

BELIZE:

MUTUAL ADMINISTRATIVE ASSISTANCE IN TAX MATTERS
(AMENDMENT) ACT 2017

ARRANGEMENT OF SECTIONS

1. Short title.
2. Insertion of new heading.
3. Amendment of section 2.
4. Insertion of new section 5a.
5. Insertion of new heading.
6. Insertion of parts III and IV.
7. Insertion of schedules.
8. Commencement.

SCHEDULES.



No. 18 of 2017

I assent,

(SIR COLVILLE N. YOUNG)

Governor-General

16th February, 2017.

AN ACT to amend the Mutual Administrative Assistance in Tax Matters Act, 2014 (Act No. 15 of 2014), to provide for the implementation of the obligations of Belize arising under the Convention with respect to the standard of automatic exchange of financial account information in tax matters; to give effect to the Multilateral Competent Authority Agreement; to give effect to the Common Reporting Standard; and to provide for matters connected therewith or incidental thereto.

(Gazetted 25th February, 2017.)

1. This Act may be cited as the

Short title.

**MUTUAL ADMINISTRATIVE ASSISTANCE IN
TAX MATTERS (AMENDMENT) ACT 2017,**

No. 15 of
2014.

and shall be read and construed as one with the **Mutual Administrative Assistance in Tax Matters Act**, which, is hereinafter referred to as the principal Act.

Insertion of
heading.

2. The principal Act is amended by inserting the following heading immediately above section 1—

“PART I

PRELIMINARY”.

Amendment
of section 2.

3. The principal Act is amended in section 2,

(a) by re-ordering the definitions in alphabetical order; and

(b) in the definition of “competent authority” by inserting after the word “Finance” the words “or a person or authority designated by him in accordance with section 5A(1);”.

Insertion of
new section
5A.

4. The principal Act is amended by inserting the following new section 5A immediately after section 5—

“5A.-(1) The Financial Secretary shall be the competent authority for the purposes of implementing the Convention and the administration of this Act generally.

(2) The Financial Secretary may, in writing, designate any person or authority to perform the functions of the competent authority under this Act and the Convention.

(3) The Financial Secretary shall cause the designation of a person or authority under subsection (2) to be published in the *Gazette* as soon as practicable thereafter.”.

5. The principal Act is amended by inserting the following heading immediately above section 6 –

Insertion of new heading.

“ PART II

**EXCHANGE OF INFORMATION
UPON REQUEST ”.**

6. The principal Act is amended by deleting section 9 and inserting after section 8, the following new Part III and Part IV –

Insertion of Parts III and IV.

“ PART III

**AUTOMATIC EXCHANGE OF FINANCIAL
ACCOUNT INFORMATION**

9. (1) In this Part, unless the context otherwise requires –

Interpretation of Part III.

“account holder” has the meaning given by Section VIII E 1 of the Standard;

“Agreement” or “MCAA” means the Multilateral Competent Authorities Agreement on the Automatic Exchange of Financial Account Information signed by the Government of Belize on 29th October 2015 in relation to agreements with the participating jurisdictions to improve international tax compliance based on the Standard as set out in *Schedule 2*;

“Belizean financial institution” means ,

- (a) any financial institution that is resident in Belize, but excludes any branch of that financial institution that is located outside of Belize; and

- (b) any branch of a financial institution that is not resident in Belize, if that branch is located in Belize;

“CRS” or “Standard” means the Common Reporting Standard as set out in *Schedule 3*, including the Commentaries thereon, approved by the Council of the Organisation for Economic Co-operation and Development on 15 July 2014, which contains reporting and due diligence procedures for the exchange of information on an automatic basis, as amended from time to time;

“financial account” has the meaning given by Section VIII of the Standard;

“financial institution” means a custodial institution, a depository institution, an investment entity or a specified insurance company as is described in the Standard;

“information return” means a report, setting out certain information as specified by regulations made under this Act, which a reporting financial institution is required to file with the competent authority;

“non-reporting financial institution” has the meaning given by Section VIII B 1 of the Standard;

“reportable account” means an account held by one or more reportable persons or by a passive non-financial entity with one or more controlling persons that is a reportable person, provided it has been identified as such pursuant to the due diligence procedures described in Sections II to VII of the Standard;

“reportable jurisdiction” means any jurisdiction other than Belize or the United States of America; and

“reporting financial institution” means any Belizean financial institution that is not a non-reporting financial institution.

(2) Any other word or expression which has a meaning given to it by the Standard shall, where it is used in this Act or regulations made under this Act and unless the contrary intention appears, have the same meaning in this Act or those regulations as it has in the Standard.

10.–(1) For the purposes of this Part, the Agreement and the Standard shall have the force of law in Belize and shall be used to guide the process of automatic exchange of financial account information.

**Inconsistent
Laws.**

(2) In the event of any inconsistency between the provisions of this Part, MCAA and the Standard, and the provisions of any other law, the provisions of this Part, MCAA, and the Standard shall prevail to the extent of the inconsistency.

11.–(1) A reporting financial institution shall, in respect of the first reporting year and each subsequent calendar year, collect and make an information return setting out the information required to be reported under the Standard pursuant to subsection (5) in respect of each reportable account maintained by the reporting financial institution at any time during a calendar year.

**Duty to
collect and
report
information.**

(2) Notwithstanding subsection (1), if during the calendar year in question, the reporting financial institution maintains no reportable accounts, the reporting financial institution is required to file a nil return in accordance with this Part.

(3) The first reporting year for the purposes of the Common Reporting Standard is the calendar year 2017.

(4) A reporting financial institution shall make a return under this Part on or before 31st March of the year following the calendar year to which the return relates.

(5) For the purposes of the information required to be reported under the CRS –

- (a) a reference to the balance or value of an account includes a nil balance or value;
- (b) a reference to paying an amount includes crediting an amount; and
- (c) any other prescribed information.

**Form of
return.**

12.–(1) A reporting financial institution shall make an information return under section 11 electronically using the prescribed form and in a manner specified by the competent authority that incorporates an electronic validation process.

(2) The competent authority shall treat a return made otherwise than in accordance with subsection (1) as not having been made.

(3) The competent authority shall assume unless the contrary is proved that –

- (a) the use of the electronic returns system specified by the competent authority resulted in a return having been made if the return was recorded by the electronic validation process of the system;
- (b) the return was made at the time recorded by the electronic validation process; and
- (c) the person who made the return is the person identified as doing so by electronic return system.

(4) The competent authority shall report a return made on behalf of a reporting financial institution as being purportedly made by the reporting financial institution, unless the reporting financial institution proves that the return was made without the reporting financial institution's authority.

13.–(1) A reporting financial institution shall establish and maintain an arrangement designed to identify reportable accounts maintained by the financial institution.

Arrangements for identification of reportable accounts.

(2) The arrangement shall –

- (a) identify each jurisdiction in which an account holder or a controlling person is resident for income tax or business tax purposes or for the purposes of any tax imposed by the law of the jurisdiction that is of a similar character of either of those taxes;
- (b) apply the due diligence procedures set out in the Standard; and
- (c) ensure that any information obtained in accordance with this Act or a record of the steps taken to comply with this Act in respect of a financial account is kept for six years from the end of the year to which the information relates or during which the steps were taken.

14.–(1) A reporting financial institution that has reporting obligations under this Part shall notify the competent authority of that fact.

Duty to notify competent authority.

(2) A reporting financial institution shall provide the notification under subsection (1) no later than 30th April in the first calendar year in which the reporting financial

institution is required to comply with reporting obligations under this Part.

(3) The reporting financial institution shall provide the notification electronically in a form required by the competent authority.

(4) A reporting financial institution shall immediately notify the competent authority of any change to the information provided under subsection (2).

**Appointment
of third
parties.**

15.–(1) A reporting financial institution may appoint a person as an agent of the reporting financial institution's to carry out any or all of the duties and obligations imposed on the reporting financial institution by this Part.

(2) Notwithstanding its appointment of an agent pursuant to subsection (1), the reporting financial institution shall ensure that the reporting financial institution continues to have access to and is able to produce to the competent authority records and documentary evidence used to identify and report on reportable accounts.

(3) The reporting financial institution is responsible for any failure of the person appointed pursuant to subsection (1) to carry out the reporting financial institution's obligations.

**Powers and
functions of
the
competent
authority.**

16.–(1) The competent authority, subject to the general directions of the Minister, shall generally administer and enforce compliance with the provisions of the Convention, this Act and any regulations made under this Act, with respect to the automatic exchange of financial account information.

(2) The competent authority may exercise all powers vested in the competent authority of Income Tax under the Income and Business Tax Act to administer and enforce compliance with the provisions of the Convention, this Act and any regulations made under this Act.

(3) The competent authority may in writing, request information from and, at all reasonable times, enter, with the assistance of such agents as the competent authority considers necessary, any premises or place of business of a reporting financial institution for the purposes of –

- (a) determining whether the information –
 - (i) included in an information return made under this Act by the reporting financial institution is correct and complete; or
 - (ii) not included in an information return was correctly not included; or
- (b) examining the procedures put in place by the reporting financial institution for the purposes of ensuring compliance with that institution’s obligations under this Act and the regulations.

17.– (1) The Government may enter into a bilateral or multilateral agreement with any other State that is not a participating jurisdiction under the MCAA for the purposes of automatic exchange of information under the Standard.

Competent authority agreement.

(2) Where, pursuant to subsection (1), the Government enters into an agreement to implement the provisions of the CRS, the provisions of this Part shall be applied in accordance with that agreement, notwithstanding anything to the contrary in the CRS.

(3) Any agreement pursuant to subsection (1) shall be in the form similar to the MCAA.

18.–(1) Any law relating to confidentiality shall not apply to the disclosure of information by a reporting financial institution to the competent authority that is required to be included in an information return filed under this Act or the

Confidentiality.

regulations made under this Act and, accordingly, this section shall apply to information to which, but for this section, the said law would apply.

(2) Every person having an official duty or being employed in the administration or enforcement of this Act or the regulations made under this Act or any person who formerly had a duty or was formerly so employed in the administration or enforcement of this Act or the regulations made under this Act shall treat information received from a reporting financial institution under this Act or those regulations as confidential and shall only disclose such information as may be necessary for the purpose of the administration or enforcement of the Convention, this Act or those regulations.

(3) Every person having an official duty or being employed in the administration or enforcement of this Act or the regulations made under this Act or any person who formerly had a duty or was formerly so employed in the administration or enforcement of this Act or the regulations made under this Act shall treat information received from a competent authority in participating jurisdictions under this Act or those regulations as confidential and shall only disclose such information as may be necessary for the purpose of the administration or enforcement of the Convention, this Act or those regulations.

(4) A person who discloses or divulges any information or produces any document relating to the information received from a reporting financial institution or competent authority of participating jurisdiction under this Act or the regulations made under this Act in contravention of this section commits an offence and is liable, on summary conviction, to a fine of \$10,000 or imprisonment for a term of six months, or to both.

19.–(1) The competent authority may give any person that it has reason to believe has failed to comply with a duty imposed by this Act or the Regulations, a notice in writing offering that person the opportunity to discharge any liability to conviction of that offence by payment of a fixed penalty specified for the offence in the Regulations.

Opportunity to discharge liability to conviction.

(2) The fixed penalty referred to in subsection (1) shall not be greater than the maximum penalty prescribed for that offence in this Act.

20.–(1) Every reporting financial institution that fails to file an information return as and when required under this Act or under the regulations made under this Act is liable to a penalty of \$10,000 for each such failure.

Administrative penalties.

(2) Every person who makes a false statement or omission in respect of any information required to be included on an information return, under this Act or under the regulations made under this Act, is liable to a penalty of \$10,000 for each such failure, unless in the case of information required in respect of another person, a reasonable effort was made by the person to obtain the information from the other person.

(3) Every reporting financial institution that fails to file an information return in the time and manner required under this Act or under the regulations made under this Act is liable to a penalty of \$10,000 for each failure.

(4) Every person who does not comply with the requirement of the competent authority in the exercise or performance of the competent authority's powers or duties under this Act or under regulations made under this Act is liable to a penalty of \$5,000 for each such failure.

21.–(1) For the purposes of determining whether an administrative violation has been committed an amount payable

Interpretation of section 20.

under this Act or regulations is deemed not to have been paid until it has been paid in full.

(2) The imposition of an administrative penalty becomes final on the earliest of –

- (a) the payment by the financial institution;
- (b) the date when, in accordance with section 19, the financial institution is considered to have committed the administrative violation;
- (c) the date when the time for any appeal has expired and no appeal has been filed; or
- (d) the dismissal of any appeal of the financial institution, provided that the time for any further appeal has expired.

(3) If a person has a reasonable excuse for a failure but the excuse has ceased, the person is to be treated as having continued to have the excuse if the failure is remedied without unreasonable delay after the excuse ceased.

**Assessment
of penalties.**

22.–(1) If a person becomes liable to a penalty under section 20, the competent authority shall –

- (a) assess the penalty; and
- (b) notify the person of the assessment.

(2) An assessment of a penalty under subsection (1) shall be made within the period of 12 months beginning with the date on which –

- (a) The person became liable to the penalty; or
- (b) the inaccuracy first came to the attention of that competent authority.

23.–(1) Where it intends to take administrative action against a financial institution, the competent authority shall send a notice of its intention to the financial institution –

Notice of intention to take administrative action.

- (a) specifying;
 - (i) the alleged administrative violation and the relevant facts surrounding the violation; and
 - (ii) the amount of the penalty that it intends to impose;
- (b) advising the financial institution of its right to make written representation to the competent authority in accordance with subsection (2); and
- (c) the date on which notice of intention to take administrative action in respect of that violation was sent to the financial institution.

(2) After the expiration of 28 days from the date that it sent a notice under subsection (1) to an financial institution the competent authority may take administrative action against that financial institution by sending it the administrative penalty directive stating –

- (a) the administrative violation in respect of which the notice is issued;
- (b) the amount of the administrative penalty imposed;
- (c) a date not less than 14 days after the date of the penalty notice, by which the penalty shall be paid by the financial institution;

- (d) that if the financial institution does not pay the administrative penalty or exercise his rights of appeal under section 25, on or before the date referred to;
- (e) the financial institution will be considered to have committed the offence and is liable on summary conviction to a fine of \$20,000;
- (f) the remedial actions required to be taken; and
- (g) the timeframe for completion of the remedial action under paragraph (f).

Representation
against
proposed
administrative
action.

24.–(1) A financial institution that receives a notice under section 23 may, within 28 days of the date of the notice, or such longer period as the competent authority, in special circumstances, may authorise, send written representations to the competent authority –

- (a) denying that it has committed the alleged administrative violation or disputing the facts of the alleged administrative violation; or
- (b) providing reasons that it considers justify the imposition of a lower penalty.

(2) Representations made other than in accordance with subsection (1) may not be considered by the competent authority.

Appeal to
Income Tax
Appeal Board.
CAP. 55.

25. A person may appeal to the Income Tax Appeal Board established under the Income and Business Tax Act against a penalty assessment –

- (a) on the grounds that liability to penalty under section 20 does not arise; or
- (b) as to the amount of such a penalty.

26.–(1) Notice of an appeal under section 25 shall –

Procedure on appeal against penalty.

- (a) be provided to the competent authority, in writing, before the end of the period 30 days beginning with the date on which notification under section 23 was provided; and
- (b) set out grounds of appeal.

(2) On an appeal under section 25(a) that is notified to the Income Tax Appeal Board, the Income Tax Appeal Board may confirm or cancel the assessment.

(3) On appeal under section 25(b) that is notified to the Income Tax Appeal Board, the Income Tax Appeal Board may confirm the assessment or substitute another assessment that the competent authority had power to make.

(4) Subject to this section and section 25, the provisions of the Income and Business Tax Act relating to appeals shall apply in relation to appeals under section 25 as they apply in relation to an appeal under that Act.

CAP. 55

27.–(1) A penalty under this part shall be paid to the [General Revenue Fund] within 30 days after –

Procedure for payment of administrative penalty.

- (a) the date on which notification under section 23 is provided in respect of the penalty; or
- (b) the date on which an appeal against a penalty assessment pursuant to section 22 is finally determined or withdrawn.

(2) If any amount in respect of penalty is not paid by the due date described in subsection (1), interest on the amount owing shall be charged and computed for the period during which that amount is outstanding.

(3) The rate of interest charged under subsection (2) shall be [10%] per annum.

When administrative violation constitutes an offence.

28. Any failure pursuant to section 20 for which the administrative procedures set out in section 21 to 27 have been instituted, and for which the administrative penalty remains unpaid for two years or more shall constitute an offence and the person is liable on summary conviction to a fine of \$100,000.00 or to imprisonment for one year or to both.

Anti-avoidance.

29. If a person enters into any arrangements or engages in a practice, the main purpose or one of the main purposes, of which can reasonably be considered to be to avoid an obligation imposed under this Part or regulations thereunder, the person nevertheless remains subject to the obligations as if the person had not entered into the arrangement or engaged in the practice.

PART IV

GENERAL

Regulations.

30.– (1) The Minister may make regulations for the better carrying out of the objects and purposes of this Act and the Convention.

(2) Without limiting the generality of subsection (1), regulations thereunder may provide for giving effect to any provisions of the Convention or this Act, including the following –

- (a) specifying the information to be reported in an information return in relation to certain financial accounts and, where different information is to be reported for different years, specifying the information to be reported for each of those years;

- (b) specifying the records and other documents that must be examined or the procedures to obtain records and other documents by the reporting financial institution to enable the financial institution to identify certain financial accounts;
- (c) specifying the records and other documents used to identify certain financial accounts that are required to be retained by the reporting financial institution;
- (d) setting out any additional conditions under which a reporting financial institution may appoint a third party as its agent to carry out the duties and obligations imposed on it by the regulations;
- (e) in relation to any of the matters specified in the preceding paragraphs, determining the manner of keeping records and setting the period for the retention of records so kept;
- (f) enabling the authorisation of designated officers requiring the production of books, records or other documents and the provision of information in relation to financial account within such time as may be specified in the Regulations;
- (g) specifying the outstanding information in the MCAA (Annexes A to E) which are required for enabling the automatic exchange of financial account information, namely the list of non-reciprocating jurisdictions, transmission methods, specified data safeguards, confidentiality questionnaire, and the competent authority for which an agreement is in effect; and

(h) generally to carry out the purposes and provisions of the Convention, the Agreement or this Act.”.

Insertion of Schedules.

7. The principal Act is amended by inserting after the Schedule, the following Schedules –

SCHEDULE 2

[Section 9]

DECLARATION

I, Neri J. Matus, Director General of the International Financial Services Commission, on behalf of the Competent Authority of Belize, declare that it hereby agrees to comply with the provisions of the

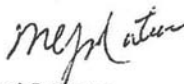
Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information

hereafter referred to as the “Agreement” and attached to this Declaration.

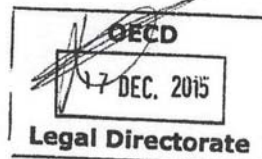
By means of the present Declaration, the Competent Authority of Belize is to be considered a signatory of the Agreement as from 29 October 2015. The Agreement will come into effect in respect of the Competent Authority of Belize in accordance with Section 7 thereof.

The Annex F notification referred to in Section 3(3) of the Agreement is deposited herewith.

Signed in Bridgetown on 29 October 2015.


Neri J. Matus

CERTIFIED TRUE COPY
OF ORIGINAL



**MULTILATERAL COMPETENT AUTHORITY
AGREEMENT ON AUTOMATIC EXCHANGE
OF FINANCIAL ACCOUNT INFORMATION**

Whereas, the jurisdictions of the signatories to the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information (the “Agreement”) are Parties of, or territories covered by, the Convention on Mutual Administrative Assistance in Tax Matters or the Convention on Mutual Administrative Assistance in Tax Matters as amended by the Protocol amending the Convention on Mutual Administrative Assistance in Tax Matters (the “Convention”) or have signed or expressed their intention to sign the Convention and acknowledge that the Convention must be in force and in effect in relation to them before the first exchange of financial account information takes place;

Whereas, the jurisdictions intend to improve international tax compliance by further building on their relationship with respect to mutual assistance in tax matters;

Whereas, the Common Reporting Standard was developed by the OECD, with G20 countries, to tackle tax avoidance and evasion and improve tax compliance;

Whereas, a country that has signed or expressed its intention to sign the Convention will only become a Jurisdiction as defined in Section 1 of this Agreement once it has become a Party to the Convention;

Whereas, the laws of the respective Jurisdictions require or are expected to require financial institutions to report information regarding certain accounts and follow related due diligence procedures, consistent with the scope of exchange contemplated by Section 2 of this Agreement and the reporting and due diligence procedures set out in the Common Reporting Standard;

Whereas, it is expected that the laws of the Jurisdictions would be amended from time to time to reflect updates to the Common Reporting Standard and once such changes are enacted by a Jurisdiction the definition of Common Reporting Standard would be deemed to refer to the updated version in respect of that Jurisdiction;

Whereas, Chapter III of the Convention authorises the exchange of information for tax purposes, including the exchange of information on an automatic basis, and allows the competent authorities of the Jurisdictions to agree the scope and modalities of such automatic exchanges;

Whereas, Article 6 of the Convention provides that two or more Parties can mutually agree to exchange information automatically, the exchange of the information will be on a bilateral basis between the Competent Authorities;

Whereas, the Jurisdictions have, or are expected to have, in place by the time the first exchange takes place (i) appropriate safeguards to ensure that the information received pursuant to this Agreement remains confidential and is used solely for the purposes set out in the Convention, and (ii) the infrastructure for an effective exchange relationship (including established processes for ensuring timely, accurate, and confidential information exchanges, effective and reliable communications, and capabilities to promptly resolve questions and concerns about exchanges or requests for exchanges and to administer the provisions of Section 4 of this Agreement);

Whereas, the Competent Authorities of the jurisdictions intend to conclude an agreement to improve international tax compliance based on automatic exchange pursuant to the Convention, without prejudice to national legislative procedures (if any), respecting EU law (if applicable), and subject to the confidentiality and other protections provided for in the Convention, including the provisions limiting the use of the information exchanged thereunder;

Now, therefore, the Competent Authorities have agreed as follows:

SECTION 1

Definitions

1. *a)* For the purposes of this Agreement, the following terms have the following meanings:

the term “**Jurisdiction**” means a country or a territory in respect of which the Convention is in force and is in effect, either through signature and ratification in accordance with Article 28, or through territorial extension in accordance with Article 29, and which is a signatory to this Agreement;

b) the term “**Competent Authority**” means, for each respective Jurisdiction, the persons and authorities listed in Annex B of the Convention;

c) the term “**Jurisdiction Financial Institution**” means, for each respective Jurisdiction, (i) any Financial Institution that is resident in the Jurisdiction, but excludes any branch of that Financial Institution that is located outside the Jurisdiction, and (ii) any branch of a Financial Institution that is not resident in the Jurisdiction, if that branch is located in the Jurisdiction;

d) the term “**Reporting Financial Institution**” means any Jurisdiction Financial Institution that is not a Non-Reporting Financial Institution;

e) the term “**Reportable Account**” means a Financial Account that is maintained by a Reporting Financial Institution and that, pursuant to due diligence procedures consistent with the Common Reporting Standard, has been identified as an account that is held by one or more persons that are Reportable Persons with respect to another Jurisdiction or by a Passive Non-Financial Entity with one or more Controlling Persons that are Reportable Persons with respect to another Jurisdiction,

f) the term “**Common Reporting Standard**” means the standard for automatic exchange of financial account information in tax matters (which includes the Commentaries), developed by the OECD, with G20 countries;

g) the term “**Co-ordinating Body Secretariat**” means the OECD Secretariat that, pursuant to paragraph 3 of Article 24 of the Convention, provides support to the co-ordinating body that is composed of representatives of the competent authorities of the Parties to the Convention;

h) the term “**Agreement in effect**” means, in respect of any two Competent Authorities, that both Competent Authorities have indicated their intention to automatically exchange information with each other and have satisfied the other conditions set out in subparagraph 2.1. of Section 7.

The Competent Authorities for which this Agreement is in effect are listed in Annex E.

2. Any capitalised term not otherwise defined in this Agreement will have the meaning that it has at that time under the law of the Jurisdiction applying the Agreement, such meaning being consistent with the meaning set forth in the Common Reporting Standard. Any term not otherwise defined in this Agreement or in the Common Reporting Standard will, unless the context otherwise requires or the Competent Authorities agree to a common meaning (as permitted by domestic law), have the meaning that it has at that time under the law of the Jurisdiction applying this Agreement, any meaning under the applicable tax laws of that Jurisdiction prevailing over a meaning given to the term under other laws of that Jurisdiction.

SECTION 2

Exchange of Information with Respect to Reportable Accounts.

1.1. Pursuant to the provisions of Articles 6 and 22 of the Convention and subject to the applicable reporting and due

diligence rules consistent with the Common Reporting Standard, each Competent Authority will annually exchange with the other Competent Authorities, with respect to which it has this Agreement in effect, on an automatic basis the information obtained pursuant to such rules and specified in paragraph 2.

1.2. Notwithstanding the previous paragraph, the Competent Authorities of the Jurisdictions listed in Annex A will send, but not receive, the information specified in paragraph 2. Competent Authorities of Jurisdictions not listed in Annex A will always receive the information specified in paragraph 2. Competent Authorities will not send such information to Competent Authorities of the Jurisdictions listed in Annex A.

2. The information to be exchanged is, with respect to each Reportable Account of another Jurisdiction:

a) the name, address, TIN(s) and date and place of birth (in the case of an individual) of each Reportable Person that is an Account Holder of the account and, in the case of any Entity that is an Account Holder and that, after application of due diligence procedures consistent with the Common Reporting Standard, is identified as having one or more Controlling Persons that is a Reportable Person, the name, address, and TIN(s) of the Entity and the name, address, TIN(s) and date and place of birth of each Reportable Person;

b) the account number (or functional equivalent in the absence of an account number);

c) the name and identifying number (if any) of the Reporting Financial Institution;

d) the account balance or value (including, in the case of a Cash Value Insurance Contract or Annuity Contract, the Cash Value or surrender value) as of the end of the relevant calendar year or other appropriate reporting period or, if the account was closed during such year or period, the closure of the account;

e) in the case of any Custodial Account:

(1) the total gross amount of interest, the total gross amount of dividends, and the total gross amount of other income generated with respect to the assets held in the account, in each case paid or credited to the account (or with respect to the account) during the calendar year or other appropriate reporting period; and

(2) the total gross proceeds from the sale or redemption of Financial Assets paid or credited to the account during the calendar year or other appropriate reporting period with respect to which the Reporting Financial Institution acted as a custodian, broker, nominee, or otherwise as an agent for the Account Holder;

f) in the case of any Depository Account, the total gross amount of interest paid or credited to the account during the calendar year or other appropriate reporting period; and

g) in the case of any account not described in subparagraph 2(*e*) or (*f*), the total gross amount paid or credited to the Account Holder with respect to the account during the calendar year or other appropriate reporting period with respect to which the Reporting Financial Institution is the obligor or debtor, including the aggregate amount of any redemption payments made to the Account Holder during the calendar year or other appropriate reporting period.

SECTION 3

Time and Manner of Exchange of Information

1. For the purposes of the exchange of information in Section 2, the amount and characterisation of payments made with respect to a Reportable Account may be determined in accordance with the principles of the tax laws of the Jurisdiction exchanging the information.

2. For the purposes of the exchange of information in Section 2, the information exchanged will identify the currency in which each relevant amount is denominated.
3. With respect to paragraph 2 of Section 2, and subject to the notification procedure set out in Section 7, including the dates specified therein, information is to be exchanged commencing from the years specified in Annex F within nine months after the end of the calendar year to which the information relates. Notwithstanding the foregoing sentence, information is only required to be exchanged with respect to a calendar year if both Competent Authorities have this Agreement in effect and their respective Jurisdictions have in effect legislation that requires reporting with respect to such calendar year that is consistent with the scope of exchange provided for in Section 2 and the reporting and due diligence procedures contained in the Common Reporting Standard.
4. The Competent Authorities will automatically exchange the information described in Section 2 in the common reporting standard schema in Extensible Markup Language.
5. The Competent Authorities will work towards and agree on one or more methods for data transmission including encryption standards with a view to maximising standardisation and minimising complexities and costs and will specify those in Annex B.

SECTION 4

Collaboration on Compliance and Enforcement

A Competent Authority will notify the other Competent Authority when the first-mentioned Competent Authority has reason to believe that an error may have led to incorrect or incomplete information reporting or there is non-compliance by a Reporting Financial Institution with the applicable reporting requirements and due diligence procedures consistent with the Common

Reporting Standard. The notified Competent Authority will take all appropriate measures available under its domestic law to address the errors or non-compliance described in the notice.

SECTION 5

Confidentiality and Data Safeguards

1. All information exchanged is subject to the confidentiality rules and other safeguards provided for in the Convention, including the provisions limiting the use of the information exchanged and, to the extent needed to ensure the necessary level of protection of personal data, in accordance with the safeguards which may be specified by the supplying Competent Authority as required under its domestic law and listed in Annex C.
2. A Competent Authority will notify the Co-ordinating Body Secretariat immediately regarding any breach of confidentiality or failure of safeguards and any sanctions and remedial actions consequently imposed. The Co-ordinating Body Secretariat will notify all Competent Authorities with respect to which this is an Agreement in effect with the first mentioned Competent Authority.

SECTION 6

Consultations and Amendments

1. If any difficulties in the implementation or interpretation of this Agreement arise, a Competent Authority may request consultations with one or more of the Competent Authorities to develop appropriate measures to ensure that this Agreement is fulfilled. The Competent Authority that requested the consultations shall ensure, as appropriate, that the Co-ordinating Body Secretariat is notified of any measures that were developed and the Co-ordinating Body Secretariat will notify

all Competent Authorities, even those that did not participate in the consultations, of any measures that were developed.

2. This Agreement may be amended by consensus by written agreement of all of the Competent Authorities that have the Agreement in effect. Unless otherwise agreed upon, such an amendment is effective on the first day of the month following the expiration of a period of one month after the date of the last signature of such written agreement.

SECTION 7

Term of Agreement

1. A Competent Authority must provide, at the time of signature of this Agreement or as soon as possible after its Jurisdiction has the necessary laws in place to implement the Common Reporting Standard, a notification to the Co-ordinating Body Secretariat:

a) that its Jurisdiction has the necessary laws in place to implement the Common Reporting Standard and specifying the relevant effective dates with respect to Preexisting Accounts, New Accounts, and the application or completion of the reporting and due diligence procedures;

b) confirming whether the Jurisdiction is to be listed in Annex A;

c) specifying one or more methods for data transmission including encryption (Annex B);

d) specifying safeguards, if any, for the protection of personal data (Annex C);

e) that it has in place adequate measures to ensure the required confidentiality and data safeguards standards are met

and attaching the completed confidentiality and data safeguard questionnaire, to be included in Annex D; and

f) a list of the Jurisdictions of the Competent Authorities with respect to which it intends to have this Agreement in effect, following national legislative procedures (if any).

2. Competent Authorities must notify the Co-ordinating Body Secretariat, promptly, of any subsequent change to be made to the above-mentioned Annexes.

2.1. This Agreement will come into effect between two Competent Authorities on the later of the following dates: (i) the date on which the second of the two Competent Authorities has provided notification to the Co-ordinating Body Secretariat under paragraph 1, including listing the other Competent Authority's Jurisdiction pursuant to subparagraph 1(f), and, if applicable, (ii) the date on which the Convention has entered into force and is in effect for both Jurisdictions.

2.2. The Co-ordinating Body Secretariat will maintain a list that will be published on the OECD website of the Competent Authorities that have signed the Agreement and between which Competent Authorities this is an Agreement in effect (Annex E).

2.3. The Co-ordinating Body Secretariat will publish on the OECD website the information provided by Competent Authorities pursuant to subparagraphs 1(a) and (b). The information provided pursuant to subparagraphs 1(c) through (f) will be made available to other signatories upon request in writing to the Co-ordinating Body Secretariat.

3. A Competent Authority may suspend the exchange of information under this Agreement by giving notice in writing to another Competent Authority that it has determined that there is or has been significant non-compliance by the second-mentioned Competent Authority with this Agreement. Such

suspension will have immediate effect. For the purposes of this paragraph, significant non-compliance includes, but is not limited to, non-compliance with the confidentiality and data safeguard provisions of this Agreement and the Convention, a failure by the Competent Authority to provide timely or adequate information as required under this Agreement or defining the status of Entities or accounts as Non-Reporting Financial Institutions and Excluded Accounts in a manner that frustrates the purposes of the Common Reporting Standard.

4. A Competent Authority may terminate its participation in this Agreement, or with respect to a particular Competent Authority, by giving notice of termination in writing to the Co-ordinating Body Secretariat. Such termination will become effective on the first day of the month following the expiration of a period of 12 months after the date of the notice of termination. In the event of termination, all information previously received under this Agreement will remain confidential and subject to the terms of the Convention.

SECTION 8

Co-ordinating Body Secretariat

1. Unless otherwise provided for in the Agreement, the Co-ordinating Body Secretariat will notify all Competent Authorities of any notifications that it has received under this Agreement and will provide a notice to all signatories of the Agreement when a new Competent Authority signs the Agreement.

2. All signatories to the Agreement will share equally, on an annual basis, the costs for the administration of the Agreement by the Co-ordinating Body Secretariat. Notwithstanding the previous sentence, qualifying countries will be exempt from sharing the costs in accordance with Article X of the Rules of Procedure of the Co-ordinating Body of the Convention.

Done in English and French, both texts being equally authentic.

SCHEDULE 3**[Section 9]****COMMON STANDARD ON REPORTING AND DUE
DILIGENCE FOR FINANCIAL ACCOUNT
INFORMATION****Section I: General Reporting Requirements**

- A. Subject to paragraphs C through F, each Reporting Financial Institution must report the following information with respect to each Reportable Account of such Reporting Financial Institution:
1. the name, address, jurisdiction(s) of residence, TIN(s) and date and place of birth (in the case of an individual) of each Reportable Person that is an Account Holder of the account and, in the case of any Entity that is an Account Holder and that, after application of the due diligence procedures consistent with Sections V, VI and VII, is identified as having one or more Controlling Persons that is a Reportable Person, the name, address, jurisdiction(s) of residence and TIN(s) of the Entity and the name, address, jurisdiction(s) of residence, TIN(s) and date and place of birth of each Reportable Person;
 2. the account number (or functional equivalent in the absence of an account number);
 3. the name and identifying number (if any) of the Reporting Financial Institution;
 4. the account balance or value (including, in the case of a Cash Value Insurance Contract or

Annuity Contract, the Cash Value or surrender value) as of the end of the relevant calendar year, if the account was closed during such year, the closure of the account;

5. in the case of any Custodial Account:
 - (a) the total gross amount of interest, the total gross amount of dividends, and the total gross amount of other income generated with respect to the assets held in the account, in each case paid or credited to the account (or with respect to the account) during the calendar year; and
 - (b) the total gross proceeds from the sale or redemption of Financial Assets paid or credited to the account during the calendar year with respect to which the Reporting Financial Institution acted as a custodian, broker, nominee, or otherwise as an agent for the Account Holder;
6. in the case of any Depository Account, the total gross amount of interest paid or credited to the account during the calendar year; and
7. in the case of any account not described in subparagraph A(5) or (6), the total gross amount paid or credited to the Account Holder with respect to the account during the calendar year with respect to which the Reporting Financial Institution is the obligor or debtor, including the aggregate amount of any redemption payments made to the Account Holder during the calendar year.

- B. The information reported must identify the currency in which each amount is denominated.
- C. Notwithstanding subparagraph A(1), with respect to each Reportable Account that is a Preexisting Account, the TIN(s) or date of birth is not required to be reported if such TIN(s) or date of birth is not in the records of the Reporting Financial Institution and is not otherwise required to be collected by such Reporting Financial Institution under domestic law. However, a Reporting Financial Institution is required to use reasonable efforts to obtain the TIN(s) and date of birth with respect to Preexisting Accounts by the end of the second calendar year following the year in which such Accounts were identified as Reportable Accounts.
- D. Notwithstanding subparagraph A(1), the TIN is not required to be reported if (i) a TIN is not issued by the relevant Reportable Jurisdiction or (ii) the domestic law of the relevant Reportable Jurisdiction does not require the collection of the TIN issued by such Reportable Jurisdiction.
- E. Notwithstanding subparagraph A(1), the place of birth is not required to be reported unless the Reporting Financial Institution is otherwise required to obtain and report it under domestic law and it is available in the electronically searchable data maintained by the Reporting Financial Institution.
- F. Notwithstanding paragraph A, the information to be reported with respect to 2017 is the

information described in such paragraph, except for gross proceeds described in subparagraph A(5)(b).

Section II: General Due Diligence Requirements

- A. An account is treated as a Reportable Account beginning as of the date it is identified as such pursuant to the due diligence procedures in Sections II through VII and, unless otherwise provided, information with respect to a Reportable Account must be reported annually in the calendar year following the year to which the information relates.
- B. The balance or value of an account is determined as of the last day of the calendar year.
- C. where a balance or value threshold is to be determined as of the last day of a calendar year, the relevant balance or value must be determined as of the last day of the reporting period that ends with that calendar year.
- D. Each Jurisdiction may allow Reporting Financial Institutions to use service providers to fulfil the reporting and due diligence obligations imposed on such Reporting Financial Institutions, as contemplated in domestic law, but these obligations shall remain the responsibility of the Reporting Financial Institutions.

Section III: Due Diligence for Preexisting Individual Accounts

The following procedures apply for purposes of identifying Reportable Accounts among Preexisting Individual Accounts.

- A. Accounts Not Required to be Reviewed, Identified, or Reported. A Preexisting Individual Account that is a Cash Value Insurance Contract or an Annuity Contract is not required to be reviewed, identified or reported, provided the Reporting Financial Institution is effectively prevented by law from selling such Contract to residents of a Reportable Jurisdiction.
- B. Lower Value Accounts. The following procedures apply with respect to Lower Value Accounts.
 1. Residence Address. If the Reporting Financial Institution has in its records a current residence address for the individual Account Holder based on Documentary Evidence, the Reporting Financial Institution may treat the individual Account Holder as being a resident for tax purposes of the jurisdiction in which the address is located for purposes of determining whether such individual Account Holder is a Reportable Person.
 2. Electronic Record Search. If the Reporting Financial Institution does not rely on a current residence address for the individual Account Holder based on Documentary Evidence as set forth in subparagraph B(1), the Reporting Financial Institution must review electronically searchable data maintained by the Reporting

Financial Institution for any of the following indicia and apply subparagraphs B(3) through (6):

- (a) identification of the Account Holder as a resident of a Reportable Jurisdiction;
 - (b) current mailing or residence address (including a post office box) in a Reportable Jurisdiction;
 - (c) one or more telephone numbers in a Reportable Jurisdiction and no telephone number in the jurisdiction of the Reporting Financial Institution;
 - (d) standing instructions (other than with respect to a Depository Account) to transfer funds to an account maintained in a Reportable Jurisdiction;
 - (e) currently effective power of attorney or signatory authority granted to a person with an address in a Reportable Jurisdiction; or
 - (f) a “hold mail” instruction or “in-care-of” address in a Reportable Jurisdiction if the Reporting Financial Institution does not have any other address on file for the Account Holder.
3. If none of the indicia listed in subparagraph B(2) are discovered in the electronic search, then no further action is required until there is a change in circumstances that results in one or more indicia being associated with the account, or the account becomes a High Value Account.

4. If any of the indicia listed in subparagraph B(2)(a) through (e) are discovered in the electronic search, or if there is a change in circumstances that results in one or more indicia being associated with the account, then the Reporting Financial Institution must treat the Account Holder as a resident for tax purposes of each Reportable Jurisdiction for which an indicium is identified, unless it elects to apply subparagraph B(6) and one of the exceptions in such subparagraph applies with respect to that account.
5. If a “hold mail” instruction or “in-care-of” address is discovered in the electronic search and no other address and none of the other indicia listed in subparagraph B(2)(a) through (e) are identified for the Account Holder, the Reporting Financial Institution must, in the order most appropriate to the circumstances, apply the paper record search described in subparagraph C(2), or seek to obtain from the Account Holder a self-certification or Documentary Evidence to establish the residence(s) for tax purposes of such Account Holder. If the paper search fails to establish an indicium and the attempt to obtain the self-certification or Documentary Evidence is not successful, the Reporting Financial Institution must report the account as an undocumented account.
6. Notwithstanding a finding of indicia under subparagraph B(2), a Reporting Financial Institution is not required to treat an Account Holder as a resident of a Reportable Jurisdiction if:

- (a) the Account Holder information contains a current mailing or residence address in the Reportable Jurisdiction, one or more telephone numbers in the Reportable Jurisdiction (and no telephone number in the jurisdiction of the Reporting Financial Institution) or standing instructions (with respect to Financial Accounts other than Depository Accounts) to transfer funds to an account maintained in a Reportable Jurisdiction, the Reporting Financial Institution obtains, or has previously reviewed and maintains a record of:
 - (i) a self-certification from the Account Holder of the jurisdiction(s) of residence of such Account Holder that does not include such Reportable Jurisdiction; and
 - (ii) Documentary Evidence establishing the Account Holder's non-reportable status.

- (b) the Account Holder information contains a currently effective power of attorney or signatory authority granted to a person with an address in the Reportable Jurisdiction, the Reporting Financial Institution obtains, or has previously reviewed and maintains a record of:
 - (i) a self-certification from the Account Holder of the jurisdiction(s) of residence of such Account Holder that does not

include such Reportable Jurisdiction; or

- (ii) Documentary Evidence establishing the Account Holder's non-reportable status.

C. Enhanced Review Procedures for High Value Accounts. The following enhanced review procedures apply with respect to High Value Accounts.

1. Electronic Record Search. with respect to High Value Accounts, the Reporting Financial Institution must review electronically searchable data maintained by the Reporting Financial Institution for any of the indicia described in subparagraph B(2).
2. Paper Record Search. If the Reporting Financial Institution's electronically searchable databases include fields for, and capture all of the information described in, subparagraph C(3), then a further paper record search is not required. If the electronic databases do not capture all of this information, then with respect to a High Value Account, the Reporting Financial Institution must also review the current customer master file and, to the extent not contained in the current customer master file, the following documents associated with the account and obtained by the Reporting Financial Institution within the last five years for any of the indicia described in subparagraph B(2):

- (a) The most recent Documentary Evidence collected with respect to the account;

- (b) the most recent account opening contract or documentation;
 - (c) the most recent documentation obtained by the Reporting Financial Institution pursuant to AML/KyC Procedures or for other regulatory purposes;
 - (d) any power of attorney or signature authority forms currently in effect; and
 - (e) any standing instructions (other than with respect to a Depository Account) to transfer funds currently in effect.
- 3. Exception To The Extent Databases Contain Sufficient Information. A Reporting Financial Institution is not required to perform the paper record search described in subparagraph C(2) to the extent the Reporting Financial Institution's electronically searchable information includes the following:

 - (a) the Account Holder's residence status;
 - (b) the Account Holder's residence address and mailing address currently on file with the Reporting Financial Institution;
 - (c) the Account Holder's telephone number(s) currently on file, if any, with the Reporting Financial Institution;
 - (d) in the case of Financial Accounts other than Depository Accounts, whether there are standing instructions to transfer funds in the account to another account (including an account at another branch

a subsequent change in circumstances that results in one or more indicia being associated with the account, then the Reporting Financial Institution must treat the account as a Reportable Account with respect to each Reportable Jurisdiction for which an indicium is identified unless it elects to apply subparagraph B(6) and one of the exceptions in such subparagraph applies with respect to that account.

- (c) If a “hold mail” instruction or “in-care-of” address is discovered in the enhanced review of High Value Accounts described above, and no other address and none of the other indicia listed in subparagraph B(2)(a) through (e) are identified for the Account Holder, the Reporting Financial Institution must obtain from such Account Holder a self-certification or Documentary Evidence to establish the residence(s) for tax purposes of the Account Holder. If the Reporting Financial Institution cannot obtain such self-certification or Documentary Evidence, it must report the account as an undocumented account.
6. If a Preexisting Individual Account is not a High Value Account as of 31 December 2016, but becomes a High Value Account as of the last day of a subsequent calendar year, the Reporting Financial Institution must complete the enhanced review procedures described in paragraph C with respect to such account within the calendar year

following the year in which the account becomes a High Value Account. If based on this review such account is identified as a Reportable Account, the Reporting Financial Institution must report the required information about such account with respect to the year in which it is identified as a Reportable Account and subsequent years on an annual basis, unless the Account Holder ceases to be a Reportable Person.

7. Once a Reporting Financial Institution applies the enhanced review procedures described in paragraph C to a High Value Account, the Reporting Financial Institution is not required to re-apply such procedures, other than the relationship manager inquiry described in subparagraph C(4), to the same High Value Account in any subsequent year unless the account is undocumented where the Reporting Financial Institution should re-apply them annually until such account ceases to be undocumented.
8. If there is a change of circumstances with respect to a High Value Account that results in one or more indicia described in subparagraph B(2) being associated with the account, then the Reporting Financial Institution must treat the account as a Reportable Account with respect to each Reportable Jurisdiction for which an indicium is identified unless it elects to apply subparagraph B(6) and one of the exceptions in such subparagraph applies with respect to that account.
9. A Reporting Financial Institution must implement procedures to ensure that a

relationship manager identifies any change in circumstances of an account. For example, if a relationship manager is notified that the Account Holder has a new mailing address in a Reportable Jurisdiction, the Reporting Financial Institution is required to treat the new address as a change in circumstances and, if it elects to apply subparagraph B(6), is required to obtain the appropriate documentation from the Account Holder.

- D. Review of Preexisting Individual Accounts must be completed by 31 December 2016.
- E. Any Preexisting Individual Account that has been identified as a Reportable Account under this Section must be treated as a Reportable Account in all subsequent years, unless the Account Holder ceases to be a Reportable Person.

Section IV: Due Diligence for New Individual Accounts

The following procedures apply for purposes of identifying Reportable Accounts among New Individual Accounts.

- A. with respect to New Individual Accounts, upon account opening, the Reporting Financial Institution must obtain a self-certification, which may be part of the account opening documentation, that allows the Reporting Financial Institution to determine the Account Holder's residence(s) for tax purposes and confirm the reasonableness of such self-certification based on the information obtained by the Reporting Financial Institution in connection with the opening of the account, including any documentation collected pursuant to AML/KYC Procedures.

- B. If the self-certification establishes that the Account Holder is resident for tax purposes in a Reportable Jurisdiction, the Reporting Financial Institution must treat the account as a Reportable Account and the self-certification must also include the Account Holder's TIN with respect to such Reportable Jurisdiction (subject to paragraph D of Section I) and date of birth.

- C. If there is a change of circumstances with respect to a New Individual Account that causes the Reporting Financial Institution to know, or have reason to know, that the original self-certification is incorrect or unreliable, the Reporting Financial Institution cannot rely on the original self-certification and must obtain a valid self-certification that establishes the residence(s) for tax purposes of the Account Holder.

Section V: Due Diligence for Preexisting Entity Accounts

The following procedures apply for purposes of identifying Reportable Accounts among Preexisting Entity Accounts.

- A. Entity Accounts Not Required to Be Reviewed, Identified or Reported. Unless the Reporting Financial Institution elects otherwise, either with respect to all Preexisting Entity Accounts or, separately, with respect to any clearly identified group of such accounts, a Preexisting Entity Account with an aggregate account balance or value that does not exceed USD 250 000 as of 31 December 2016, is not required to be reviewed, identified, or reported as a Reportable Account until the aggregate

account balance or value exceeds USD 250 000 as of the last day of any subsequent calendar year.

- B. Entity Accounts Subject to Review. A Preexisting Entity Account that has an aggregate account balance or value that exceeds USD 250 000 as of 31 December 2016, and a Preexisting Entity Account that does not exceed USD 250 000 as of 31 December 2016 but the aggregate account balance or value of which exceeds USD 250 000 as of the last day of any subsequent calendar year, must be reviewed in accordance with the procedures set forth in paragraph D.
- C. Entity Accounts With Respect to Which Reporting Is Required. With respect to Preexisting Entity Accounts described in paragraph B, only accounts that are held by one or more Entities that are Reportable Persons, or by Passive NFEs with one or more Controlling Persons who are Reportable Persons, shall be treated as Reportable Accounts.
- D. Review Procedures for Identifying Entity Accounts With Respect to Which Reporting Is Required. For Preexisting Entity Accounts described in paragraph B, a Reporting Financial Institution must apply the following review procedures to determine whether the account is held by one or more Reportable Persons, or by Passive NFEs with one or more Controlling Persons who are Reportable Persons:
 - 1. Determine Whether the Entity Is a Reportable Person.

- (a) Review information maintained for regulatory or customer relationship purposes (including information collected pursuant to AML/KYC Procedures) to determine whether the information indicates that the Account Holder is resident in a Reportable Jurisdiction. For this purpose, information indicating that the Account Holder is resident in a Reportable Jurisdiction includes a place of incorporation or organisation, or an address in a Reportable Jurisdiction.
 - (b) If the information indicates that the Account Holder is resident in a Reportable Jurisdiction, the Reporting Financial Institution must treat the account as a Reportable Account unless it obtains a self-certification from the Account Holder, or reasonably determines based on information in its possession or that is publicly available, that the Account Holder is not a Reportable Person.
2. Determine Whether the Entity is a Passive NFE with One or More Controlling Persons Who Are Reportable Persons. with respect to an Account Holder of a Preexisting Entity Account (including an Entity that is a Reportable Person), the Reporting Financial Institution must determine whether the Account Holder is a Passive NFE with one or more Controlling Persons who are Reportable Persons. If any of the Controlling Persons of a Passive NFE is a Reportable Person, then the account must be treated as a Reportable Account. In making these determinations the Reporting Financial Institution must follow the guidance in subparagraphs D(2)(a) through (c) in the order most appropriate under the circumstances.

- (a) Determining whether the Account Holder is a Passive NFE. For purposes of determining whether the Account Holder is a Passive NFE, the Reporting Financial Institution must obtain a self-certification from the Account Holder to establish its status, unless it has information in its possession or that is publicly available, based on which it can reasonably determine that the Account Holder is an Active NFE or a Financial Institution other than an Investment Entity described in subparagraph A(6)(b) of Section VIII that is not a Participating Jurisdiction Financial Institution.

- (b) Determining the Controlling Persons of an Account Holder. For the purposes of determining the Controlling Persons of an Account Holder, a Reporting Financial Institution may rely on information collected and maintained pursuant to AML/KyC Procedures.

- (c) Determining whether a Controlling Person of a Passive NFE is a Reportable Person. For the purposes of determining whether a Controlling Person of a Passive NFE is a Reportable Person, a Reporting Financial Institution may rely on:
 - i) information collected and maintained pursuant to AML/KyC Procedures in the case of a Preexisting Entity Account held by one or more NFEs with an

aggregate account balance or value that does not exceed USD 1 000 000; or

ii) a self-certification from the Account Holder or such Controlling Person of the jurisdiction(s) in which the Controlling Person is resident for tax purposes.

E. Timing of Review and Additional Procedures Applicable to Preexisting Entity Accounts.

1. Review of Preexisting Entity Accounts with an aggregate account balance or value that exceeds USD 250 000 as of 31 December 2016 must be completed by 31 December 2018.
2. Review of Preexisting Entity Accounts with an aggregate account balance or value that does not exceed USD 250 000 as of 31 December 2016, but exceeds USD 250 000 as of 31 December of a subsequent year, must be completed within the calendar year following the year in which the aggregate account balance or value exceeds USD 250 000.
3. If there is a change of circumstances with respect to a Preexisting Entity Account that causes the Reporting Financial Institution to know, or have reason to know, that the self-certification or other documentation associated with an account is incorrect or unreliable, the Reporting Financial Institution must re-

determine the status of the account in accordance with the procedures set forth in paragraph D.

Section VI: Due Diligence for New Entity Accounts

The following procedures apply for purposes of identifying Reportable Accounts among New Entity Accounts.

- A. Review Procedures for Identifying Entity Accounts With Respect to Which Reporting Is Required. For New Entity Accounts, a Reporting Financial Institution must apply the following review procedures to determine whether the account is held by one or more Reportable Persons, or by Passive NFEs with one or more Controlling Persons who are Reportable Persons:
 1. Determine Whether the Entity Is a Reportable Person.
 - (a) Obtain a self-certification, which may be part of the account opening documentation, that allows the Reporting Financial Institution to determine the Account Holder's residence(s) for tax purposes and confirm the reasonableness of such self-certification based on the information obtained by the Reporting Financial Institution in connection with the opening of the account, including any documentation collected pursuant to AML/KyC Procedures. If the Entity certifies that it has no residence for tax purposes, the Reporting Financial Institution may rely on the address of

the principal office of the Entity to determine the residence of the Account Holder.

- (b) If the self-certification indicates that the Account Holder is resident in a Reportable Jurisdiction, the Reporting Financial Institution must treat the account as a Reportable Account unless it reasonably determines based on information in its possession or that is publicly available, that the Account Holder is not a Reportable Person with respect to such Reportable Jurisdiction.

2. Determine Whether the Entity is a Passive NFE with One or More Controlling Persons Who Are Reportable Persons. with respect to an Account Holder of a New Entity Account (including an Entity that is a Reportable Person), the Reporting Financial Institution must determine whether the Account Holder is a Passive NFE with one or more Controlling Persons who are Reportable Persons. If any of the Controlling Persons of a Passive NFE is a Reportable Person, then the account must be treated as a Reportable Account. In making these determinations the Reporting Financial Institution must follow the guidance in subparagraphs A(2)(a) through (c) in the order most appropriate under the circumstances.

- (a) Determining whether the Account Holder is a Passive NFE. For purposes of determining whether the Account Holder is a Passive NFE, the Reporting Financial Institution must rely on a self-

certification from the Account Holder to establish its status, unless it has information in its possession or that is publicly available, based on which it can reasonably determine that the Account Holder is an Active NFE or a Financial Institution other than an Investment Entity described in subparagraph A(6)(b) of Section VIII that is not a Participating Jurisdiction Financial Institution.

- (b) Determining the Controlling Persons of an Account Holder. For purposes of determining the Controlling Persons of an Account Holder, a Reporting Financial Institution may rely on information collected and maintained pursuant to AML/KyC Procedures.
- (c) Determining whether a Controlling Person of a Passive NFE is a Reportable Person. For purposes of determining whether a Controlling Person of a Passive NFE is a Reportable Person, a Reporting Financial Institution may rely on a self-certification from the Account Holder or such Controlling Person.

Section VII: Special Due Diligence Rules

The following additional rules apply in implementing the due diligence procedures described above:

- A. **Reliance on Self-Certifications and Documentary Evidence.** A Reporting Financial Institution may not rely on a self-certification or Documentary Evidence if the Reporting

Financial Institution knows or has reason to know that the self-certification or Documentary Evidence is incorrect or unreliable.

- B. **Alternative Procedures for Financial Accounts Held by Individual Beneficiaries of a Cash Value Insurance Contract or an Annuity Contract.** A Reporting Financial Institution may presume that an individual beneficiary (other than the owner) of a Cash Value Insurance Contract or an Annuity Contract receiving a death benefit is not a Reportable Person and may treat such Financial Account as other than a Reportable Account unless the Reporting Financial Institution has actual knowledge, or reason to know, that the beneficiary is a Reportable Person. A Reporting Financial Institution has reason to know that a beneficiary of a Cash Value Insurance Contract or an Annuity Contract is a Reportable Person if the information collected by the Reporting Financial Institution and associated with the beneficiary contains indicia as described in paragraph B of Section III. If a Reporting Financial Institution has actual knowledge, or reason to know, that the beneficiary is a Reportable Person, the Reporting Financial Institution must follow the procedures in paragraph B of Section III.
- C. **Account Balance Aggregation and Currency Rules.**
1. **Aggregation of Individual Accounts.** For purposes of determining the aggregate balance or value of Financial Accounts held by an individual, a Reporting Financial Institution is required to aggregate all Financial Accounts

maintained by the Reporting Financial Institution, or by a Related Entity, but only to the extent that the Reporting Financial Institution's computerised systems link the Financial Accounts by reference to a data element such as client number or TIN, and allow account balances or values to be aggregated. Each holder of a jointly held Financial Account shall be attributed the entire balance or value of the jointly held Financial Account for purposes of applying the aggregation requirements described in this subparagraph.

2. Aggregation of Entity Accounts. For purposes of determining the aggregate balance or value of Financial Accounts held by an Entity, a Reporting Financial Institution is required to take into account all Financial Accounts that are maintained by the Reporting Financial Institution, or by a Related Entity, but only to the extent that the Reporting Financial Institution's computerised systems link the Financial Accounts by reference to a data element such as client number or TIN, and allow account balances or values to be aggregated. Each holder of a jointly held Financial Account shall be attributed the entire balance or value of the jointly held Financial Account for purposes of applying the aggregation requirements described in this subparagraph.
3. Special Aggregation Rule Applicable to Relationship Managers. For purposes of determining the aggregate balance or value of Financial Accounts held by a person to determine whether a Financial Account is a High Value Account, a Reporting Financial Institution is also required, in the case of any Financial Accounts that a relationship manager knows, or has reason to know, are directly or indirectly

owned, controlled, or established (other than in a fiduciary capacity) by the same person, to aggregate all such accounts.

4. Amounts Read to Include Equivalent in Other Currencies. All dollar amounts are in US dollars and shall be read to include equivalent amounts in other currencies, as determined by domestic law.

Section VIII: Defined Terms

The following terms have the meanings set forth below:

A. Reporting Financial Institution

1. The term “Reporting Financial Institution” means any Participating Jurisdiction Financial Institution that is not a NonReporting Financial Institution.
2. The term “Participating Jurisdiction Financial Institution” means (i) any Financial Institution that is resident in a Participating Jurisdiction, but excludes any branch of that Financial Institution that is located outside such Participating Jurisdiction, and (ii) any branch of a Financial Institution that is not resident in a Participating Jurisdiction, if that branch is located in such Participating Jurisdiction.
3. The term “Financial Institution” means a Custodial Institution, a Depository Institution, an Investment Entity, or a Specified Insurance Company.
4. The term “Custodial Institution” means any Entity that holds, as a substantial portion of its business, Financial Assets for the account of

others. An Entity holds Financial Assets for the account of others as a substantial portion of its business if the Entity's gross income attributable to the holding of Financial Assets and related financial services equals or exceeds 20% of the Entity's gross income during the shorter of: (i) the three-year period that ends on 31 December prior to the year in which the determination is being made; or (ii) the period during which the Entity has been in existence.

The term "Depository Institution" means any Entity that accepts deposits in the ordinary course of a banking or similar business.

The term "Investment Entity" means any Entity:

that primarily conducts as a business one or more of the following activities or operations for or on behalf of a customer:

trading in money market instruments (cheques, bills, certificates of deposit, derivatives, etc.); foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading;

individual and collective portfolio management; or iii) otherwise investing, administering, or managing Financial Assets or money on behalf of other persons; or

the gross income of which is primarily attributable to investing, reinvesting, or trading in Financial Assets, if the Entity is managed by another Entity that is a Depository Institution, a Custodial Institution, a Specified Insurance Company, or an Investment Entity described in subparagraph A(6)(a).

An Entity is treated as primarily conducting as a business one or more of the activities described in subparagraph A(6)(a), or an Entity's gross income is primarily attributable to investing, reinvesting, or trading in Financial Assets for purposes of subparagraph A(6)(b), if the Entity's gross income attributable to the relevant activities equals or exceeds 50% of the Entity's gross income during the shorter of: (i) the three-year period ending on 31 December of the year preceding the year in which the determination is made; or (ii) the period during which the Entity has been in existence. The term "Investment Entity" does not include an Entity that is an Active NFE because it meets any of the criteria in subparagraphs D(9)(d) through (g).

This paragraph shall be interpreted in a manner consistent with similar language set forth in the definition of "financial institution" in the Financial Action Task Force Recommendations.

The term "Financial Asset" includes a security (for example, a share of stock in a corporation; partnership or beneficial ownership interest in a widely held or publicly traded partnership or trust; note, bond, debenture, or other evidence of indebtedness), partnership interest, commodity, swap (for example, interest rate swaps, currency swaps, basis swaps, interest rate caps, interest rate floors, commodity swaps, equity swaps, equity index swaps, and similar agreements), Insurance Contract or Annuity Contract, or any interest (including a futures or forward contract or option) in a security, partnership interest, commodity, swap, Insurance Contract, or Annuity Contract. The

term “Financial Asset” does not include a non-debt, direct interest in real property.

The term “Specified Insurance Company” means any Entity that is an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract.

B. Non-Reporting Financial Institution

1. The term “Non-Reporting Financial Institution” means any

Financial Institution that is:

- (a) a Governmental Entity, International Organisation or Central Bank, other than with respect to a payment that is derived from an obligation held in connection with a commercial financial activity of a type engaged in by a Specified Insurance Company, Custodial Institution, or Depository Institution;
- (b) a Broad Participation Retirement Fund; a Narrow Participation Retirement Fund; a Pension Fund of a Governmental Entity, International Organisation or Central Bank; or a Qualified Credit Card Issuer;
- (c) any other Entity that presents a low risk of being used to evade tax, has substantially similar characteristics to any of the Entities described in

subparagraphs B(1)(a) and (b), and is defined in domestic law as a Non-Reporting Financial Institution, provided that the status of such Entity as a Non-Reporting Financial Institution does not frustrate the purposes of the Common Reporting Standard;

- (d) an Exempt Collective Investment Vehicle; or
- (e) a trust to the extent that the trustee of the trust is a Reporting Financial Institution and reports all information required to be reported pursuant to Section I with respect to all Reportable Accounts of the trust.

2. The term “Governmental Entity” means the government of a jurisdiction, any political subdivision of a jurisdiction (which, for the avoidance of doubt, includes a state, province, county, or municipality), or any wholly owned agency or instrumentality of a jurisdiction or of any one or more of the foregoing (each, a “Governmental Entity”). This category is comprised of the integral parts, controlled entities, and political subdivisions of a jurisdiction.

- (a) An “integral part” of a jurisdiction means any person, organisation, agency, bureau, fund, instrumentality, or other body, however designated, that constitutes a governing authority of a jurisdiction. The net earnings of the governing authority must be credited to its own account or to other accounts of

the jurisdiction, with no portion inuring to the benefit of any private person. An integral part does not include any individual who is a sovereign, official, or administrator acting in a private or personal capacity.

- (b) A controlled entity means an Entity that is separate in form from the jurisdiction or that otherwise constitutes a separate juridical entity, provided that:

 - (i) the Entity is wholly owned and controlled by one or more Governmental Entities directly or through one or more controlled entities;
 - (ii) the Entity's net earnings are credited to its own account or to the accounts of one or more Governmental Entities, with no portion of its income inuring to the benefit of any private person; and
 - (iii) the Entity's assets vest in one or more Governmental Entities upon dissolution.
- (c) Income does not inure to the benefit of private persons if such persons are the intended beneficiaries of a governmental programme, and the programme activities are performed for the general public with respect to the common welfare or relate to the administration of some phase of government. Notwithstanding the foregoing,

however, income is considered to inure to the benefit of private persons if the income is derived from the use of a governmental entity to conduct a commercial business, such as a commercial banking business, that provides financial services to private persons.

3. The term “International Organisation” means any international organisation or wholly owned agency or instrumentality thereof. This category includes any intergovernmental organisation (including a supranational organisation) (1) that is comprised primarily of governments; (2) that has in effect a headquarters or substantially similar agreement with the jurisdiction; and (3) the income of which does not inure to the benefit of private persons.
4. The term “Central Bank” means an institution that is by law or government sanction the principal authority, other than the government of the jurisdiction itself, issuing instruments intended to circulate as currency. Such an institution may include an instrumentality that is separate from the government of the jurisdiction, whether or not owned in whole or in part by the jurisdiction.
5. The term “Broad Participation Retirement Fund” means a fund established to provide retirement, disability, or death benefits, or any combination thereof, to beneficiaries that are current or former employees (or persons designated by such employees) of one or more employers in consideration for services rendered, provided that the fund:

- (a) does not have a single beneficiary with a right to more than five per cent of the fund's assets;
- (b) is subject to government regulation and provides information reporting to the tax authorities; and
- (c) satisfies at least one of the following requirements:
 - (i) the fund is generally exempt from tax on investment income, or taxation of such income is deferred or taxed at a reduced rate, due to its status as a retirement or pension plan;
 - (ii) the fund receives at least 50% of its total contributions (other than transfers of assets from other plans described in subparagraphs B(5) through (7) or from retirement and pension accounts described in subparagraph C(17)(a)) from the sponsoring employers;
 - (iii) distributions or withdrawals from the fund are allowed only upon the occurrence of specified events related to retirement, disability, or death (except rollover distributions to other retirement funds described in subparagraphs B(5) through (7) or retirement and pension accounts described in subparagraph C(17)(a)), or penalties apply to distributions or

withdrawals made before such specified events; or

- (iv) contributions (other than certain permitted make-up contributions) by employees to the fund are limited by reference to earned income of the employee or may not exceed USD 50 000 annually, applying the rules set forth in paragraph C of Section VII for account aggregation and currency translation.

6. The term “Narrow Participation Retirement Fund” means a fund established to provide retirement, disability, or death benefits to beneficiaries that are current or former employees (or persons designated by such employees) of one or more employers in consideration for services rendered, provided that:

- (a) the fund has fewer than 50 participants;
- (b) the fund is sponsored by one or more employers that are not Investment Entities or Passive NFEs;
- (c) the employee and employer contributions to the fund (other than transfers of assets from retirement and pension accounts described in subparagraph C(17)(a)) are limited by reference to earned income and compensation of the employee, respectively;

- (d) participants that are not residents of the jurisdiction in which the fund is established are not entitled to more than 20% of the fund's assets; and
 - (e) the fund is subject to government regulation and provides information reporting to the tax authorities.
- 7. The term "Pension Fund of a Governmental Entity, International Organisation or Central Bank" means a fund established by a Governmental Entity, International Organisation or Central Bank to provide retirement, disability, or death benefits to beneficiaries or participants that are current or former employees (or persons designated by such employees), or that are not current or former employees, if the benefits provided to such beneficiaries or participants are in consideration of personal services performed for the Governmental Entity, International Organisation or Central Bank.
- 8. The term "Qualified Credit Card Issuer" means a Financial Institution satisfying the following requirements:
 - (a) the Financial Institution is a Financial Institution solely because it is an issuer of credit cards that accepts deposits only when a customer makes a payment in excess of a balance due with respect to the card and the overpayment is not immediately returned to the customer; and
 - (b) beginning on or before 1 January 2017, the Financial Institution implements

policies and procedures either to prevent a customer from making an overpayment in excess of USD 50 000, or to ensure that any customer overpayment in excess of USD 50 000 is refunded to the customer within 60 days, in each case applying the rules set forth in paragraph C of Section VII for account aggregation and currency translation. For this purpose, a customer overpayment does not refer to credit balances to the extent of disputed charges but does include credit balances resulting from merchandise returns.

9. The term “Exempt Collective Investment Vehicle” means an Investment Entity that is regulated as a collective investment vehicle, provided that all of the interests in the collective investment vehicle are held by or through individuals or Entities that are not Reportable Persons, except a Passive NFE with Controlling Persons who are Reportable Persons.

An Investment Entity that is regulated as a collective investment vehicle does not fail to qualify under subparagraph B(9) as an Exempt Collective Investment Vehicle, solely because the collective investment vehicle has issued physical shares in bearer form, provided that:

- (a) the collective investment vehicle has not issued, and does not issue, any physical shares in bearer form after [1 January 2017];
- (b) the collective investment vehicle retires all such shares upon surrender;

- (c) the collective investment vehicle performs the due diligence procedures set forth in Sections II through VII and reports any information required to be reported with respect to any such shares when such shares are presented for redemption or other payment; and
- (d) the collective investment vehicle has in place policies and procedures to ensure that such shares are redeemed or immobilised as soon as possible, and in any event prior to [1st January 2017].

C. Financial Account

1. The term “Financial Account” means an account maintained by a Financial Institution, and includes a Depository Account, a Custodial Account and:
 - (a) in the case of an Investment Entity, any equity or debt interest in the Financial Institution. Notwithstanding the foregoing, the term “Financial Account” does not include any equity or debt interest in an Entity that is an Investment Entity solely because it (i) renders investment advice to, and acts on behalf of, or (ii) manages portfolios for, and acts on behalf of, a customer for the purpose of investing, managing, or administering Financial Assets deposited in the name of the customer with a Financial Institution other than such Entity;
 - (b) in the case of a Financial Institution not described in subparagraph C(1)(a), any

equity or debt interest in the Financial Institution, if the class of interests was established with a purpose of avoiding reporting in accordance with Section I; and

- (c) any Cash Value Insurance Contract and any Annuity Contract issued or maintained by a Financial Institution, other than a noninvestment-linked, non-transferable immediate life annuity that is issued to an individual and monetises a pension or disability benefit provided under an account that is an Excluded Account.

The term “Financial Account” does not include any account that is an Excluded Account.

2. The term “Depository Account” includes any commercial, checking, savings, time, or thrift account, or an account that is evidenced by a certificate of deposit, thrift certificate, investment certificate, certificate of indebtedness, or other similar instrument maintained by a Financial Institution in the ordinary course of a banking or similar business. A Depository Account also includes an amount held by an insurance company pursuant to a guaranteed investment contract or similar agreement to pay or credit interest thereon.
3. The term “Custodial Account” means an account (other than an Insurance Contract or Annuity Contract) that holds one or more Financial Assets for the benefit of another person.

4. The term “Equity Interest” means, in the case of a partnership that is a Financial Institution, either a capital or profits interest in the partnership. In the case of a trust that is a Financial Institution, an Equity Interest is considered to be held by any person treated as a settlor or beneficiary of all or a portion of the trust, or any other natural person exercising ultimate effective control over the trust. A Reportable Person will be treated as being a beneficiary of a trust if such Reportable Person has the right to receive directly or indirectly (for example, through a nominee) a mandatory distribution or may receive, directly or indirectly, a discretionary distribution from the trust.
5. The term “Insurance Contract” means a contract (other than an Annuity Contract) under which the issuer agrees to pay an amount upon the occurrence of a specified contingency involving mortality, morbidity, accident, liability, or property risk.
6. The term “Annuity Contract” means a contract under which the issuer agrees to make payments for a period of time determined in whole or in part by reference to the life expectancy of one or more individuals. The term also includes a contract that is considered to be an Annuity Contract in accordance with the law, regulation, or practice of the jurisdiction in which the contract was issued, and under which the issuer agrees to make payments for a term of years.
7. The term “Cash Value Insurance Contract” means an Insurance Contract (other than an

indemnity reinsurance contract between two insurance companies) that has a Cash Value.

8. The term “Cash Value” means the greater of
 - (i) the amount that the policyholder is entitled to receive upon surrender or termination of the contract (determined without reduction for any surrender charge or policy loan), and
 - (ii) the amount the policyholder can borrow under or with regard to the contract. Notwithstanding the foregoing, the term “Cash Value” does not include an amount payable under an Insurance Contract:
 - (a) solely by reason of the death of an individual insured under a life insurance contract;
 - (b) as a personal injury or sickness benefit or other benefit providing indemnification of an economic loss incurred upon the occurrence of the event insured against;
 - (c) as a refund of a previously paid premium (less cost of insurance charges whether or not actually imposed) under an Insurance Contract (other than an investment-linked life insurance or annuity contract) due to cancellation or termination of the contract, decrease in risk exposure during the effective period of the contract, or arising from the correction of a posting or similar error with regard to the premium for the contract;
 - (d) as a policyholder dividend (other than a termination dividend) provided that the

dividend relates to an Insurance Contract under which the only benefits payable are described in subparagraph C(8)(b); or

- (e) as a return of an advance premium or premium deposit for an Insurance Contract for which the premium is payable at least annually if the amount of the advance premium or premium deposit does not exceed the next annual premium that will be payable under the contract.

9. The term “Preexisting Account” means –

- (a) a Financial Account maintained by a Reporting Financial Institution as of 31 December 2016;
- (b) any Financial Account of an Account Holder, regardless of the date such Financial Account was opened, if:
 - i) the Account Holder also holds with the Reporting Financial Institution (or with a Related Entity within the same jurisdiction as the Reporting Financial Institution) a Financial Account that is a Pre-existing Account under subparagraph C(9)(a);
 - ii) the Reporting Financial Institution (and, as applicable, the Related Entity within the same jurisdiction as the Reporting Financial Institution) treats both of the aforementioned Financial Accounts, and any other Financial Accounts of the Account Holder that are treated as Pre-

existing Accounts under point (b), as a single Financial Account for purposes of satisfying the standards of knowledge requirements set forth in paragraph A of Section VII, and for purposes of determining the balance or value of any of the Financial Accounts when applying any of the account thresholds;

- iii)* with respect to a Financial Account that is subject to AML/KYC Procedures, the Reporting Financial Institution is permitted to satisfy such AML/KYC Procedures for the Financial Account by relying upon the AML/KYC Procedures performed for the Pre-existing Account described in subparagraph C(9)(a); and
- iv)* the opening of the Financial Account does not require the provision of new, additional or amended customer information by the Account Holder other than for the purposes of the CRS.

10. The term “New Account” means a Financial Account maintained by a Reporting Financial Institution opened on or after 1st January 2017.
11. The term “Preexisting Individual Account” means a Preexisting Account held by one or more individuals.
12. The term “New Individual Account” means a New Account held by one or more individuals.

13. The term “Preexisting Entity Account” means a Preexisting Account held by one or more Entities.
14. The term “Lower Value Account” means a Preexisting Individual Account with an aggregate balance or value as of 31 December 2016 that does not exceed USD 1 000 000.
15. The term “High Value Account” means a Preexisting Individual Account with an aggregate balance or value that exceeds USD 1 000 000 as of 31 December 2016 or 31 December of any subsequent year.
16. The term “New Entity Account” means a New Account held by one or more Entities.
17. The term “Excluded Account” means any of the following accounts:
 - (a) a retirement or pension account that satisfies the following requirements:
 - (i) the account is subject to regulation as a personal retirement account or is part of a registered or regulated retirement or pension plan for the provision of retirement or pension benefits (including disability or death benefits);
 - (ii) the account is tax-favoured (i.e. contributions to the account that would otherwise be subject to tax are deductible or excluded from the gross income of the account holder or taxed at a reduced rate,

or taxation of investment income from the account is deferred or taxed at a reduced rate);

- (iii) information reporting is required to the tax authorities with respect to the account;
- (iv) withdrawals are conditioned on reaching a specified retirement age, disability, or death, or penalties apply to withdrawals made before such specified events; and
- (v) either (i) annual contributions are limited to USD 50 000 or less, or (ii) there is a maximum lifetime contribution limit to the account of USD 1 000 000 or less, in each case applying the rules set forth in paragraph C of Section VII for account aggregation and currency translation.

A Financial Account that otherwise satisfies the requirement of subparagraph C(17)(a)(v) will not fail to satisfy such requirement solely because such Financial Account may receive assets or funds transferred from one or more Financial Accounts that meet the requirements of subparagraph C(17)(a) or (b) or from one or more retirement or pension funds that meet the requirements of any of subparagraphs B(5) through (7).

- (b) an account that satisfies the following requirements:

- (i) the account is subject to regulation as an investment vehicle for purposes other than for retirement and is regularly traded on an established securities market, or the account is subject to regulation as a savings vehicle for purposes other than for retirement;
- (ii) the account is tax-favoured (i.e. contributions to the account that would otherwise be subject to tax are deductible or excluded from the gross income of the account holder or taxed at a reduced rate, or taxation of investment income from the account is deferred or taxed at a reduced rate);
- (iii) withdrawals are conditioned on meeting specific criteria related to the purpose of the investment or savings account (for example, the provision of educational or medical benefits), or penalties apply to withdrawals made before such criteria are met; and
- (iv) annual contributions are limited to USD 50 000 or less, applying the rules set forth in paragraph C of Section VII for account aggregation and currency translation.

A Financial Account that otherwise satisfies the requirement of subparagraph C(17)(b)(iv) will not fail to satisfy such requirement solely

because such Financial Account may receive assets or funds transferred from one or more Financial Accounts that meet the requirements of subparagraph C(17)(a) or (b) or from one or more retirement or pension funds that meet the requirements of any of subparagraphs B(5) through (7).

- (c) a life insurance contract with a coverage period that will end before the insured individual attains age 90, provided that the contract satisfies the following requirements:
 - (i) periodic premiums, which do not decrease over time, are payable at least annually during the period the contract is in existence or until the insured attains age 90, whichever is shorter;
 - (ii) the contract has no contract value that any person can access (by withdrawal, loan, or otherwise) without terminating the contract;
 - (iii) the amount (other than a death benefit) payable upon cancellation or termination of the contract cannot exceed the aggregate premiums paid for the contract, less the sum of mortality, morbidity, and expense charges (whether or not actually imposed) for the period or periods of the contract's existence and any amounts paid prior to the cancellation or termination of the contract; and
 - (iv) the contract is not held by a transferee for value.

- (d) an account that is held solely by an estate if the documentation for such account includes a copy of the deceased's will or death certificate.

- (e) an account established in connection with any of the following:
 - (i) a court order or judgment.

 - (ii) a sale, exchange, or lease of real or personal property, provided that the account satisfies the following requirements:
 - (i) the account is funded solely with a down payment, earnest money, deposit in an amount appropriate to secure an obligation directly related to the transaction, or a similar payment, or is funded with a Financial Asset that is deposited in the account in connection with the sale, exchange, or lease of the property;

 - (ii) the account is established and used solely to secure the obligation of the purchaser to pay the purchase price for the property, the seller to pay any contingent liability, or the lessor or lessee to pay for any damages relating to the leased property as agreed under the lease;

 - (iii) the assets of the account, including the income earned thereon, will be paid or otherwise distributed for the benefit of the purchaser, seller, lessor, or lessee

- (including to satisfy such person's obligation) when the property is sold, exchanged, or surrendered, or the lease terminates;
- (iv) the account is not a margin or similar account established in connection with a sale or exchange of a Financial Asset; and
 - (v) the account is not associated with an account described in subparagraph C(17)(f).
 - (iii) an obligation of a Financial Institution servicing a loan secured by real property to set aside a portion of a payment solely to facilitate the payment of taxes or insurance related to the real property at a later time.
 - (iv) an obligation of a Financial Institution solely to facilitate the payment of taxes at a later time.
- (f) a Depository Account that satisfies the following requirements:
- (i) the account exists solely because a customer makes a payment in excess of a balance due with respect to a credit card or other revolving credit facility and the overpayment is not immediately returned to the customer; and
 - (ii) beginning on or before 1 January 2017, the Financial Institution implements policies and procedures either to prevent

a customer from making an overpayment in excess of USD 50 000, or to ensure that any customer overpayment in excess of USD 50 000 is refunded to the customer within 60 days, in each case applying the rules set forth in paragraph C of Section VII for currency translation. For this purpose, a customer overpayment does not refer to credit balances to the extent of disputed charges but does include credit balances resulting from merchandise returns.

- (g) any other account that presents a low risk of being used to evade tax, has substantially similar characteristics to any of the accounts described in subparagraphs C(17)(a) through (f), and is defined in domestic law as an Excluded Account, provided that the status of such account as an Excluded Account does not frustrate the purposes of the Common Reporting Standard.

D. Reportable Account

1. The term “Reportable Account” means an account held by one or more Reportable Persons or by a Passive NFE with one or more Controlling Persons that is a Reportable Person, provided it has been identified as such pursuant to the due diligence procedures described in Sections II through VII.
2. The term “Reportable Person” means a Reportable Jurisdiction Person other than: (i) a corporation the stock of which is regularly traded on one or more established securities

markets; **(ii)** any corporation that is a Related Entity of a corporation described in clause **(i)**; **(iii)** a Governmental Entity; **(iv)** an International Organisation; **(v)** a Central Bank; or **(vi)** a Financial Institution.

3. The term “Reportable Jurisdiction Person” means an individual or Entity that is resident in a Reportable Jurisdiction under the tax laws of such jurisdiction, or an estate of a decedent that was a resident of a Reportable Jurisdiction. For this purpose, an Entity such as a partnership, limited liability partnership or similar legal arrangement that has no residence for tax purposes shall be treated as resident in the jurisdiction in which its place of effective management is situated.
4. The term “Reportable Jurisdiction” means a jurisdiction **(i)** with which an agreement is in place pursuant to which there is an obligation in place to provide the information specified in Section I, and **(ii)** which is identified in a published list.
5. The term “Participating Jurisdiction” means a jurisdiction **(i)** with which an agreement is in place pursuant to which it will provide the information specified in Section I, and **(ii)** which is identified in a published list.
6. The term “Controlling Persons” means the natural persons who exercise control over an Entity. In the case of a trust, such term means the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the

trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term “Controlling Persons” must be interpreted in a manner consistent with the Financial Action Task Force Recommendations.

7. The term “NFE” means any Entity that is not a Financial Institution.
8. The term “Passive NFE” means any: (i) NFE that is not an Active NFE; or (ii) an Investment Entity described in subparagraph A(6)(b) that is not a Participating Jurisdiction Financial Institution.
9. The term “Active NFE” means any NFE that meets any of the following criteria:
 - (a) less than 50% of the NFE’s gross income for the preceding calendar year or other appropriate reporting period is passive income and less than 50% of the assets held by the NFE during the preceding calendar year or other appropriate reporting period are assets that produce or are held for the production of passive income;
 - (b) the stock of the NFE is regularly traded on an established securities market or the NFE is a Related Entity of an Entity the stock of which is regularly traded on an established securities market;
 - (c) the NFE is a Governmental Entity, an International Organisation, a Central Bank, or an Entity wholly owned by one or more of the foregoing;

- (d) substantially all of the activities of the NFE consist of holding (in whole or in part) the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a Financial Institution, except that an Entity does not qualify for this status if the Entity functions (or holds itself out) as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes;
- (e) the NFE is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a Financial Institution, provided that the NFE does not qualify for this exception after the date that is 24 months after the date of the initial organisation of the NFE;
- (f) the NFE was not a Financial Institution in the past five years, and is in the process of liquidating its assets or is reorganising with the intent to continue or recommence operations in a business other than that of a Financial Institution;
- (g) the NFE primarily engages in financing and hedging transactions with, or for, Related Entities that are not Financial Institutions, and does not provide

financing or hedging services to any Entity that is not a Related Entity, provided that the group of any such Related Entities is primarily engaged in a business other than that of a Financial Institution; or

- (h) the NFE meets all of the following requirements:
- (i) it is established and operated in its jurisdiction of residence exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in its jurisdiction of residence and it is a professional organisation, business league, chamber of commerce, labour organisation, agricultural or horticultural organisation, civic league or an organisation operated exclusively for the promotion of social welfare;
 - (ii) it is exempt from income tax in its jurisdiction of residence;
 - (iii) it has no shareholders or members who have a proprietary or beneficial interest in its income or assets;
 - (iv) the applicable laws of the NFE's jurisdiction of residence or the NFE's formation documents do not permit any income or assets

of the NFE to be distributed to, or applied for the benefit of, a private person or noncharitable Entity other than pursuant to the conduct of the NFE's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the NFE has purchased; and

- (v) the applicable laws of the NFE's jurisdiction of residence or the NFE's formation documents require that, upon the NFE's liquidation or dissolution, all of its assets be distributed to a Governmental Entity or other non-profit organisation, or escheat to the government of the NFE's jurisdiction of residence or any political subdivision thereof.

E. Miscellaneous

1. The term "Account Holder" means the person listed or identified as the holder of a Financial Account by the Financial Institution that maintains the account. A person, other than a Financial Institution, holding a Financial Account for the benefit or account of another person as agent, custodian, nominee, signatory, investment advisor, or intermediary, is not treated as holding the account for purposes of the Common Reporting Standard, and such other person is treated as holding the account. In the case of a Cash Value

Insurance Contract or an Annuity Contract, the Account Holder is any person entitled to access the Cash Value or change the beneficiary of the contract. If no person can access the Cash Value or change the beneficiary, the Account Holder is any person named as the owner in the contract and any person with a vested entitlement to payment under the terms of the contract. Upon the maturity of a Cash Value Insurance Contract or an Annuity Contract, each person entitled to receive a payment under the contract is treated as an Account Holder.

2. The term “AML/KYC Procedures” means the customer due diligence procedures of a Reporting Financial Institution pursuant to the anti-money laundering or similar requirements to which such Reporting Financial Institution is subject.
3. The term “Entity” means a legal person or a legal arrangement, such as a corporation, partnership, trust, or foundation.
4. An Entity is a “Related Entity” of another Entity if either Entity controls the other Entity, or the two Entities are under common control. or (iii) the two Entities are Investment Entities described in subparagraph A(6)(b), are under common management, and such management fulfils the due diligence obligations of such Investment Entities. For this purpose control includes direct or indirect ownership of more than 50 % of the vote and value in an Entity.
5. The term “TIN” means Taxpayer Identification Number (or functional equivalent in the

absence of a Taxpayer Identification Number).

6. The term “Documentary Evidence” includes any of the following:
7. a certificate of residence issued by an authorised government body (for example, a government or agency thereof, or a municipality) of the jurisdiction in which the payee claims to be a resident.
8. with respect to an individual, any valid identification issued by an authorised government body (for example, a government or agency thereof, or a municipality), that includes the individual’s name and is typically used for identification purposes.
9. with respect to an Entity, any official documentation issued by an authorised government body (for example, a government or agency thereof, or a municipality) that includes the name of the Entity and either the address of its principal office in the jurisdiction in which it claims to be a resident or the jurisdiction in which the Entity was incorporated or organised.
10. any audited financial statement, third-party credit report, bankruptcy filing, or securities regulator’s report.
11. With respect to a Pre-existing Entity Account, Reporting Financial Institutions may use as Documentary Evidence any classification in the Reporting Financial Institution’s records with respect to the Account Holder that was

determined based on a standardized industry coding system, that was recorded by the Reporting Financial Institution consistent with its normal business practices for purposes of AML/KYC Procedures or another regulatory purposes (other than for tax purposes) and that was implemented by the Reporting Financial Institution prior to the date used to classify the Financial Account as a Pre-existing Account, provided that the Reporting Financial Institution does not know or does not have reason to know that such classification is incorrect or unreliable. The term “standardised industry coding system” means a coding system used to classify establishments by business type for purposes other than tax purposes.

Section IX: Effective Implementation

- A. A jurisdiction must have rules and administrative procedures in place to ensure effective implementation of, and compliance with, the reporting and due diligence procedures set out above including:
 1. rules to prevent any Financial Institutions, persons or intermediaries from adopting practices intended to circumvent the reporting and due diligence procedures;
 2. rules requiring Reporting Financial Institutions to keep records of the steps undertaken and any evidence relied upon for the performance of the above procedures and adequate measures to obtain those records;
 3. administrative procedures to verify Reporting Financial Institutions’ compliance with the

reporting and due diligence procedures; administrative procedures to follow up with a Reporting Financial Institution when undocumented accounts are reported;

4. administrative procedures to ensure that the Entities and accounts defined in domestic law as Non-Reporting Financial Institutions and Excluded Accounts continue to have a low risk of being used to evade tax; and
5. effective enforcement provisions to address non-compliance

Commencement.

8. This Act shall be deemed to come into force on **1st January 2017**.