

Chapter 11

Debt management client money chapter



11.1 Application

11.1.1 **R** This chapter (the *debt management client money chapter*) applies to a CASS *debt management firm* that receives or holds *client money* as set out in this chapter.

11.1.2 **G** The requirements imposed on a CASS *debt management firm* that holds *client money* vary depending on whether a *firm* is classified as a CASS *small debt management firm* or a CASS *large debt management firm* in **■ CASS 11.2.3 R** (CASS *debt management firm* types). **■ CASS 11.1.4 R** to **■ CASS 11.1.6 R** indicate which rules in the *debt management client money chapter* apply to which category of *firm*.

11.1.3 **G** The *debt management client money chapter* applies (to the extent indicated by **■ CASS 11.1.4 R** to **■ CASS 11.1.6 R**) to a CASS *debt management firm*, even if at the date of the determination or, as the case may be, the notification, referred to in **■ CASS 11.2.4 R**, the CASS *debt management firm* is not holding *client money*, provided that:

- (1) it held *client money* in the previous calendar year; or
- (2) it projects to hold *client money* in the current calendar year.

Application to CASS small debt management firms

11.1.4 **R** Subject to **■ CASS 11.1.6 R**, only the rules and guidance in the *debt management client money chapter* listed in the table below apply to CASS *small debt management firms*.

Reference	Rule
CASS 11.1.1 R to CASS 11.1.4 R and CASS 11.1.6 R	Application
CASS 11.2.1 R to CASS 11.2.9 G	Firm classification
CASS 11.3.1 R to CASS 11.3.2 R and CASS 11.3.6 R	Responsibility for CASS operational oversight
CASS 11.4.1 G to CASS 11.4.4 G	Definition of client money and discharge of fiduciary duty
CASS 11.5.1 R and CASS 11.5.2 R	Organisational requirements
CASS 11.6.1 R and CASS 11.6.2 G	Statutory trust
CASS 11.7.1 G and CASS 11.7.5 G	Selecting an approved bank at which to hold client money

Reference	Rule
CASS 11.8.1 G to CASS 11.8.13 R	Client bank account acknowledgement letters
CASS 11.9.1 R to CASS 11.9.13 G	Segregation and the operation of client money accounts
CASS 11.10.1 R to CASS 11.10.7 G	Payments to creditors
CASS 11.11.1 R to CASS 11.11.12 R , CASS 11.11.30 R and CASS 11.11.32 G	Records, accounts and reconciliations
CASS 11.12.1 G to CASS 11.12.7 R	CASS 11 resolution pack
CASS 11.13.1 R to CASS 11.13.14 R	Client money distribution in the event of a failure of a firm or approved bank

Application to CASS large debt management firms

- 11.1.5 **R** Subject to **■** CASS 11.1.6 R, the rules and guidance in the *debt management client money chapter* apply to *CASS large debt management firms*, except where indicated otherwise in the relevant rule.

Solicitors

- 11.1.6 **R**
- (1) An *authorised professional firm* regulated by the Law Society of England and Wales, the Law Society of Scotland or the Law Society of Northern Ireland that, with respect to its *regulated activities*, is subject to the following rules of its *designated professional body*, must comply with those rules and, if it does so, it will be deemed to comply with the *debt management client money chapter*.
 - (2) The relevant rules are:
 - (a) if the *firm* is regulated by the Law Society of England and Wales, the SRA Accounts Rules 2011;
 - (b) if the *firm* is regulated by the Law Society of Scotland, the Law Society of Scotland Practice Rules 2011; and
 - (c) if the *firm* is regulated by the Law Society of Northern Ireland, the Solicitors' Accounts Regulations 1998.