

SCHEDULE 2  
CLIENT ACCOUNTS

**Accounting period**

**11.—**(1) The accounting period shall, for the purpose of paragraph 10 of this Schedule and regulation 25, be determined in accordance with the following provisions of this paragraph.

(2) The first accounting period of an agency shall be—

- (a) in the case of an agency which has a client account or accounts established before the date on which these Regulations come into force, the period beginning with the day immediately following that date, and ending on a date not more than twelve months after that date or if the agency is incorporated under the Companies Act 1985, the agency's accounting reference date whichever is the sooner;
- (b) in the case of an agency which establishes a client account or accounts on or after the date on which these Regulations come into force, the period beginning with the date upon which the first such client account is established and ending with a date not more than twelve months from that date or if the agency is incorporated under the Companies Act 1985, the agency's accounting reference date whichever is the sooner.

(3) Subject to sub-paragraph (4), subsequent accounting periods shall begin with the day immediately following the end of the agency's previous accounting period and end with a date not less than six months and not more than twelve months after that date.

(4) In the event that the only client account maintained by an agency is closed on a date less than six months following the end of the agency's previous accounting period, the accounting period in question shall end on the date upon which such client account is closed.