



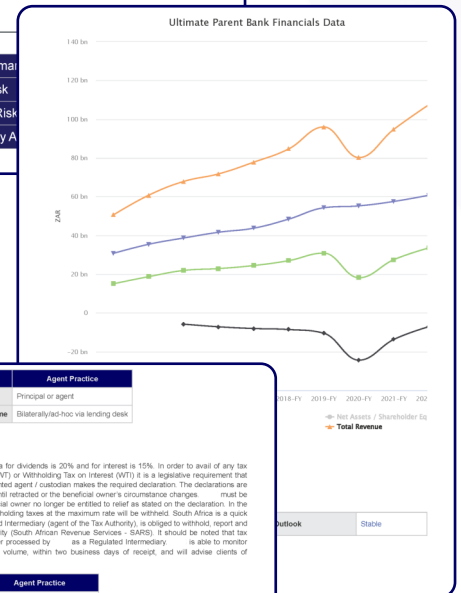
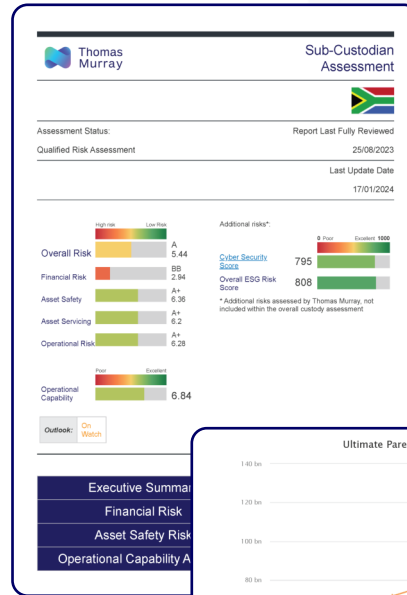
Sub-Custodian Monitoring

Understanding and monitoring underlying sub-custodians engaged to support client investments is critical under numerous regulatory requirements, including 17(f).5, CASS, AIFMD, and UCITS V requirements.

Thomas Murray's Sub-Custodian Monitoring service assists banks in meeting regulatory, fiduciary, client and internal obligations for the periodic review of their appointed subcustodians, while sharing costs with other Thomas Murray clients.

The service supplements banks' own operational review processes whilst helping them to reduce the expense and disruption of having employees away from the office. Thomas Murray currently covers c360 sub-custodians in 95 markets. All agent banks are subject to annual due diligence process utilising the industry standard AFME Due Diligence questionnaire supplemented with Thomas Murray's key risk questions, and validated via on-site operational review.

The service provides a proprietary sub-custody assessment report on third party sub-custodians; call reports from onsite visits to the primary appointed local agent and any contracted contingency providers; call reports from visits to the local CSD(s), Central Bank, Exchange(s) and Regulator(s); access to responses to our sub-custodian monitoring questionnaire and; access to responses to the generic client questions for each of the sub-custodians, issued annually.



Key Criteria	Agent Practice
Principal/Agency	Principal or agent
Automated Fails Coverage Programme	Bilaterally/Ad-hoc via lending desk

Taxation

The withholding tax rates in South Africa for dividends is 20% and for interest is 10%. In order to avail of any tax relief from Dividends Withholding Tax (DWT) or Withholding Tax on Interest (WTI) it is a legislative requirement that the beneficial shareholder or their appointed agent / custodian makes the required declaration. The declarations are required once and will remain in force until rescinded or the beneficial owner's circumstances change. must be informed immediately should the beneficial owner no longer be entitled to relief as stated on the declaration. In the absence of the required declaration withholding taxes at the maximum rate will be withheld. South Africa is a quick reclaim market and as a Regulated Intermediary (agent of the Tax Authority), is obliged to withhold, report and pay withholding taxes to the Tax Authority (South African Revenue Services - SARS). It should be noted that tax reclaim are not sent to SARS but rather processed by as a Regulated Intermediary. is able to monitor and report tax reclaims, depending on volume, within two business days of receipt, and will advise clients of outstanding reclaims on a monthly basis.

Key Criteria	Agent Practice
Tax Reclaim	Provided only upon client request
Reclaim Reporting Method	Proprietary System/ Web-based
Reclaim Reporting Frequency	Continuous/ Real-time

Risk Grade Scale	Outlook Scale	Capability Grade Scale
Extremely Low Risk	Stable	Extremely strong
Very Low Risk	Positive	Very strong
Low Risk	Positive	Strong
Moderate Risk	Negative	Adequate
High Risk	Negative	Weak
Very High Risk	Negative	Very Weak
Extremely High Risk	Negative	Extremely Weak
No risk grade assigned	Negative	No capability score assigned

To find out more contact:



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