

# CPYB doc Yacht Brokers' Banking Policy

Good banking practices for yacht brokers include implementing strong anti-money laundering (AML) and Know Your Customer (KYC) protocols, maintaining high-quality financial documentation (like Bills of Sale and VAT information), understanding yacht mortgages and title chains, and using pooled client accounts with client protections where available.

**Yacht Brokers should maintain at least two Business bank accounts, one for the Business and one being a designated pooled client account.**

Pooled client accounts (PCAs) allow yacht brokers to hold funds for multiple clients in a single bank account, but these funds must be carefully administered and accounted for to prevent co-mingling and potential legal issues. This is a common practice for service-based professionals, like legal practitioners or estate agents, to manage client monies that are not their own.

## How Pooled Client Accounts Work

- **Centralized Fund Management:** A brokerage holds a single bank account to receive funds from various clients, such as deposits or down payments for yachts.
- **Client Fund Segregation:** While funds are pooled, they remain segregated electronically within the account. The broker must maintain accurate records to ensure each client's money is accounted for separately.
- **No Direct Client Access:** Clients cannot directly instruct the broker from these accounts, as the broker is the account holder and administrator of the funds.

## Key Considerations for Yacht Brokers

- **Legal and Regulatory Compliance:** Brokers must understand the legal requirements and regulations governing pooled client accounts in their jurisdiction to ensure compliance and prevent misuse of funds.

- **Accurate Record-Keeping:** Meticulous bookkeeping is essential to track the origin and destination of all funds, preventing the inadvertent co-mingling of broker and client money.
- **Trust and Escrow:** Some jurisdictions may require that these funds be held in an escrow account, acting as a form of trust for the clients' assets.

By adhering to strict accounting practices and regulatory frameworks, yacht brokers can effectively use pooled client accounts to manage transactions while safeguarding client funds.