Direction

To: Spreadex Limited (the "firm")

Ref: 4731172

Of: 26-30 Upper Marlborough Road
St. Albans
Hertfordshire
AL1 3UU

Date: 24 August 2017

Handbook Versions as in force at the date of this Direction

Power

1. This Direction is given by the *FCA* under section 138A of the *Act*.

Duration

2. (1) This Direction takes effect on 24 August 2017.

(2) This Direction ends on 31 March 2018.

Rule modified

3. The *FCA* directs that the *rule* listed below applies to the *firm* with the modifications shown. The modifications are subject to the conditions set out in paragraph 5.

4. In the table below, underlining indicates new text and striking through indicates deleted text.

Rule	**Modification**
CASS 7.13.13R	(1) An account which the *firm* uses to deposit *client money* under *CASS 7.13.3 R (1)* to *CASS 7.13.3 R (3)* must be a *client bank account*. (2) Each *client bank account* used by a *firm* must be held on terms under which: (a) the relevant bank's contractual counterparty is the *firm* that is subject to the requirement under *CASS*

	7.13.3 R; and (b) unless the *firm* has agreed terms that comply with *CASS 7.13.13 R (3)*, the *firm* is able to make withdrawals of *client money* promptly and, in any event, within one *business day* of a request for withdrawal. Transitional provision *CASS TP 1.1*.10AR applies to (2). (3) ~~*Firms*~~ A *firm* may use *client bank accounts* held on terms under which withdrawals are, without exception, prohibited until the expiry of a fixed term or a notice period of: (a) a maximum of 30 days for at least 40% of the total *client money* held by the *firm* in *client bank accounts*; and (b) a maximum of 95 days for the remainder of the *client money* held by the *firm* in *client bank accounts*. (4) Paragraphs (2)(b) and (3) do not apply in respect of *client money* received by a *firm* in its capacity as a *trustee firm*.

Conditions

5. This direction is conditional on the *firm's* compliance with the following notification requirements:

(a) Client notifications:

a. Prior to holding any *client money* under *CASS* 7.13.13R(3)(b), the *firm* must notify all its *clients* that any *client money* held for them may be held under *CASS* 7.13.13R as modified under this direction, explaining each of the additional risks that arise as a result of the longer notice period for withdrawals in a way that is clear, fair and not misleading.

b. Thereafter, the *firm* must provide any new *clients* with the same information as under (a) at the time at which it would be required to provide *clients* with information under *COBS* 6.1.7R.
c. All notifications under this condition must satisfy *COBS* 6.1.13R on the medium of disclosure.

(b) FCA notifications:

a. The *firm* must provide the *FCA* with a report within 15 *business days* of the end of each calendar month that sets out the following information for the preceding calendar month:
    (i) the total balance of *client money* held under *CASS* 7.13.13R(3)(b) at the end of the calendar month;
    (ii) a breakdown total balance within (i) that shows for each fixed term deposit included in that balance: the name of the *bank*, the minimum notice period for making a withdrawal and the rate of interest payable on the fixed term deposit.
b. The report under (a) must be sent electronically to cassgeneral@fca.org.uk.

Interpretation

6. Interpretative provisions (including definitions) of the *Handbook* apply to this Direction in the same way as they apply to the *Handbook*.

Georgina Deilaki
Waivers Team, Wholesale Department
Supervision-Retail & Authorisations
Financial Conduct Authority