



**BREWIN
DOLPHIN**

Client Assets Key Information Document (“CAKID”)

Client Assets Key Information Document (“CAKID”)

Brewin Dolphin Capital & Investments (Ireland) Limited (Brewin Dolphin) is regulated by the Central Bank of Ireland. Pursuant to the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Investment Firms) Regulations 2017 (“the Regulations”) we are required to provide you with a standalone document, our Client Assets Key Information Document (“CAKID”), which provides you with key information in relation to how your assets will be held by Brewin Dolphin. This important document may be updated from time to time and is available on our website: www.brewin.ie

You are advised to read this document prior to signing your Client Agreement Letter with Brewin Dolphin to ensure that you are aware of how your assets will be held, the resulting risks and the relevant protections available under the Regulations.

This document covers:

- An explanation of the key features of these Regulations;
- An explanation of what constitutes Client Assets under these Regulations;
- The circumstances in which these Regulations apply and do not apply;
- An explanation of the circumstances in which Brewin Dolphin will hold Client Assets itself, hold Client Assets with a third party and hold Client Assets in another jurisdiction; and
- The arrangements applying to the holding of Client Assets and the relevant risks associated with these arrangements.

What are the Client Asset Regulations?

The Client Asset requirements form Part 6 of the Regulations and set out the obligations of regulated investment firms such as Brewin Dolphin, in relation to Client Assets received and held by them arising from investment business activity. The purpose of the Client Asset regime is to safeguard Client Assets by ensuring that firms adhere to the principles and requirements set out in the Regulations.

The objectives of the Client Asset regime are:

- To maintain public confidence in the Client Asset regime.
- To minimise the risk of loss or misuse of Client Assets by regulated entities.
- To enable the efficient and cost effective return of Client Assets to you in the event that a regulated investment firm becomes insolvent.

A copy of the Investment Firms Regulations and Guidance issued by the Central Bank of Ireland (“CBI”), which provides assistance in understanding the Regulations and which may be updated from time to time, is available on the CBI’s website, www.centralbank.ie.

The Regulations set out the seven core principles of the Client Asset regime which Brewin Dolphin must comply with:

1. **Segregation:** Brewin Dolphin physically hold or arrange for Client Assets to be held separately from its own assets and maintain accounting segregation between its own assets and Client Assets.
2. **Designation & Registration:** All Client Assets are clearly identified as such in its internal records and in the records of third parties. These Client Assets are clearly identifiable and separate from Brewin Dolphin own assets.
3. **Reconciliation:** Brewin Dolphin reconcile its internal records with the records of any third party that holds Client Assets on its behalf. Brewin Dolphin maintain books and records to enable it to provide an accurate record of the assets held by it or with third parties, on your behalf at all times.
4. **Daily Calculation:** Each working day, Brewin Dolphin ensure that the aggregate balance on its Client Asset bank accounts equals the amount that it should be holding on behalf of its clients.
5. **Client Disclosure & Consent:** Brewin Dolphin provide you with information as to how and where your Client Assets are held and the associated risks.
6. **Risk Management:** Brewin Dolphin have robust systems, controls and processes in place to ensure that it mitigates the risks associated with the safeguarding of Client Assets.
7. **Client Asset Examination:** Brewin Dolphin engage an external auditor to provide an assurance report on an annual basis in relation to its safeguarding of Client Assets.

IMPORTANT: It is important to understand that the Client Asset regime applies specifically to the safeguarding of Client Assets. It does not provide protection in relation to the value of your investments.

What constitutes Client Assets under the Regulations?

Under the Client Asset regime, Client Assets include Client Funds and Client Financial Instruments received and held by Brewin Dolphin on your behalf.

‘Client Funds’ include funds owed to you or held on your behalf including cash on account, cheques or other payable orders, current and deposit accounts, including margin collateral associated with client positions.

‘Client Financial Instruments’ means a financial instrument as defined in Regulation 3(1) of MIFID Regulations 2017 (as amended) and an investment instrument as defined in section 2(1) of the Investment Intermediaries Act, 1995. It includes instruments such as shares, bonds, Collective Investment Schemes and Exchange Traded Funds.

When do the Regulations apply?

The Regulations apply where Brewin Dolphin receives Client Funds or holds Client Financial Instruments which have been entrusted to the firm (or its nominee) and in respect of which Brewin Dolphin has the capacity to effect transactions including the following:

- Funds lodged on behalf of a client to a Client Asset account held by Brewin Dolphin at an eligible third party.
- Client Financial Instruments you have transferred to Brewin Dolphin or purchased through your account with Brewin Dolphin will be treated as Client Assets from the time of receipt.
- Interest paid on funds held in deposit accounts are deemed to be Client Funds when the interest is credited to your account.
- Dividends and investment income are treated as Client Funds when Brewin Dolphin receive the funds on your behalf.

When do the Regulations not apply?

The Regulations do not apply where funds are received by Brewin Dolphin for investment in an activity which is not a regulated financial service (i.e. an investment that is not a ‘Client Financial Instrument’ as defined above, for example direct property investment) and where Brewin Dolphin hold such an instrument on your behalf, it will not be held in accordance with the Regulations. However, we will segregate such assets from the assets of Brewin Dolphin.

When do Client Assets cease to be Client Assets?

Brewin Dolphin will disclose to clients in its valuations and statement of assets whether individual assets within a portfolio are within the scope of CAR or not.

Some of the circumstances in which Client Assets will cease to be Client Assets and therefore no longer subject to the client asset regime are as follows:

- Where Client Assets are paid, or transferred to you, whether directly or into an account with a credit institution or relevant party in your name i.e. not an account in the name of Brewin Dolphin.
- Where Client Assets are paid, or transferred to a third party on your written instruction and are no longer under the control of Brewin Dolphin.

- Where a cheque or other payable order received from you is not honoured by the paying institution.
- Where funds are due and payable to Brewin Dolphin by you in the ordinary course of business including fees and commissions as agreed with you.

Where will Brewin Dolphin hold Client Assets?

The list of third parties with whom Brewin Dolphin may place Client Assets is set out in the Appendix. It is also available on our website www.brewin.ie/bdthirdparties.

- **Client Funds**
Brewin Dolphin may hold Client Funds in accounts with an eligible credit institution or a qualifying money market fund. These accounts are designated as Client Asset accounts.
- **Client Financial Instruments**
Client Financial Instruments may be registered in the name of Brewin Dolphin or its nominee company and are held in either physical form (e.g. share certificates) or electronically on the record of holdings on a Central Securities Depository (“CSD”) or International Central Securities Depository (“ICSD”).

What is a CSD/ICSD?

A CSD/ICSD is an entity which provides a central point for the settlement, issuance and safe keeping of financial instruments (“securities”), for example, bonds and shares.

CSDs operate at the centre of the securities chain, i.e. all holdings in a given financial instrument, whether by an individual or a financial institution, are ultimately kept in a securities account at a CSD. CSDs are financial market infrastructures performing key functions for the whole market. Financial Institutions hold securities on behalf of their clients directly with a CSD of which they are a member.

CSDs operate in a highly regulated environment. They are subject to national laws on securities issuance, settlement and safekeeping, while being supervised by the relevant authorities, typically the securities or banking regulator, and subject to the oversight of the relevant central bank(s).

Brewin Dolphin hold Client Financial Instruments through:-

- **CREST**
Client Financial Instruments are held within the CREST system through its nominee company, Aurum Nominees Limited, which is a direct member of CREST. CREST is a UK-based CSD that holds UK and Irish equities, UK gilts and other international securities. CREST is owned and operated by Euroclear UK & Ireland Limited.
- **Euroclear Bank SA/NV**
Euroclear Bank SA/NV is an ICSD through which Brewin Dolphin primarily hold fixed income securities and Collective Investment Schemes.

- **The Bank of New York Mellon**

Where Brewin Dolphin is not a member of a CSD it uses The Bank of New York Mellon to provide access to the relevant CSDs. The Bank of New York Mellon is a Global Custodian which Brewin Dolphin use for the settlement and safekeeping of non-UK and non-Irish securities.

In what circumstances do Brewin Dolphin hold Client Assets itself and what are the arrangements in place?

Brewin Dolphin hold its clients' Irish and UK financial instruments through its nominee company, Aurum Nominees Limited, in CREST. Our nominee company is a member of CREST and operates individually designated accounts for all clients who hold CREST eligible securities through Brewin Dolphin. Client accounts are segregated from each other as well as from those of the firm within CREST and within Brewin Dolphin's books and records.

Brewin Dolphin hold Client Assets in physical/certificated format where such assets cannot be held elsewhere. Physical/certificated assets are held in a fireproof safe at its premises.

In what circumstances do Brewin Dolphin hold Client Assets with a third party and what are the arrangements in place?

Client Funds

Client Funds are held with credit institutions in individually designated Client Asset Deposit accounts or pooled Client Asset accounts (i.e. they contain the assets of more than one client), all of which are designated "Brewin Dolphin Client Asset Account". Brewin Dolphin maintain books and records which clearly identify the Client Assets it holds for you within the pooled accounts.

Prior to lodging Client Funds with an eligible credit institution, Brewin Dolphin receive a written confirmation from the credit institution that these Client Asset accounts are legally segregated from any bank account Brewin Dolphin itself may hold with that institution.

Client Financial Instruments

Brewin Dolphin hold other Client Financial Instruments through:

Euroclear Bank SA/NV

- Fixed Income securities
- Collective Investment Schemes

The accounts at Euroclear Bank SA/NV holding Client Assets are pooled accounts. These accounts are designated "Brewin Dolphin Client Asset Account". Brewin Dolphin maintain books and records which clearly identify the Client Assets it holds for you within the pooled accounts.

Bank of New York Mellon

- Other instruments (predominantly non-Irish & non-UK equities). Brewin Dolphin have appointed Bank of New York Mellon as its global custodian to hold Client Assets on behalf of Brewin Dolphin. Client Assets are held in accounts designated "Brewin Dolphin Client Asset Account". These accounts are pooled Client Asset accounts. Where necessary Bank of New

York Mellon has appointed sub-custodians in certain jurisdictions in which Client Assets are held.

We may also hold assets which can only be held with certain third party institutions, who may also be the Registrar for that asset e.g. Private Equity, Unit Trusts.

In what circumstances will Brewin Dolphin hold Client Assets in another jurisdiction?

Client Financial Instruments are held with a CSD/ICSD in the jurisdiction where it is customary for such instruments to be held. Brewin Dolphin is a member of two CSDs, CREST and Euroclear SA/NV.

Client Assets will be held in another jurisdiction as follows:

- CREST (non-Irish)
- Assets held by our Global Custodian, Bank of New York Mellon
- Assets held in Euroclear SA/NV

In the case of **Client Funds**, a number of the credit institutions with whom we place deposits are the Irish branch of an EU financial institution whose home country jurisdiction is outside of the State.

These third parties have been chosen primarily on the basis of their financial strength, breadth of custody services, range of market access, and that they meet the criteria set out in Brewin Dolphin's internal risk assessment.

Brewin Dolphin appoints third parties which may be located in different jurisdictions, a list of which is available in the Appendix. Clients Assets will only be deposited with a third party in a jurisdiction which specifically regulates and supervises the safekeeping of assets, unless the nature of the instrument requires it and you have instructed us to do so. Some aspects of the Regulation may differ from our own jurisdiction, this includes EEA states and non EEA states.

What are the risks associated with the holding of Client Assets and what controls are in place to mitigate these risks?

While the purpose of the Client Asset regime is to regulate and safeguard the handling of Client Assets, it is not possible to fully eliminate all risks relating to Client Assets. The material risks relating to the safeguarding of Client Assets include the following risks.

Default or insolvency of third parties

1. If a third party which holds your assets becomes insolvent or defaults, you may not receive back all or any of your assets.

- In the case of financial instruments held by a third party (and in the absence of fraud) you should receive back your assets, as Client Assets must be segregated from the third party's own assets. However the timing of the return of your assets would be uncertain.
- In the case of a credit institution, you may be eligible to avail of a deposit guarantee scheme. The amount of funds that

you would receive back and the timing of their return would depend on the terms of the particular deposit guarantee scheme, the extent of the institution's insolvency and any bail-in measures implemented by the Authorities under the Bank Recovery and Resolution Directive (the "BRRD"). The BRRD (an EU directive which has been implemented into Irish Law) provides a framework for resolving failing banks and large investment firms.

2. In the event of the default of a third party which holds Client Assets you will not be able to avail of the Investor Compensation Scheme applicable to member firms in Ireland. However, the compensation scheme relevant to that jurisdiction may apply.

In order to ensure that due skill, care and diligence is applied to the selection of third parties which hold Client Assets, Brewin Dolphin has an internal assessment process in place which is undertaken for third parties prior to their appointment. We also undertake a semi-annual review and monitor their performance on an ongoing basis.

Where Client Assets are held outside the State or the EEA, these assets will be subject to the law of a jurisdiction other than Ireland. The legal regime applying to the third party may be different to that of the State or EEA and your rights relating to those assets may differ accordingly in the event of a default of the third party.

Should you request in writing to have your Client Assets held with a third party that does not meet our internal risk assessment, or with a third party in a country that does not regulate the holding and safe keeping of investments, you may be exposed to a higher risk in relation to the return of your assets.

Insolvency of Brewin Dolphin

Brewin Dolphin hold Client Assets in accounts which are legally separated from Brewin Dolphin's own assets. In the event of Brewin Dolphin becoming insolvent, your assets are not available to creditors making a claim against Brewin Dolphin.

Brewin Dolphin is a member of the Investor Compensation Scheme ("Scheme"). You may be entitled to compensation from the Scheme in the event of Brewin Dolphin becoming insolvent. This depends on the type of business and the circumstances of your claim. Eligible investors are covered for 90% of the money they have lost, up to a maximum of €20,000.

Further information about the Scheme is available in Section 19 of our Terms & Conditions or at <http://www.investorcompensation.ie>. Investment in an activity that is not a regulated financial service is not covered by the Scheme.

In accordance with the Regulations Brewin Dolphin must ensure that all Client Assets are held in Client Asset Accounts at the close of business every day. In the event of Brewin Dolphin becoming insolvent during the course of the business day, there may be instances whereby some Client Assets in transit are not protected until such time as the daily client money process has been completed.

Fraud & Operational Risk

Should a fraud or an operational failure occur within a regulated investment firm or a third party, the Client Assets held on your behalf

may be misappropriated, diminished or unavailable to you for a period of time. In the normal course of business we would expect the entity suffering the fraud or operational failure to compensate you and reinstate your assets.

Brewin Dolphin have robust policies, controls and procedures in place to mitigate against the possibility of fraud and the risks arising from operational failure.

The third parties, as regulated entities, are also required to have such policies, controls and procedures in place. Third parties holding Client Financial Instruments undergo an external annual review of their control environment by an independent auditor and a report thereon is made available to Brewin Dolphin and forms part of its internal due diligence and annual review process.

Pooled Accounts

Where assets are held in a pooled account, there is a risk that the designation of pooled accounts as Client Assets may be challenged by a liquidator, thereby preventing or delaying our ability to control your assets. In the unlikely event that the pool may have a deficit, any losses would be applied on a pro-rata basis across all clients participating in the pool. Brewin Dolphin maintain appropriate books and records and undertake reconciliations (as set out by the Regulations), to make sure that it can easily identify the Client Assets it holds for you within pooled accounts.

Brewin Dolphin Governance Structure and Control Environment

Brewin Dolphin has put in place a Governance structure to provide control and oversight of its Client Assets. The Board of Brewin Dolphin is responsible for the management and governance of its Wealth & Investment business. It places the highest priority on its responsibilities in relation to Client Assets.

It has established a committee of the Board, the Board Risk Committee (the "Committee"), whose remit includes the safeguarding of Client Assets. It receives reports from External Audit and from the various control functions within Brewin Dolphin including Compliance, Risk, Finance, and Internal Audit, which provide assurance to the Committee and the Board that the control environment within Brewin Dolphin is operating effectively. The control functions monitor the activities of Brewin Dolphin and its appointed third parties.

An important requirement of the Regulations is the Investment Firm's Client Asset Management Plan which covers all aspects of how Client Assets are treated and protected. As required under the Regulations, Brewin Dolphin have appointed a Head of Client Asset Oversight who is responsible for ensuring the safeguarding of Client Assets.

Brewin Dolphin give the safety of your Client Assets its highest priority and have dedicated resources in place at an operational and governance level to ensure that we comply with the seven core principles of the Regulations.

Appendix

Third Parties with whom Brewin Dolphin may place Client Assets are set out below:

Client Funds

Name	Registered Office	Website	Types of Accounts held	Related Party
Bank of Ireland Group plc	40 Mespil Road Dublin 4	www.bankofireland.com	Individually Designated	No
Ulster Bank Ireland DAC	Ulster Bank Group Centre George's Quay Dublin 2	www.ulsterbank.ie	Pooled and Individually Designated	No
BNP Paribas SA (Dublin Branch)	5 George's Dock International Financial Services Centre Dublin 1	www.bnpparibas.com/en	Individually Designated	No
Permanent TSB Group Holdings plc	58-59 St Stephens Green Dublin 2	www.permanenttsb.ie	Individually Designated	No
Barclays Bank Ireland plc	Two Park Place Hatch Street Dublin 2	www.barclays.ie	Individually Designated	No
Allied Irish Banks plc	Bankcentre Ballsbridge Dublin 4	www.aib.ie	Individually Designated	No
HSBC Bank Plc	8 Canada Square London E14 5HQ United Kingdom	www.hsbc.co.uk	Pooled	No
Investec Bank plc	30 Gresham St London EC2V 7QP United Kingdom	www.investec.co.uk	Pooled	No

Client Financial Instruments

Name	Registered Office	Website	Types of Accounts held	Related Party
Euroclear UK & Ireland Limited	33 Cannon Street London EC4M 5SB	www.euroclear.com	Individually Designated	No
Euroclear Bank SA/NV	1 Boulevard du Roi Albert II 1210 Brussels Belgium	www.euroclear.com	Pooled	No
BNY Mellon	One Wall Street New York NY 10286 USA	www.bnymellon.com	Pooled	No

Clients should be aware that this list of third parties with whom we may place Client Assets is subject to change over time. The current list of these third parties is available on our website www.brewin.ie/bdthirdparties

www.brewin.ie

Brewin Dolphin Capital & Investments (Ireland) Limited trading as Brewin Dolphin and Brewin Dolphin Ireland is regulated by the Central Bank of Ireland. A member of Euronext Dublin and the London Stock Exchange. Registered in Ireland Number 223158.
Registered Office: 3 Richview Office Park, Clonskeagh, Dublin 14.

V.5. Oct 2019



**BREWIN
DOLPHIN**