

Client Money and Asset Return (CMAR) – SUP 16.14

The requirements of the CMAR

The purpose of the CMAR is to provide regular and comprehensive information to the FCA by firms which are able to hold client money and safe custody assets on behalf of their clients. It only applies to firms who have been classified as CASS medium or large firms. Guidance notes for the completion of the CMAR can be found in SUP 16 Annex 29A of the FCA Handbook.

It is expected that clients of ‘The TA Forum’ member firms who are classified as CASS medium or large firms will require the TA to provide some information for completion of the CMAR where standard TA services are provided. Firms who are required to submit a completed CMAR to the FCA must do so within 15 business days of the end of each month.

Assumptions and Notes

The guidance contained in SUP 16 Annex 29A assumes that a firm uses a standard method of internal client money reconciliation therefore this document makes the same assumption.

All monetary values should be converted to GBP where they are not held in GBP using the previous day’s closing spot exchange rate. Monetary values should be reported in thousands in RegData, rounded up to the nearest thousand. If the firm is aggregating information from other providers, it may be most appropriate for the TA to provide the information unrounded for the firm to aggregate and round up.

Firms may find that rounding their figures up may cause issues with the validation in RegData. If this is the case, they may wish to consult with their auditors or seek external advice. E.g. a firm reports only one business line for 8C but 13C is split across multiple institutions, causing a discrepancy in the totals of the rounded figures and therefore failing RegData validation.

Firms should document their interpretation and approach to providing information in the CMAR. It’s recommended that this includes the number and nature of the business activities they choose to report in question 8, and any approach they have taken to adhere to the rounding and validation in RegData.

The contents of the CMAR

The following section outlines the information firms are required to provide in the CMAR and for each part what might be expected from a firm’s TA.

The provision of data for the CMAR is likely to be included in standard TA services, but some sections are likely to be more appropriate coming from the firm. The input into RegData should be undertaken by the firm.

CMAR Section	CMAR Core content	The TA Forum comments
1	Name of CASS audit firm	The firm is responsible for this.
2	Name of CASS audit firm (if other was selected above)	The firm is responsible for this.
3	Did the firm hold client money during the reporting period?	The firm is responsible for this, but its TA should provide details of client money held during the reporting period.
4	Did the firm hold safe custody assets that were subject to the custody rules during the reporting period?	The firm is responsible for this, but its TA should provide details of safe custody assets held during the reporting period.
5	Was the firm subject to the CFTC Part 30 Exemption Order during the reporting period?	The firm is responsible for this.
6	Did the firm operate the alternative approach during the reporting period?	The firm is responsible for this.
7	Has the firm received the auditor assurances required for its use of the alternative approach and provided these to the FCA?	The firm is responsible for this.

CMAR Section	CMAR Core content	The TA Forum comments
8A	Type of business activity	<p>The firm should agree with its TA what business activities it operates and provide the definition of money and assets applicable to each business activity so the TA can provide the information required in 8B, C and D. A firm with multiple TAs or administrators may report each TA as a separate business activity.</p> <p>E.g. a firm may identify allocated but unclaimed client money as a separate single business activity and therefore the TA will provide two lines for 8B, C and D.</p>
8B	Number of clients	<p>The TA should provide this information from the internal records it holds for the firm for the last business day of the reporting period for each business line in accordance with the agreed types of business activity. If the firm holds client money and custody assets for one investor in the same business activity that investor should only be reported once. If the firm holds client money or custody assets for one investor across different business activities, it must be included in the number of clients for each relevant activity.</p> <p>If the firm or TA cannot remove their duplicates accurately, e.g. if it would be manual or different systems are used for reporting, then reporting clients more than once would be permitted but the approach must be consistent and it's recommended that the approach taken is documented by the firm.</p>

CMAR Section	CMAR Core content	The TA Forum comments
8C	Balance of client money	<p>The TA should provide this information from the internal reconciliation records conducted for the firm for the last business day of the reporting period for each business line in accordance with the agreed types of business activity. This can be taken from the resource or requirement and firms should agree this with their TA and document the approach.</p> <p>This may include uncleared payments reported in field 17.</p>
8D	Value of safe custody assets as at reporting period end date	<p>The TA should provide this information from the internal records it holds for the firm for the last business day of the reporting period for each business line in accordance with the agreed types of business activity. The valuation method used to obtain this figure should be consistent and firms should agree this with their TA and document the approach.</p>
9	Highest client money balance held during the reporting period	<p>The TA should provide this information from the internal records as close of business for each day in the reporting period. This can be taken from the resource or requirement and firms should agree this with their TA and document the approach.</p>
10	Lowest client money balance held during the reporting period	<p>The TA should provide this information from the internal records as close of business for each day in the reporting period. This can be taken from the resource or requirement and firms should agree this with their TA and document the approach.</p>

CMAR Section	CMAR Core content	The TA Forum comments
11	Highest value of safe custody assets held during the reporting period	The TA should provide this information from the internal records for each day that assets have been valued in the reporting period. The valuation method used to obtain this figure should be consistent and firms should agree this with their TA and document the approach. If firms only value assets once a month 8D, 11 and 12 may all be the same.
12	Lowest value of safe custody assets held during the reporting period	The TA should provide this information from the internal records for each day that assets have been valued in the reporting period. The valuation method used to obtain this figure should be consistent and firms should agree this with their TA and document the approach. If firms only value assets once a month 8D, 11 and 12 may all be the same.
13A	Type	The firm is responsible for this.
13B	Institution where client money held	The firm is responsible for this.

CMAR Section	CMAR Core content	The TA Forum comments
13C	Client money balances	<p>The TA should provide this information from the internal reconciliation conducted for the firm for the last business day of the reporting period for each institution the firm held client money with. This can be taken from the resource or requirement and firms should agree this with their TA and document the approach.</p> <p>This should include allocated but unclaimed client money and may include uncleared payments reported in field 17.</p> <p>Note that validation in RegData requires that 13C = 8C.</p>
13D	Country of incorporation of the institution	The firm is responsible for this.
13E	Group entity	The firm is responsible for this.
14	Client money requirement	<p>The TA should provide this information from the internal reconciliation conducted for the firm for the last business day of the reporting period, calculated in accordance with CASS 7.16.10R.</p> <p>This should include allocated but unclaimed client money and should include the balances reported in fields 15-18.</p>

CMAR Section	CMAR Core content	The TA Forum comments
15	Unallocated to individual clients but identified as client money	<p>The TA should provide this information from the internal reconciliation conducted for the firm for the last business day of the reporting period, calculated in accordance with CASS 7.13.36R(2). The firm should have an agreed approach on what its TA records as unallocated client money and should document this approach.</p> <p>This shouldn't include any balances reported in field 16.</p>
16	Unidentified receipts of money treated as client money	<p>The TA should provide this information from the internal reconciliation conducted for the firm for the last business day of the reporting period, calculated in accordance with CASS 7.13.37R(2). The firm should have an agreed approach on what its TA records as unidentified client money and should document this approach.</p> <p>This shouldn't include any balances reported in field 15.</p>
17	Uncleared payments	<p>The TA should provide this information from the internal reconciliation conducted for the firm for the last business day of the reporting period, including any uncleared cheques and other payable orders of any age, including electronic bank payments in favour of a client but which have not been paid by the bank.</p> <p>This may include BACS payments depending on how they are accounted for in the firm's reconciliations. The firm should have an agreed approach on what is reported as uncleared payments and should document this approach.</p>

CMAR Section	CMAR Core content	The TA Forum comments
18	Prudent segregation of client money and the alternative approach mandatory prudent segregation	<p>The TA should provide this information from the internal reconciliation conducted for the firm for the last business day of the reporting period. The firm should agree their approach on prudent segregation with their TA and this approach should be documented.</p> <p>This should include the amounts of client money the firm holds in client bank accounts as a result of its application of CASS 7.13.41R and if applicable as a result of the requirement set out in CASS 7.13.65R. This shouldn't include any balances reported in fields 15-17.</p>
19	Client money resource	<p>The TA should provide this information from the internal reconciliation conducted for the firm for the last business day of the reporting period. This should be the same reconciliation used in field 14.</p> <p>This should include allocated but unclaimed client money.</p>
20	Excess (+)/shortfall (-) of client money resource against client money requirement	<p>The TA should provide this information from the internal reconciliation conducted for the firm for the last business day of the reporting period. Note that validation in RegData requires that $20A = 19A - 14A$.</p> <p>Where an excess or shortfall does not exist, this should be '0'.</p>

CMAR Section	CMAR Core content	The TA Forum comments
21	Adjustments made to withdraw an excess or rectify a shortfall identified as a result of an internal client money reconciliation	The TA should provide this information from the internal reconciliation conducted for the firm for the last business day of the reporting period. This should be consistent with the excess or shortfall reported in 20 unless a breach was recorded for failing to withdraw an excess or fund a shortfall.
22	Internal client money reconciliation	The firm is responsible for this, but it should be in line with service levels agreed between the firm and its TA.
23	External client money reconciliation	The firm is responsible for this, but it should be in line with service levels agreed between the firm and its TA.

CMAR Section	CMAR Core content	The TA Forum comments
24	Client money unresolved items	<p>The TA should provide this information from the reconciliations conducted for the firm for the last business day of the reporting period. The figures reported for this field should be split into the specified time bands according to the length each one has remained unresolved in calendar days.</p> <p>This should include unresolved discrepancies identified in the firm's internal client money reconciliations as per CASS 7.15.12R, unresolved discrepancies identified in the firm's external client money reconciliations as per CASS 7.15.29R (excluding discrepancies solely as a result of timing differences), and the number of unresolved items recorded as unallocated or unidentified and reported in fields 15 or 16. In all cases discrepancies should only be included where they have remained unresolved for six calendar days or more.</p> <p>A firm may include unpresented cheques in this figure unless they're deemed as a timing difference. Firms should agree their approach on what items are deemed as unresolved with their TA and document this approach.</p>
25A	How registered?	<p>The firm is responsible for this, but the firm and TA should both have a record of what assets the firm holds. Firms should agree their approach on the reporting methodology for the CMAR with their TA and document this approach.</p>
25B	Name of institution where safe custody assets held/registered	<p>The firm is responsible for this.</p>

CMAR Section	CMAR Core content	The TA Forum comments
25C	Number of lines of stock	The TA should provide this information from the internal records it holds for the firm for the last business day of the reporting period for each institution where the firm's custody assets were held or registered.
25D	Value of safe custody assets as at reporting period end date	<p>The TA should provide this information from the internal records it holds for the firm for the last business day of the reporting period for each institution where the firm's custody assets were held or registered.</p> <p>The valuation method used to obtain this figure should be consistent and firms should agree this with their TA and document the approach. If firms only value assets once a month 8D, 11 and 12 may all be the same.</p> <p>Note that validation in RegData requires that 25D = 8D.</p>
25E	Country of incorporation of the institution	The firm is responsible for this.
25F	Group entity?	The firm is responsible for this.
25G	How held?	The firm is responsible for this.

CMAR Section	CMAR Core content	The TA Forum comments
26	Safe custody assets unresolved items	<p>The TA should provide this information from the external reconciliations conducted for the firm. The figures reported for this field should be split into the specified time bands according to the length each one has remained unresolved in calendar days.</p> <p>This should include unresolved discrepancies as per CASS 6.6.48G. Discrepancies should only be included where they have remained unresolved for 30 calendar days or more.</p>
27A	Method of custody record check/reconciliation	The firm is responsible for this, but it should be in line with service levels agreed between the firm and its TA.
27B	Frequency	The firm is responsible for this, but it should be in line with service levels agreed between the firm and its TA.
27C	Type of safe custody asset	The firm is responsible for this, but it should be in line with service levels agreed between the firm and its TA.
28A – 28F	Client bank accounts	The firm is responsible for this.
29A – 29F	Client transaction accounts	The firm is responsible for this.

CMAR Section	CMAR Core content	The TA Forum comments
30	Total	The firm is responsible for this.
31	Did any of the circumstances referred to in CASS 6.6.57R arise?	The firm is responsible for this.
32	If yes, did the firm comply with the notification requirements?	The firm is responsible for this.
33	Did any of the circumstances referred to in CASS 7.15.33R arise?	The firm is responsible for this.
34	If yes, did the firm comply with the notification requirements?	The firm is responsible for this.
35	Who do you outsource and/or offshore your client money and/or custody asset operations to? (name of entity)	The firm is responsible for this.

Provision of Evidence

Firms should agree with their TA what evidence they expect to see in order to verify the figures provided for the CMAR information, but it could include all or some of the following:

- Internal and external client money reconciliations for the last business day of the month
- Custody asset reconciliations for the last business day of the month

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- Calculations used to value custody assets (for 8D, 11, 12)
- Daily client money and custody asset balances for each day in the month (for 9, 10, 11, 12)
- Breakdown and ageing of unresolved items, both client money and custody asset discrepancies

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