

SCHEDULE 2
CLIENT ACCOUNTS

Accounts and records

9.—(1) Every agency shall at all times keep properly written up such accounts as may be necessary—

- (a) to show the agency's dealings with—
 - (i) clients' money received, held or paid by it; and
 - (ii) any other money dealt with by it through a client account;
- (b) (i) to show separately in respect of each client all money of the categories specified in paragraph (a) which is received, held or paid by it on account of that client; and
 - (ii) to distinguish all money of the said categories received, held or paid by it, from any other money received, held or paid by it; and
- (c) to show the current balance of each client's account in the client's ledger or to enable this to be readily ascertained.

(a) (2) (a) All dealings referred to in sub-paragraph (1)(a) of this paragraph shall be appropriately recorded—

- (i) in a clients' cash account or a clients' column of a cash account; and
- (ii) in a clients' ledger or a clients' column of a ledger;

and no other dealings shall be recorded in such account, ledger, or, as the case may be, in such columns.

(b) All dealings of the agency relating to its business as an agency other than those referred to in sub-paragraph (1) (a) of this paragraph shall be recorded in a separate cash account and ledger or such other columns of a cash account and ledger as the agency may maintain.

(3) In addition to the accounts, ledgers and records referred to in sub-paragraph (2) of this paragraph, every agency shall keep a record of and copies of all invoices and of all statements under paragraph 6(b) (distinguishing between fees and disbursements) delivered or made by the agency to its clients.

(4) Every agency shall, within 21 days of the end of each calendar month—

- (i) compare, as at the last day of the calendar month that has just ended, the total of the balances shown by the clients' ledger accounts of the liabilities to the clients, with the cash account balance;
- (ii) prepare a reconciliation statement showing the cause of the difference, if any, shown by the above comparison;
- (iii) reconcile the cash account balances with the balance shown on statements and passbooks of all client accounts, and money held elsewhere, showing the causes of any differences in the reconciliation; and
- (iv) take appropriate action to rectify any differences.