



Omnibus Accounts

Explanation of Terms

Omnibus Account

An account maintained at a financial institution (FI) by a second FI that contains multiple non-disclosed beneficial owner accounts. The firm which custodies the omnibus account often does not have identifying information about the individual sub accounts. As a result, individual accounting is often not available for underlying client accounts.

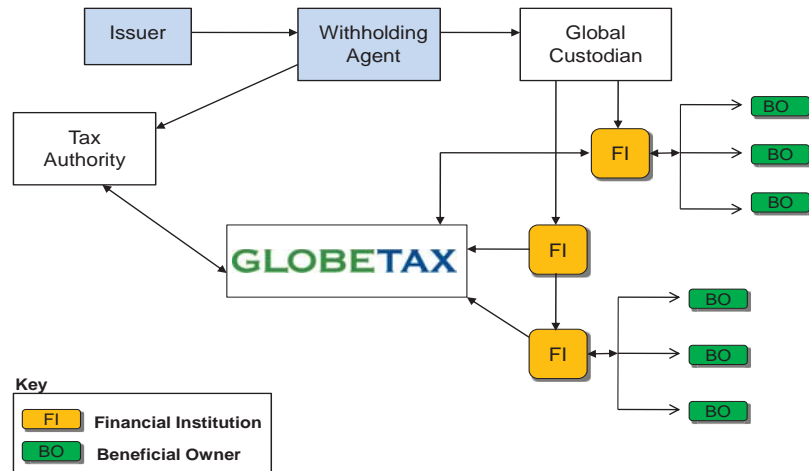
Ultimate Beneficial Owner (BO)

The true owner of the security who is ultimately entitled to the income distributed by that security (e.g. dividends or interest).

The Issue

Given the omnibus structure, reclaiming one's entitlement in cases when excess withholding occurred on positions held through an omnibus (or series of omnibus) account(s) is difficult at best. Cooperation from the various FIs in the custody chain is necessary and the process to file for reclamation varies not only by market but also by individual FIs in the chain.

The Process



Benefits

The omnibus account structure is used to facilitate relationships among banks and brokers, especially when operating in different jurisdictions. It is an efficient way to bundle customer trading activity into a single account, saving money through economies of scale, and allowing for trades executed at many brokers to be consolidated at a single global custodian or its own affiliate in another jurisdiction. Customers often prefer to have all of their trading conducted through a single account carried at one firm, rather than at multiple affiliates of that firm.

Why GlobeTax

- Downstream FIs can protect the confidentiality of Ultimate Beneficial Owners
- One source solution for clients with multiple custodians
- Global Custodians can enhance their service offering to clients by enabling tax reclamation for omnibus account holders

For more information, visit www.GlobeTax.com or email Info@GlobeTax.com