




Great is the OECD, and greatly to be praised. In black, white & purple they confirm an Investment Entity does not report on its Custodial Institution


 **Mark Morris**
CRS and CARF expert. No, truly.



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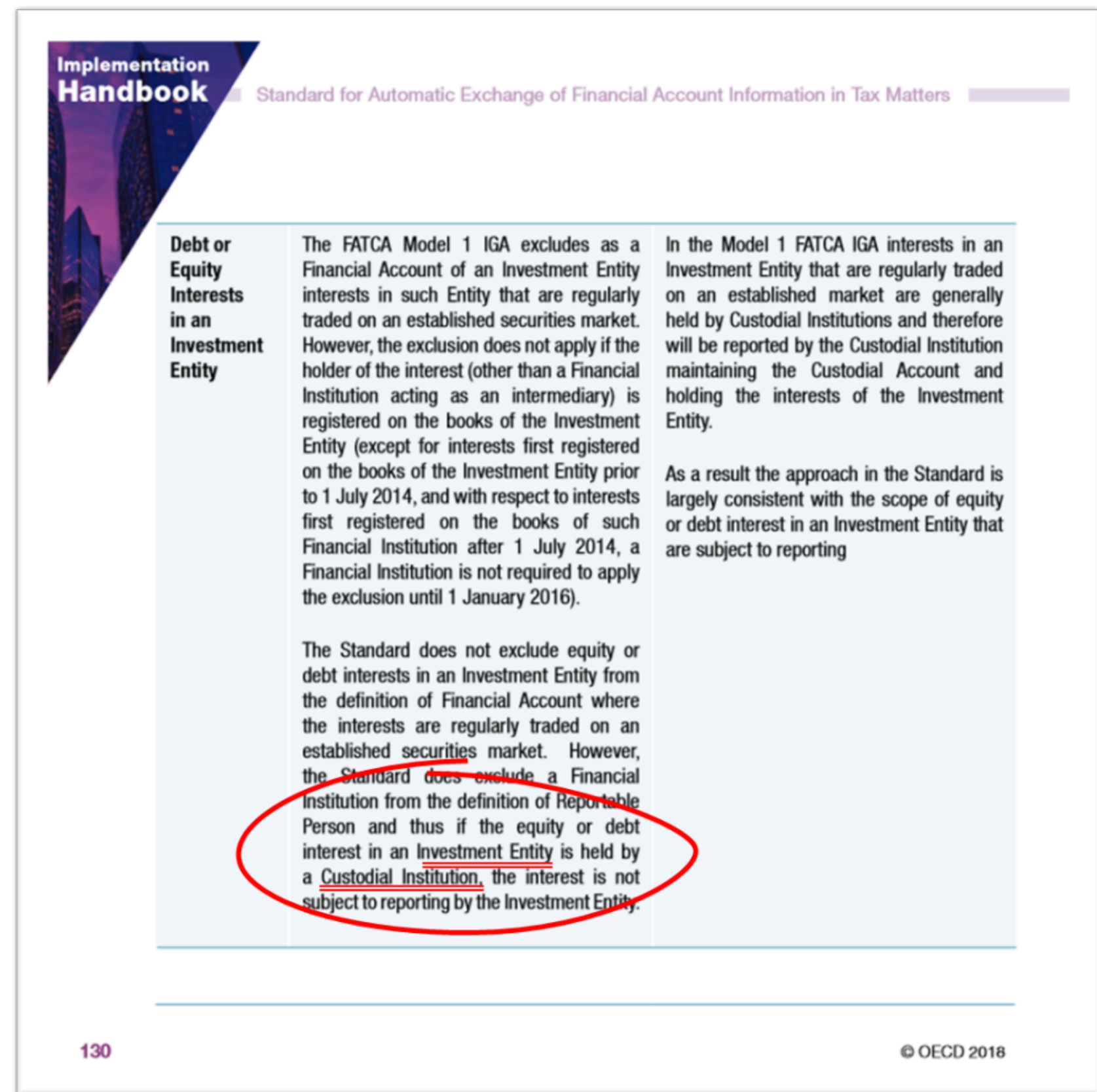
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Great be the OECD, for they are good

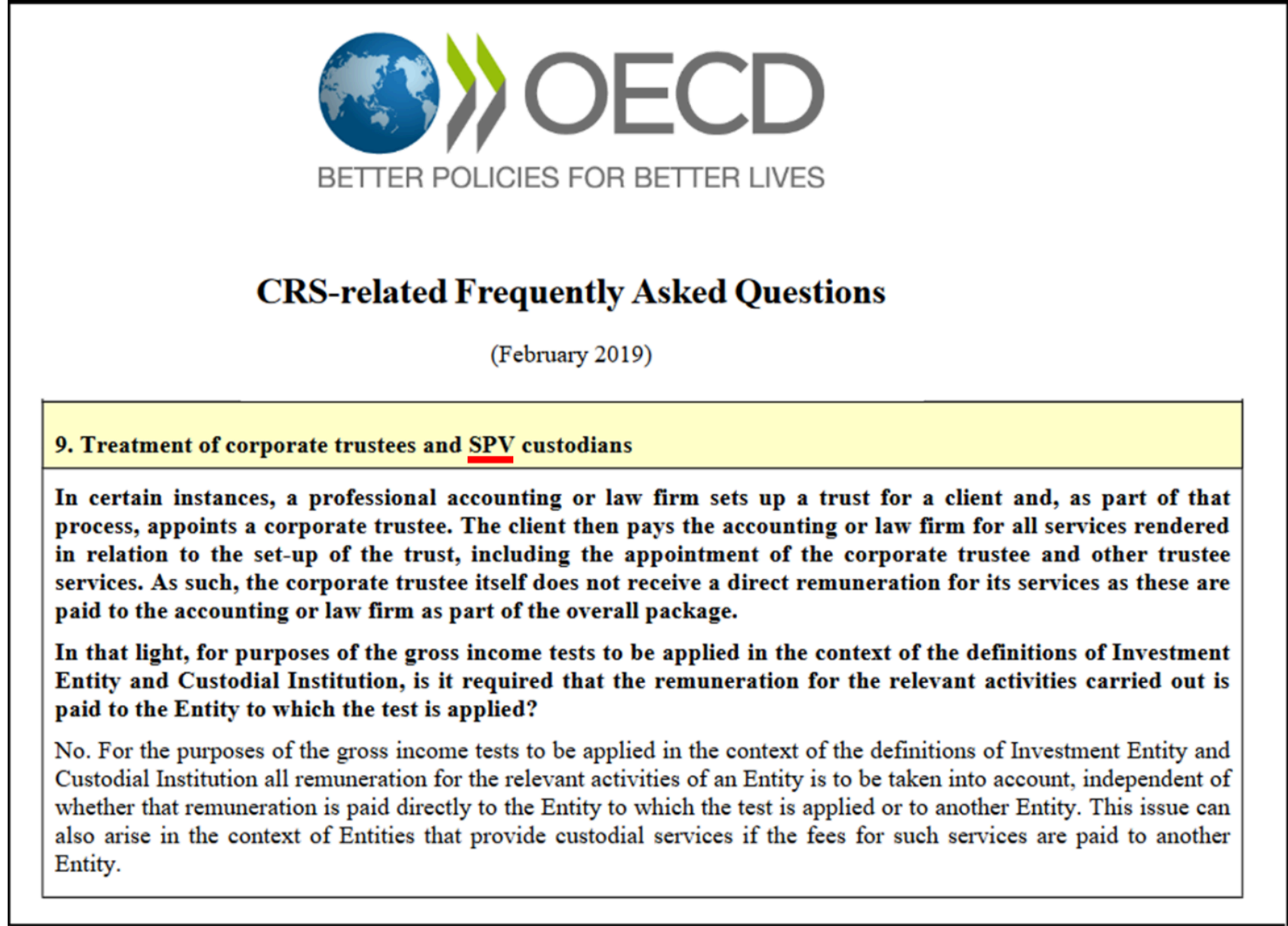


- OECD handbook page 130 confirms managed Investment Entities do not report on its custodian Institution owner
- If the Custodial Institution is a non-participating FI, then no CRS reporting will occur



OECD CRS FAQ on Custodian fees paid to third parties

- OECD confirms payments to SPV Custodial institutions can be paid to third parties, and this payment will count towards the Custodial Institution income test.



HMRC, thank the good lord, confirms trusts can be Custodial Institutions




- Trusts are treated as entities by all of the agreements for automatic exchange of information.
- A trust can be either a financial institution or a Non-Financial Entity. Where a trust meets one of the definitions for being a Financial Institution [see] it is most likely to be an Investment Entity but it may, alternatively, meet the requirements for being a Custodial Institution.
- For example, shares held in trust may be in a Custodial Account [see] and therefore subject to reporting by the trust as the Custodial Institution that holds the account. This may be the case where a trust such as an Employee Benefit Trust continues to hold financial assets, such as shares, for an employee after they have been granted.
- Where an Employee Benefit Trust holds shares for the future benefit of employees, but the shares are not allocated, then under most circumstances this right to a future allocation would not fall to be a custodial account. Similarly, when shares are allocated and the trustee is directed to transfer the assets as soon as reasonably possible to the beneficiary, a broker, a custodian, etc., then the trust will not be treated as maintaining a financial account for the duration of time it takes to complete the transfer.

=====END=====




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