

Institution under subparagraph A(3) - (8)

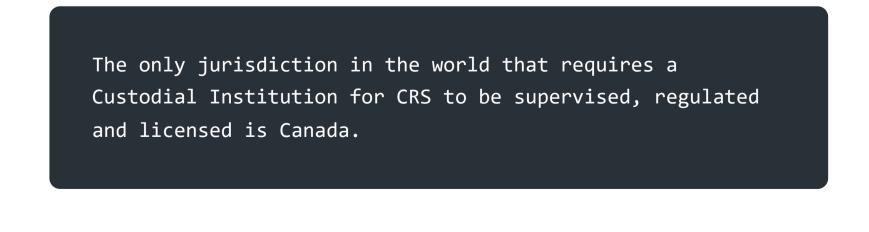
Must "Income attributable to the holding of Financial Assets and related financial services" (custodyrelated fees) be paid directly to the Custodial Institution?

OECD CRS FAQ Page 14 Q. 9 Nope. • Bypass the handful of Commonwealth jurisdictions (e.g., India, New Zealand, UK,

Australia, Malta, Canada, etc) insisting in their domestic CRS legislation that if fees for custody services are paid to a third party, then that entity must be related/connected/attributed to the Custodial Institution.

Important takeaway

• Do not forget, that non-participating Custodial Institutions are regarded as Custodial Institutions for CRS. • There is no hint whatsoever in the CRS, its Commentary, its Implementation Handbook, the European DACs, the Global Forum Audit guidance, or the OECD CRS FAQ that a nonparticipating Custodial Institution is subject to look-through, like a Passive NFE



Summary

Now you know that a trust, even a private family trust, in the CRS fictional world is a Custodial Institution if:

1. It's an entity 2. It holds assets for someone else (the beneficiaries). The asset belonged to the settlor before, who may be the beneficiary like an employee benefit trust on shares already distributed.

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3. At least 20% of its income is for "Income attributable to holding Financial Assets" as listed in CRS Commentary Page 160 par 10.



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