
STATUTORY INSTRUMENTS

2020 No. 331

HOUSING, ENGLAND

**The Client Money Protection Schemes for
Property Agents (Approval and Designation
of Schemes) (Amendment) Regulations 2020**

*Made - - - - 23rd March 2020
Coming into force in accordance with regulation 1(2)*

The Secretary of State makes the following Regulations in exercise of the powers conferred by sections 134 and 214(6)(a) of the Housing and Planning Act 2016⁽¹⁾.

In accordance with section 214(2)(j) of that Act, a draft of this instrument has been laid before and approved by a resolution of each House of Parliament.

Citation and commencement

1.—(1) These Regulations may be cited as the Client Money Protection Schemes for Property Agents (Approval and Designation of Schemes) (Amendment) Regulations 2020.

(2) These Regulations come into force on the day after the day on which they are made.

Amendment of the Principal Regulations

2. In the Client Money Protection Schemes for Property Agents (Approval and Designation of Schemes) Regulations 2018⁽²⁾, in regulation 5(2A) (deemed compliance with client money account requirement)⁽³⁾, for “2020” substitute “2021”.

⁽¹⁾ 2016 c. 22. Section 134(3) was inserted by section 21(2) of the Tenant Fees Act 2019 (c. 4).

⁽²⁾ S.I. 2018/751.

⁽³⁾ Paragraph (2A) of regulation 5 was inserted by section 22(4)(d) of the Tenant Fees Act 2019 (c. 4).

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Signed by authority of the Secretary of State for Housing, Communities and Local Government

Christopher Pincher
Parliamentary Under Secretary of State
Ministry of Housing, Communities and Local
Government

23rd March 2020

EXPLANATORY NOTE

(This note is not part of the Regulations)

Section 134 of the Housing and Planning Act 2016 provides that the Secretary of State may by regulations make provision about the approval or designation of client money protection schemes for the purposes of regulations under section 133 of that Act that require a property agent to be a member of an approved or designated government administered client money protection scheme.

The Client Money Protection Schemes for Property Agents (Approval and Designation of Schemes) Regulations 2018 (“the principal regulations”) make provision under section 134.

Regulation 5 of the principal regulations, in paragraph (1), specifies conditions which must be satisfied before the Secretary of State approves a client money protection scheme. These include the condition that the rules of the scheme must require scheme members to meet the conditions for the handling of client money which are specified in paragraph (2).

The conditions specified in regulation 5(2) of the principal regulations include the requirement that a property agent must hold client money in a client money account with a bank or building society authorised by the Financial Conduct Authority.

Regulation 5(2A) of the principal regulations, which these Regulations amend, provides that the rules of the scheme are to be treated as complying with that requirement if they provide that, until the relevant date, they have effect as if they required scheme members to make all reasonable efforts to hold client money in a client money account with a bank or building society authorised by the Financial Conduct Authority.

Regulation 2 of these Regulations substitutes the date of 1 April 2021 for the relevant date of 1 April 2020 set out in regulation 5(2A) of the principal regulations. It therefore has the effect of extending, by a year, the application of the provision for deemed compliance with the requirement to hold client money in a client money account at an authorised bank or building society.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sector is foreseen.