CURRENT CMR	Status	New CMR	Retention Justification
GENERAL PRINCIPLES		**GENERAL PRINCIPLES**	
	Add Regulation 33(h) & 33(i)	**3.1 Safeguarding Clients' Rights Relative to Financial Instruments** 3.1.1 A firm shall (a) When holding **financial instrument**s belonging to **client**s, make adequate arrangements to (i) Safeguard **client**s' ownership rights, especially in the event of the firm's insolvency, and (ii) Prevent the use of a **client's** instruments on own account, except with the **client**'s express consent, (b) When holding funds belonging to **client**s, make adequate arrangements to safeguard the **client**s' rights and, except in the case of **credit institutions**, prevent the use of **client** funds for the firm's own account.	Article 13(&) & 13(8) of 2004/39
	Add Regulation 160(2) & 160(3)	3.1.2 For the purposes of safeguarding **client**s' rights in relation to financial instruments and funds belonging to them, **firm**s shall comply with the following requirements: (a) they must keep such **records** and accounts as are necessary to enable them at any time and without delay to distinguish assets held for one **client** from assets held for any other **client** and from their own assets; (b) they must maintain their **records** and accounts in such a way that ensures their accuracy, and in particular their correspondence to the **financial instruments** and **funds** held for **client**s; (c)they must conduct, on a regular basis, reconciliations between thei internal accounts and **record**s and those of any third parties by whom those assets are held; (d) they must take the necessary steps to ensure that any **client financial instruments** deposited with a third party in accordance with Requirement 6.1 are identifiable separately from the **financial instruments** belonging to the **firm** and from **financial instruments** belonging to that third party by means of (i) differently titled accounts on the books of the third party, or (ii) other equivalent measures that achieve the same level of protection; (e) they take the necessary steps to ensure that client funds deposited in accordance with Requirement 5.1.3 in a central bank, **a credit institution** or bank authorised in a third country or a **qualifying money market fund** are held in an account or accounts identified separately from any accounts used to hold funds belonging to the **firm**; (f) they must introduce adequate organisational arrangements to minimise the risk of the loss or diminution of **client assets** or of rights in connection with those assets as a result of misuse of the assets, fraud, poor administration, inadequate record-keeping or negligence	Article 16 of 2006/73
1. ***Client assets*** received, held, ~~controlled~~ or paid out by the firm are to be regarded as held by the firm on behalf of, and for the benefit of the relevant ***client*** /***client*** s.	Retained	3.1.3 ***Client assets*** received, held or paid out by the firm are to be regarded as held by the firm on behalf of, and for the benefit of the relevant ***client*** /***client*** s.	**Guidance on application of CMR**
~~2. A firm must hold ***client assets*** separate from the firm's own assets.~~	Removed		
~~3. A firm must, except where this is not possible given the nature of the securities, ensure that ***client assets*** are held in a ***client account*** with one or more ***eligible credit institution*** s, ***relevant parties or eligible custodian*** s which the firm considers to be a safe repository for those assets.~~	Removed		

4. All ***client money*** must be promptly lodged to a ***client account*** .	Retained	3.1.4. All ***client funds*** must be promptly lodged to a ***client account*** .	ID18 (1) – Member States shall require investment firms, on receiving any client funds, promptly to place those funds into one or more accounts opened with any of the following – a central bank, a credit institution…
	Add Regulation 76(1)(a)	3.1.5 When providing **investment services o**r where appropriate ancillary services to its **client** a **firm** shall act honestly, fairly and professionally in accordance with the best interest of its **client**s	
5. One ***client*** 's ***assets*** must not be used to fund another ***client*** 's ***transaction*** s or positions. This does not preclude securities lending carried out in accordance with Requirement 19.	Retained	3.1.6 One ***client*** 's ***assets*** must not be used to fund another ***client*** 's ***transaction*** s or positions. This does not preclude securities lending carried out in accordance with Requirement 19.	ID 16(1) Member States shall require that, for the purposes of safeguarding clients' rights in relation to financial instruments and funds belonging to them, investment firms comply with the following requirements: (f) - they must introduce adequate organisational arrangements to minimise the risk of the loss or diminution of client assets, or of rights in connection with those assets, as a result of misuse of the assets, fraud, poor administration, inadequate record keeping or negligence.
6. A firm is obliged to ensure that it maintains satisfactory systems of control and keeps proper accounting records in relation to ***client money*** and ***client investment instrument*** s. In particular, it must ensure that it has proper systems of internal control designed to ensure that: (a) the balance on ***client account*** s is not less than the amount it should be holding on behalf of ***client*** s; and	Retain	3.1.7. A firm is obliged to ensure that it maintains satisfactory systems of control and keeps proper accounting records in relation to client funds and client financial instruments. In particular, it must ensure that it has proper systems of internal control designed to ensure that: (a) the balance on ***client account*** s is not less than the amount it should be holding on behalf of ***client*** s; and	ID 16(1) Member States shall require that, for the purposes of safeguarding clients' rights in relation to financial instruments and funds belonging to them, investment firms comply with the following requirements: (a) they must keep such records and accounts as are necessary to enable them at any time and without delay to distinguish assets held for one client from assets held for any other client, and from their own assets.
(b) the amount and type of ***client investment instruments*** held by the firm or lodged with ***relevant parties*** or ***eligible custodian*** s is not less than the amount and type of ***client investment instruments*** that the firm should be holding on behalf of ***client*** s.		(b) the amount and type of client financial instruments held by the firm or lodged with relevant parties or eligible custodians is not less than the amount and type of client financial instruments that the firm should be holding on behalf of clients.	(b) – they must maintain their records and accounts in a way that ensures their accuracy and in particular their correspondence to the financial instruments and funds held for clients
7. A firm must arrange for the prompt registration of a ***client*** 's registrable ***client investment instruments*** in the name of the ***client*** , except in the circumstances outlined in Requirement 17.1 below.	Retain	3.1.8. A firm must arrange for the prompt registration of a client's registrable client financial instruments in the name of the client, except in the circumstances outlined in Requirement 17.1 below.	**Retained under Article 16(2) - law relating to property or insolvency**
~~8. Firms must be fair and open with ***client*** s in relation to the operation of their accounts.~~	Removed		
~~9. ***Reconciliation*** s of ***client assets*** must be carried out regularly and on a timely basis.~~	Removed		
~~10.Differences, other than timing differences, that are material or ***recurrent*** in nature identified during the reconciliation process must be promptly notified to the ***Financial Services Regulator*** in writing.~~	Removed		
11. The receipt of ***money*** from a ***client*** by way of cheque or other payable order becomes ***client money*** upon receipt of the cheque or other payable order by the firm. ***Money*** sent to a ***client*** by way of cheque or other payable order does not cease to be ***client money*** until the cheque or other payable order is presented and paid by the ***eligible credit institution*** .	Retain	11. The receipt of *funds* from a ***client*** by way of cheque or other payable order becomes ***client funds*** upon receipt of the cheque or other payable order by the firm. ***Funds*** sent to a ***client*** by way of cheque or other payable order does not cease to be ***client funds*** until the cheque or other payable order is presented and paid by the ***eligible credit institution*** .	**Guidance on application of CMR**

CURRENT CMR	Status	New CMR	Retention Justification
A. GENERAL REQUIREMENTS			
1. Money and Investment Instruments		**4.1 Financial Instruments and Funds**	
1.1 A firm must treat all ***money*** and ***investment instruments*** received, held, ~~controlled~~ or paid out by it, for or on account of a ***client,*** in the course of carrying on its activities with or for that ***client*** as ***client assets***, except in the circumstances covered by Requirement 7.	Retain	4.1.1 A firm must treat all ***money*** and ***investment instruments*** received, heldor paid out by it, for or on account of a ***client,*** in the course of carrying on its activities with or for that ***client*** as ***client assets***, except in the circumstances covered by Requirement 4.7.	Guidance on application of CMR
1.2 Where a firm passes client money or client investment instruments to another person in the course of carrying on its activities, the firm must inform that person that the money is client money and/or that the investment instruments are client investment instruments.	Retain	4.1.2 Where a firm passes client money or client investment instruments to another person in the course of carrying on its activities, the firm must inform that person that the money is client money and/or that the investment instruments are client investment instruments.	Guidance on application of CMR
1.3 The firm's internal controls must require that all instructions to ***eligible credit institution***s, ***relevant parties*** or ***eligible custodian***s to pass ***client money*** or ***investment instrument***s to another person must be validated by a second member of staff with appropriate level of authority.	Retain	4.1.3 The firm's internal controls must require that all instructions to qualifying money market funds, ***eligible credit institution***s, ***relevant parties*** or ***eligible custodian***s to pass ***client money*** or ***investment instrument***s to another person must be validated by a second member of staff with appropriate level of authority.	ID 16(1) Member States shall require that, for the purposes of safeguarding clients' rights in relation to financial instruments and funds belonging to them, investment firms comply with the following requirements: (f) – they must introduce adequate organisational arrangements to minimise the risk of the loss or diminution of client assets, or of rights in connection with those assets as a result of misuse of the assets, fraud, poor administration, inadequate record-keeping or negligence.
2. Segregation	Retain	**4.2 Segregation**	**Retain under Article 16 - See Justification attached, some overlap with MiFID regime as identified.**

2.1 A firm must, except to the extent permitted in these Requirements, physically hold, or arrange for the holding of, ***client assets*** by ***eligible credit institution***s, ***relevant parties*** or ***eligible custodians,*** separate from the firm's own assets and maintain accounting segregation as between firm and ***client assets*** .		4.2.1 A firm must, except to the extent permitted in these Requirements, physically hold, or arrange for the holding of, ***client assets*** by qualifying money market funds, ***eligible credit institution***s, ***relevant parties*** or ***eligible custodians,*** separate from the firm's own assets and maintain accounting segregation as between firm and ***client assets*** .	ID 16(1) Member States shall require that, for the purposes of safeguarding clients' rights in relation to financial instruments and funds belonging to them, investment firms comply with the following requirements: **(a)** they must keep such records and accounts as are necessary to enable them at any time and without delay to distinguish assets held for one client from assets held for any other client and from their own assets; **(d)** – they must take the necessary steps to ensure that any client financial instruments deposited with a third party in accordance with Article 17, are identifiable separately from the financial instruments belonging to the investment firm and from financial instruments belonging to that third party by means of differently titled accounts on the books of the third party or other equivalent measures that achieve the same level of protection; **(e)** – they must take the necessary steps to ensure that clients funds deposited, in accordance with Article 18, in a central bank, a credit institution or a bank authorised in a third country or a qualifying money market fund are held in an account or accounts identif
2.2 In the context of the designation of ***client account***s the firm's attention is drawn to the provisions of Sections 52(6) of the ***Investment Intermediaries Act, 1995*** and Section 52(3)(a) of the ***Stock Exchange Act, 1995*** .	Retain	4.2.2 In the context of the designation of ***client account***s the firm's attention is drawn to the provisions of XX or Sections 52(6) of the ***Investment Intermediaries Act, 1995*** .	Guidance on application of CMR
2.3 A firm must notify a client where it proposes to pool that client's money or investment instruments with those of one or more clients and, in the case of private clients, clearly explain the meaning and implications of pooling. **Each private client must consent, in writing, to the holding of his/her money or investment instruments in such a manner.** The consents, and disclosures referred to in this requirement and elsewhere in the Client Money Requirements (including Requirements 3.1, 3.6, 10.3, 10.4, 16.2 and 17.1) shall be obtained and made before providing the first service either in the terms of business or investment management agreement as appropriate.		4.2.3 A firm must notify a client where it proposes to pool that client's money or investment instruments with those of one or more clients and, in the case of private clients, clearly explain the meaning and implications of pooling. Each private client must consent, in writing, to the holding of his/her money or investment instruments in such a manner. The consents, and disclosures referred to in this requirement and elsewhere in the Client Money Requirements (including Requirements 4.3, 4.10, 6.3 and 6.5 shall be obtained and made before providing the first service either in the terms of business or investment management agreement as appropriate.	32(3) - Where financial instruments of a retail client or potential retail client may, if permitted by national law, be held in an omnibus account by a third party, the investment firm shall inform the client of this fact and shall provide a prominent warning of the resulting risks.
A firm should only pool a ***private client***'s ***money or investment instruments*** in the absence of the necessary consent where it can demonstrate that it has made every effort to procure such consent prior to the pooling of that ***client***'s ***money*** or ***investment instruments*** and has issued its standard notification stating that the notification will apply to the ***client*** relationship unless the firm hears to the contrary.		4.2.4 A firm should only pool a ***private client***'s ***money or investment instruments*** in the absence of the necessary consent where it can demonstrate that it has made every effort to procure such consent prior to the pooling of that ***client***'s ***money*** or ***investment instruments*** and has issued its standard notification stating that the notification will apply to the ***client*** relationship unless the firm hears to the contrary.	

2.4 Where a firm holds ***client assets*** in a ***pooled client account***, accounting segregation must be maintained (that is, the firm must maintain detailed records identifying the balance in the account belonging to each individual ***client*** and movements in that balance).		4.2.5 Where a firm holds ***client assets*** in a ***pooled client account***, accounting segregation must be maintained (that is, the firm must maintain detailed records identifying the balance in the account belonging to each individual ***client*** and movements in that balance).	**Retain under Article 16 - See justification attached**
2.5 A firm must not use for the account of one ***client*** the assets of another ***client*** except where such use is in accordance with a legally enforceable agreement such as a ***set-off*** agreement (see Requirement 2.6) or a securities lending arrangement (see Requirement 19).		4.2.6 A firm must not use for the account of one ***client*** the assets of another ***client*** except where such use is in accordance with a legally enforceable agreement such as a ***set-off*** agreement (see Requirement 2.6) or a securities lending arrangement (see Requirement 19).	
	Add Regulation 90	4.2.7 A firm shall inform the client: (a) about the existence and the terms of any security interest or lien which the **firm** has or may have over the **client**'s **financial instruments** or **funds** (b) about any right of set-off the **firm** holds in relation to those **instruments** or **funds**; and (c)if applicable, about the fact, if any, that a depository may have a security interest or lien over, or right of set-off in relation to those **instruments** or **funds**.	Article 32(6) of 2006/73
2.6 The following criteria must be fulfilled where it is sought to apply a set-off for the purpose of a client money calculation: **A. *Three Party Set-off*** (a) The ***three party set-off*** must: (i) be agreed in writing between the ***set-off client creditor*** and the firm and enforceable by the firm without notice to the ***set-off client creditor*** or any other action; (ii) be supported by a guarantee/indemnity from the ***set-off client creditor*** (as primary obligor) to the firm in respect of the obligations of the ***set-off*** client debtor to the firm in respect of which the ***set-off*** is sought to be effected; and (iii) effect a ***set-off*** between the obligations of the ***set-off client creditor*** to the firm under the guarantee/indemnity and the obligations of the firm to the ***set-off client creditor*** in respect of any credit balance on its account with the firm. (b) The guarantee/indemnity referred to in (a)(ii) must be executed as a deed. **B. *Bilateral Set-Off*** The ***bilateral set-off*** must be adequately documented and enforceable by the firm without notice to the ***client*** or any other action.	Retain	4.2.8 The following criteria must be fulfilled where it is sought to apply a set-off for the purpose of a client money calculation: **A. *Three Party Set-off*** (a) The ***three party set-off*** must: (i) be agreed in writing between the ***set-off client creditor*** and the firm and enforceable by the firm without notice to the ***set-off client creditor*** or any other action; (ii) be supported by a guarantee/indemnity from the ***set-off client creditor*** (as primary obligor) to the firm in respect of the obligations of the ***set-off*** client debtor to the firm in respect of which the ***set-off*** is sought to be effected; and (iii) effect a ***set-off*** between the obligations of the ***set-off client creditor*** to the firm under the guarantee/indemnity and the obligations of the firm to the ***set-off client creditor*** in respect of any credit balance on its account with the firm. (b) The guarantee/indemnity referred to in (a)(ii) must be executed as a deed. **B. *Bilateral Set-Off*** The ***bilateral set-off*** must be adequately documented and enforceable by the firm without notice to the ***client*** or any other action.	**Retain under Article 16 - See justification attached**

C. All *Set-Offs*		**C. All *Set-Offs***	
(a) Each set-off effected[4] must be written up in the ledger accounts of the set-off client(s) on the date on which it is effected. (b) The firm must maintain, in accordance with the Books and Records Requirements issued by the Financial Services Regulator under Section 27 of the Stock Exchange Act, 1995 and Section 19 of the Investment Intermediaries Act, 1995 all documents relating to the ***arrangements*** . (c) The firm must ensure that: (i) the ***set-off client creditor*** in the case of the ***three party set-off*** and the relevant ***client*** in the case of ***bilateral set-off*** (the creditor) has the required capacity and authority to enter into the ***arrangements*** ; (ii) all documentation relating to the ***arrangements*** is duly executed on behalf of the creditor; (iii) where the creditor is a body corporate, there is (if required under applicable law) corporate benefit accruing to it from the ***arrangements*** ; and where necessary should obtain an opinion or opinions from its legal advisers on the issues set out at Requirements 2.6(c) (i) and (ii). (d) The firm must obtain an opinion or opinions from its legal advisers that the ***arrangements*** are legally well-founded in all relevant jurisdictions and would be enforceable in all circumstances including, without limitation, any default of the ***set-off client(s)*** and any insolvency, bankruptcy, liquidation, reorganisation, moratorium, examinership of the ***set-off client creditor*** , the ***set-off client(s)*** or the firm. (e) The ***Financial Services Regulator*** expects that all opinions referred to above will be provided by independent external sources of advice of appropriate professional standing. The ***Financial Services Regulator*** may, at any time require that such advisers provide a confirmation to it that in the case of ***three party set-off*** the criteria set out at A (a) and (b), and C (c) (i) and (ii) and (d) have been complied with and in the case of ***bilateral set-off*** that the criteria set out at B and C(c)(i) and (ii) and (d) have been complied with. The ***Financial Services Regulator*** may also require copies of the relevant opinions and/or the documentation relating to the ***arrangements*** .		(a) Each set-off effected[4] must be written up in the ledger accounts of the set-off client(s) on the date on which it is effected. (b) The firm must maintain, in accordance with the Books and Records Requirements issued by the Financial Services Regulator under Section 27 of the Stock Exchange Act, 1995 and Section 19 of the Investment Intermediaries Act, 1995 all documents relating to the ***arrangements*** . (c) The firm must ensure that: (i) the ***set-off client creditor*** in the case of the ***three party set-off*** and the relevant ***client*** in the case of ***bilateral set-off*** (the creditor) has the required capacity and authority to enter into the ***arrangements*** ; (ii) all documentation relating to the ***arrangements*** is duly executed on behalf of the creditor; (iii) where the creditor is a body corporate, there is (if required under applicable law) corporate benefit accruing to it from the ***arrangements*** ; and where necessary should obtain an opinion or opinions from its legal advisers on the issues set out at Requirements 2.6(c) (i) and (ii). (d) The firm must obtain an opinion or opinions from its legal advisers that the ***arrangements*** are legally well-founded in all relevant jurisdictions and would be enforceable in all circumstances including, without limitation, any default of the ***set-off client(s)*** and any insolvency, bankruptcy, liquidation, reorganisation, moratorium, examinership of the ***set-off client creditor*** , the ***set-off client(s)*** or the firm. (e) The ***Financial Services Regulator*** expects that all opinions referred to above will be provided by independent external sources of advice of appropriate professional standing. The ***Financial Services Regulator*** may, at any time require that such advisers provide a confirmation to it that in the case of ***three party set-off*** the criteria set out at A (a) and (b), and C (c) (i) and (ii) and (d) have been complied with and in the case of ***bilateral set-off*** that the criteria set out at B and C(c)(i) and (ii) and (d) have been complied with. The ***Financial Services Regulator*** may also require copies of the relevant opinions and/or the documentation relating to the ***arrangements*** .	
3. Assets to be held with an Eligible Credit Institution, Relevant Party or Eligible Custodian		**4.3 Assets to be held in a Client Account**	

3.1 A firm must ensure that ***client assets*** are held in a ***client account*** with one or more ***eligible credit institution***s, ***relevant parties*** or ***eligible custodian***s which the firm considers to be safe repositories for ***client assets***. ***Client assets*** may only be passed to other persons on the ***written instructions*** of the ***client*** concerned. In this regard, acting in accordance with the terms of an ***investment management agreement*** or the completion of an ***order*** or application form will be considered to be a ***written instruction*** from the ***client*** to pay the ***client assets*** to an ***eligible credit institution, relevant party*** or ***eligible custodian***.		4.3.1 A firm must ensure that ***client assets*** are held in a qualfiying money market funds, a ***client account*** a central bank or with one or more ***eligible credit institution***s, ***relevant parties*** or ***eligible custodian***s which the firm considers to be safe repositories for ***client assets***. ***Client assets*** may only be passed to other persons on the ***written instructions*** of the ***client*** concerned. In this regard, acting in accordance with the terms of an ***investment management agreement*** or the completion of an ***order*** or application form will be considered to be a ***written instruction*** from the ***client*** to pay the ***client assets*** to a qualifying money market fund, an ***eligible credit institution, relevant party*** or ***eligible custodian***.	D 17 (1) Member States shall permit investment firms to deposit financial instruments held by them on behalf of their clients into an account or accounts opened with a third party provided that the firm exercises all due skill, care and diligence in the selection, appointment and periodic review of the third party an of the arrangements for holding and safekeeping of those financial instruments. Article 4 notification, See attached justification
	Add ID Recital 23	Where a **firm** deposits funds it holds on behalf of a **client** with a **qualifying money market fund,** the units in that money market fund should be held in accordance with the requirements for holding **financial instruments** belonging to **client**s.	Recital 23 of 2006/73
3.2 In deciding whether or not an ***eligible credit institution***, ***relevant party*** or ***eligible custodian*** is a safe repository for ***client assets*** the firm will be required to undertake an appropriate and continuing risk assessment. The name of the ***credit institution***, ***relevant party*** or ***eligible custodian*** with whom a ***client***'s ***assets*** are placed must be provided to the ***client*** where the ***eligible credit institution***, ***relevant party*** or ***eligible custodian*** is part of a group of which the firm is a member and in all other cases on request from the ***client***.	Retain	4.3.3 Subject to Requirements 5.1.5 and 6.1in deciding whether or not a qualifying money market fund, an ***eligible credit institution***, ***relevant party*** or ***eligible custodian*** is a safe repository for ***client assets*** the firm will be required to undertake an appropriate and continuing risk assessment. The name of the qualfiying money market fund, ***credit institution***, ***relevant party*** or ***eligible custodian*** with whom a ***client*** 's ***assets*** are placed must be provided to the ***client*** where the qualifying money market fund, ***eligible credit institution***, ***relevant party*** or ***eligible custodian*** is part of a group of which the firm is a member and in all other cases on request from the ***client***.	Best Practice
3.3 Where a ***client*** has indicated that he does not wish his assets to be held with a particular ***eligible credit institution***, ***relevant party*** or ***eligible custodian*** the firm must return the assets to, or to the order of, the ***client*** as soon as possible.	Retain	4.3.4 Where a ***client*** has indicated that he does not wish his assets to be held with a particular ***eligible credit institution***, ***relevant party*** or ***eligible custodian*** the firm must return the assets to, or to the order of, the ***client*** as soon as possible.	Best Practice
	Add Regulation 161(7)	**Clients must have the right to oppose the placement of their funds in a qualifying money market fund.**	Article 18(3) par 3 of 2006/73

3.4 A ***client account*** with an ***eligible credit institution***, ***relevant party*** or ***eligible custodian*** must be designated in such a way as to make it clear that the ***client assets*** do not belong to the firm and are subject to the provisions of Section 52 of the ***Investment Intermediaries Act, 1995*** or Section 52 of the ***Stock Exchange Act, 1995***, as appropriate. In the case of non-Irish ***credit institution***s, ***relevant parties*** or ***eligible custodian***s it will be sufficient for the title of the account to sufficiently distinguish the account from any account containing assets that belong to the firm.	Retain	4.3.6 A ***client account*** with a central bank, a qualifying money market funds, an ***eligible credit institution***, ***relevant party*** or ***eligible custodian*** must be designated in such a way as to make it clear that the ***client assets*** do not belong to the firm and are subject to the provisions X and of Section 52 of the ***Investment Intermediaries Act, 1995,*** as appropriate. In the case of non-Irish ***credit institution***s, ***relevant parties*** or ***eligible custodian***s it will be sufficient for the title of the account to sufficiently distinguish the account from any account containing assets that belong to the firm.	**ID 16(1)** Member States shall require that, for the purposes of safeguarding clients' rights in relation to financial instruments and funds belonging to them, investment firms comply with the following requirements: **c)** – they must take the necessary steps to ensure that any client financial instruments deposited with a third party in accordance with Article 17, are identifiable separately from the financial instruments belonging to the investment firm and from financial instruments belonging to that third party by means of differently titled accounts on the books of the third party or other equivalent measures that achieve the same level of protection;
3.5 Before ***client assets*** are lodged to a ***client account*** with an ***eligible credit institution***, ***relevant party*** or ***eligible custodian***, that institution must have agreed in writing that it will deliver to the firm a statement or similar document daily in the case of ***client money*** and at least once a month in the case of client ***investment instruments*** specifying all ***client assets*** held and a description and the amount of all the ***investment instruments*** held in ***client account***s.	Retain	4.3.7 Before ***client assets*** are lodged to a ***client account*** with a qualifying money market fund, an ***eligible credit institution***, ***relevant party*** or ***eligible custodian***, that institution must have agreed in writing that it will deliver to the firm a statement or similar document daily in the case of ***client money*** and at least once a month in the case of client ***investment instruments*** specifying all ***client assets*** held and a description and the amount of all the ***investment instruments*** held in ***client account***s.	Best Practice
	Add Regulation 89	4.3.8 A **firm** shall (a) Inform the **client** or potential **client** if accounts that contain **financial instruments** or **funds** belonging to that **client** or potential **client** are or will be subject to the law of a jurisdiction other than the State, and (b) Indicate that the rights of the **client** or potential **client** relating to those **financial instruments** or **funds** may differ accordingly.	Article 32(5) of 2006/73
3.6 A firm must not hold client assets in a client account with an eligible credit institution, relevant party or eligible custodian outside Ireland unless the firm has previously disclosed to the client in writing: (a) that the legal regime applying to the ***eligible credit institution, relevant party*** or ***eligible custodian*** with whom the ***client account*** is held may be different to that of Ireland and that in the event of a ***default*** of such an institution those assets may be treated differently from the position which would apply if the		4.3.9 Additionally a firm must not hold client assets in a client account with a central bank, a qualifying money market fund, an eligible credit institution, relevant party or eligible custodian outside Ireland unless the firm has previously disclosed to the client in writing: (a) that the legal regime applying to the qualifying money market fund, ***eligible credit institution, relevant party*** or ***eligible custodian*** with whom the ***client account*** is held may be different to that of Ireland;	Applicability of CMR - 17(2) – Member States shall ensure that, if the safekeeping of financial instruments for the account of another person is subject to specific regulation and supervision in a jurisdiction where an investment firm proposes to deposit client financial instruments with a third party, the investment firm does not deposit those financial instruments in that jurisdiction with a third party which is not subject to such regulation and supervision.

treated differently from the position which would apply if the assets were held in an ***eligible credit institution, relevant party*** or ***eligible custodian*** in Ireland; and		(b) that in the event of a ***default*** of such an institution those assets may be treated differently from the position which would apply if the assets were held in a qualifying money market fund, an ***eligible credit institution, relevant party*** or ***eligible custodian*** in Ireland; and	
(b) that the regulatory regime applying to the ***eligible credit institution*** , ***relevant party*** or ***eligible custodian*** with whom the ***client account*** is held may be different to that of Ireland.	Retain	(b) that the regulatory regime applying to the qualifying money market fund, ***eligible credit institution*** , ***relevant party*** or ***eligible custodian*** with whom the ***client account*** is held may be different to that of Ireland.	(3) – Member states shall ensure that investment firms do not deposit financial instruments held on behalf of clients with a third country that does not regulate the holding and safekeeping of financial instruments for the account of another person unless one of the following conditions is met;
In the case of a private client the firm must obtain the written consent of the client before the assets are passed to eligible credit institutions, relevant parties or eligible custodians outside Ireland. A firm should only hold ***client assets*** in a client account with an ***eligible credit institution*** , ***relevant party*** or ***eligible custodian*** outside Ireland in the absence of the necessary consent where it can demonstrate that it has made every effort to procure such consent prior to the placing of that ***client's assets*** with such a third party outside Ireland and has issued its standard notification stating that the notification will apply to the ***client*** relationship unless the firm hears to the contrary.		4.3.10 In the case of a private client the firm must obtain the written consent of the client before the assets are passed to eligible credit institutions, relevant parties or eligible custodians outside Ireland. A firm should only hold ***client assets*** in a client account with a qualifying money market fund, an ***eligible credit institution*** , ***relevant party*** or ***eligible custodian*** outside Ireland in the absence of the necessary consent where it can demonstrate that it has made every effort to procure such consent prior to the placing of that ***client's assets*** with such a third party outside Ireland and has issued its standard notification stating that the notification will apply to the ***client*** relationship unless the firm hears to the contrary.	(a) the nature of the financial instruments or of the investment services connected with those instruments requires them to be deposited with a third party in that third country; (b) where the financial instruments are held on behalf of a professional client, that clients requests the firm in writing to deposit them with a third party in that country.
3.7 Before ***client assets*** are lodged to a ***client account*** with an ***eligible credit institution*** , ***relevant party*** or ***eligible custodian*** , the firm is required to have received written confirmation from the institution concerned: (a) that all ***client assets*** are held by the firm as ***trustee*** and that the ***eligible credit institution*** , ***relevant party*** or ***eligible custodian*** is not entitled to combine the account with any other account or to exercise any right of ***set-off*** or counterclaim against assets in that account in respect of any sum owed to it by any ***person*** except: (i) to the extent of any charges relating to the administration or safe-keeping of that ***client*** 's ***investment instruments*** ; or (ii) where that ***client*** of the firm has failed to settle a ***transaction*** by its due settlement date;			

(b) that the ***credit institution***, ***relevant party*** or ***eligible custodian*** will designate the account in its records in such a way as to make it clear that the ***client assets*** do not belong to the firm and are subject to the provisions of Section 52 of the ***Investment Intermediaries Act, 1995*** or Section 52 of the ***Stock Exchange Act, 1995***, as appropriate. In the case of non-Irish ***credit institution***s, ***relevant parties*** or ***eligible custodian***s it will be sufficient for the acknowledgement to confirm that the title of the account sufficiently distinguishes the account from any account containing assets that belong to the firm; (c) that it will not permit any withdrawal of any ***client asset***s held for safe-keeping other than to the firm or on the firm's instructions; (d) that the ***relevant party*** or ***eligible custodian*** may only claim a lien or security interest over an individual ***client***'s ***investment instruments***: (i) to the extent of any charges relating to the administration or safe-keeping of that ***client***'s ***investment instruments***; or (ii) where that ***client*** of the firm has failed to settle a ***transaction*** by its due settlement date; (e) of the procedures and authorities for the giving and receiving of instructions. A copy of this written confirmation shall be retained by the firm.	Retain but separate those confirmations necessary for client fund account and client financial instrument accounts - See Req 5.2 & 18.1		**Article 4 Notification - See Justificaiton attached**
4. *Default* of an *Eligible Credit Institution*, *Relevant Party* or *Eligible Custodian*	Retain	**4.4. *Default* of a Qualifying Money Market Funds, *Eligible Credit Institution*, *Relevant Party* or *Eligible Custodian***	Best Practice
4.1 The firm's ***terms of business*** or ***investment management agreement***, as appropriate, should clearly state the extent of the firm's liability in the event of the ***default*** of an ***eligible credit institution***, ***relevant party*** or ***eligible custodian*** with whom ***client assets*** are held. 4.2 A firm must notify the ***Financial Services Regulator*** as soon as it becomes aware of the ***default*** of any party with whom ***client assets*** are held stating: (a) whether the firm intends to make good any shortfall that has arisen or may arise; and		4.4.1 The firm's ***terms of business*** or ***investment management agreement***, as appropriate, should clearly state the extent of the firm's liability in the event of the ***default*** of a qualifying money market fund, an ***eligible credit institution***, ***relevant party*** or ***eligible custodian*** with whom ***client assets*** are held. 4.4.2 A firm must notify the ***Financial Services Regulator*** as soon as it becomes aware of the ***default*** of any party with whom ***client assets*** are held stating: (a) whether the firm intends to make good any shortfall that has arisen or may arise; and	

(b) the amounts involved.		(b) the amounts involved.	
5. *Reconciliations*	Retain	**5. *Reconciliations***	Guidance on application of CMR
5.1 A firm must, as often as necessary to ensure the accuracy of its records, reconcile all ***client assets*** in accordance with Requirement 5.2. This ***reconciliation*** must be performed: (a) daily in the case of ***client money*** by the end of the following ***business day*** ; and (b) at least monthly in the case of ***client investment instruments*** and within ten ***business day*** s of the date to which the ***reconciliation*** relates. Where such ***reconciliation*** s are carried out electronically the firm should retain a hard copy of the ***reconciliation*** .		4.5.1 A firm must, as often as necessary to ensure the accuracy of its records, reconcile all ***client assets*** in accordance with Requirement 5.2. This ***reconciliation*** must be performed: (a) daily in the case of ***client money*** by the end of the following ***business day*** ; and (b) at least monthly in the case of ***client investment instrument*s** and within ten ***business day*** s of the date to which the ***reconciliation*** relates. Where such ***reconciliation*** s are carried out electronically the firm should retain a hard copy of the ***reconciliation*** .	ID 16(1) Member States shall require that, for the purposes of safeguarding clients' rights in relation to financial instruments and funds belonging to them, investment firms comply with the following requirements: (c) they must conduct on a regular basis reconciliations between their internal accounts and records and those of any third parties by whom those assets are held.;
5.2 In order to carry out the ***reconciliation*** s referred to in Requirement 5.1 the firm must, where applicable, reconcile: (a) the balance on each client account as recorded by the firm with the balance on that account as set out in the statement[8] or other form of confirmation or similar document issued by the eligible credit institution or relevant party currency by currency (b) the firm's records of client investment instruments which it does not physically hold with statements or similar document[9] obtained from eligible custodians, and, in the case of dematerialised investment instruments not held through an eligible custodian, statements from the person who maintains the record of legal entitlement. ; and (c) its records of cash ***collateral*** held in respect of ***client*** s' ***margined transaction*** s with the statement or similar document issued by the ***person*** with whom that ***collateral*** is located. In addition, the firm must count all ***client investment instruments*** physically held by it, or any nominee company wholly owned by the firm, and reconcile the results of this count to its record of the ***client investment instrument*s** in its physical possession. The firm should retain a hard copy of all differences corrected unless they arise solely as a result of identified differences in timing.		4.5.2 In order to carry out the ***reconciliation*** s referred to in Requirement 5.1 the firm must, where applicable, reconcile: (a) the balance on each client account as recorded by the firm with the balance on that account as set out in the statement[8] or other form of confirmation or similar document issued by the central bank, qualifying money market fund, eligible credit institution or relevant party currency by currency; (b) the firm's records of client investment instruments which it does not physically hold with statements or similar document[9] obtained from qualifying money market funds, or eligible custodians, and, in the case of dematerialised investment instruments not held through an eligible custodian, statements from the person who maintains the record of legal entitlement. ; and (c) its records of cash ***collateral*** held in respect of ***client*** s' ***margined transaction*** s with the statement or similar document issued by the ***person*** with whom that ***collateral*** is located. In addition, the firm must count all ***client investment instruments*** physically held by it, or any nominee company wholly owned by the firm, and reconcile the results of this count to its record of the ***client investment instrument*s** in its physical possession. 4.5.3 The firm should retain a hard copy of all differences corrected unless they arise solely as a result of identified differences in timing.	

5.3 Where differences, other than timing differences, are identified on any of the ***reconciliation***s in Requirement 5.1 above, these must be corrected as soon as possible following the identification of these differences. The firm is required to notify the ***Financial Services Regulator*** in writing within one ***business day*** of the completion of the ***reconciliation*** of any differences which are material or ***recurrent*** in nature.		4.5.4 Where differences, other than timing differences, are identified on any of the ***reconciliation***s in Requirement 5.1 above, these must be corrected as soon as possible following the identification of these differences. The firm is required to notify the ***Financial Services Regulator*** in writing within one ***business day*** of the completion of the ***reconciliation*** of any differences which are material or ***recurrent*** in nature.	
6. Failure to Perform Reconciliations 6.1 A firm must notify the ***Financial Services Regulator*** immediately, and confirm in writing, where it has been unable or has failed to perform any of the ***reconciliation***s required by Requirement 5 within the timeframe permitted.	Retain	**4.6. Failure to Perform Reconciliations** 4.6.1 A firm must notify the ***Financial Services Regulator*** immediately, and confirm in writing, where it has been unable or has failed to perform any of the ***reconciliation***s required by Requirement 5 within the timeframe permitted.	Guidance on application of CMR
7. When Assets Cease to be *Client Assets* 7.1 ***Money*** does not cease to be ***client money*** until the cheque or other payable order is presented and paid by the ***eligible credit institution***. 7.2 ***Assets*** cease to be ***client assets*** where: (a) they are paid, or transferred, to the ***client*** whether directly or into an account with an ***eligible credit institution***, ***relevant party*** or ***eligible custodian*** in the name of the ***client*** (not being an account which is also in the name of the firm) and not one over which the firm has control; or (b) they are paid, or transferred, to a third party on the written instructions of the client and are no longer under the control of the firm. In addition, acting in accordance with the terms of an investment management agreement or the completion of an order or application form will be considered to be a request from the client to pay the client assets to the relevant third party; (c) ***money*** is due and payable to the firm itself, in accordance with the provisions of Requirement 7.3; (d) a cheque or other payable order received from a ***client*** is not honoured by the paying ***credit institution***. 7.3 A firm may treat ***money*** as due and payable where:		**4.7. When Assets Cease to be *Client Assets*** 4.7.1 ***Money*** does not cease to be ***client money*** until the cheque or other payable order is presented and paid by the ***eligible credit institution***. 4.7.2 ***Assets*** cease to be ***client assets*** where: (a) they are paid, or transferred, to the ***client*** whether directly or into an account with an ***eligible credit institution***, ***relevant party*** or ***eligible custodian*** in the name of the ***client*** (not being an account which is also in the name of the firm); or (b) they are paid, or transferred, to a third party on the written instructions of the client and are no longer under the control of the firm. In addition, acting in accordance with the terms of an investment management agreement or the completion of an order or application form will be considered to be a request from the client to pay the client assets to the relevant third party; (c) ***money*** is due and payable to the firm itself, in accordance with the provisions of Requirement 7.3; (d) a cheque or other payable order received from a ***client*** is not honoured by the paying ***credit institution***. 4.7.3 A firm may treat ***money*** as due and payable where:	Guidance on application of CMR

(a) the amount has been accurately calculated and is in accordance with a formula or basis previously disclosed to the ***client*** by the firm; or (b) ten ***business day*** s have elapsed since a statement showing the amount of fees and commissions has been issued to the ***client*** , and the ***client*** has not raised any queries; or (c) the precise amount of fees or commissions has been agreed by the ***client*** in writing, or has been finally determined by a court, arbitrator or arbiter.		(a) the amount has been accurately calculated and is in accordance with a formula or basis previously disclosed to the ***client*** by the firm; or (b) ten ***business day*** s have elapsed since a statement showing the amount of fees and commissions has been issued to the ***client*** , and the ***client*** has not raised any queries; or (c) the precise amount of fees or commissions has been agreed by the ***client*** in writing, or has been finally determined by a court, arbitrator or arbiter.	
8. Client Statements		**4.8. Client Statements**	
~~8.1 A firm must, as often as necessary, but not less frequently than at six monthly intervals, provide all ***client*** s, or their nominated representatives, with a statement listing all of the ***money*** ***investment*** ***instruments*** , ***collateral*** and other ***property*** held by the firm itself or with an ***eligible*** ***credit*** ***institution*** , ***relevant*** ***party*** , ***eligible*** ***custodian*** or eligible nominee on behalf of the ***client*** .~~ ~~8.2 The statement referred to in Requirement 8.1 must contain all of the information set out below~~ ~~**Required Content of Client Statements**~~ ~~**Contents**~~ ~~The quantity, number of units or nominal value and a description of each ***investment*** ***instrument*** held by the firm as of the statement date.~~ ~~***Investment Instruments*** **Pledged or Charged**~~ ~~Particulars of any ***investment*** ***instruments*** at the statement date which have either been pledged by the firm as ***collateral*** or charged by the firm to secure borrowings on behalf of the portfolio.~~	Replaced		
	Add Regulation 96(18) & 96(19)	4.8.1 A **firm** that holds **client financial instruments** or **client funds** shall at least once a year, send to each **client** for whom the **firm** holds **financial instruments** or funds**,** a statement in a durable medium of those **financial instruments** or funds unless such a statement has been provided in any other periodic statement **Requirement 4.8.1** does not apply to a **credit institution** authorised under Directive 2006/48/EC in respect of deposits within the meaning of that Directive held by that institution.	Article 42 of 2006/73

	Add Regulation 96(20)	4.8.2 This statement referred to in Requirement 4.8.1 shall include the following information: (a) details of all the **financial instruments** or funds held by the **firm** for the **client** at the end of the period covered by the statement; (b) the extent to which any **client financial instruments** or **client funds** have been the subject of **securities financing** transactions; (c) the extent of any benefit that has accrued to the **client** by virtue of participation in any **securities financing** transactions and the basis on which that benefit has accrued; and	Article 43 of 2006/73
the amount of cash balances (which may be shown on a separate statement) held by the **firm** as of the statement date;	Retain	(d) the amount of cash balances (which may be shown on a separate statement) held by the **firm** as of the statement date;	Best Practice
	Add Regulation 96(21)	4.8.3 Where the portfolio of a **client** includes the proceeds of one or more unsettled transactions, the information referred to in Requirement 4.8.2(a) may be based on either the trade date or the settlement date provided that the same basis is applied consistently to all such information in the statement.	Article 43 of 2006/73
8.3 The statement referred to in Requirement 8.1 must also identify any ***client investment instruments*** registered in the ***client***'s own name, which are physically held in custody by, or on behalf of, the firm separately from those registered in any other name and show the market value of any ***collateral*** held as at the date of the statement.	Retain	4.8.4 The statement referred to in Requirement 4.8.1 must also identify any ***client investment instruments*** registered in the ***client***'s own name, which are physically held in custody by, or on behalf of, the firm separately from those registered in any other name and show the market value of any ***collateral*** held as at the date of the statement.	Guidance on applicability of CMR
9. Auditors' Report:		**4.9. Auditors' Report:**	
9.1 The firm is required to ensure that a firm of registered auditors: (a) examines the books and records of the firm in relation to ***client assets*** ; (b) reviews the systems and procedures employed by the firm in relation to the safe-keeping of, and accounting for, ***client assets;*** and (c) examines compliance by the firm with the requirements imposed by the Financial Services Regulator under Sections 52 of the ***Investment Intermediaries Act, 1995*** or the ***Stock Exchange Act, 1995*** , as appropriate,	Retain	4.9.1 The firm is required to ensure that its external auditors (a) examines the books and records of the firm in relation to ***client assets*** ; (b) reviews the systems and procedures employed by the firm in relation to the safe-keeping of, and accounting for, ***client assets;*** and (c) examines compliance by the firm with these Requirements	Required to ensure auditor's report covers other areas of CMR

on an annual basis, or more frequently as required by the ***Financial Services Regulator***, and report in a format acceptable to the ***Financial Services Regulator*** stating whether, in their opinion, the requirements of Sections 52 of the ***Investment Intermediaries Act, 1995*** or ***Stock Exchange Act, 1995***, as appropriate and the rules imposed under Sections 52 of the ***Investment Intermediaries Act, 1995*** or ***Stock Exchange Act, 1995***, as appropriate, have been complied with.		on an annual basis, or more frequently as required by the ***Financial Regulator***, and report in a format acceptable to the ***Financial Regulator*** stating whether, in their opinion, these Requirements have been complied with.	
		Note: A firm acting in compliance with this requirement will be considered to be acting in compliance with Regulation 144(1) of the Regulations.	Advises firms that the auditors' report in 4.9.1 is sufficient to comply with Article 20 of 2006/73
10. Transactions involving Collateral including Margined Transactions		**4.10. Transactions involving Collateral including Margined Transactions**	
10.1 Before a ***margin account*** is opened by the firm, with an ***eligible credit institution, relevant party*** or ***eligible custodian***, on behalf of a ***client*** or ***client***s, the firm must comply with the procedures laid down in Requirement 3.		4.10.1 Before a ***margin account*** is opened by the firm, with an ***eligible credit institution, relevant party*** or ***eligible custodian***, on behalf of a ***client*** or ***client***s, the firm must comply with the procedures laid down in Requirement 3.	
10.2 The firm is required to ensure that a ***client***'s ***assets*** held in respect of ***margin account transaction***s are kept in a separate account to other assets held on behalf of that ***client***.		4.10.2 The firm is required to ensure that a ***client***'s ***assets*** held in respect of ***margin account transaction***s are kept in a separate account to other assets held on behalf of that ***client***.	
10.3 Before the firm deposits the ***collateral*** with, ***pledge***s, charges or grants a security arrangement over the ***collateral*** to, an ***eligible credit institution, relevant party*** or ***eligible custodian***, it must:		4.10.3 Before the firm deposits the ***collateral*** with, ***pledge***s, charges or grants a security arrangement over the ***collateral*** to, an ***eligible credit institution, relevant party*** or ***eligible custodian***, it must:	
(a) obtain the ***client***'s prior written consent;		(a) obtain the ***client***'s prior written consent;	
(b) obtain the ***client***'s consents referred to in Requirement 10.4 below, where applicable;		(b) obtain the ***client***'s consents referred to in Requirement 10.4 below, where applicable;	
(c) undertake an appropriate and continuing risk assessment of the ***eligible credit institution, relevant party*** or ***eligible custodian*** with whom the firm proposes to deposit the ***collateral***, or ***pledge*** or charge or grant a security arrangement over the ***collateral***;		(c) undertake an appropriate and continuing risk assessment of the ***eligible credit institution, relevant party*** or ***eligible custodian*** with whom the firm proposes to deposit the ***collateral***, or ***pledge*** or charge or grant a security arrangement over the ***collateral***;	
(d) notify the ***eligible credit institution, relevant party*** or ***eligible custodian*** that the firm is under an obligation to keep this ***collateral*** separate from the firm's ***collateral***;		(d) notify the ***eligible credit institution, relevant party*** or ***eligible custodian*** that the firm is under an obligation to keep this ***collateral*** separate from the firm's ***collateral***;	
(e) instruct the ***eligible credit institution, relevant party*** or ***eligible custodian*** that:		(e) instruct the ***eligible credit institution, relevant party*** or ***eligible custodian*** that:	

(i) the value of that ***collateral*** passed by the firm on behalf of ***client*** s is to be credited to the firm's client transaction account with that party; and (ii) in the case where that ***collateral*** is passed to an ***intermediate broker*** and the ***initial margin*** has been liquidated to satisfy ***margin*** requirements, the balance of the sale proceeds must be immediately paid into a ***client account*** ; and (iii) in the case where the ***collateral*** is passed to an exchange or ***clearing house*** , the sale proceeds are to be dealt with in accordance with the rules of the relevant exchange or ***clearing house*** ; (f) ensure that ***client'*** s fully paid (non-collateral) and ***margin account investment instruments*** will be held in separate accounts and that no right of ***set-off*** will apply; (g) notify the ***client*** that the ***collateral*** will not be registered in the ***client*** 's name, if this is the case; (h) notify the ***client*** of the procedure which will apply in the event of the ***client*** 's ***default*** where the proceeds of the sale of the ***collateral*** exceeds the amount owed by the ***client*** to the firm; (i) notify any ***eligible credit institution, relevant party*** or ***eligible custodian*** holding the ***collateral*** that; – (i) the ***collateral*** does not belong to the firm; and (ii) the ***eligible credit institution, relevant party*** or ***eligible custodian*** must not claim any lien or right of retention or sale over the ***collateral*** except to cover the obligations to the ***eligible credit institution, relevant party*** or ***eligible custodian*** which gave rise to that deposit, ***pledge*** , charge or security arrangement or any ***charges*** relating to the administration or safekeeping of the ***collateral*** . 10.4 The firm must have prior written consent from its ***client*** if it proposes to return to the ***client, collateral*** other than the original ***collateral*** , or original type of ***collateral*** . This does not preclude the firm from returning the cash equivalent where the ***collateral*** matures. 10.5 (a) The firm must not, without the prior written consent from the client, use collateral in the form of a client's investment instruments as security for the firm's own obligations.	Retain	(i) the value of that ***collateral*** passed by the firm on behalf of ***client*** s is to be credited to the firm's client transaction account with that party; and (ii) in the case where that ***collateral*** is passed to an ***intermediate broker*** and the ***initial margin*** has been liquidated to satisfy ***margin*** requirements, the balance of the sale proceeds must be immediately paid into a ***client account*** ; and (iii) in the case where the ***collateral*** is passed to an exchange or ***clearing house*** , the sale proceeds are to be dealt with in accordance with the rules of the relevant exchange or ***clearing house*** ; (f) ensure that ***client'*** s fully paid (non-collateral) and ***margin account investment instruments*** will be held in separate accounts and that no right of ***set-off*** will apply; (g) notify the ***client*** that the ***collateral*** will not be registered in the ***client*** 's name, if this is the case; (h) notify the ***client*** of the procedure which will apply in the event of the ***client*** 's ***default*** where the proceeds of the sale of the ***collateral*** exceeds the amount owed by the ***client*** to the firm; (i) notify any ***eligible credit institution, relevant party*** or ***eligible custodian*** holding the ***collateral*** that; – (i) the ***collateral*** does not belong to the firm; and (ii) the ***eligible credit institution, relevant party*** or ***eligible custodian*** must not claim any lien or right of retention or sale over the ***collateral*** except to cover the obligations to the ***eligible credit institution, relevant party*** or ***eligible custodian*** which gave rise to that deposit, ***pledge*** , charge or security arrangement or any ***charges*** relating to the administration or safekeeping of the ***collateral*** . 4.10.4 The firm must have prior written consent from its ***client*** if it proposes to return to the ***client, collateral*** other than the original ***collateral*** , or original type of ***collateral*** . This does not preclude the firm from returning the cash equivalent where the ***collateral*** matures. 4.10.5The firm must not (a) use collateral in the form of a client's investment instruments as security for the firm's own obligations without the prior written consent from the client, .	**Article 4 Notification - See attached justification**

(b) The firm must never use collateral in the form of a client's money as security for the firm's own obligations. (c) The firm must not use a client's collateral as security for the obligations of another client or another person unless the criteria set down in Requirement 2.6 are fulfilled in full. 10.6 A firm need not obtain written consent from a ***professional client*** under Requirements 10.3 to 10.5 if prior written notice has been given by the firm.		(b) use collateral in the form of a client's money as security for the firm's own obligations. (c) use a client's collateral as security for the obligations of another client or another person unless the criteria set down in Requirement 2.6 are fulfilled in full. 4.10.6 A firm need not obtain written consent from a ***professional client*** under Requirements 10.3 to 10.5 if prior written notice has been given by the firm.	
	Add Regulation 82(g)	**4.11 General Information for Clients** **4.11.1 Firm**s shall provide retail **client**s or potential retail **client**s with the following general information where relevant: (a) If the **firm** holds **financial instruments** or **client funds,** a summary description of the steps which the **firm** takes to ensure their protection, including summary details of any relevant investor compensation scheme which applies to the **firm** by virtue of its activities in the State.	Article 30(1)(g) of 2006/73
	Add Regulation 88	**4.12 Information about Financial Instruments belonging to Retail Clients** 4.12.1Where a **firm** holds **financial instruments** or **funds** belonging to a **retail client**, or potential **retail client**, the **firm** shall provide them with such of the information specified in this Requirement and in Requirement 4.2.7, 4.3.8 and 7.3 as is relevant. 4.12.2 Where the **financial instruments** or **funds** may be held by a third party on behalf of the **firm**, the **firm** shall inform the **retail client** or potential **retail client** of the responsibility of the **firm**, under the applicable national law for (a) any acts or omissions of the third party, and (b) the consequences for the **client** of the insolvency, if any, of the third party. 4.12.3 Where **the financial instruments** of a **retail client** or potential **retail client** may, if permitted by national law, be held in an omnibus account by a third party, a **firm** shall (a) inform the **client** of this fact, and (b) provide a prominent warning of the resulting risks. 4.12.4 Where it is not possible under national law for **client financial instruments** held with a third party to be held separately identifiable from the proprietary **financial instruments** of that third party or of a **firm**, the **firm** shall (a) inform the **retail client** or potential **retail client**, and	Article 32(1) to 32(4) of 2006/73

		(b) provide a prominent warning of the resulting risks.	

CURRENT CMR	Status	New CMR	Retention Justification
B. *CLIENT MONEY*			
The Requirements in this section are in addition to those set out in Requirements 1 to 10 of the General Requirements.			
11. Payment of Client Money into a Client Account with an Eligible Credit Institution or Relevant Party	Retain	**5.1. Payment of Client Funds into a Client Account with a Central Bank, an Eligible Credit Institution, Relevant Party or Qualifying Money Market Fund**	
11.1The receipt of ***money*** from a ***client*** by way of cheque or other payable order becomes ***client money*** upon receipt of that cheque or other payable order by the firm. Where possible, money should be received in the form of an automated transfer rather than in the form of a cheque or other payable order. 11.2 The firm is required to issue the ***client*** with a receipt in all cases where ***money*** is received in the form of cash. The firm is also required to issue a receipt where money is received by way of cheque or other payable order, except where the money is received in settlement of a specific contract note or invoice issued by the firm to the ***client*** and the two amounts match.		5.1.1The receipt of ***funds*** from a ***client*** by way of cheque or other payable order becomes ***client fuunds*** upon receipt of that cheque or other payable order by the firm. Where possible, funds should be received in the form of an automated transfer rather than in the form of a cheque or other payable order. 5.1.2 The firm is required to issue the ***client*** with a receipt in all cases where ***funds area*** received in the form of cash. The firm is also required to issue a receipt where funds are received by way of cheque or other payable order, except where the funds are received in settlement of a specific contract note or invoice issued by the firm to the ***client*** and the two amounts match.	Guidance on application of CMR Best Practice
	Add Regulation 161(4) Add Regulation 161(5)	5.1.3 A **firm**, on receiving any **client funds**, shall without delay deposit those funds into one or more accounts opened with any of the following (a) a central bank (b) a **credit institution** authorised in accordance with Directive 2006/48/EC (c)a bank authorised in a third country; or (d) a **qualifying money market fund** Requirement 5.1.3 does not apply to a credit institution authorised under Directive 2006/48/EC in relation to deposits within the meaning of that Directive held by that institution.	Article 18(1) of 2006/73
11.3 Subject to Requirements 11.4 to 11.5 below, where a firm receives ***client money***, it must lodge it to the appropriate client account as soon as possible, but no later than one ***business day*** following receipt, or return it to the ***client***. The ***money*** must be lodged in the currency of receipt unless the firm has no ***client account*** denominated in that currency and it would be unduly burdensome for it to open such an account, in which case the firm may convert the ***money*** and hold it in a ***client account*** in a different currency. Details of such arrangements and a general statement relating to exchange risk must be set out in the firm's ***terms of business*** or ***investment management agreement*** as appropriate.	Retain	5.1.4 Subject to Requirements 5.1.6 and 5.1.7 below, where a firm receives ***client funds***, it must lodge it to the appropriate client account as soon as possible, but no later than one ***business day*** following receipt, or return it to the ***client***. The ***funds*** must be lodged in the currency of receipt unless the firm has no ***client account*** denominated in that currency and it would be unduly burdensome for it to open such an account, in which case the firm may convert the ***funds*** and hold it in a ***client account*** in a different currency. Details of such arrangements and a general statement relating to exchange risk must be set out in the firm's ***terms of business*** or ***investment management agreement*** as appropriate.	Best Practice
	Add Regulation 161(6)	5.1.5 Where **firms** do not deposit **client funds** with a central bank, the **firms** shall exercise all due skill, care and diligence in the (a) selection, appointment and periodic review of the **credit institution**, bank or money market fund in which the funds are deposited, and (b) the arrangements for the holding of those funds taking into account the expertise and market reputation of the **eligible credit institution** or money market fund, with a view to ensuring the protection of **client**s' rights, as well as any (a) legal or regulatory requirements, or (b) market practices	

		related to the holding of **client funds** that could adversely affect **clients'** rights.	Article 18(3) of 2006/73
11.4 Where ***client money*** is likely to be received by the firm in the form of an automated transfer, the firm should advise all ***clients, in advance*** in writing, of the account number into which ***client money*** should be lodged. In the event that the ***money*** is received directly to the firm's own account, the firm must within one ***business day*** pay the ***money*** into a ***client account*** in accordance with Requirement 11.3.	Retain	5.1.6 Where ***client funds*** are likely to be received by the firm in the form of an automated transfer, the firm should advise all ***clients, in advance*** in writing, of the account number into which ***client funds*** should be lodged. In the event that the ***funds are*** received directly to the firm's own account, the firm must within one ***business day*** pay the funds into a ***client account*** in accordance with Requirement 5.1.4.	Best Practice
11.5 Where a firm receives a ***mixed remittance*** or is liable to pay ***money*** to a ***client*** (including interest on ***client money***) it must, within one ***business day,*** lodge the full sum into a ***client account*** in accordance with Requirement 11.3.	Retain	5.1.7 Where a firm receives a ***mixed remittance*** or is liable to pay ***funds*** to a ***client*** (including interest on ***client funds*** it must, within one ***business day,*** lodge the full sum into a ***client account*** in accordance with Requirement 11.3.	Guidance on application of CMR
11.6 A firm shall pay its own ***money*** into a ***client account*** if required to do so by the ***Financial Services Regulator*** .	Retain	5.1.8 A firm shall pay its own ***funds*** into a ***client account*** if required to do so by the ***Financial Regulator*** .	**Retain under Article 4 - See justification attached**
		5.2. Written Confirmation:	
	Confirmations relevant for client funds retained from Requirement 3.7	5.2.1 Before ***client assets*** are lodged to a ***client account*** with a central bank or an ***eligible credit institution*** the firm is required to have received written confirmation from the institution concerned: (a) that all ***client assets*** are held by the firm as ***trustee*** and that the central bank or ***eligible credit institution*** is not entitled to combine the account with any other account or to exercise any right of ***set-off*** or counterclaim against assets in that account in respect of any sum owed to it by any ***person*** (b) that the central bank or ***credit institution*** will designate the account in its records in such a way as to make it clear that the ***client funds*** do not belong to the firm and are subject to the provisions of Section 52 of the ***Investment Intermediaries Act, 1995*** or the Regulations, as appropriate. In the case of non-Irish ***credit institution*** s it will be sufficient for the acknowledgement to confirm that the title of the account sufficiently distinguishes the account from any account containing funds that belong to the firm; (c) of the procedures and authorities for the giving and receiving of instructions. A copy of this written confirmation shall be retained by the firm.	**Article 4 Notification - See Justificaiton attached**
12. Daily Calculations	Retain with minor modifications to aid clarity of implementation	**5.3. Daily Calculations**	**Retain under Article 4 - See justification attache**
12.1 Every business day a firm must ensure that its internal records confirm that the amount held in accounts maintained in accordance with Section 52 of the Investment Intermediaries Act, 1995 or Section 52 of the Stock Exchange Act, 1995 as appropriate (namely A) is at least equal to the amount it should be holding for clients (namely B). This calculation must be carried out, and any necessary funding (arising where A is less than B) deposited, by the close of business on the business day following the business day to which it relates. 12.2 (B) shall be the sum of (C) and (D) calculated as set out below: (C) shall be the aggregate of the following amounts calculated for each client[2]where the aggregate is positive (i) that ***client*** 's cash balance as per the firm's own records;		5.3.1 Every business day a firm must ensure that its client money resourse, i.e. the aggregate value of client funds held in accordance wit Regulations 160 and 161 of the Regulations and Section 52 of the Investment Intermediaries Act, 1995, as appropriate, for example in its cash book, (namely A) is at least equal to the amount it should be holding for clients, its client money requirement (namely B). This calculation must be carried out, and any necessary funding (arising where A is less than B) deposited, by the close of business on the business day following the business day to which it relates. 5.3.2 (B) shall be the sum of (C) and (D) calculated as set out below: 5.3.3 (C) shall be the aggregate of the following amounts calculated for each client[2]where the aggregate is positive (i) that ***client*** 's cash balance as per the firm's own records;	D 16(1) Member States shall require that, for the purposes of safeguarding clients' rights in relation to financial instruments and funds belonging to them, investment firms comply with the following requirements: (b) – they must maintain their records and accounts in a way that ensure their accuracy, and in particular their correspondence to the financial instruments and funds held for clients.

(ii) the balance on that ***client*** 's transaction account with the firm including: - balances in respect of ***transaction***s for the sale of securities which have settled the proceeds of sale which are due to the ***client*** where the ***client*** has delivered the securities; - balances in respect of ***transaction***s for the purchase of securities the proceeds which have been received from the ***client*** and where the ***transaction*** has not yet settled; - the balance on that ***client*** 's ***margin account***; - dividends or interest due to the ***client;*** - any other relevant amounts; and (iii) the value of that ***client*** 's ***collateral*** that takes the form of cash. (D) shall be calculated in accordance with Requirement 12.3. 12.3 Firms will be required to maintain in the ***client account***, in addition to the amount of (C) calculated in accordance with Requirement 12.2, an amount equivalent to 8% of the average level of ***settled debtors*** over the preceding five ***business days*** which amount shall be called (D). 12.4 Where a firm deems it prudent in the interests of the protection of ***client***s it must deposit its own ***money*** into a ***client account.*** 12.5 A firm must immediately notify the Financial Services Regulator of any deposits under Requirements 12.1, 12.3 or 12.4 above which exceed 0.5 per cent of (C) as calculated in accordance with Requirement 12.2 above together with the reason for such deposit.		(ii) the balance on that ***client*** 's transaction account with the firm including: balances in respect of sale proceeds due to the client where the client has delivered the securities and proceeds of the sale have not yet been credited to the client account balances in respect of the cost of purchases paid for by the client where the transaction has not yet settled; - the balance on that ***client*** 's ***margin account***; - dividends or interest due to the ***client;*** - any other relevant amounts; and (iii) the value of that ***client*** 's ***collateral*** that takes the form of cash. 5.3.4 (D) shall be calculated in accordance with Requirement 12.3. 5.3.5 Firms will be required to maintain in the ***client account***, in addition to the amount of (C) calculated in accordance with Requirement 12.2, an amount equivalent to 8% of the average level of ***settled debtors*** over the preceding five ***business days*** which amount shall be called (D). 5.3.6 Where a firm deems it prudent in the interests of the protection of ***client***s it must deposit its own ***funds*** into a ***client account.*** 5.3.7 A firm must immediately notify the Financial Regulator of any deposits under Requirements 12.1, 12.3 or 12.4 above which exceed 0.5 per cent of (C) as calculated in accordance with Requirement 12.2 above together with the reason for such deposit.	
13. Failure to Perform Calculation 13.1 A firm must notify the ***Financial Services Regulator*** immediately, and confirm in writing, where it has been unable or has failed to perform any or all aspects of the calculation required by Requirement 12.1 within the timeframe permitted by that requirement.	Retain	**5.4 Failure to Perform Calculation** 5.4.1 A firm must notify the ***Financial Regulator*** immediately, and confirm in writing, where it has been unable or has failed to perform any or all aspects of the calculation required by Requirement 12.1 within the timeframe permitted by that requirement.	**Article 4 Retention Notification - See Justification attached**
Books and Records Requirements **(Previously included in Handbook for Stockbroking and Investment Firms)** 5.5.1 A **firm** shall ensure that its **record**s contain as a minimum (a) Details of all **funds** paid into or out of any **client account** including (I) The name of the **client** (ii) The date of the transaction (iii) The name of the person to or from whom the **funds** were paid, transferred or received (iv) Relevant accounting entries in the **client account**; and (v) The purpose for which the funds were received or paid out (b) The balances on each **client bank account** (c)The amount of **client funds** held in respect of each **client** (d) Interest (if any) earned on each **client account**, the date on which any such interest was credited to that account or to an account of that type and for each **client** concerned, the amount of interest which the firm is liable to pay to that **client**, the date of payment and whether it was paid to the **client** or retained in the **client account** and shown as credited to the client's account.	Retain	**5.5 Books and Records Requirements** 5.5.1 A **firm** shall ensure that its **record**s contain as a minimum (a) Details of all **funds** paid into or out of any **client account** including (I) The name of the **client** (ii) The date of the transaction (iii) The name of the person to or from whom the **funds** were paid, transferred or received (iv) Relevant accounting entries in the **client account**; and (v) The purpose for which the funds were received or paid out (b) The balances on each **client bank account** (c)The amount of **client funds** held in respect of each **client** (d) Interest (if any) earned on each **client account**, the date on which any such interest was credited to that account or to an account of that type and for each **client** concerned, the amount of interest which the firm is liable to pay to that **client**, the date of payment and whether it was paid to the **client** or retained in the **client account** and shown as credited to the client's account.	Guidance on application of CMR
14. Interest 14.1 A firm must disclose to a ***client*** in writing, in its ***terms of business*** or ***investment management agreement***, as appropriate, whether or not interest is payable in respect of that ***client's*** funds and on what terms.	Retained	**5.6 Interest** 5.6.1 A firm must disclose to a ***client*** in writing, in its ***terms of business*** or ***investment management agreement***, as appropriate, whether or not interest is payable in respect of that ***client's*** funds and on what terms.	Best Practice

CURRENT CMR	Status	NEW CMR	Retention Justification
C. *CLIENT INVESTMENT INSTRUMENTS*			
The Requirements in this section are in addition to those set out in Requirements 1 to 10 of the General Requirements.			
	Add Regulation 161(1)	**6.1 Depositing Client Financial Instruments** A **firm** may deposit **financial instruments** held by them on behalf of their **client**s into an account or accounts opened with a third party provided that the **firm** (a) exercises all due skill, care and diligence in the selection appointment and periodic review of the third party and of the arrangements for holding and safekeeping of those **financial instruments**, and (b) takes into account the expertise and market reputation of the third party as well as any legal requirements or market practices related to the holding of those **financial instruments** that could adversely affect **client**s' rights	Article 17 of 2006/73
	Add Regulation 161(2)	6.1.2 If the safekeeping of **financial instruments** for the account of another person is subject to specific regulation and supervision in a jurisdiction where the **firm** proposes to deposit **client financial instruments** with a third party, the **firm** must not deposit those **financial instruments** in that jurisdiction with a third party which is not subject to such regulation and supervision.	
	Add Regulation 161(3)	6.1.3 A **firm** shall not deposit **financial instruments** held on behalf of **client**s with a third party in a third country that does not regulate the holding and safekeeping of **financial instruments** for the account of another person unless one of the following conditions is met (a) the nature of the **financial instrument**s or of the **investment services** connected with those instruments requires them to be deposited with a third party in that country; or (b) where the **financial instruments** are held on behalf of a **professional client**, that **client** requests the **firm** in writing to deposit them with a third party in that third country.	
15. Safe-keeping of *Client Investment Instruments*	**Retain**	**6.2 Safe-keeping of Client financial instruments**	**Retain under Article 16 - See justification attached**
15.1 A firm must hold any ***document*** s ***of title*** to ***client investment instruments*** in the case of both registered and ***bearer investment instrument*** s:		6.2.1 A firm must hold any documents of title to client financial instruments in the case of both registered and bearer financial instruments:	D 16(1) Member States shall require that, for the purposes of safeguarding clients' rights in relation to financial instruments and funds belonging to them, investment firms comply with the following requirements: (d) - take necessary steps to ensure client financial instruments deposited with a third party are identifiable separately from those belonging to the firm by means of differently titled accounts on the books of the third party or other equivalent measure that achieve the same level of protection.
(a) in the physical possession of the firm; or (b) with a ***relevant party*** or an ***eligible custodian*** in a ***safe custody account*** designated as a ***client account*** . In such cases the firm must arrange for the lodgement of ***client investment instruments*** within one ***business day*** .		(a) in the physical possession of the firm; or (b) with a relevant party or an eligible custodian in a safe custody account designated as a client account. In such cases the firm must arrange for the lodgement of client financial instruments within one business day.	16(2) - If for reasons of the applicable law, including in particular the law relating to property or insolvency the arrangements made by the investment firms in compliance with paragraph 1 to safegaurd clients' rights are not sufficient to satisfy the requirements of Article 13(7) and (8) Member States shall prescribe the measures that investment firms must take in order to comply with those obligations.
15.2 A firm must ensure that where it holds any ***document*** s ***of title*** the physical arrangements are appropriate to the value and risk of the ***investment instruments*** entrusted to it for safe-keeping and include adequate controls designed to safeguard them from damage, misappropriation or other loss.		6.2.2 A firm must ensure that where it holds any documents of title the physical arrangements are appropriate to the value and risk of the financial instruments entrusted to it for safe-keeping and include adequate controls designed to safeguard them from damage, misappropriation or other loss.	
15.3 A firm must instruct the ***eligible custodian*** to hold the firm's ***bearer investment instruments*** separately from ***client*** s' ***bearer investment instruments*** .		6.2.3 A firm must instruct the eligible custodian to hold the firm's bearer financial instruments separately from clients' bearer financial instruments.	
16. *Client* Agreements	**Retain**	**6.3 *Client* Agreements**	

16.1 Before a firm provides safe-keeping of asset facilities to, or receives ***collateral*** from ***client*** s, it must notify the ***client*** in writing (for example in its ***terms of business***) of the arrangements applying in respect of: (a) registration of ***client investment instruments*** and ***collateral*** if these will not be registered in the ***client*** 's name; (b) claiming and receiving dividends, interest payments and other rights accruing to the ***client*** ; (c) exercising conversion and subscription rights (d) dealing with take-overs, other offers or capital re-organisations; (e) exercising voting rights; and (f) the extent of the firm's liability in the event of a ***default*** of an ***eligible credit institution*** , ***relevant party*** or ***eligible custodian*** . 16.2 A firm must obtain a ***client's*** prior written consent: (a) to the arrangements for the giving and receiving of instructions by, or on behalf of, the ***client*** and any limitations to that authority, in respect of the provision of safe-keeping services which it provides; and (b) before granting to any third party any lien or security interests over that ***client*** 's ***investment instruments*** .		6.3.1 Before a firm provides safe-keeping of asset facilities to, or receives ***collateral*** from ***client*** s, it must notify the ***client*** in writing (for example in its ***terms of business***) of the arrangements applying in respect of: (a) registration of client financial instruments and collateral if these will not be registered in the client's name; (b) claiming and receiving dividends, interest payments and other rights accruing to the ***client*** ; (c) exercising conversion and subscription rights (d) dealing with take-overs, other offers or capital re-organisations; (e) exercising voting rights; and (f) the extent of the firm's liability in the event of a ***default*** of an ***eligible credit institution*** , ***relevant party*** or ***eligible custodian*** . 6.3.2 A firm must obtain a ***client's*** prior written consent: (a) to the arrangements for the giving and receiving of instructions by, or on behalf of, the ***client*** and any limitations to that authority, in respect of the provision of safe-keeping services which it provides; and (b) before granting to any third party any lien or security interests over that client's financial instruments.	**Retain under Article 16 - See justification attached** Article 32(6) – An investment firm shall inform the client about the existence and the terms of any security interest or lien which the firm has or may have over the client's financial instruments or funds, or any right of set-off it holds in relation to those instruments or funds. Where applicable it shall also inform the client of the fact that a depository may have a security interest or lien over, or right of set-off in relation to those instruments or funds.
17. Registration and Recording of *Client Investment Instruments*	**Retain**	**6.4 Registration and Recording of Client financial instruments**	
17.1 A firm must arrange for the registration of registrable ***client investment instruments*** in the name of the ***client*** , unless the ***client*** has given prior written consent for the registration of these ***investment instruments*** in the name of: (a) an eligible nominee which is (i) an individual, nominated in writing by the ***client*** , who is not a connected party of the firm; or (ii) a ***nominee company*** wholly owned by the firm ; or (iii) a ***nominee company*** wholly owned by an exchange which is a ***regulated market*** ; or (iv) a ***nominee company*** wholly owned by a ***relevant party*** or ***eligible custodian*** ; or (b) an ***eligible custodian*** or ***relevant party*** but only where due to the nature of the law or market practice of the jurisdiction outside Ireland it is in the ***client*** 's best interests or it is not feasible to do otherwise, and the firm has previously notified the ***client*** in writing that his ***investment instruments*** will be so held.		6.4.1 A firm must arrange for the registration of registrable client financial instruments in the name of the client, unless the client has given prior written consent for the registration of these financial instruments in the name of: (a) an eligible nominee which is (i) an individual, nominated in writing by the ***client*** , who is not a connected party of the firm; or (ii) a ***nominee company*** wholly owned by the firm ; or (iii) a ***nominee company*** wholly owned by an exchange which is a ***regulated market*** ; or (iv) a ***nominee company*** wholly owned by a ***relevant party*** or ***eligible custodian*** ; or (b) an eligible custodian or relevant party but only where due to the nature of the law or market practice of the jurisdiction outside Ireland, it is in the client's best interests or it is not feasible to do otherwise, and the firm has previously notified the client in writing that his financial instruments will be so held.	**Retain under Article 16 - See justification attached**
18. Custodian Agreements	**Retain with amendments to include relevant confirmations from Requirement 3.7**	**6.5 Custodian Agreements**	
18.1 Before a firm opens an account for ***client investment instruments*** with a ***relevant party*** or ***eligible custodian*** either in or outside Ireland it must have notified the institution concerned, in writing, and received an acknowledgement, in writing, from the institution: (a) that the account will be designated in such a manner that makes it clear that the ***investment instruments*** credited to it are ***client investment instruments*** ;		6.5.1 Before a firm opens an account for client financial instruments with a qualifying money market fund, a relevant party or eligible custodian either in or outside Ireland it must have notified the institution concerned, in writing, and received an acknowledgement, in writing, from the institution: (a) that all ***client financial instruments*** are held by the firm as ***trustee*** and that the ***qualifying money market fund*** , ***relevant party*** or ***eligible custodian*** is not entitled to combine the account with any other account or to exercise any right of ***set-off*** or counterclaim against financial instruments in that account in respect of any sum owed to it by any ***person*** except:	

		(i) to the extent of any charges relating to the administration or safe-keeping of that ***client*** 's ***financial instruments*** ; or (ii) where that ***client*** of the firm has failed to settle a ***transaction*** by its due settlement date; (b) that the qualifying money market fund, ***relevant party*** or ***eligible custodian*** will designate the account in its records in such a way as to make it clear that the ***client financial instruments*** do not belong to the firm and are subject to the provisions of the Regulations or Section 52 of the ***Investment Intermediaries Act, 1995*** , as appropriate. In the case of non-Irish ***qualifying money market funds*** , ***relevant parties*** or ***eligible custodian*** s it will be sufficient for the acknowledgement to confirm that the title of the account sufficiently distinguishes the account from any account containing financial instruments that belong to the firm;	
(b) that the ***relevant party*** or ***eligible custodian*** is not permitted to withdraw any ***client investment instruments*** from the account otherwise than to the firm or on the firm's instructions; (c) that the ***relevant party*** or ***eligible custodian*** will hold and record ***client investment instruments*** separate from its own ***investment instruments*** ; (d) of the extent of the ***eligible custodian*** 's liability in the event of the loss of ***client investment instruments*** whether caused by the fraud, wilful ***default*** or negligence of the ***eligible custodian*** or otherwise, or an agent appointed by the ***eligible custodian*** ; (e) of the arrangements for registration of ***client investment instruments*** if these will not be registered in the ***client*** 's name; (f) of the arrangements for claiming and receiving dividends, interest payments and other rights accruing to the ***client*** ; (g) of the arrangements for exercising conversion and subscription rights; (h) of the arrangements for dealing with take-overs, other offers or capital re-organisations; and (i) of the arrangements for exercising voting rights A copy of this written confirmation shall be retained by the firm.		(c) that the qualifying money market fund, ***relevant party*** or ***eligible custodian*** is not permitted to withdraw any ***client investment instruments*** from the account otherwise than to the firm or on the firm's instructions; (d) that the qualifying money market fund, relevant party or eligible custodian will hold and record client financial instruments separate from its own financial instruments; (e) that the qualifying money market fund, ***relevant party*** or ***eligible custodian*** may only claim a lien or security interest over an individual ***client*** 's ***financial instruments*** : (i) to the extent of any charges relating to the administration or safe-keeping of that ***client*** 's ***financial instruments*** ; or (ii) where that ***client*** of the firm has failed to settle a ***transaction*** by its due settlement date; (f) of the extent of the eligible custodian's liability in the event of the loss of client financial instruments whether caused by the fraud, wilful default or negligence of the eligible custodian or otherwise, or an agent appointed by the eligible custodian; (g) of the arrangements for registration of client financial instruments if these will not be registered in the client's name; (h) of the arrangements for claiming and receiving dividends, interest payments and other rights accruing to the ***client*** ; (i) of the arrangements for exercising conversion and subscription rights; (j) of the arrangements for dealing with take-overs, other offers or capital re-organisations; and (k) of the arrangements for exercising voting rights (l) of the procedures and authorities for the giving and receiving of instructions 6.5.2 A copy of this written confirmation shall be retained by the firm.	**Retain under Article 4 - See justification attached**

CURRENT CMR	Status	NEW CMR	Retain Requirement - MiFID Equivalent
D. OTHER			
19. Securities Lending		**7.1 Securities Financing Transactions**	
~~19.1 A firm must not undertake or otherwise engage in stock lending with or for a ***client*** except where:~~	Replaced		
~~(a) each relevant private client has been advised of the risks associated with this activity and has acknowledged this in writing;~~	Replaced		
	Add Regulation 162(1)	7.1.1 - A firm shall not enter into arrangements for securities financing transactions in respect of financial instruments held by them on behalf of a client, or otherwise use such financial instruments for their own account or the acount of another client of the firm, unless the following conditions are met: (a) the client must have given his prior express consent to the use of the instruments on specified terms, as evidenced, in the case of a retail client, by his signature or equivalent alternative mechanism; (b) the use of that client's financial instruments must be restricted to the specified terms to which the client consents.	Article 19 of 2006/73
(b) the firm has received written confirmation from the ***client*** either of counterparty credit ratings acceptable to him/her or that he/she does not wish to specify such rating; and (c) the firm ensures that - ***collateral*** is provided by the borrower in favour of that ***client*** ; - the current realisable value of the ***investment instrument*** and of the ***collateral*** is monitored daily; and - where the current realisable value of the ***collateral*** falls below that of the ***investment instruments*** concerned, the firm has arrangements in place to provide further ***collateral*** to make up the difference.	Retained	(c) the firm has received written confirmation from the ***client*** either of counterparty credit ratings acceptable to him/her or that he/she does not wish to specify such rating; and (d) the firm ensures that - ***collateral*** is provided by the borrower in favour of that ***client*** ; - the current realisable value of the financial instrument and of the collateral is monitored daily; and - where the current realisable value of the collateral falls below that of the financial instruments concerned, the firm has arrangements in place to provide further collateral to make up the difference.	**Retain under Article 4 - See Justification attached**
	Add Regulation 162(2)	7.1.2 A firm shall not (a) enter into arrangements for securities financing transactions in respect of financial instruments which are held on behalf of a client in an omnibus account or (b) otherwise use financial instruments held in such an account for their own account or for the account of another client unless, in addition to the condition set out in paragraph 1, at least one of the following conditions is met:	Article 19 of 2006/73 continued

		(a) - each client whose financial instruments are held together in an omnibus account must have given prior express consent in accordance with point (a) of paragraph 1; (b) - an investment firm must have in place systems and controls which ensure that only financial instruments belonging to clients who have given prior express consent in accordance with point (a) of paragraph 1 are so used.	Article 19 of 2006/73 continued
	Add Regulation 162(3)	**7.2 Securities Financing Records** The firm shall ensure that the records of the firm include: (a) details of the client on whose instruction the use of financial instruments has been effected, and (b) the number of financial instruments used belonging to each client who has given consent, so as to enable the correct allocation	Article 19 of 2006/73 continued
	Add Regulation 91	**7.3 Security Financing on behalf of Retail Clients** A firm, before entering into securities financing transactions in relation to financial instruments (a) held by the firm on behalf of a retail client, or (b) otherwise to use the financial instruments for its own account or for the account of another client shall in good time before the use of those instruments provide the retail client, in a durable medium, with clear, full and accurate information on (i) the obligations and responsibilities of the firm with respect to the use of those financial instruments (ii) the terms for their restitution, and (iii) the risks involved	Article 32(7) of 2006/73
19.2 Any cash or other assets held in favour of a ***client*** as ***collateral*** for securities lending must be held in accordance with these Requirements.	Retained	**7.4 Collateral Held for Securities Lending** Any cash or other assets held in favour of a ***client*** as ***collateral*** for securities lending must be held in accordance with these Requirements.	Guidance on application of CMR