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Client Money Handling Procedures

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Client Money Handling Procedures

At JLL we take our responsibilities for managing our clients' money very seriously and want to give our clients assurance that their funds are protected and safe.

This document outlines the key principles and procedures we operate for the handling of client money.

Overview

We have designed our procedures and processes for managing client money in line with the RICS professional statement "Client Money Handling" 1st edition October 2019.

Jones Lang LaSalle Limited or JLL (RICS Registered Firm No. 003870) is a member of the RICS Client Money Protection Scheme.

We consider the following to the core objectives of our approach to handling client money:

- To safeguard the funds entrusted to us by our clients
- To maintain accurate accounting records in respect of our clients' money
- To provide clarity and transparency of the approach we adopt to our clients

Definition of client money

We consider client money to encapsulate the following:

- Any currency (whether cash, cheque, draft or electronic transfer) that we hold or receive on behalf of our clients as part of the delivery of our services
- Excluding amounts which are immediately due and payable on demand

How and where client money is held

In relation to client money we hold or receive, the following conditions apply:

- All client money is held in designated client money accounts; either a **common account** or a **discrete account**.
Common accounts are bank accounts which hold pooled client money belonging to more than one client and are used to facilitate receipts and payments. **Discrete accounts** are client specific accounts (i.e. they are unique to individual clients) and are used to hold client money relating to the relevant client.
- All bank accounts utilised by JLL for client money are exclusively controlled by JLL, except where the client requests that money is held in an account to which it also has access. In such cases, these accounts are established by the relevant client.
- All bank accounts utilised by JLL for client money are provided by an appropriate banking institution authorised by the Prudential Regulatory Authority (PRA) or the Financial Conduct Authority (FCA)¹.
- All client money accounts are solely utilised for client money and do not include office money (i.e. funds relating solely to JLL's own business).
- All discrete accounts include the word client and the name of the client in the title of the account.
- All client money held is available on demand.
- We obtain written confirmation from the bank of the operating conditions for all client money accounts.

¹Note: For UK Property & Asset Management Services, such accounts are held in the name of AMAS Limited, a wholly owned subsidiary of JLL. Residential accounts are held in the name of Jones Lang LaSalle (S E) Limited. Both arrangements are established in compliance with RICS requirements.



Access to funds

Access to client money accounts is restricted to specific individuals, who possess an appropriate level of experience and seniority (namely a Management Grade).

All payments out of client money accounts require approval by at least one named individual on the bank mandate.

Access to the e-banking systems is limited to such individuals, as well as the Cash Management team.

All bank mandates are reviewed on at least an annual basis and approved by a member of senior management.

Timescales for payment into client accounts

Electronic transfers of client money are made directly into a common account and subsequently allocated to the relevant discrete accounts. Receipts are reviewed on a daily basis to support this process.

Where money is received by cheque, these are logged and recorded. Cheques are banked periodically but at least once a month.

Cash payments directly into client accounts are not accepted. Where cash is received in the delivery of our services to clients (e.g. income relating to a car park), this is collected and banked on a regular basis, using third party security companies where appropriate.

Unallocated cash is reviewed regularly by the Cash Management team, with items remaining unallocated for 28 days returned to the sender. Any unallocated cash returned through this process requires approval from at least one individual on the relevant bank mandate.



Payment authorisation

As noted above, access to the bank accounts are limited to appropriate and authorised individuals.

All payments made from client money are made to or on behalf of the relevant client, in line with the agreed service delivery (e.g. as documented in a Property Management Agreement (PMA)). Payments for management fees are made in line with agreements for each individual client.

Payments are made via electronic transfer (e.g. FPS, BACS or CHAPS) wherever possible, but in all cases of payment, the payment requests

must be supported by appropriate evidence (such as the original invoice) and approved by the relevant individuals. Additional controls are in place to restrict other methods of access to funds (e.g. restrictions on withdrawals).

No payments are made unless there are sufficient funds held to cover the payment.

Segregation of duties is in place between the teams and individuals involved in client accounting, data management, accounts payable and payment approval.

Interest and bank charges

The bank accounts used to hold client money are interest bearing accounts, for which JLL covers all bank charges (including transaction fees and account maintenance charges).

JLL is also entitled to retain any interest earned through the aggregation of client money within

the common accounts, including to offset general bank charges and administration costs associated with operating the relevant bank accounts (in line with specific client agreements, such as the PMA). Discrete accounts are credited with interest at an agreed rate and interval.

Bank account reconciliations

Records are maintained for all common and discrete accounts maintained by JLL, including an audit trail of transactions for each account.

Common accounts are reconciled on a daily basis between the cash book and the bank statement by a member of the Bank Reconciliations team, with a supervisory review carried out by a senior member of the team. On a monthly basis, a reconciliation between the cash book, bank statements and general ledger is performed.

All discrete accounts are reconciled on at least a monthly basis between the cash book, bank statements and general ledger by a member of the Bank Reconciliations team, with an independent review undertaken for each reconciliation.

Reconciling items identified are investigated with the relevant teams (e.g. Client Accounts) to identify actions required to resolve them, where necessary. Levels of reconciling items are monitored and reviewed regularly.

Information provided to clients about client money

For all clients, we advise the clients, in writing, of the bank account details (account name and details of the bank) and agree the terms of the account handling, including arrangements for interest and charges.

Reporting arrangements are agreed individually with each client to meet their needs, but typically include regular financial reporting and details of the client money held by JLL on their behalf.

Where we receive surplus client money, such money is held within a designated unclaimed client funds account (distinct from other client

money accounts) and efforts are made to identify the owner and return the funds. Where this is not possible, the funds are transferred to a registered charity in line with the RICS rules. The unclaimed client funds account is reviewed on at least an annual basis to determine whether any transfers or other action is required.

In the event that any client money is misappropriated, we take prompt action to inform RICS, the client affected and our insurers. Any such event is suitably investigated with remedial action taken where required.

Disputes or complaints

Whilst we endeavour to avoid disputes wherever possible, we recognise that occasionally when dealing with our clients, we may do or omit to do something that gives rise to dissatisfaction, disappointment or a complaint. In such circumstances, we want to put things right and improve our service.

Typically, such instances are addressed via day-to-day contract management or client interactions, however, specific arrangements for individual clients are agreed as part of our client agreements (e.g. defined within the PMA).

In addition to the above, JLL has a defined Complaint Handling Procedure (in line with the RICS Rules of Conduct) to respond to and address written complaints.



JLL

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About JLL

JLL (NYSE: JLL) is a leading professional services firm that specializes in real estate and investment management. JLL shapes the future of real estate for a better world by using the most advanced technology to create rewarding opportunities, amazing spaces and sustainable real estate solutions for our clients, our people and our communities. JLL is a Fortune 500 company with annual revenue of \$19.4 billion, operations in over 80 countries and a global workforce of more than 102,000 as of September 30, 2022. JLL is the brand name, and a registered trademark, of Jones Lang LaSalle Incorporated. For further information, visit jll.com.