

Direction

To: AXA Portfolio Services (the “firm”)

Ref: **352729**

Of: AXA Centre
Bristol
BS99 5SN

Date: 22 December 2004

Handbook Version as in force at the date of this Direction

Power

1. This direction is given by the *FSA* under section 148 of the Financial Services and Markets Act 2000.

Duration

2. (1) This direction takes effect on 22 December 2004.
(2) This direction ends on 31 March 2006.

Rule Modified

3. The *FSA* directs that the *rule* listed below applies to the firm with the modification shown.

Rule	Modification
CASS 4.3.104R	The <i>rule</i> is replaced by the following: 'A <i>firm</i> may cease to treat as <i>client money</i> any unclaimed <i>client money</i> balance if it can demonstrate that: (1) it has taken reasonable steps to trace the <i>client</i> concerned and to return the balance, or, (2) solely in relation to unallocated <i>client money</i> balances (excess interest) of <i>private customers</i> who: (a) invested in a PEP plan managed by, or (b) used discretionary management services formerly offered by, AXA Portfolio Services, it has: (A) determined that there has been no movement on the <i>client's</i> balance for a period of at least three years (notwithstanding any

	payments or receipts of charges, interest of similar items); (B) made and retained records of all balances released from <i>client bank accounts</i> ; and (C) undertaken to make good any valid claim against any released balances.
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Conditions

4. This direction is subject to the conditions that:

(1) the firm uses the unallocated *client money* in CASS 4.3.104R(2) only:

(a) in payment of premium(s) for insurance against any possible future claims by customers (under arrangements such that the proceeds of any future claim in respect of the firm's liability to a given customer would be held in trust for that customer, or would otherwise be available to that customer in priority to the firm, any liquidator of the firm and any other creditors of the firm); and

(b) in payment or otherwise in respect of any deduction provided by the terms of the insurance in the event of any claim being made,

and any residue being paid to The Balance Charitable Foundation for Unclaimed Assets;

(2) the firm notifies the *FSA* in writing of details of the application of sums under this direction.

Interpretation

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

Miranda Kremers
 Waivers Team
 Financial Services Authority