

Automatic Exchange of Information - Tax Information Reporting - A global standard for automatic exchange of information on tax matters

The bank has some obligations in respect of the automatic reporting of certain accounts, held or controlled by tax residents of countries other than Gibraltar.

If our account holder is a tax resident of a country that Gibraltar has entered into a tax information exchange agreement, then we will report certain information about the account to the Gibraltar tax authority who in turn will share that information with the relevant country(ies).

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 and passed regulations 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.

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:

[AEOI commitments \(oecd.org\)](https://www.oecd.org/automatic-exchange/aeoi-commitments/)

- An agreement with the United States of America (FATCA) aimed at reducing tax evasion by US Citizens and Residents).

Whilst these 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 collect certain information, and keep under review 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
- Regarding 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.

What we need from you

To comply with our legal obligations and identify the jurisdiction(s) in which a client may be a tax resident, we will need to ask you certain questions and ask you to provide some documentation when you open your account with us, or when we review your account records. For example, you may be asked to provide your tax identification number, certain supporting documentation, or to complete and return a self-certification as to your country (ies) of tax residency.

It's your responsibility to make sure that you respond promptly and accurately to any such requests. It's important that you do so, since if you don't respond, or if we are unable to rely on any of the information that you have given us, then we may conclude that you are to be reported as resident in another country(ies) based upon certain account information/residency indicia held in our records.

Other tax reporting

In addition to the automatic reporting mentioned above we are also legally obliged to report on any transactions/ arrangements that bear certain hallmarks of aggressive tax avoidance or in response to certain types of enquiries received from international tax authorities

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

FATCA:

[Foreign Account Tax Compliance Act \(FATCA\) | Internal Revenue Service \(irs.gov\)](https://www.irs.gov/efile/foreign-account-tax-compliance-act-fatca)

Legal Disclaimer

Please note that Trusted Novus Bank Limited does not give tax advice and nothing contained within this document should be construed as such.

For your information

Trusted Novus Bank Limited is registered for FATCA purposes as a reporting Model 1 Foreign Financial Institution (FFI) under GIIN Number LVZOKJ. 99999.SL.292