



FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) AND COMMON REPORTING STANDARD (CRS)

-

ENTITY CLASSIFICATION FREQUENTLY ASKED QUESTIONS (FAQ)

DISCLAIMER:

If you are not able to establish your entity's status after visiting this help guide you must seek tax advice. eToro is not giving nor intends to give any kind of tax advice to its clients and this document is prepared merely as a general guidance.



Contents

Introduction	3
Q1: WHY HAVE I RECEIVED THIS DOCUMENT?	3
Q2: WHAT ARE THE FATCA CERTIFICATIONS AND DOCUMENTS REQUIRED ON CORPORATE ACCOUNT OPENING:.....	4
Q3: WHAT ARE THE CRS CERTIFICATIONS AND DOCUMENTS ON CORPORATE ACCOUNT OPENING:	4
Q4: WHICH IRS W-SERIES FORM SHOULD I COMPLETE FOR THE ENTITY?	4
Q5: WHAT IS A US PERSON?	5
Q6: WHAT IS A US SPECIFIED PERSON (FOR ENTITIES)?	6
Q7: WHAT DOES MEAN SUBSTANTIAL US OWNERS:	6
Q8: WHO ARE CONSIDERED ENTITY CONTROLLING PERSONS:	7
Q9: DIAGRAM 1: W SERIES IRS TAX FORM SELECTION FLOWCHART	8
Q10: IS THE ENTITY ACTING AS A BENEFICIAL OWNER OR AN INTERMEDIARY?	9
Q11: WHERE CAN I FIND AND GET MORE INFORMATION ABOUT THE US TAX FORMS?.....	9
Q12: DIAGRAM 2: WHAT IS THE DIFFERENCE BETWEEN A FINANCIAL INSTITUTION AND A NON-FINANCIAL ENTITY?.....	10
Q13: WHAT DOES IT MEAN EXEMPT BENEFICIAL OWNER FOR FATCA CLASSIFICATION PURPOSES? ...	11
Q14: WHAT ARE THE DEFINITIONS OF THE DIFFERENT OPTIONS GIVEN FOR FINANCIAL INSTITUTIONS FOR FATCA?.....	12
Q15: WHAT IS A NON FINANCIAL FOREIGN ENTITY CLASSIFICATION FOR FATCA?	13
Q16: WHAT IS THE DEFINITION OF AN ACTIVE NFFE CLASSIFICATION FOR FATCA?.....	13
Q17: WHAT IS A PASSIVE NFFE FOR FATCA?.....	15
Q18: WHAT ARE THE DEFINITIONS OF THE DIFFERENT OPTIONS FOR FINANCIAL ENTITIES FOR CRS? .	15
Q19: WHAT IS A NON FINANCIAL ENTITY CLASSIFICATION FOR CRS?.....	15
Q20: WHAT ARE THE DEFINITIONS OF THE DIFFERENT OPTIONS FOR AN ACTIVE NFE CLASSIFICATION FOR CRS?.....	16
Q21: WHAT IS A PASSIVE NFFE FOR CRS?	18
Q22: WHAT DOES MEAN AN ENTITY MANAGED BY ANOTHER FINANCIAL INSTITUTION?	18
Q23: WHAT IS A PARTICIPATING CRS JURISDICTION?	18
Q24: WHAT IS A GLOBAL INTERMEDIARY IDENTIFICATION NUMBER (GIIN)?	18
Q25: WHAT US A DIRECT REPORTING NFFE?	18
Q26: WHAT IS A SPONSORED DIRECT REPORTING NFFE?	19



Introduction

CRS and FATCA regimes concern with the automatic exchange of information between tax jurisdictions world-wide.

FATCA

The United States (US) is one of a number of jurisdictions that require its taxpayers ([i.e. US persons as per the IRS definition](#)) to disclose and pay taxes on their worldwide income, irrespective of where the US taxpayer physically resides. FATCA was enacted by the US Government in 2010 to target tax evasion by US Persons who hold investments and financial accounts outside the US. It requires non-US financial institutions to register with the US Internal Revenue Service (IRS) and implement measures to identify and report certain financial information in respect of their account holders who are US persons. The US negotiated bilateral agreements, known as FATCA intergovernmental agreements to implement FATCA with over 100 jurisdictions globally.

CRS

CRS is a global standard for the automatic exchange of financial account information of taxpayers who hold investments outside their country of tax residence. It was designed by the [OECD](#) and is modeled on FATCA.

In order to comply with the CRS and FATCA regulations, eToro (“us/we”) requires all clients to provide information including tax residency and tax identification numbers (TINs), and, in the case of entity clients, the classification of the entity under both regulations. eToro is also required to collect the appropriate IRS (US Internal Revenue Service) W-series form. This information must be provided at the time of account opening, and its accuracy must be maintained for the duration of the account is open with eToro.

FREQUENTLY ASKED QUESTIONS

Q1: WHY HAVE I RECEIVED THIS DOCUMENT?

There are multiple entity classifications under both regimes (CRS and FATCA). In addition, the classification of an entity may differ under FATCA and CRS. This is a complex process.

This document is not intended to answer all questions or cover all scenarios but should give you an introduction to the FATCA/CRS entity classifications and a summary of the key determining factors of each category.

We are not able to provide tax advice or advise customers on their FATCA/CRS classification.

We would strongly recommend you seek appropriate tax advice to assist you with the classification process.



Q2: WHAT ARE THE FATCA CERTIFICATIONS AND DOCUMENTS REQUIRED ON CORPORATE ACCOUNT OPENING:

Generally, FATCA regime classifies entities in terms of whether they are US or non-US entities.

Then, in the case of non-US entities, they are further categorized as to whether they are foreign financial institutions (FFI) or non-financial foreign entities (NFFE). Within these two categories there are further entity classifications.

Each entity must declare a FATCA entity classification to eToro during the account opening process. This is provided as part of the completion of an IRS tax form, which also establishes the entity's classification for Chapter 3/61 purposes. Additionally:

- Where the entity is not deemed to be the beneficial owner of the income under US tax law, it will be required to provide IRS tax forms for the underlying beneficial owners.
- Where an entity is a passive NFFE, it will be required to provide information regarding its controlling owners.

Q3: WHAT ARE THE CRS CERTIFICATIONS AND DOCUMENTS ON CORPORATE ACCOUNT OPENING?

CRS on the other hand classifies entities in terms of whether they are financial institutions (FI) or non-financial entities (NFE). Again, sub-categories exist among the classifications and you must declare one to eToro.

For further information on CRS, please refer to the OECD AEOI Portal: [OECD portal - CRS Handbook](#)

Entities that are tax resident in CRS participating jurisdictions may be reportable to the tax authorities of that jurisdiction. Controlling persons of passive NFEs who are themselves tax resident in a CRS participating jurisdiction may also be subject to CRS reporting.

For the full list of CRS participating jurisdictions, please refer OECD AEOI Portal: [CRS participating](#)

Q4: WHICH IRS W-SERIES FORM SHOULD I COMPLETE FOR THE ENTITY?

Non-US entities are required to provide a W8-series form.

The type of form depends on:

- (1) whether the entity is the beneficial owner of the income paid to the account under Chapter 3 of the IRS tax code, and
- (2) whether the income is connected with a US trade or business.

Under Chapter 3 of the IRS tax code, the beneficial owner is defined as the person required to include any income generated from the account in gross income for tax purposes under U.S. tax law (without regard



to any exemptions or exclusions under the Internal Revenue Code). Accordingly, a nominee, agent, custodian, or any person acting in a similar capacity is not the beneficial owner.

US entities must provide a form W-9.

Q5: WHAT IS A US PERSON?

For individuals

A US individual person is any of the following:

1. US Citizen (Born in the US or by naturalisation) regardless of residence.
2. Dual Citizen where one country of citizenship is the US regardless of residence.
3. Green card Holders regardless of residence.
4. US resident Alien due to Substantial Presence test:

An Individual who is NOT a U.S.citizen or Dual Citizen or a Green Card Holder, is considered a US person for tax purposes if he has substantial presence in U.S. , i.e. greater than 183 calculated days as follows:

1. 31 days during the calendar year, AND
2. 183 days during 3-year period including current year and 2 prior years, counting:
 - a. All of the days present during the current calendar year
 - b. 1/3 days present during 1 year before current year
 - c. 1/6 days present during the 2 years before the current year

For days of presence in the US and available exceptions please refer to [IRS Website - Substantial Presence Test](#)

For entities

Broadly a US entity is any of the following:

1. A Corporation or Partnership created or organized in the US or under the law of the US or of any state in the US.
2. An estate of a US person or a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust.
3. The US government or any agency/instrumentality thereof.

Notes:

*You should obtain tax advice if you are unsure whether the entity is considered a US Person

* For the different types of US Taxpayer Identification number (US TIN) please visit IRS website: [IRS](#)



*Please also note that a Form W-9 and, outside the US, a secrecy waiver from the substantial US owner (in addition to a Form W-8BEN-E from the entity) may be required if the entity is a Passive NFFE AND it has 'substantial US owners' or controlling persons who are US persons (defined below).

Q6: WHAT IS A US SPECIFIED PERSON (FOR ENTITIES)?

Any U.S. person other than:

- a publicly traded corporation, or a corporation that is a member of the same expanded affiliated group as a publicly traded corporation
- a tax exempt organization (as defined in section 501(a)) - an individual retirement plan (as defined in section 7701(a) (37))
- the United States or an agency or instrumentality of the United States, or any state (including the District of Columbia and United States possessions) or state authorities
- a bank (as defined in section 581) - a real estate investment trust (as defined in section 856)
- a regulated investment company (as defined in section 851)
- an entity registered with the SEC under the Investment Company Act of 1940
- a common trust fund (as defined in section 584(a)) or a tax exempt trust (as defined in section 664(c) or 4947(a)(1))
- a registered dealer, or a registered broker (as defined in section 6045(c)).

Q7: WHAT DOES MEAN SUBSTANTIAL US OWNERS?

In general, substantial US owners in the case of corporations are any persons that own directly or indirectly more than 10% of the stock of such corporation and in the case of a trust, any person treated as an owner of any portion of a trust treated as a grantor trust under US tax law and any person that holds directly or indirectly more than 10% of the beneficial interests of the trust AND that are specified US persons. Generally, a "specified US person" is any US person other than those specifically excluded, such as a publicly-traded corporation and affiliates thereof, a tax-exempt organization, a US or state governmental entity, a bank, a broker, a dealer, a regulated investment company, a real estate investment trust, a common trust fund, a charitable trust and certain tax-exempt trusts.

A US person in respect of an individual is commonly a citizen or resident of the United States and they can be treated as a US person even if they reside permanently outside the US or even if they hold a non-US passport (e.g. Any person born in the US is a US person even if they do not hold a US passport).

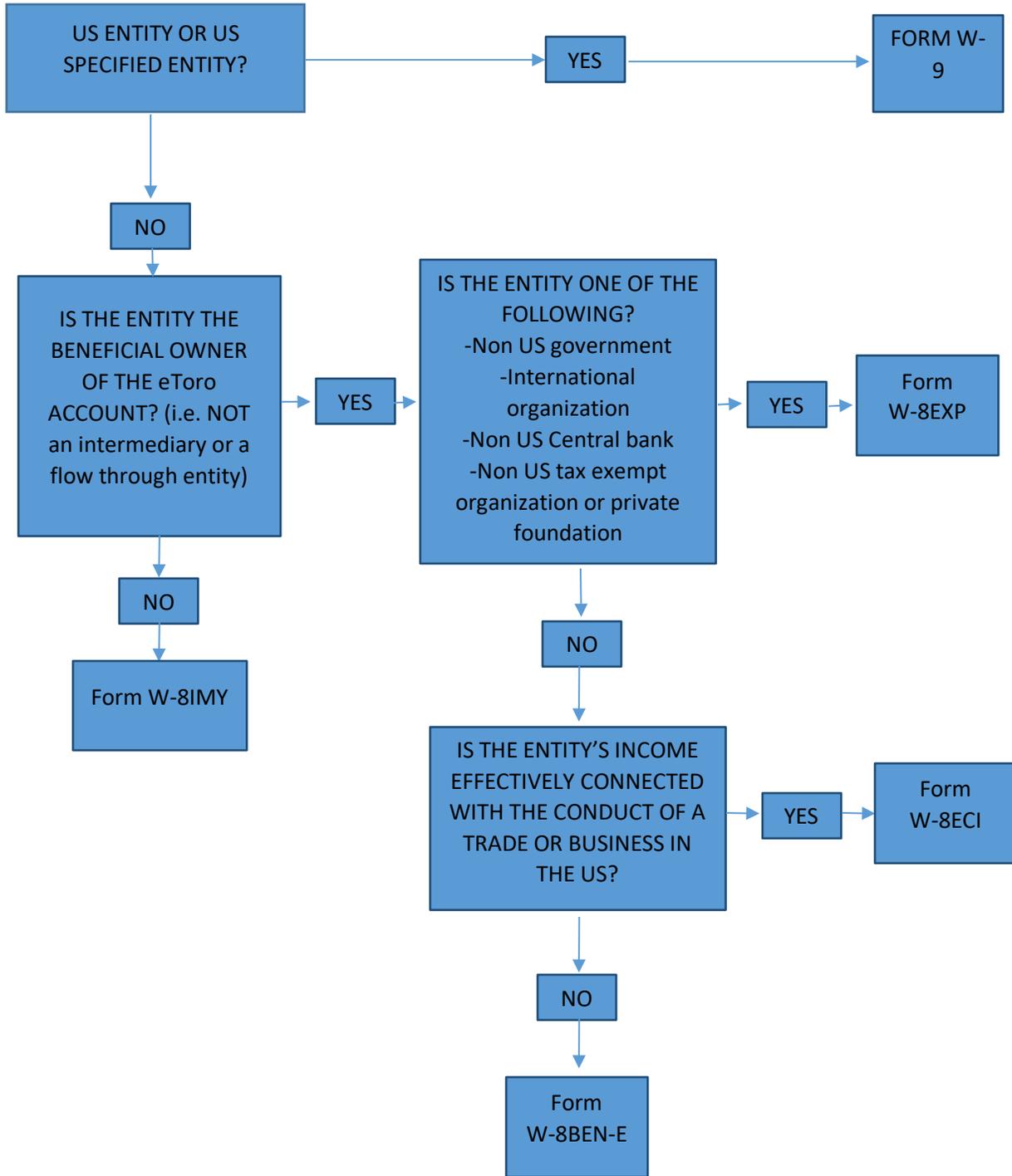
Please visit the [IRS website](#) or consult your tax adviser for more information. You should obtain tax advice if you are unsure whether the entity has substantial US owners.



Q8: WHO ARE CONSIDERED ENTITY CONTROLLING PERSONS?

In general, the term “Controlling Persons” means the natural persons who exercise control over an Entity. Where no natural person(s) exercises control through ownership interests, the Controlling Person(s) of the Entity will be the natural person(s) who exercises control of the Entity through other means. In the case of a trust, this 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) exercise ultimate effective control over the trust. In the case of a legal arrangement other than a trust, this means persons in equivalent or similar positions. The term “Controlling Persons” must be interpreted in a manner consistent with the Financial Action Task Force (FATF) Recommendations. You should refer to guidance issued by the authorities in your jurisdiction of residence.

Q9: DIAGRAM 1: W SERIES IRS TAX FORM SELECTION FLOWCHART





YES

Q10: IS THE ENTITY ACTING AS A BENEFICIAL OWNER OR AN INTERMEDIARY?

Determining who the beneficial owner of the account can be complex. Generally, the account holder is the beneficial owner of that account if they own the assets or income within the account or they are entitled to them. An account holder is acting as an intermediary if they receive amounts from the account on behalf of another person or as a “flow-through entity”. Common examples include qualified intermediaries (QIs), non qualified intermediaries (NQIs), non-US simple trusts, non-US grantor trusts, and non-US partnerships. Where the entity is acting as an intermediary, we will require you to provide the Form W-8IMY (unless you consider another form more appropriate) and with this, a withholding statement containing pooled information for QIs or, in the case of nonqualified intermediaries and non-withholding non-US partnerships and trusts the details of the beneficial owners and income allocation percentages and the appropriate W-series form(s) for those beneficial owners.

The determination of US trust type is a complex process. Tax advice should be sought if you are unsure of the trust type under US tax law.

Q11: WHERE CAN I FIND AND GET MORE INFORMATION ABOUT THE US TAX FORMS?

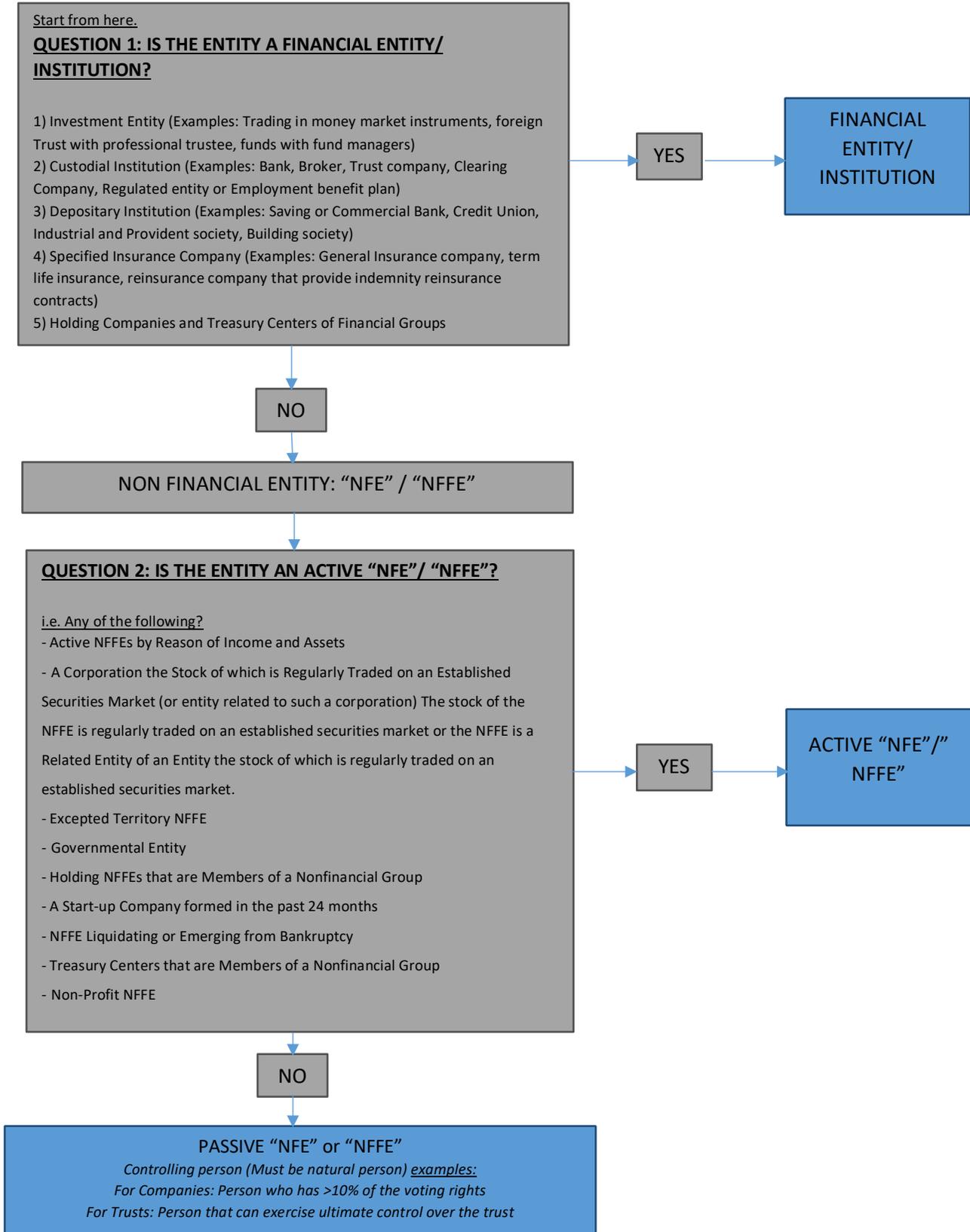
Please see the below links to the IRS tax forms and accompanying IRS instructions.

For US entities and US controlling persons:	
W-9 Form:	http://www.irs.gov/pub/irs-pdf/fw9.pdf
W-9 Form Guidance:	http://www.irs.gov/pub/irs-pdf/iw9.pdf
For Foreign (non-US) individuals:	
W-8BEN Form:	https://www.irs.gov/pub/irs-pdf/fw8ben.pdf
W-8BEN Form Guidance:	https://www.irs.gov/pub/irs-pdf/iw8ben.pdf
For Foreign (non-US) entities:	
W-8BEN-E Form:	http://www.irs.gov/pub/irs-pdf/fw8bene.pdf
W-8BEN-E Form Guidance:	http://www.irs.gov/pub/irs-pdf/iw8bene.pdf
W-8IMY Form:	http://www.irs.gov/pub/irs-pdf/fw8imy.pdf
W-8IMY Form Guidance:	http://www.irs.gov/pub/irs-pdf/iw8imy.pdf
W-8EXP Form:	http://www.irs.gov/pub/irs-pdf/fw8exp.pdf
W-8EXP Form Guidance:	http://www.irs.gov/pub/irs-pdf/iw8exp.pdf
W-8ECI Form:	http://www.irs.gov/pub/irs-pdf/fw8eci.pdf
W-8ECI Form Guidance:	http://www.irs.gov/pub/irs-pdf/iw8eci.pdf
Form 8832 and Guidance: (Entity Classification Election - e.g. for partnerships)	https://www.irs.gov/pub/irs-pdf/f8832.pdf

Explanatory note for partnerships:

- If the entity is a partnership that elected to be treated as a corporation for US tax purposes, form W-8BEN-E must be provided to eToro only and Form 8832 to eToro and the IRS by the client.
- If the entity is a partnership without the above election, then you need to provide a flow-through: W8-IMY plus IRS tax forms for the partners (irrespective of whether they are entities or individuals).

Q12: DIAGRAM 2: WHAT IS THE DIFFERENCE BETWEEN A FINANCIAL INSTITUTION AND A NON-FINANCIAL ENTITY?





Q13: WHAT DOES IT MEAN EXEMPT BENEFICIAL OWNER FOR FATCA CLASSIFICATION PURPOSES?

An entity in one of the following categories:

Governmental Entity

The government of a jurisdiction, any political subdivision of a jurisdiction (including 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.

International Organization

Any international organization or wholly owned agency or instrumentality thereof. This category includes any intergovernmental organization (including a supranational organization) (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.

Central Bank

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.

Exempt Retirement Fund

A retirement fund that meets one of the following categories under the applicable IGA: Treaty-Qualified Retirement Fund, Broad Participation Retirement Fund, Narrow Participation Retirement Fund, Pension Fund of an Exempt Beneficial Owner, or Investment Entity Wholly Owned by Exempt Beneficial Owners.

Investment Entity Wholly

An Entity that is a Financial Institution solely because it is an Investment Entity, provided that each direct holder of an Equity Interest

Owned by Exempt BOs

in the Entity is an exempt beneficial owner, and each direct holder of a debt interest in such Entity is either a Depository Institution (with respect to a loan made to such Entity) or an exempt beneficial owner.



Q14: WHAT ARE THE DEFINITIONS OF THE DIFFERENT OPTIONS GIVEN FOR FINANCIAL INSTITUTIONS FOR FATCA?

Local Financial Institution:

- UK financial institution for entities applying for onboarding under eToro UK Ltd;
- Cyprus financial institution for entities applying for onboarding under eToro Europe Ltd;
- Australian financial institution for entities applying for onboarding under eToro AUS Ltd.

Partner Jurisdiction FFI (Reporting Model 1 or Reporting Model 2)

An FFI located in a jurisdiction that has in effect an agreement with the United States to facilitate the implementation of FATCA. A list of all participating jurisdictions can be found at:

<https://www.treasury.gov/resource-center/tax-policy/treaties/Pages/FATCA-Archive.aspx>

Other Participating FFI

An FFI that has agreed to comply with the requirements of an FFI agreement, including an FFI described in a Model 2 IGA that has agreed to comply with the requirements of an FFI agreement. The term PFFI also includes a QI branch of a U.S. financial institution, unless such branch is a Reporting Model 1 FFI.

Trustee-Documented Trust

A trust established under the laws of the local jurisdiction to the extent that the trustee of the trust is a Reporting U.S. Financial Institution, Reporting Model 1 FFI, or Participating FFI and reports all information required to be reported pursuant to the Agreement with respect to all U.S. Reportable Accounts of the trust.

Registered Deemed-Compliant FFI

An FFI that registers with the IRS to declare its status. Includes certain local FFIs, non-reporting members of participating FFI groups, qualified collective investment vehicles, restricted funds, qualified credit card issuers and servicers, and sponsored investment entities and controlled foreign corporations.

Other Deemed-Compliant FFI

Deemed-compliant FFIs also include the following: Non-Registering Local Bank, FFI with Only Low Value Accounts, Sponsored Closely-Held Investment Vehicle, Limited Life Debt Investment Entity, and any other FFI treated as a deemed-compliant FFI under an applicable IGA (except for a registered deemed-compliant FFI).

Non-participating FFI

An FFI other than a participating FFI, a deemed-compliant FFI, or an exempt beneficial owner.



Q15: WHAT IS A NON FINANCIAL FOREIGN ENTITY CLASSIFICATION FOR FATCA?

An NFFE means any entity that is not a financial institution. An NFFE may be an Active NFFE or a Passive NFFE.

Q16: WHAT IS THE DEFINITION OF AN ACTIVE NFFE CLASSIFICATION FOR FATCA?

Any of the following:

Active NFFEs by Reason of Income and Assets

Less than 50% of the NFFE'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 NFFE during the preceding calendar year or other appropriate reporting period are assets that produce or are held for the production of passive income.

A Corporation the Stock of which is Regularly Traded on an Established Securities Market (or entity related to such a corporation)

The stock of the NFFE is regularly traded on an established securities market or the NFFE is a Related Entity of an Entity the stock of which is regularly traded on an established securities market:

Regularly Traded

Meaningful volume of trading with respect to the stock on an on-going basis.

Established Securities Market

An exchange that is officially recognized and supervised by a governmental authority in which the market is located and that has a meaningful annual value of shares traded on the exchange.

Related Entity

An Entity is a "Related Entity" of another Entity if either Entity controls the other Entity, or the two Entities are under common control. For this purpose, control includes direct or indirect ownership of more than 50% of the vote and value in an Entity.

Excepted Territory NFFE

The NFFE is organized in a U.S. Territory and all of the owners of the payee are bona fide residents of that U.S. Territory.

Governmental Entity

The NFFE is a government (other than the U.S. government), a political subdivision of such government (which, for the avoidance of doubt, includes a state, province, county, or municipality), or a public body performing a function of government or a political subdivision thereof, a government of a U.S. Territory, an international organization, a non-U.S. central bank of issue, or an Entity wholly owned by one or more of the foregoing.



Holding NFFEs that are Members of a Nonfinancial Group

Substantially all of the activities of the NFFE 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.

A Start-up Company formed in the past 24 months

The NFFE 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 NFFE does not qualify for this exception after the date that is 24 months after the date of the initial organization of the NFFE.

NFFE Liquidating or Emerging from Bankruptcy

The NFFE was not a Financial Institution in the past five years, and is in the process of liquidating its assets or is reorganizing with the intent to continue or recommence operations in a business other than that of a Financial Institution.

Treasury Centers that are Members of a Nonfinancial Group

The NFFE 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.

Non-Profit NFFE

An NFFE that meets the following criteria:

- 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 organization, business league, chamber of commerce, labor organization, agricultural or horticultural organization, civic league or an organization operated exclusively for the promotion of social welfare;
- ii) ii) it is exempt from income tax in its jurisdiction of residence;
- iii) iii) it has no shareholders or members who have a proprietary or beneficial interest in its income or assets;
- iv) iv) the applicable laws of the NFFE's jurisdiction of residence or the NFFE's formation documents do not permit any income or assets of the NFFE to be distributed to, or applied for the benefit of, a private person or non-charitable Entity other than pursuant to the conduct of the NFFE's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the NFFE has purchased; and
- v) v) the applicable laws of the NFFE's jurisdiction of residence or the NFFE's formation documents require that, upon the NFFE's liquidation or dissolution, all of its assets be



distributed to a Governmental Entity or other non-profit organization, or escheat to the government of the NFFE's jurisdiction of residence or any political subdivision.

Q17: WHAT IS A PASSIVE NFFE FOR FATCA?

Passive NFFE

For the purpose of completing this certification, a Passive NFFE means any NFFE that is not an Active NFFE.

Q18: WHAT ARE THE DEFINITIONS OF THE DIFFERENT OPTIONS FOR FINANCIAL ENTITIES FOR CRS?

Investment Entity

Any Entity that either:

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

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

OR

b) the gross income of which is primarily attributable to investing, reinvesting, or trading in Financial Assets, if the Entity is managed by a Financial Institution.

Depository Institution

An entity that accepts deposits in the ordinary course of a banking or similar business.

Custodial Institution

Any entity that holds, as a substantial portion of its business, Financial Assets for the account of others. See Annex for definition of "substantial portion".

Specified Insurance Company

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.

Q19: WHAT IS A NON FINANCIAL ENTITY CLASSIFICATION FOR CRS?

An NFE means any entity that is not a financial institution. An NFE may be an Active NFE or a Passive NFE.



Q20: WHAT ARE THE DEFINITIONS OF THE DIFFERENT OPTIONS FOR AN ACTIVE NFE CLASSIFICATION FOR CRS?

Any of the following:

Active NFEs by Reason of Income and Assets

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.

Publicly listed entity or entity related to a public listed entity

A Corporation the Stock of which is Regularly Traded on an Established Securities Market (or entity related to such a corporation)

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.

Regularly Traded

Meaningful volume of trading with respect to the stock on an on-going basis.

Established Securities Market

An exchange that is officially recognized and supervised by a governmental authority in which the market is located and that has a meaningful annual value of shares traded on the exchange.

Related Entity

An Entity is a "Related Entity" of another Entity if either Entity controls the other Entity, or the two Entities are under common control. For this purpose, control includes direct or indirect ownership of more than 50% of the vote and value in an Entity.

Governmental Entity

The government of a jurisdiction, any political subdivision of a jurisdiction (including 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.

International Organization

Any international organization or wholly owned agency or instrumentality thereof. This category includes any intergovernmental organization (including a supranational organization)



- (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.

Central Bank

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

Holding NFEs that are Members of a Nonfinancial Group

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.

A Start-up Company formed in the past 24 months

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 organization of the NFE.

NFE Liquidating or Emerging from Bankruptcy

The NFE was not a Financial Institution in the past five years, and is in the process of liquidating its assets or is reorganizing with the intent to continue or recommence operations in a business other than that of a Financial Institution.

Treasury Centers that are Members of a Nonfinancial Group

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.

Non-Profit NFE

An NFE that meets the following criteria:

- 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 organization, business league, chamber of commerce, labor organization, agricultural or horticultural organization, civic league or an organization operated exclusively for the promotion of social welfare;



- ii) ii) it is exempt from income tax in its jurisdiction of residence;
- iii) iii) it has no shareholders or members who have a proprietary or beneficial interest in its income or assets;
- iv) 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 non-charitable 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) 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 organization, or escheat to the government of the NFE's jurisdiction of residence or any political subdivision.

Q21: WHAT IS A PASSIVE NFFE FOR CRS?

For the purpose of completing this certification, a Passive NFE means any NFE that is not an Active NFE.

Q22: WHAT DOES MEAN AN ENTITY MANAGED BY ANOTHER FINANCIAL INSTITUTION?

An Entity is "managed by" another Entity if the managing Entity performs, either directly or through another service provider on behalf of the managed Entity, any of the following activities or operations: trading in money market instruments; foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading. An Entity only manages another Entity if it has discretionary authority to manage the other Entity's assets (either in whole or part). Where an Entity is managed by a mix of Financial Institutions, NFEs or individuals, the Entity is considered to be managed by another Entity that is a Depository Institution, a Custodial Institution, a Specified Insurance Company, or an Investment Entity that performs the above trading functions, if any of the managing Entities is such an Entity.

Q23: WHAT IS A PARTICIPATING CRS JURISDICTION?

A jurisdiction with which an agreement is in place pursuant to which it will provide the information set out in the CRS. A list of all participating jurisdictions can be found at: <http://www.oecd.org/tax/transparency/AEOI-commitments.pdf>

Q24: WHAT IS A GLOBAL INTERMEDIARY IDENTIFICATION NUMBER (GIIN)?

The term GIIN or Global Intermediary Identification Number means the identification number that is assigned to a participating FFI or registered deemed-compliant FFI. The term GIIN or Global Intermediary Identification Number also includes the identification number assigned to a reporting Model 1 FFI for purposes of identifying such entity to withholding agents. All GIINs will appear on the IRS FFI list.

Q25: WHAT IS A DIRECT REPORTING NFFE?



A direct reporting NFFE is a passive NFFE that elects to report certain information about its direct or indirect substantial U.S. owners directly to the IRS on Form 8966 in lieu of providing such information to the financial institutions at which the NFFE holds an account. Direct reporting NFFEs will be required to register with the IRS to obtain a GIIN and agree to report the information about its substantial U.S. owners directly to the IRS. A direct reporting NFFE will not be treated as a participating FFI or be required to enter into an FFI agreement; it will be treated as an excepted NFFE.

Q26: WHAT IS A SPONSORED DIRECT REPORTING NFFE?

An entity to serve as a “sponsor” for one or more direct reporting NFFEs, which will require the sponsoring entity to report information about a sponsored direct reporting NFFE’s direct or indirect substantial U.S owners directly to the IRS on a Form 8966.