



IRS NONBANK TRUSTEE DISCLOSURE STATEMENT

IRS Non-Bank Trustee Approval. StoneX Financial Inc.*, has received approval from the Internal Revenue Service ("IRS") to serve as a nonbank trustee or custodian for individual retirement accounts ("IRAs") established under sections 401D and 408A of the Internal Revenue Code.

You may request a hard copy of the approval notices by calling +1 (888) 786-9925 or writing to:
StoneX Financial Inc.
2 Perimeter Park South Suite 100W
Birmingham, Alabama 35243

**INTL FCStone Financial Inc. changed its name to StoneX Financial Inc., effective August 1, 2020. The IRS was notified and acknowledged the name change but did not issue an updated letter.*



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

JUL 03 2017

INTL FCStone Financial, Inc.
C/O Sterne, Agee & Leach, Inc.
2 Perimeter Park, Ste. 100W
Birmingham, AL 35243
Attn.: Andrew R. Chambless

Re: INTL FCStone Financial, Inc., TIN: 59-3514167
Nonbank Trustee Approval Letter
Control # 911746530

Dear Mr. Chambless:

In a letter dated January 31, 2017, as supplemented by correspondence dated March 31, 2017, you requested a written notice of approval that INTL FCStone Financial, Inc. may act as a passive or non-passive nonbank custodian or trustee with respect to plans qualified under section 401, accounts described in section 403(b)(7), individual retirement accounts (IRAs) established under section 408 (including an account described in section 408(c), an account described in section 408(h), a simplified employee pension plan described in section 408(k), and a SIMPLE retirement plan described in section 408(p)), Roth IRAs described in section 408A, and Coverdell education savings accounts established under section 530 pursuant to section 1.408-2(e) of the Income Tax Regulations (Regulations).

Section 401(f)(1) of the Code provides that a custodial account shall be treated as a qualified trust under this section if such custodial account would, except for the fact it is not a trust, constitute a qualified trust under this section. Section 401(f)(2) provides that the custodian must be a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which such other person will hold the assets will be consistent with the requirements of section 401. Section 401(f) also provides that in the case of a custodial account treated as a qualified trust, the person holding the assets of such account shall be treated as the trustee thereof.

Section 403(b)(7)(A) of the Code requires that for amounts paid by an employer to a custodial account to be treated as amounts contributed to an annuity contract for his employee, the custodial account must satisfy the requirements of section 401(f)(2). That section also requires, in order for the amounts paid by an employer to be treated as amounts contributed to an annuity contract for his employee, that the amounts are to

INTL FCStone Financial, Inc.
TIN: 59-3514167

2

be invested in regulated investment company stock to be held in the custodial account, and under the custodial account no such amounts may be paid or made available to any distributee before the employee dies, attains age 59 1/2, has a severance from employment, becomes disabled (within the meaning of section 72(m)(7)), or in the case of contributions made pursuant to a salary reduction agreement (within the meaning of section 3121(a)(1)(D)), encounters financial hardship.

Section 408(a)(2) of the Code requires that the trustee of an IRA be a bank (as defined in section 408(n)) or such other person who demonstrates to the satisfaction of the Secretary that the manner in which such other person will administer the IRA will be consistent with the requirements of section 408.

Section 408(h) of the Code provides that a custodial account shall be treated as a trust under this section if the assets of such account are held by a bank (as defined in subsection (n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which such other person will administer the account will be consistent with the requirements of this section, and if the custodial account would, except for the fact that it is not a trust, constitute an IRA described in subsection (a). Section 408(h) also provides that, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

Section 408A of the Code provides, in general, that a Roth IRA shall be treated in the same manner as an individual retirement plan. Section 7701(a)(37)(A) defines an individual retirement plan as an individual retirement account described in section 408.

Section 530(b)(1)(B) of the Code requires that the trustee of a Coverdell education savings account must be a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which that person will administer the trust will be consistent with the requirements of this section or who has so demonstrated with respect to any individual retirement plan.

Section 530(g) of the Code provides that for purposes of section 530, a custodial account shall be treated as a trust if the assets of such account are held by a bank (as defined in section 408(n)) or another person who demonstrates, to the satisfaction of the Secretary, that the manner in which he will administer the account will be consistent with the requirements of this section, and if the custodial account would, except for the fact that it is not a trust, constitute an account described in subsection (b)(1). For purposes of the Code, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of such account shall be treated as the trustee thereof.

The Regulations at section 1.408-2(e) contain the requirements with which one must comply in order to act as a custodian, for purposes of sections 401(f), 403(b)(7),

INTL FCStone Financial, Inc.
TIN: 59-3514167

3

408(a)(2), 408(h), 408A and 530 of the Code. Section 1.408-2(e)(1) requires a person to file written application with the Commissioner demonstrating that it meets sections 1.408-2(e)(2) through 1.408-2(e)(6).

Based on all the information submitted to this office and all the representations made in the application, we have concluded that INTL FCStone Financial, Inc. meets the requirements of section 1.408-2(e) of the Regulations and, therefore, is approved to act as a passive or non-passive nonbank trustee or custodian of plans qualified under section 401, accounts described in section 403(b)(7), individual retirement accounts (IRAs) established under sections 408 and 408A (dealing with Roth IRAs), and Coverdell education savings accounts established under section 530.

This Notice of Approval authorizes INTL FCStone Financial, Inc. to act as a passive or non-passive nonbank trustee or custodian. When INTL FCStone Financial, Inc. acts as a passive nonbank trustee or custodian (within the meaning of section 1.408-2(e)(6)(i)(A) of the Regulations), it is authorized only to acquire and hold particular investments specified by the trust instrument or custodial agreement. It may not act as a passive trustee or custodian if under the written trust instrument or custodial agreement it has discretion to direct investments of the trust (or custodial) funds.

This Notice of Approval, while authorizing INTL FCStone Financial, Inc. to act as a trustee or custodian, does not authorize it to pool accounts in a common investment fund (other than a mutual fund) within the meaning of section 1.408-2(e)(5)(viii)(C) of the Regulations. INTL FCStone Financial, Inc. may not act as a trustee or custodian unless it undertakes to act only under trust instruments or custodial agreements that contain a provision to the effect that the grantor is to substitute another trustee or custodian upon notification by the Commissioner that such substitution is required because INTL FCStone Financial, Inc. has failed to comply with the requirements of section 1.408-2(e) or is not keeping such records, or making such returns or rendering such statements as are required by forms or regulations. For example, one such form is Form 990-T for IRAs that have \$1000 or more of unrelated business taxable income that is subject to tax by section 511(b)(1) of the Code.

INTL FCStone Financial, Inc. is required by section 1.408-2(e)(6)(iv) of the Regulations to notify the Commissioner of Internal Revenue, Attn.: SE:T:EP:RA, Internal Revenue Service, 1111 Constitution Ave., NW, Washington, D.C. 20224, in writing, of any change which affects the continuing accuracy of any representations made in its application. Further, the continued approval of INTL FCStone Financial, Inc. to act as a passive or non-passive nonbank trustee or custodian of plans qualified under section 401, accounts described in section 403(b)(7), individual retirement accounts (IRAs) established under sections 408 and 408A (dealing with Roth IRAs), and Coverdell education savings accounts established under section 530 is contingent upon the continued satisfaction of the criteria set forth in section 1.408-2(e).

INTL FCStone Financial, Inc.
TIN: 59-3514167

4

This Notice of Approval letter is not transferable to any other entity. An entity that is a member of a controlled group of corporations, within the meaning of section 1563(a) of the Code, may not rely on an approval letter issued to another member of the same controlled group. Furthermore, any entity that goes through an acquisition, merger, consolidation or other type of reorganization may not necessarily be able to rely on the approval letter issued to such entity prior to the acquisition, merger, consolidation, or other type of reorganization. Such entity may have to apply for a new notice of approval in accordance with section 1.408-2(e) of the Regulations.

This letter constitutes a notice that INTL FCStone Financial, Inc. may act as a passive or non-passive nonbank custodian or trustee of the plans and accounts specified above, and it does not bear upon its capacity to act as a trustee or custodian under any other applicable law. This is not an endorsement of any investment or retirement plan. The Internal Revenue Service does not review or approve investments nor recommend retirement plans.

This Notice of Approval is effective as of the date of this letter and will remain in effect until withdrawn by INTL FCStone Financial, Inc. or revoked by the Service. This notice of approval does not authorize INTL FCStone Financial, Inc. to accept any fiduciary account before this notice becomes effective.

If you wish to inquire about this ruling, please contact Adam Zaebst, SE:T:EP:RA:T1, (I.D. # 1000934042), by phone at 513-975-6712 or by fax at 855-224-1305.

Sincerely,

A handwritten signature in blue ink that reads "Carlton A. Watkins".

Carlton A. Watkins, Manager
Employee Plans Technical Group 1