

Information Sheet:

Client Tax Information Reporting - A global standard for automatic exchange of information on tax matters.

The purpose of this document is to inform you about some obligations that the bank has in respect of the automatic reporting of certain accounts, held or controlled by non-residents of Gibraltar or by US persons. The reporting is made to the Gibraltar Authorities who will share the information with the tax authority of another country (where Gibraltar has signed an exchange of information agreement with them, or if there is some other legal requirement to do so), if the account is held or controlled by one of their tax residents.

Automatic Exchange of Information is about improving tax transparency. In common with many other jurisdictions internationally, the Government of Gibraltar has entered into various international agreements providing for the automatic exchange of information, that will help the tax administrations of participating jurisdictions to ensure that their tax residents are meeting their tax obligations.

The Exchange of Information agreements entered into by the Government of Gibraltar to date include:

- Agreements with countries participating in the OECD's Common Reporting Standard (CRS), aimed at reducing tax evasion internationally and to which over 100 **countries** have committed to so far, and with more expected to follow.
- An agreement with the United States of America (FATCA) aimed at reducing tax evasion by US Citizens and Residents) and

A detailed list of countries committed to the OECD's Common Reporting Standard can be found online at the OECD's website using the following link:

<https://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/crs-by-jurisdiction/>

- The European Union Directive on Administrative Cooperation (DAC), which provides for the Automatic Exchange of Information between EU Member States (effectively implementing the requirements of the OECD's Common report Standard).

Whilst these various agreements vary slightly in detail they share much in common, and ultimately have the same aim, which is to ensure that persons/entities are meeting their tax obligations in the countries in which they are residents for tax purposes, and identifying those persons who do not.

In accordance with these agreements and subsequent legislation, we are, in common with all other financial institutions based in the many participating jurisdictions, obliged to review and collect details of the accounts that we hold, in order to establish whether an account may be reportable.

If an account is reportable, then the details to be reported include:

- Name
- Address
- Tax Identification Number (or equivalent e.g. Social Security or National Insurance Number for UK persons)
- Account number
- Account balance or value as at the end of the relevant calendar year or other appropriate period
- Interest received
- Dividends paid to the account
- Gross proceeds credited to the account from sale of redemption of assets held in custody
- The name and identifying number of the bank holding the account
- In some cases, the date and place of birth
- With regard to certain types of Entity accounts (Passive Entities), additional information in the form of details of the entity's controlling persons will also be provided

An entity account is a 'non-personal account' e.g. an account held by a company, a partnership or a trust.

Passive entities are those whose income is at least 50% derived from 'passive income' (e.g. interest, dividends, rents, royalties etc.), and who hold more than 50% of their assets in order to generate passive income.

An active entity on the other hand, generates its income through trading activities (e.g. a retail company, a manufacturing company or a service provider etc.).

The controlling persons of an entity would generally be, in the case of a company, the ultimate beneficial owners, in the case of a partnership, the partners of the firm, or in the case of a trust/foundation etc., the settlor(s), trustee(s) beneficiary(ies) and if applicable the protector(s). Details of an entity's controlling persons include each individual's name, address, tax residency information, tax identification number, country of birth, and in some cases the date of birth.

The due date for the annual reporting varies dependent upon the applicable regulation/agreement:

In order to comply with its obligations under the various agreements and identify the jurisdiction(s) in which a client may be a tax resident, the bank is required to review the information that it holds in its records including documentation held for know-your-customer / anti-money laundering purposes.

From time to time, there may be a need for the bank to update the information it holds on you, and you may receive a request from us asking you to complete a self-declaration as to your tax residency or seeking up to date documentation to support your residence in a particular country, or your home address.

Further information:

Unfortunately, the bank cannot give any tax advice. If you are uncertain as to your tax status/tax residency or require any further clarification on tax matters generally, then we would strongly recommend that you take specialist advice.

Further details concerning the various exchange of information regimes can be viewed by clicking on following links:

Common Reporting Standard (CRS):

www.oecd.org/tax/transparency/automaticexchangeofinformation.htm

CDOT:

www.gibraltarlaws.gov.gi/articles/2015s200.pdf

FATCA:

www.gibraltarlaws.gov.gi/articles/2015s134.pdf

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