

CUSTODIAL AND DEPOSITORY SERVICES

1. **INCIDENTAL PROVIDER** [IF YOU HAVE NOT IDENTIFIED YOUR BUSINESS AS AN INCIDENTAL PROVIDER OF CUSTODIAL OR DEPOSITORY SERVICES, YOU SHOULD SUPPLY COMPREHENSIVE ANSWERS TO THE SUBSEQUENT QUESTIONS. FOR INCIDENTAL PROVIDERS OF CUSTODIAL AND DEPOSITORY SERVICES, WE EXPECT CONCISE RESPONSES. NOTE THAT YOU MAY CHOOSE TO USE THE SAME RESPONSE TO MULTIPLE QUESTIONS]

1.1. Is the applicant an incidental provider of custodial or depository services?

☒ Yes

☐ No

1.2. Explain how the applicant meets the definition of incidental provider

[insert full company name] (“[insert defined company name]”) is applying to be authorised to provide Custodial Services which are incidental to the operation of its proposed unregistered managed investment scheme (“Fund”).

RG 166 defines an incidental provider as an Australian Financial Services (“AFS”) licensee that is authorised to provide custodial or depository service:

- that does not provide any custodial or depository services other than services which:
 - are a need of the person to whom the services are provided because of, or in order to obtain the provision of other financial services by the AFS licensee or its related bodies corporate;
 - do not form part of an IDPS; and
 - who’s custodial or depository services revenue is less than 10% of its financial services business revenue.

[insert defined company name] believes it is an incidental provider as it intends to operate a Fund and understands that the trustee is deemed to have a beneficial interest in the financial products for the members and, hence, needs to be authorised to provide custodial services. Such services will be incidental to the provision of advice and dealing services. [insert defined company name] does not intend to operate a stand-alone custody business. [insert defined company name] will outsource this function and appoint a suitable third-party custodian who complies with the Corporations Act 2001 (Cth) (“Corporations Act”).

In addition, the custodial services will not form part of an IDPS and [insert defined company name] will not generate nor does [insert defined company name] propose to generate in the future any revenue from the provision of custodial services.