Exchange of Information - AUT/OEIC

Interest Distributions

1. Payments direct to the Customer

The Registrar issues cheques to the Customer from the Trustee/Depositary’s distribution account held at the AUT/OEIC’s bank. Whilst the Trustee/Depositary is legally obliged to make such payments, this function is sub-contracted to the Registrar. The notice will be issued to the Manager who can delegate responsibility to the Registrar for making the report. The manager remains responsible.
2. As for 1. except Customer has own Custodian/Nominee

A notice would be issued to the Custodian who will make the report.

N.B.
A notice will also go to the manager who will report any payments made direct to individual customers.
3. As for 1. or 2. above (but standard reinvestment instruction)

Information flows to Customer or Customer’s Custodian/Nominee

No flow of funds to customer, but voucher information flows to Customer’s Custodian/Nominee

Notices go to both manager and custodian. The manager can delegate responsibility to the registrar who then reports reinvested payments. The custodian would also report reinvested payments.
Exchange of Information - AUT/OEIC Interest Distributions

4. As for 1. or 2. above (but accumulation units held by Customer)

- Ultimate Customer
- Fund Registrar
- AUT/OEIC
- Trustee/Depositary
- Customer's Custodian/Nominee

Information flows to Customer or Customer's Custodian/Nominee

No flow of funds to customer, but deemed distribution to Customer and voucher information flows to Customer or their Custodian/Nominee.

Notices go to both manager and custodian. The manager can delegate responsibility to the registrar who then reports reinvested payments. The custodian would also report reinvested payments.
Exchange of Information - Broker Business

1. Model A Clearing Agreement

Customer

Broker

Custodian

Contract for Broking & Custody services

Sub-contract for Custody services

Cash - Income flows

Cash - Income flows

Conclusion: Payment from Custodian to Broker - Custodian does not report unless Broker is an individual or partnership of individuals reports
Payment by Broker to Customer - Broker reports if Customer is an individual
A notice is issued to the custodian who reports income flows to individual customers. **IF** the Broker receives a notice they will also report the payments to individuals made by the custodian, as S18(3D) deems payments made with the consent/at the direction of another person to be made by that person.
Exchange of Information - Broker Business

3. Separate Broking/Custody Agreements

Customer

Broker

Custodian

Contract for Broking services

Conclusion: Custodian reports
A notice is issued to the custodian who reports income flows to individual customers. IF the Broker receives a notice they will also report the payments to individuals made by the custodian, as S18(3D) deems payments made with the consent/at the direction of another person to be made by that person.
Exchange of Information - Broker Business

6. Uninvested Cash - Designated Client Account

Customer

Broker

Bank

Uninvested cash in interest-bearing designated client account at Bank

Cash

Interest

Conclusion: Bank reports (if interest on uninvested cash is returnable under Section 17 TMA 1970)
7. Gilt Interest Reporting

Notices will be issued to the Broker and CGO. They will each report payments to individuals.
8. Gilt and other Interest Reporting (standard reinvestment instructions)

Note:
Instruction from Customer to Broker to reinvest coupon in more stock/gilts, therefore no cash flow between Broker and Customer in respect of coupon

Conclusion: Reporting by Broker