

**CLIENT ASSETS (REVISED CFTC PART 30 ORDER)
INSTRUMENT 2004**

Powers exercised

- A. The Financial Services Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 138 (General rule-making power);
 - (2) section 139 (Miscellaneous ancillary matters);
 - (3) section 156 (General supplementary powers); and
 - (4) section 157(1) (Guidance).
- B. The rule-making powers listed above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 1 January 2005.

Amendments to the Client Assets sourcebook

- D. The Client Assets sourcebook is amended in accordance with Annex A to this instrument.

Amendments to the Supervision manual

- E. The Supervision manual is amended in accordance with Annex B to this instrument.

Citation

- F. This instrument may be cited as the Client Assets (Revised CFTC Part 30 Order) Instrument 2004.

By order of the Board
18 November 2004

Annex A

Amendments to the Client Assets sourcebook

In this Annex, underlining indicates new text and striking through indicates deleted text.

Commodity Futures Trading Commission Part 30 exemption order

- 4.3.106A G United States (US) legislation restricts the ability of non-US firms to trade on behalf of US customers on non-US futures and options exchanges. The relevant US regulator (the CFTC) operates an exemption system for firms authorised by the FSA. The FSA sponsors the application from a firm for exemption from Part 30 of the General Regulations under the US Commodity Exchange Act in line with this system. The application forms and associated information can be found on the FSA website in the “Forms” section.
- 4.3.107 ~~R~~ G A firm with a Part 30 exemption order undertakes to the CFTC that it will refuse to allow any US customer to opt not to have ~~must treat~~ his money treated as client money ~~the money of any US resident investor which if it~~ is held or received in respect of transactions on non-US exchanges, unless that US customer is an “eligible contract participant” as defined in section 1a(12) of the Commodity Exchange Act, 7 U.S.C.. In doing so, the firm is representing that it will not make use of the opt-out arrangements in CASS 4.1.8G to CASS 4.1.11R in relation to that business.

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Annex B

Amendments to the Supervision manual

In this annex an entire section of text is being deleted, the location of this text is indicated and the text is not shown struck through.

The Supervision manual is amended by deleting Chapter 19, SUP 19 (Commodity Futures Trading Commission Part 30 exemption), in its entirety.

SUP 19 [deleted]