

## **PART V - I      PROFESSIONAL PRACTICE - LOANS**

No changes have been made to the Rules dealing with bridging loans and borrowing from clients which are continued from the 1997 Accounts Rules.

### **(Rule 20)**

*How do I deal with bridging loans?*

You must not enter into a bridging loan agreement on behalf of a client in circumstances which may impose on you personal liability for repayment in the event of default by the client. Bridging loans must always be in writing and you must give the lender full details of the client and what the arrangements are for repayment.

*Can I lend money to a client?*

Yes – but you should consider whether a conflict of interest might arise.

### **(Rule 21)**

*Can I borrow money from a client?*

No – unless the client has been independently advised about the loan or is in the business of lending money. (*N.B.* Personal and business loans are not covered by the Guarantee Fund.)