



18 March 2011

James Ridgwell
Client Asset Unit
Prudential Policy Division
Financial Services Authority
25 The North Colonnade
Canary Wharf
London E14 5HS

Submitted via email to: cp11_04@fsa.gov.uk

Dear Mr Ridgwell,

**Re: FSA Consultation Paper CP 11/4: The Client Money and Asset Return (CMAR):
Operational Implementation**

The FOA welcomes the opportunity to provide high-level comments on FSA's CP11/4: "The Client Money and Asset Return (CMAR): Operational Implementation".

We support the FSA's plan to adopt a phased approach to implementing CMAR through GABRIEL. We also support the plan to extend the reporting system to the CASS small firms once the processes for larger firms are in place.

We are concerned, however, that for CASS medium and large firms, the timetable for FSA publishing the final CMAR and Guidance text (sometime in May 2011), and the implementation date of 1 June 2011 may not leave firms with enough time to adjust their internal systems in order to populate the reports with the required data. Large and medium firms have relatively complex internal structures regarding client data and may need more time to review the final Guidance on what is required. We would therefore suggest that the FSA keep this in mind with respect to the dates for which firms are required to start submitting reports.

We also point out that with respect to the proposal that the reporting currency be GBP (sterling), many FOA members operate in a multi-currency environment and segregate clients' money in various currencies, with the main reporting currency being something other than GBP (e.g. USD, Euros or Yen). Reporting in GBP would therefore not always be sensible, given that records are not always kept in that currency. Consequently, FOA suggests that firms be permitted to report in accordance with their operating processes and primary reporting currency.

We hope that these comments are useful.

Kind regards,
Kathleen Traynor
Director of Regulation
Futures and Options Association