

## **CLIENT MONEY HANDLING PROCEDURE**

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| <p><b><u>Definition of “Client Money”</u></b></p>       | <p>Money of any currency [whether in the form of cash, cheque, draft, or electronic transfer] that:</p> <ul style="list-style-type: none"> <li>• An RICS-regulated firm holds for or receives on behalf of another person, including money held by a regulated firm as stakeholder, and;</li> <li>• Is not immediately due and payable on demand to the RICS-regulated firm for its own account,</li> </ul> <p>Excluding fees paid in advance for professional work agreed to be performed, and clearly identifiable as such, unless the fees are for work undertaken as a property agent as defined by the Rules of the <i>RICS Client Money Protection Scheme for Property Agents</i>.</p>   |
| <p><b><u>How and where client money is held</u></b></p> | <p>As part of the Royal Institute of Chartered Surveyors (RICS) professional statement (Client money handling, effective from 1<sup>st</sup> January 2020), and internal due diligence, client money held or received by Livingcity Asset Management (and subsidiaries) is either banked into a <u>general clients’ bank account</u>, a <u>designated discrete account</u> or held in a <u>client-controlled bank account</u>.</p> <p>A <u>general clients’ bank account</u> is a Client Bank Account which holds pooled client money belonging to more than one client. A discrete bank account is a client-named bank account which holds client money belonging to a single client. All landlord and tenant monies are kept separate and further details of where funds are held can be found within the Property Management Agreement (PMA) or specific Terms of Business (TOB).</p> <p>Client monies are held separately from Livingcity Asset Management’s own monies, are easily identifiable and immediately available. Within the general clients’ bank account, each client’s money is recorded in individual client ledgers to maintain segregation of funds.</p> <p>Client money is held in an appropriate banking institution, with a minimum rating of BBB+, regulated as follows:</p> <ul style="list-style-type: none"> <li>• UK – Authorised by the Prudential Regulatory Authority (PRA), the Bank of England and the Financial Conduct Authority (FCA);</li> <li>• Jersey – Authorised by the Jersey Financial Services Commission;</li> <li>• Guernsey – Authorised by the Guernsey Financial Services Commission;</li> <li>• Isle of Man – Authorised by the Isle of Man Financial Services Authority.</li> </ul> |

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| <b><u>Access to funds</u></b>  | Signatories are at Senior Management level and above and, where required, staff with a minimum of 3 years of employment. Only a principal of the firm can authorise new signatories to client money accounts.   |
| <b><u>Timescales for payment of cash into a client account</u></b>               | <p>All cash and cheques received by post are logged and banked on day of receipt, where possible, and allocated to the appropriate client money account.</p> <p>All unidentified funds are reviewed as soon as possible and no later than 1 month from receipt at which time they be allocated or returned.</p>   |
| <b><u>Controls for authorisation of payments from a client account</u></b>       | <p>A withdrawal from a client account can only be made after a specific authority has been approved by a signatory in accordance with the bank mandate and the firm's procedures and systems.</p> <p>All payment requests must be accompanied by supporting evidence that it has been checked and authorised. Segregation of duties in the client accounting function is in place to prevent data tampering within the payment process.</p> |
| <b><u>How interest and bank charges are handled</u></b>                          | The Client Bank Accounts are non-interest bearing, instant access accounts and Livingcity Asset Management do not cover transactional banking and account maintenance charges associated with the operation of such account.  |
| <b><u>Reconciliation of accounts</u></b>   | Bank accounts are reconciled on a monthly basis, using a three-way reconciliation between the bank, general ledger, and individual client ledges, as required by the RICS.  |
| <b><u>Information provided to clients about monies held on their account</u></b> | Reporting and frequency requirements are agreed and documented with the client and provided in with the agreement implemented.  |