022 and in accordance with CASS 5.5.85R.
- 5.6.12B G (1) A *firm* may be unable to distribute a balance of *client money* in accordance with CASS 5.6.7R for reasons including that:
- (a) the *firm* is unable to trace the relevant *client*; or
- (b) despite the *firm* making enquiries, the relevant *client* has not provided the *firm* with instructions that would enable the *firm* to make a distribution.

(2) Where the *firm* transfers a balance to a *dormant asset fund operator* under the applicable provisions of Part 1 of the Dormant Assets Act 2022 and in accordance with CASS 5.5.85R, it may cease to treat the balance as *client money* under CASS 5.5.80R(6).

(3) In attempting to transfer the balance to a *dormant asset fund operator* under CASS 5.6.12AR(2), the *firm* should begin by seeking confirmation from the relevant *dormant asset fund operator* as to whether or not it would be in a position to accept the balance.

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7 Client money rules

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7.11 Treatment of client money

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Discharge of fiduciary duty

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7.11.34 R *Money* ceases to be *client money* (having regard to CASS 7.11.40R where applicable) if:

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(9) it is transferred by the *firm* to a *clearing member* in connection with a *regulated clearing arrangement* and the *clearing member* remits payment directly to the *indirect clients* of the *firm* in accordance with CASS 7.11.37R(2); ~~or~~

(10) it is paid to charity under CASS 7.11.50R or CASS 7.11.57R-; or

(11) it is transferred to a *dormant asset fund operator* under the applicable provisions of Part 1 of the Dormant Assets Act 2022 and in accordance with CASS 7.11.57AR.

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Allocated but unclaimed client money

7.11.47A R CASS 7.11.48G to CASS 7.11.58G do not apply to a *firm* following a *primary pooling event*, except for CASS 7.11.57AR to CASS 7.11.57CG and CASS 7.11.58G (insofar as it is relevant to CASS 7.11.57AR).

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7.11.57 R ...

Transfers of client money to a dormant asset fund operator under Part 1 of the Dormant Assets Act 2022

7.11.57A R A firm may transfer a client money balance to a dormant asset fund operator under the applicable provisions of Part 1 of the Dormant Assets Act 2022. If it does so the transferred balance will cease to be client money under CASS 7.11.34R(11), provided that the firm can demonstrate it took reasonable steps to trace the client concerned and to return the balance prior to making such a transfer.

- 7.11.57B E (1) (a) This paragraph applies where the balance of client money in question is of a minimal amount. For these purposes, a 'minimal amount' means either:
- (i) in respect of a balance held for a retail client, £25 or less in aggregate; or
 - (ii) in respect of a balance held for a professional client, £100 or less in aggregate.
- (b) Where the balance of client money in question is of a minimal amount, taking reasonable steps in CASS 7.11.57AR includes the firm making at least one attempt to contact the client to return the balance (using the most up-to-date contact details the firm has for the client) and allowing the client 28 days to respond.
- (2) This paragraph applies in all other cases where paragraph (1) does not apply. In all other such cases, taking reasonable steps in CASS 7.11.57AR includes following this course of conduct:
- (a) determining, as far as reasonably possible, the correct contact details for the relevant client;
 - (b) writing to the client at the last known address either by post or by electronic mail to inform it of the firm's intention to no longer treat the client money balance as client money and to transfer the sums concerned to a dormant asset fund operator if the firm does not receive instructions from the client within 28 days (naming the specific relevant dormant asset fund operator);
 - (c) where the client has not responded after the 28 days referred to in (b), attempting to communicate the information set out in (b) to the client on at least one further occasion by any means other than that used in (b) including by post, electronic mail, telephone or media advertisement;
 - (d) subject to (e) and (f), where the client has not responded within 28 days following the most recent communication,

writing again to the *client* at the last known address either by post or by electronic mail to inform them:

(i) that, as the *firm* did not receive a claim for the relevant *client money* balance, it will in 28 days transfer the balance to a *dormant asset fund operator* (naming the specific relevant *dormant asset fund operator*); and

(ii) of the steps that they must take to make a *repayment claim*;

(e) if the *firm* has carried out the steps in (b) or (c) and in response has received positive confirmation in writing that the *client* is no longer at a particular address, the *firm* should not use that address for the purposes of (d);

(f) if, after carrying out the steps in (a), (b) and (c), the *firm* has obtained positive confirmation that none of the contact details it holds for the relevant *client* are accurate or, if utilised, the communication is unlikely to reach the *client*, the *firm* does not have to comply with (d); and

(g) waiting a further 28 days following the most recent communication under this rule before transferring the balance to the *dormant asset fund operator*.

(3) Compliance with (1) or (2) (as applicable) may be relied on as tending to establish compliance with CASS 7.11.57AR.

(4) Contravention of (1) or (2) (as applicable) may be relied on as tending to establish contravention of CASS 7.11.57AR.

7.11.57C G When transferring a *client money* balance to a *dormant asset fund operator* under the applicable provisions of Part 1 of the Dormant Assets Act 2022, a *firm* will need to consider its obligations under any contractual or other arrangements of the sort described at section 23 of the Dormant Assets Act 2022 in addition to meeting its obligations under the *client money rules* and the *client money distribution and transfer rules*.

Costs associated with paying away allocated but unclaimed client money

7.11.58 G Any costs associated with the *firm* ceasing to treat unclaimed *client money* balances as *client money* pursuant to CASS 7.11.50R to ~~CASS 7.11.57R~~ CASS 7.11.57BE should be paid for from the *firm's* own funds, including:

(1) any costs associated with the *firm* carrying out the steps in CASS 7.11.50R(3), CASS 7.11.51G ~~or~~, CASS 7.11.57R(3) or CASS 7.11.57AR; and

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Unwanted client money

7.11.59 G A payment of *client money* under section 21 of the Dormant Assets Act 2022 to a *dormant asset fund operator* that has *Part 4A permission* for *dealing with unwanted asset money* would amount to a payment to a third party with the instruction of the *client* for the purposes of CASS 7.11.34R(2)(a).

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7A Client money distribution and transfer

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7A.2 Primary pooling events

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Pooling and distribution or transfer

7A.2.4 R If a *primary pooling event* occurs, then:

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(2) the *firm* must, as soon as reasonably practicable:

(a) (subject to ~~paragraph~~ paragraphs (4) and (5)) distribute *client money* comprising a notional *pool* in accordance with CASS 7.17.2R, so that each *client* who is a beneficiary of that *pool* receives a sum which is rateable to the *client money* entitlement calculated in accordance with CASS 7A.2.5R (Client money entitlements); or

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(4) ...

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(e) ...

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(iii) where regulation 10C(3) of the *IBSA Regulations* does not apply, that the *client* has the option of having its *money* returned to it by Firm B; and

(5) (a) subject to (b), as a further alternative to distributing a *client's client money* in a notional *pool* to the relevant *client* under CASS 7A.2.4R(2)(a) and in respect of *client money* that is not

required to be transferred under CASS 7A.2.4R(2)(b), a firm may transfer all of that client's client money in the relevant notional pool to a dormant asset fund operator under the applicable provisions of Part 1 of the Dormant Assets Act 2022 and in accordance with CASS 7.11.57AR; and

- (b) as a consequence of any such transfer to a dormant asset fund operator, the firm must not distribute to any other client whose client money is in that notional pool, or transfer on behalf of any such other client to another person, an amount of money that would be less than that which such other client was entitled to have distributed or transferred under this rule.

7A.2.4A-3 G The purpose of CASS 7A.2.4(4)(a) and (5)(b) is to ensure that where a particular client's client money is transferred (under CASS 7A.2.4R(4) to another person for safekeeping or under CASS 7A.2.4R(5) to a dormant asset fund operator), such a transfer does not prejudice any other client. This means, for example, that the amounts that may be transferred under those provisions should take account of any shortfall that affects the relevant clients.

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Closing a client money pool

7A.2.6A R (1) Before a firm ceases to treat a balance of client money in a notional pool as client money by transferring it to itself under CASS 7.17.2R(5) it must:

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- (d) ~~immediately before transferring the balances of client money under paragraph (1)(c) to the firm itself, apply them towards making good any outstanding shortfall in the notional pool, and subsequently distribute or transfer them in accordance with CASS 7A.2.4R to or on behalf of clients for whom the firm is able to make such distributions or transfers.~~ carry out the actions in (i) and (ii) in the following order:
- (i) attempt to transfer them to a dormant asset fund operator under the applicable provisions of Part 1 of the Dormant Assets Act 2022 and in accordance with CASS 7.11.57AR (but this only applies if, prior to a primary pooling event, the firm had put in place contractual or other arrangements with a dormant asset fund operator of the sort described at section 23 of the Dormant Assets Act 2022); and
- (ii) apply any remaining balances towards making good any outstanding shortfall in the notional pool, and subsequently distribute or transfer them in accordance

with CASS 7A.2.4R to or on behalf of *clients* for whom the *firm* is able to make such distributions or transfers.

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11 Debt management client money chapter

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11.4 Definition of client money and the discharge of fiduciary duty

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11.4.2 R *Money* ceases to be *client money* if:

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(5) it is paid to the *firm* as an excess in the *client bank account* (see CASS 11.11.12R(2) and CASS 11.11.23R(3)); or

(6) it is transferred to a *dormant asset fund operator* under the applicable provisions of Part 1 of the Dormant Assets Act 2022 and in accordance with CASS 11.4.5R.

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11.4.4 G ...

11.4.5 G A payment of *client money* under section 21 of the Dormant Assets Act 2022 to a *dormant asset fund operator* that has *Part 4A permission* for *dealing with unwanted asset money* would amount to a payment to a third party with the instruction of the *client* for the purposes of CASS 11.4.2R(2)(a).

Transfers of client money to a dormant asset fund operator under Part 1 of the Dormant Assets Act 2022

11.4.6 R A *firm* may transfer a *client money* balance to a *dormant asset fund operator* under the applicable provisions of Part 1 of the Dormant Assets Act 2022. If it does so the transferred balance will cease to be *client money* under CASS 11.4.2R(6), provided that the *firm* can demonstrate it took reasonable steps to trace the *client* concerned and to return the balance prior to making such a transfer.

11.4.7 E (1) Taking reasonable steps in CASS 11.4.6R includes following this course of conduct:

(a) determining, as far as reasonably possible, the correct contact details for the relevant *client*;

- (b) writing to the *client* at the last known address either by post or by electronic mail to inform it of the *firm's* intention to no longer treat the *client money* balance as *client money* and to transfer the sums concerned to a *dormant asset fund operator* if the *firm* does not receive instructions from the *client* within 28 days (naming the specific relevant *dormant asset fund operator*);
 - (c) where the *client* has not responded after the 28 days referred to in (b), attempting to communicate the information set out in (b) to the *client* on at least one further occasion by any means other than that used in (b) including by post, electronic mail, telephone or media advertisement;
 - (d) subject to (e) and (f), where the *client* has not responded within 28 days following the most recent communication, writing again to the *client* at the last known address either by post or by electronic mail to inform them:
 - (i) that, as the *firm* did not receive a claim for the relevant *client money* balance, it will in 28 days transfer the balance to a *dormant asset fund operator* (naming the specific relevant *dormant asset fund operator*); and
 - (ii) of the steps that they must take to make a *repayment claim*;
 - (e) if the *firm* has carried out the steps in (b) or (c) and in response has received positive confirmation in writing that the *client* is no longer at a particular address, the *firm* should not use that address for the purposes of (d);
 - (f) if, after carrying out the steps in (a), (b) and (c), the *firm* has obtained positive confirmation that none of the contact details it holds for the relevant *client* are accurate or, if utilised, the communication is unlikely to reach the *client*, the *firm* does not have to comply with (d); and
 - (g) waiting a further 28 days following the most recent communication under this *rule* before transferring the balance to the *dormant asset fund operator*.
- (2) Compliance with (1) may be relied on as tending to establish compliance with CASS 11.4.6R.
- (3) Contravention of (1) may be relied on as tending to establish contravention of CASS 11.4.6R.
- 11.4.8 G (1) Unless the *firm* has *failed* and CASS 11.6.1R(3) applies, any costs associated with a *firm* ceasing to treat unclaimed *client money*

balances as *client money* pursuant to CASS 11.4.5R should be paid for from the *firm's* own funds.

- (2) When transferring a *client money* balance to a *dormant asset fund operator* under the applicable provisions of Part 1 of the Dormant Assets Act 2022, a *firm* will need to consider its obligations under any contractual or other arrangements of the sort described at section 23 of the Dormant Assets Act 2022 in addition to meeting its obligations under the *debt management client money rules* and the *debt management client money distribution rules*.

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11.13 Client money distribution in the event of a failure of a firm or approved bank

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Distribution if client money not transferred to another firm

11.13.5 R ...

11.13.5A R (1) Subject to (2), as an alternative to distributing a *client's client money* to them under CASS 11.13.5R, a *firm* may transfer all of that *client's client money* to a *dormant asset fund operator* under the applicable provisions of Part 1 of the Dormant Assets Act 2022 and in accordance with CASS 11.4.5R.

- (2) As a consequence of any such transfer to a *dormant asset fund operator*, the *firm* must not distribute to any other *client* an amount of *money* that would be less than that which such other *client* was entitled to have distributed under CASS 11.13.5R.

11.13.5B G The purpose of CASS 11.13.5AR(2) is to ensure that where a particular *client's client money* is transferred under CASS 11.13.5AR(1) to a *dormant asset fund operator*, such a transfer does not prejudice any other *client*. This means, for example, that the amount that may be transferred to a *dormant asset fund operator* under that provision should take account of any *shortfall* that affects the relevant *clients*.

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11.13.9 R ...

Closing a client money pool - transfers to dormant asset fund operator

11.13.9A R (1) This rule applies to a *firm* which, prior to a *primary pooling event*, had put in place contractual or other arrangements with a *dormant asset fund operator* of the sort described at section 23 of the Dormant Assets Act 2022.

(2) If, having attempted to, a *firm* is unable to distribute a balance of *client money* in accordance with CASS 11.13.5R to the relevant *client*, it must attempt to transfer the balance to a *dormant asset fund operator* under the applicable provisions of Part 1 of the Dormant Assets Act 2022 and in accordance with CASS 11.4.5R.

11.13.9B G (1) A *firm* may be unable to distribute a balance of *client money* in accordance with CASS 11.13.5R for reasons including that:

(a) the *firm* is unable to trace the *client*; or

(b) despite the *firm* making enquiries, the relevant *client* has not provided the *firm* with instructions that would enable the *firm* to make a distribution.

(2) Where the *firm* transfers a balance to a *dormant asset fund operator* under the applicable provisions of Part 1 of the Dormant Assets Act 2022 and in accordance with CASS 11.4.5R, it may cease to treat the balance as *client money* under CASS 11.4.2R(6).

(3) In attempting to transfer the balance to a *dormant asset fund operator* under CASS 11.13.9AR(2), the *firm* should begin by seeking confirmation from the relevant *dormant asset fund operator* as to whether or not it would be in a position to accept the balance.

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13 Claims management: client money

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13.9 Discharge of fiduciary duty

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13.9.2 R *Money* ceases to be *client money* if:

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(5) it is paid to the *firm* as an excess in the *client bank account* (see CASS 13.10.15R(3)); or

(6) it is transferred to a *dormant asset fund operator* under the applicable provisions of Part 1 of the Dormant Assets Act 2022 and in accordance with CASS 13.9.4R.

13.9.3 R ...

Transfers of client money to a dormant asset fund operator under Part 1 of the Dormant Assets Act 2022

- 13.9.4 R A firm may transfer a *client money* balance to a *dormant asset fund operator* under the applicable provisions of Part 1 of the Dormant Assets Act 2022. If it does so the transferred balance will cease to be *client money* under CASS 13.9.42R(6), provided that the *firm* can demonstrate it took reasonable steps to trace the *client* concerned and to return the balance prior to making such a transfer.
- 13.9.5 E (1) Taking reasonable steps in CASS 13.9.4R includes following this course of conduct:
- (a) determining, as far as reasonably possible, the correct contact details for the relevant *client*;
 - (b) writing to the *client* at the last known address either by post or by electronic mail to inform it of the *firm*'s intention to no longer treat the *client money* balance as *client money* and to transfer the sums concerned to a *dormant asset fund operator* if the *firm* does not receive instructions from the *client* within 28 days (naming the specific relevant *dormant asset fund operator*);
 - (c) where the *client* has not responded after the 28 days referred to in (b), attempting to communicate the information set out in (b) to the *client* on at least one further occasion by any means other than that used in (b) including by post, electronic mail, telephone or media advertisement;
 - (d) subject to (e) and (f), where the *client* has not responded within 28 days following the most recent communication, writing again to the *client* at the last known address either by post or by electronic mail to inform them:
 - (i) that, as the *firm* did not receive a claim for the relevant *client money* balance, it will in 28 days transfer the balance to a *dormant asset fund operator* (naming the specific relevant *dormant asset fund operator*); and
 - (ii) of the steps that they must take to make a *repayment claim*;
 - (e) if the *firm* has carried out the steps in (b) or (c) and in response has received positive confirmation in writing that the *client* is no longer at a particular address, the *firm* should not use that address for the purposes of (d);
 - (f) if, after carrying out the steps in (a), (b) and (c), the *firm* has obtained positive confirmation that none of the contact details it holds for the relevant *client* are accurate or, if utilised, the communication is unlikely to reach the *client*, the *firm* does not have to comply with (d); and

(g) waiting a further 28 days following the most recent communication under this rule before transferring the balance to the dormant asset fund operator.

(2) Compliance with (1) may be relied on as tending to establish compliance with CASS 13.9.4R.

(3) Contravention of (1) may be relied on as tending to establish contravention of CASS 13.9.4R.

13.9.6 G (1) Unless the firm has failed and CASS 13.3.1R(3) applies, any costs associated with a firm ceasing to treat unclaimed client money balances as client money pursuant to CASS 13.9.4R should be paid for from the firm's own funds.

(2) When transferring a client money balance to a dormant asset fund operator under the applicable provisions of Part 1 of the Dormant Assets Act 2022, a firm will need to consider its obligations under any contractual or other arrangements of the sort described at section 23 of the Dormant Assets Act 2022 in addition to meeting its obligations under the claims management client money rules and the claims management client money distribution rules.

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13.11 Client money distribution in the event of a failure of a firm or approved bank

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Distribution if client money not transferred to another firm

13.11.5 R ...

13.11.5A R (1) Subject to (2), as an alternative to distributing a client's client money to them under CASS 13.11.5R, a firm may transfer all of that client's client money to a dormant asset fund operator under the applicable provisions of Part 1 of the Dormant Assets Act 2022 and in accordance with CASS 13.9.4R.

(2) As a consequence of any such transfer to a dormant asset fund operator, the firm must not distribute to any other client an amount of money that would be less than that which such other client was entitled to have distributed under CASS 13.11.5R.

13.11.5B G The purpose of CASS 13.11.5AR(2) is to ensure that where a particular client's client money is transferred under CASS 13.11.5R(1) to a dormant asset fund operator, such a transfer does not prejudice any other client. This means, for example, that the amount that may be transferred to a dormant asset fund operator under that provision should take account of any shortfall that affects the relevant clients.

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13.11.10 R ...

Closing a client money pool - transfers to dormant asset fund operator

13.11.10 R (1) This rule applies to a firm which, prior to a primary pooling event, had put in place contractual or other arrangements with a dormant asset fund operator of the sort described at section 23 of the Dormant Assets Act 2022.

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(2) If, having attempted to, a firm is unable to distribute a balance of client money in accordance with CASS 13.11.5R to the relevant client, it must attempt to transfer the balance to a dormant asset fund operator under the applicable provisions of Part 1 of the Dormant Assets Act 2022 and in accordance with CASS 13.9.4R.

13.11.10 G (1) A firm may be unable to distribute a balance of client money in accordance with CASS 13.11.5R for reasons including that:

B

(a) the firm is unable to trace the client; or

(b) despite the firm making enquiries, the relevant client has not provided the firm with instructions that would enable the firm to make a distribution.

(2) Where the firm transfers a balance to a dormant asset fund operator under the applicable provisions of Part 1 of the Dormant Assets Act 2022 and in accordance with CASS 13.9.4R, it may cease to treat the balance as client money under CASS 13.9.2R(6).

(3) In attempting to transfer the balance to a dormant asset fund operator under CASS 13.11.10AR(2), the firm should begin by seeking confirmation from the relevant dormant asset fund operator as to whether or not it would be in a position to accept the balance.

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