

Direction for FRN 485165

To: Beaufort Asset Clearing Services Limited (the "firm")

Ref: 00001363

FRN: 485165

Of: 63 St. Mary Axe

London

EC3A 8AA

Date: 20 July 2020

Handbook Version as in force at the date of this Direction

Power

1. This direction is given by the *FCA* under section 138A of the *Act*.

Duration

- 2.
- This direction takes effect on 20 July 2020.
 - This direction ends on 20 December 2020.

Rule modified

3. The *FCA* directs that the *rule* listed below applies to the firm with the modification shown.
4. In the table below, underlining indicates the insertion of new text and striking through indicates deleted text.

Rule	Modification
CASS 7A.2.7-A R	<p>...</p> <p>(4) Subject to paragraphs (5) and (6) <u>to (7)</u>, a <i>firm</i> must promptly return to each relevant <i>client</i> all <i>client money</i> to which this <i>rule</i> applies.</p> <p>...</p> <p><u>(7) in cases where the <i>firm</i> cannot promptly return to each relevant <i>client</i> all <i>client money</i> to which this <i>rule</i> applies under CASS 7A.2.7-AR(4) because the <i>firm</i> has not received confirmation of the <i>client's</i> <i>payment details</i> since 1 March 2018, the <i>firm</i> may transfer <i>client money</i> to which this <i>rule</i> applies to the Insolvency Service's Unclaimed Dividends Account in order that the <i>client</i> may claim such amount from the Insolvency Service's Unclaimed Dividends Account</u></p>

at any time provided that the *firm* has complied with (7B) to (7E), and (7G).

(7A) For the purposes of (7A) to (7I) below:

(a) "*bar date*" means the date specified in the *firm's* notices and communications to *clients* as the date by which *clients* must confirm their *payment details* if they have not done so since 1 March 2018;

(b) "*cheque presentation deadline*" means the date specified in the communication to a *client* made under (7H)(a) which must be at least two months from the date of that communication; and

(c) "*payment details*" means a *client's* electronic settlement instructions or current address to which a *client* has requested that the *firm* send a cheque and information that would enable the *firm* to return the relevant *client money* to the *client* in compliance with the *firm's* obligations under the *regulatory system* in respect of *financial crime*.

(7B) In respect of a *client* who is shown in the *firm's* records as having an entitlement to *client money* to which this *rule* applies in an amount of £25 or more, the *firm* writes to the *client*, or has written to the *client* since 1 March 2018, at either the address held by the *firm* prior to the *primary pooling event* or, where applicable, the updated address obtained by the *firm* for the *client* since the *primary pooling event*, or by sending an email to the email address held by the *firm* prior to the *primary pooling event* or, where applicable, the alternative email address obtained by the *firm* for the *client* since the *primary pooling event*, informing the *client* that the *firm's* records indicate that the *client* may have a *client money* entitlement and inviting the *client* to provide their *payment details* to the *firm*.

(7C) At least 21 days after the action in (7B) (insofar as such action is required in accordance with (7B)) or at any time that is at least 21 days before the earliest *bar date* (if action is not required in accordance with (7B)), the *firm* must ensure that notice is placed in a prominent position on the website used by the *firm's* administrators to communicate with the *firm's clients*, which remains there until the final distribution of *client money*, and which states that:

(a) all *clients* with a remaining entitlement to *client money* to which this *rule* applies who have not confirmed their *payment details* since 1 March 2018 must do so by the *bar date* (which must be specified in the notice and must be at least 21 days from the date of the posting of the notice); and

(b) if a *client* has not confirmed its *payment details* since 1 March 2018 and does not do so by the *bar date*, or if the *payment details* provided by a *client* since 1 March 2018, or otherwise the applicable circumstances, do not enable the *firm* reasonably practicably to effect payment by the *bar date* to that *client*, then the *firm* intends to pay the value of the *client's* remaining entitlement to *client money* to which this *rule* applies into the Insolvency Service's Unclaimed Dividends Account in order that the *client* may claim such amount from the Insolvency Service's Unclaimed Dividends Account at any time; and upon such payment into the Insolvency Service's Unclaimed Dividends Account, their interests in that *client money* will cease.

(7D) At least 21 days after the action in (7B), the *firm* must write to *clients* with a remaining entitlement to *client money* to which this *rule* applies of £25 or more at either the address held by the *firm* prior to the *primary pooling event* or, where applicable, the updated address obtained by the *firm* for the *client* since the *primary pooling event*, or by sending an email to the email address held by the *firm* prior to the *primary pooling event* or, where applicable, the alternative email address obtained by the *firm* for the *client* since the *primary pooling event*, informing such *clients*:

(a) that all *clients* with a remaining entitlement to *client money* to which this *rule* applies who have not confirmed their *payment details* since 1 March 2018 must do so by the *bar date* (which must be specified in the notice and must be at least 21 days from the date on which the notice is sent);

(b) if a *client* has not confirmed its *payment details* since 1 March 2018 and does not do so by the *bar date*, or if the *payment details* provided by a *client* since 1 March 2018, or otherwise the applicable circumstances, do not enable the *firm* reasonably practicably to effect payment by the *bar date* to that *client*, then the *firm* intends to pay the value of the *client's* remaining entitlement to *client money* to which this *rule* applies to the Insolvency Service's Unclaimed Dividends Account in order that the *client* may claim such amount from the Insolvency Service's Unclaimed Dividends Account at any time;

(c) of the contact details for the Insolvency Service's Unclaimed Dividends Account, should the *client* wish to claim the amount from the Insolvency Service's Unclaimed Dividends Account at any time once it has been paid to such account; and

(d) that upon such payment into the Insolvency Service's Unclaimed Dividends Account, the *client's* interest in that *client money* will cease.

(7E) The firm's payment of the value of the remaining entitlement to client money into the Insolvency Service's Unclaimed Dividends Account can only take place after the later of the bar dates specified in the firm's notice made under (7C) and, if such a communication is required in accordance with paragraph (7D) above, the firm's communication sent under (7D) to a client who is shown in the firm's records (as at such bar date) as having an entitlement to client money to which this rule applies.

(7F) Upon payment by the firm to the Insolvency Service's Unclaimed Dividends Account of monies in accordance with (7E), the clients whose distributions are constituted by such payments shall cease to have an interest in that client money within the meaning of CASS 7.17.2 R. Any such cessation of clients' interests in client money shall not affect the entitlements of any other clients to client money to which this rule applies.

(7G) When the firm makes a payment to the Insolvency Service's Unclaimed Dividends Account in accordance with (7E) it must notify the FCA and the Insolvency Service of the total amount contributed to the Insolvency Service's Unclaimed Dividends Account and the name, address and payment amount in respect of each client whose remaining entitlement to client money to which this rule applies has been included in such payment.

(7H) In cases where the firm cannot promptly return to a client all client money to which this rule applies under CASS 7A.2.7-AR(4) because, in the course of following (7B) to (7E), the firm has sent a cheque to a client because the client has confirmed its payment details by providing a current address and requested that the firm send a cheque, and the client has not presented the cheque for payment by the cheque presentation deadline, the firm may pay the value of that distribution into the Insolvency Service's Unclaimed Dividends Account in order that the client may claim such a distribution from the Insolvency Service's Unclaimed Dividends Account at any time, provided that:

(a) the firm has written to the client (which for the avoidance of doubt may be in the same communication as that enclosing the cheque) at the relevant current address at least two months before the cheque presentation deadline, informing the client:

(i) that should any cheque not be presented for payment by the cheque presentation deadline, the amount will be contributed to the Insolvency Service's Unclaimed Dividends Account; and

	<p><u>(ii) of the contact details for the Insolvency Service’s Unclaimed Dividends Account, should the <i>client</i> wish to claim the distribution amount at any time;</u></p> <p><u>(b) at least two months before the <i>firm</i> pays the value of a <i>client’s</i> distribution into the Insolvency Service’s Unclaimed Dividends Account in accordance with this paragraph (7H), the <i>firm</i> ensures that notice is placed in a prominent position on the website used by the <i>firm’s</i> administrators to communicate with the <i>firm’s clients</i>, which remains there until the date on which the administration of the <i>firm</i> is completed and which states:</u></p> <p><u>(i) the <i>firm</i> may pay the value of that distribution into the Insolvency Service’s Unclaimed Dividends Account unless the cheque is presented for payment by the <i>cheque presentation deadline</i>; and</u></p> <p><u>(ii) the contact details for the Insolvency Service’s Unclaimed Dividends Account should the <i>client</i> wish to claim the distribution amount at any time; and</u></p> <p><u>(c) at the time of the payment, the <i>firm</i> notifies the FCA and the Insolvency Service of the total amount contributed to the Insolvency Service’s Unclaimed Dividends Account and the name, address and distribution amount of each <i>client</i> whose distribution has been included in such payment.</u></p> <p><u>(7I) Upon payment by the firm to the Insolvency Service’s Unclaimed Dividends Account of monies in accordance with (7H), each client whose distributions are constituted by such payments shall cease to have an interest in that client money within the meaning of CASS 7.17.2 R. Any such cessation of clients’ interests in client money shall not affect the entitlements of any other clients to client money to which this rule applies.</u></p>
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Interpretation

- Interpretative provisions (including definitions) of the Handbook apply to this direction in the same way they apply to the Handbook.

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