



Quarterly Consultation Paper No 13.

ICAEW welcomes the opportunity to comment on the *Quarterly Consultation Paper No 13*, published by Financial Conduct Authority on 1 September 2016, a copy of which is available from this [link](#).

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RESPONSE TO SPECIFIC QUESTION

Q6: Do you have any comments on our proposed disapplication of the CASS audit requirements to certain debt management firm?

“CASS debt management firm which is not subject to a requirement stating that it must not hold client money or a requirement to the same effect” (extract from Appendix 6 3.1.2 (5B) - SUP 3.1.1R).

We do support the suggested disapplication of CASS audit requirements to certain debt management firms. We do however recommend that the FCA matches the wording better (instead of using double negatives) with the language used in regulatory permissions. For using the phrase “must not hold” client money when the FCA register talks about “cannot hold”. The closer the rule mirrors what is in the permissions on the FCA register the easier it will be for regulated firms to follow it.

Additionally we suggest that the FCA clarifies – with an addition of a footnote at least – whether the regulated firm is required to have a CASS report when it has permission to hold but doesn’t use it.