



ACCOUNTANT'S REPORT CONFIRMING COMPLIANCE WITH
THE INSTITUTION OF COMMERCIAL & BUSINESS AGENTS
RULES OF CONDUCT

Member's Full Name.....

Firm's Name and Address.....

.....

.....

Whether practising as a (tick)	Sole Principal	<input type="checkbox"/>
	Partner	<input type="checkbox"/>
	Director	<input type="checkbox"/>

Accounting period Beginning.....Ending.....

Pursuant to Rule 1 of the ICBA's Rules of Conduct regarding the general duty to maintain separate client's accounts, I report as follows;-

1. I have ascertained from the Member particulars of all bank accounts kept maintained or operated in connection with the Member's practice during the accounting period noted above.
2. I have examined the Member's book-keeping system and in my opinion adequate records are kept of all transactions relating to all client money so that up to date details are available at all times showing clearly the money received and handled on a client's behalf.
3. Based on my examination I am satisfied that during the above named period the member has complied with Rule 1 of the Institution of Commercial & Business Agents' Rules of Conduct* except in so far as concerns certain trivial breaches due to clerical errors or mistakes in book-keeping all of which were rectified on discovery and none of which, I am satisfied, resulted in any loss to any person entitled to client's money.

Particulars of the Accountant (Certified or Chartered)

Full Name.....Qualifications.....

Firm Name.....

Signature.....Date.....

Official Stamp

***Rule 1 printed overleaf**

RULE 1

Duty to maintain separate client's accounts..

Rule 1(1)

All members who receive, or may receive, deposits in transactions to which the Estate Agents Act 1979 applies, shall open and operate a Clients' Account (or Accounts) - hereinafter described as Statutory Clients' Account(s) - in accordance with the requirements of that Act and with the Regulations made under it.

Rule 1 (2)

All members who receive client money to which that Act does not apply shall keep, at an Authorised Institution, at least one Client's Account distinct from any Statutory Clients' Account (s) into which shall be paid without delay any money which is to be held on behalf of clients, tenants, or applicants, other than deposits on transactions covered by the Act.

***Note;** It cannot be too strongly stressed that client money must be held by a member in such a way that it is not available for the Ordinary trading purposes of the firm, nor used as security for any loan, nor for meeting any personal or business liabilities. The rules which follow dealing with approved forms of withdrawal from Clients' Account(s) are designed to enforce this main purpose of separate accounts.*

'Authorised Institution' in Rule 1(2) bears the same meaning as it does in Estate Agents (Accounts) Regulations; thus any institution which may properly be used for Statutory Clients' Account(s) may also be used for other client accounts. In deciding which institution to use, members are reminded of the importance of having immediate access to the money.

When operating any form of Client's Account, the bank or other institution should be advised that the money is to be held in a separate right from the firm's own money, and should be instructed to handle the accounts(s) in accordance with these rules. A suitable letter is available from the Secretariat for the guidance of members.

Bank charges for operating all forms of Clients' Accounts(s) must be paid out of other resources and not charged against the account(s). Interest payments must not be credited to Statutory Clients' Accounts.

Rule 1(3)

Money may be drawn from Clients' Account(s) only;

- (a) for payment, on proper authorisation, to the person entitled to receive it, or*
- (b) in discharge of a sum owed to the member by the person otherwise entitled to receive it; or*
- (c) for payment into another client account kept by the member; or*
- (d) to correct an inadvertent overpayment into the account; or*
- (e) to withdraw interest which has accrued on the account; and*
- (f) if there are sufficient funds available to the credit of the client to fully cover the payments;*

always provided that in the operation of Statutory Clients' Accounts, the provisions of the Estate Agents Act and of the Estate Agents (Accounts) Regulations 1981 or any other Regulations made in pursuance of the Act have precedence over these Rules.

***Note;** Rule 1(3) allows the member to draw commission out of the balance in the account for the person liable to pay that commission; but to do so only when the event has taken place upon which the commission becomes due. It also allows disbursements to be recovered, where expressly arranged with the client.*

Rule 1(3)(f) applies particularly to property management, a member may only pay other contractors' invoices on behalf of a landlord when there is sufficient rent presently in the account. Payment made in advance against anticipated future rent would be a breach of the Rule.

Rule 1(4)

Every member shall maintain proper internal accounts showing the up-to-date position in relation to sums falling within Rules 1(1) and 1(2), and the heading under Rule 1 (3) for all withdrawals. There shall be maintained on the Clients' Account(s) at all times balances to satisfy the indebtedness shown in the internal accounts.

***Note;** Members are reminded that an auditors report in prescribed form is required in respect of that part of the audit which relates to Statutory Clients' Accounts. A copy of a suitable form of Report is available on request from the Secretariat.*

Rule 1(5)

Existing members and new applicants for membership who handle client money whether in a statutory client account or otherwise must produce on application for membership and thereafter, annually, a report by an accountant approved by the Association, such a report to be in the form approved by the Association and to be produced within 6 months of the end of the accounting year. If a report has not been provided within this period a letter will be sent to request production of the report within 28 days.

When a member retires from practice or ceases to be a member of the Association (whether by retirement, resignation, expulsion or otherwise) that member is obliged to deliver a report covering the period from the last report to the date upon which the member ceased to hold client money or to be a member.