

THE ADVANCED DIPLOMA IN INTERNATIONAL TAXATION

December 2020

MODULE 3.05 – BANKING OPTION

ADVANCED INTERNATIONAL TAXATION (THEMATIC)

TIME ALLOWED – 3¼ HOURS

This exam paper has **three** parts: **Part A**, **Part B** and **Part C**.

You need to answer **five** questions in total.

You must answer:

- **Both** questions in **Part A** (25 marks each)
- **One** question in **Part B** (20 marks)
- **Two** questions from **Part C** (15 marks each)

Further instructions

- All workings should be made to the nearest month and in appropriate monetary currency, unless otherwise stated.
- As you are using the online method to complete your exam, you must provide appropriate line breaks between each question, and clearly indicate the start of each new question using the formatting tools available.
- Marks are specifically allocated for clarity of presentation of your answers.
- The time you spend answering questions should correspond broadly to the number of marks available for that question. You should therefore aim to spend approximately half of your time answering Part A, and the other half answering questions in Parts B and C.
- There is no separate reading time, so you can start typing your answers as soon as the exam begins. However, we recommend that you set aside some time to thoroughly read each question and plan each of your answers.

For your information this paper includes:

AMAFI 19-03EN, 10 January 2019, Annex 1: Article 235 Ter ZD of the General Tax Code as amended by Article 39 of Act 2017-1837 of 30 December 2017 (2018 Finance Act)

Hong Kong Cap 117 Stamp Duty Ordinance (Hong Kong, 2018) ss.19, 27

OECD Common Reporting Standard

US IRS Revenue Procedure 2017-15 on Qualified Intermediary Agreements, ss.3, 6, 7, 8

US IRS Form 1042-S

PART A**You are required to answer BOTH questions from this Part.**

1.

- 1) Optimum Investment Management (OIM) is a UK tax resident, publicly traded company that develops investment management products for both institutional and retail clients in the UK and Europe.

FundSale (FS) is a French resident company that performs marketing and sales activities in France as a commissaire on behalf of OIM. Under this arrangement FS sells investment management products under its own brand in France, but is able to rely on OIM to satisfy the obligation to deliver and service the investment products offered to its French clients, including the provision of account statements and necessary tax vouchers. OIM pays FS a commission based on the proportion of OIM's sales revenues that are made by FS in France on its behalf. The exact amount is determined by the assets under management (AUM) grown by FS.

FS has no ownership rights over the products and does not receive the amounts paid by the clients for the investment management products. These amounts are received by OIM as the developer of the products. FS's business consists solely of its activities for OIM. OIM has no operations of its own in France and makes no sales to customers in France other than those made by FS on its behalf.

The double tax agreement (DTA) between France and the UK prevents France from taxing the business profits of an enterprise resident in the UK. An exception for this arises when a company resident in the UK has a permanent establishment in France.

Under the DTA, the profits attributable to a permanent establishment are defined in accordance with Article 7, chapter 3 (taxation of income) of the OECD Model Tax Convention 2010 as follows:

the profits that the permanent establishment would have derived if it were a separate and independent enterprise engaged in the same or similar activities under the same or similar conditions, taking into account the functions performed, assets used and risks assumed by the enterprise through the permanent establishment and through other parts of the enterprise.

The DTA between France and the UK has been updated to include the changes to Article 5(5) and Article 5(6) of the OECDs Model Tax Convention recommended in the Report on Action 7.

Using OECD principles, you are required to discuss whether OIM will be regarded as have a permanent establishment in France, and if so, how the profit to the permanent establishment will be attributed. (10)

- 2) Bank Vega, a UK resident bank, has a branch located in the Netherlands. The branch performs all of the risk related management activities for Bank Vega's financial assets, and holds 15% of the bank's risk-weighted assets.

Explain how the OECD's capital allocation approach would govern the allocation of capital to this permanent establishment of Bank Vega. (5)

- 3) **Discuss the country-specific approaches to branches and subsidiaries, and the governance requirements of branches, in the OECD's report on "The conditions for establishment of subsidiaries and branches in the provision of banking services by non-resident financial institutions".** (10)

Total (25)

2. The guidelines issued by the Association Francaise des Marches Financiers (AMAFI) provide that:

“French Financial Transaction Tax (FFTT) is payable when five conditions are met cumulatively. There must be (i) an acquisition for consideration (ii) resulting in a transfer of ownership (iii) of shares or equivalent securities (iv) admitted to a regulated market and (v) issued by a French company with a market capitalisation of more than €1 billion.”

- 1) You are required to explain these five conditions.** (10)

Bank Alpha, an investment services provider (ISP) based in Dublin, provides prime brokerage services to hedge funds.

Bank Alpha has borrowed French equities from a hedge fund under a stock lending agreement; the equities relate to a French company with a market capitalisation in excess of €1 billion. The securities were subsequently transferred via an over-the-counter arrangement to an affiliate company, Bank Beta, which is based in London and issued a total return swap to another ISP, Bank Delta, based in Hong Kong.

Bank Delta is a structured product issuer, which holds the security as part of a basket of securities hedging a financial contract which it had previously sold to a client.

- 2) Does French Financial Transaction Tax (FFTT) apply in this scenario and, if so, which entity is the statutory taxpayer and which is the economic taxpayer? You should include your reasoning and any assumptions which you make.** (15)

Total (25)

PART B

You are required to answer ONE questions from this Part.

3. Theta Banking Ltd, a private bank, is incorporated in London and has Portuguese and French branches in Lisbon and Paris respectively, with a separate subsidiary in Jersey (Theta Jersey Ltd).

Theta Banking Ltd and Theta Jersey Ltd entered into a qualified intermediary (QI) and qualified derivative dealer (QDD) agreement with the United States Internal Revenue Service (IRS) in 2017. The Paris branch of Theta Banking Ltd entered into a QDD agreement with the IRS in 2018. Theta Banking Ltd, its branches and Theta Jersey Ltd are designated as foreign financial institutions (FFIs) in accordance with the applicable FATCA Model 1 Intergovernmental Agreement.

Theta Banking Ltd, its branches and Theta Jersey Ltd hold client securities with a third party custodian, which is a QI and a primary withholder in pooled accounts subject to segregated reporting. Theta Banking Ltd, the Paris branch and Theta Jersey Ltd also hold proprietary accounts with the third party custodian.

The pooled accounts maintained by Theta Banking Ltd, its branches and its subsidiary are documented with valid US tax documents, showing that they do not assume primary withholding, 1099 reporting or backup withholding responsibility. The proprietary accounts held by Theta Banking Ltd, the Paris branch and Theta Jersey Ltd are documented with valid US tax documents, confirming that each entity meets the requirements to act as a QDD and assumes primary withholding and reporting responsibilities. The pooled client accounts are documented for US Chapter 3 and Chapter 4 purposes.

Theta Banking Ltd borrows US equities and US Treasury securities from the clients of its branches and its Jersey subsidiary, in accordance with a client agreement with the respective booking entity under which the client securities may be loaned to affiliate entities for economic value. The securities are held over record date. Theta's clients are all European resident.

You are required to state whether income arising from the securities lending arrangements will be subject to Chapter 3 withholding and, if so, by which entity and who the 'recipient' (Line 13) is for 1042-S reporting purposes. You should include any assumptions which you make. (20)

4.

- 1) **You are required to explain the circumstances in which a Corporate Criminal Offence (CCO), enacted in Criminal Finances Act 2017, is deemed to apply.** (3)
- 2) **Discuss the concept of 'dual criminality' within a CCO context, and how a company or partnership would report any act of criminal facilitation which it discovers.** (12)

The EU Council Directive 2011/16 in relation to cross-border tax arrangements, known as DAC6, has been in force since 25 June 2018. Any cross-border arrangement that falls under one of five distinct hallmarks needs to be reported by the intermediary or relevant taxpayer involved.

- 3) **Explain each of the five hallmarks.** (5)

Total (20)

PART C

You are required to answer TWO questions from this Part.

5. **You are required to explain the conditional application of the Stock Borrowing and Lending exemption from Hong Kong Stamp Duty, as defined by section 19(11) of the Hong Kong Cap 117 Stamp Duty Ordinance.** (15)
6. **You are required to provide an explanatory email to your company's Head of Banking Operations, explaining the application of the OECD Common Reporting Standard, Commentary and supporting guidance to the determination of 'controlling persons'.** (15)
7. AtoZ Bank Ltd (AtoZ) is a bank incorporated in the United Kingdom, and has been registered for UK VAT since it commenced trading in 1997. In every quarter since 1997, AtoZ has incurred VAT on a proportion of items that have been used to taxable supplies, but also makes exempt supplies such as mergers and acquisitions (M&A) activity. AtoZ also supplies financial instruments, in the form of shares and bonds.

AtoZ has a partial special exemption method agreement with the UK revenue authority, HMRC, dating to November 2009). AtoZ undertook a refurbishment of its London headquarters, which cost £3,250,000, in the current VAT period.

You are required to discuss AtoZ's VAT position, including additional compliance obligations, penalties for non-compliance, and how the bank should apply to HMRC for the special method of a company that is not entitled to recover the full amount of VAT incurred on costs. (15)

- 8.
- 1) **You are required to explain what is meant by an 'equivalent foreign levy' in the context of the United Kingdom's bank levy legislation. What is meant by the 'home state primacy principle', within this legislation?** (7)
- 2) **Discuss the measures contained within the UK's bank levy anti-avoidance legislation.** (8)

Total (15)

ANNEX 1
ARTICLE 235 TER ZD OF THE GENERAL TAX CODE AS AMENDED BY
ARTICLE 39 OF ACT 2017-1837 OF 30 DECEMBER 2017
(2018 FINANCE ACT)

(UNOFFICIAL TRANSLATION FOR INFORMATION ONLY)

Current version

1. - A tax is applied to any acquisition for consideration of an equity security as defined by Article L. 212-1 A of the Monetary and Financial Code, or of an assimilated security, as defined by Article L. 211-41 of the same code, once said security is listed for trading on a French, European or foreign regulated market, as defined by Articles L. 421-4, L. 422-1 and L. 423-1 of said code, when acquisition results in a transfer of ownership as defined by Article L. 211-17 of the same code, and when said security is issued by a company with registered offices in France and with a market capitalization that exceeds one billion euros as of 1 December of the year prior to the tax year.

“Acquisition, as used in the first paragraph, means the purchase, including purchase by exercising an option or a forward purchase which has previously been defined in a contract, the exchange or the allotment, in consideration for contributions of equity securities as defined in said first paragraph.

“The securities representing those referred to in the first paragraph, issued by a company, regardless of its place of establishment, shall be subject to the tax.

“II – The tax shall not apply to:

“1. Purchase transactions executed in the context of an issue of equity securities, including when said issue gives rise to the investment service of underwriting or placing of financial instruments on a firm commitment basis as defined by Article L. 321-1 of the Monetary and Financial Code;

“2. Transactions performed by a clearing house, as defined by Article L. 440-1 of the same code, within the framework of the activities defined in said Article L. 440-1, or by a central depository as defined by point 3 of II of Article L. 621-9 of said code in the context of the activities defined in the same Article L. 621-9;

“3. Acquisitions made in the context of market making activities. These activities are defined as the activities of an investment firm or a credit institution or an entity in a foreign country, or a local company that is a member of a trading platform, or a market in a foreign country when the firm, institution or entity in question acts as intermediary and participate in transactions on financial instruments as defined by Article L. 211-1 of the same code:

“a) either in the simultaneous communication of firm, competitive buy and sell prices, of comparable size, with the result of providing liquidity to the market on a regular and continuous basis;

“b) or, in the context of its normal activity, when executing the orders given by clients or in response to client buy and sell requests;

“c) or to hedge the positions related to the execution of the transactions cited in points a and b;

“4. Transactions executed on behalf of issuers in order to promote the liquidity of their shares within the framework of authorized market practices accepted by the French Autorité des Marchés Financiers pursuant to Regulation (UE) 596/2014 of the European Parliament and Council of 16 April 2014, concerning market abuse (regulation on market abuse) and repealing Directive 2003/6 / EC of the European Parliament and of the Council and Directives 2003/124 / EC, 2003/125 / EC and 2004/72 / EC of the EC and of the Commission.

“5. Acquisitions of securities between companies members of the same group, as defined by Article L. 233-3 of the Commercial Code, at the time of the relevant acquisition of securities, acquisitions of securities between companies members of the same tax group, as defined by Article 223 A of this code, and acquisitions made under the conditions stipulated in Articles 210 A, 210 B, 220 quater, 220 quater A and 220 quater B;

“6. Temporary assignments of securities cited in point 10 of Article 2 of (EC) Regulation 1287/2006 of the European Commission dated 10 August 2006, defining the measures to enforce Directive 2004/39/CE of the European Parliament and the Council governing the filing obligations of investment firms, transaction records, market transparency, the listing of financial instruments for trading and the definition of terms under said directive;

“7. Acquisitions, governed by Book III of the third section of the Labour Code, of equity securities by company mutual investment undertakings governed by Articles L. 214-164 and L. 214-165 of the Monetary and Financial Code and by employee shareholder mutual funds governed by Article L. 214-166 of the same code and acquisitions of equity securities of the company or of a company belonging to the same group as defined by Articles L. 3344-1 and L. 3344-2 of the Labour Code, made directly by the employees pursuant to the seventh paragraph of Article L. 3332-15 of the same code;

“8. Purchases of their own equity securities by companies when these securities are intended to be sold to the participants in a company savings plan pursuant to Title III of Book III of the third part of the Labour Code;

“9. Acquisitions of bonds redeemable for or convertible into shares.

“III. - The tax is based on the acquisition value of the security. In the case of an exchange, if no acquisition value is expressed in a contract, the acquisition value corresponds to the listing price of the securities on the most relevant market in terms of liquidity, as defined by Article 9 of (EC) Regulation 1287/2006 of the Commission of 10 August 2006 cited above, at the closing of the trading day preceding the day of the exchange. In the case of an exchange between securities of unequal value, each party to the exchange shall be taxed on the value of the securities it acquires.

“IV. - The tax is payable the first day of the month following the month in which the security is acquired.

“V. – The rate of the tax is set at 0.3%.

“VI. – The tax shall be assessed and paid by the firm providing investment services, as defined in Article L. 321-1 of the Monetary and Financial Code, having executed the order to buy the securities or having traded in the securities for its own account, regardless of its location.

If several firms mentioned in the first paragraph of this VI are involved in executing a security purchase order, the tax shall be assessed and paid by the firm that received the purchase order directly from the end buyer.

If the acquisition is made without the involvement of a firm providing investment services, the tax shall be assessed and paid by the institution acting as the custody-account-keeper, as defined in 1 of Article L. 321-2 of the same code, regardless of its location. The buyer must provide the institution with the information cited in VIII of this article.

“VII. - If the central depositary-issue account holder of the equity security is subject to point 3 of II of Article L. 621-9 of the Monetary and Financial Code and delivers the security, the taxpayer cited in VI of this article shall provide to the central depositary the information stipulated in point VIII before the 5th of the month following the acquisitions cited in point I and shall designate the person on behalf of which the tax may be withheld.

“If the central depositary-issue account custodian is subject to point 3 of II of Article L. 621-9 of the Monetary and Financial Code and does not make delivery of the security, which is performed in the books of one of its members, said member shall provide the central depositary with the information stipulated in point VIII of this article before the 5th of the month following the acquisition cited in point I.

“If the central depositary-issue account custodian of the equity security is subject to point 3 of II of Article L. 621-9 of the Monetary and Financial Code, and neither this depositary nor any of its members make delivery of the security, which is performed in the books of the client of a member of the central depositary, this client shall provide the information stipulated in point VIII of this article to the member, which shall transmit it to the central depositary before the 5th of the month following the acquisitions cited in point I.

“If the central depositary-issue account custodian of the equity security is subject to point 3 of II of Article L. 621-9 of the Monetary and Financial Code and the delivery is made under conditions different from those described in the first three paragraphs of this point VII, the taxpayer cited in point VI shall declare the tax to the tax administration, based on the model it has established, and pay the tax to the Treasury before the 25th of the month following the acquisitions described in point I. The taxpayer may also pay the tax through a member of the central depositary, to which it shall directly or indirectly transmit the information stipulated in point VIII. The member shall transmit this information to the central depositary before the 5th of the month following the acquisitions described in point I. If the taxpayer opts to pay the tax through a member of the central depositary, he shall so inform the Treasury by declaration before November 1. This declaration is valid for one year and is renewed by tacit renewal.

“If the central depositary-issue account custodian of the equity security is not subject to point 3 of II of Article L. 621-9 of the Monetary and Financial Code, the taxpayer described in point VI of this article shall declare the tax to the tax administration, using the model it has established, and shall pay the tax to the Treasury before the 25th of the month following the acquisitions described in point I. The taxpayer shall make available to the administration the information stipulated in point VIII.

“VIII. - If the central depositary-issue account custodian of the equity security is subject to point 3 of II of Article L. 621-9 of the Monetary and Financial Code, it shall collect from its members or taxpayers, under the conditions stipulated in point VII of this article, information concerning the transactions falling within the scope of application of the tax. A decree shall specify the nature of this information, which includes the amount of the tax due for the tax period, the order numbers of the transactions concerned, the date of execution, the description, number and value of the securities for which the acquisition is taxable, and the exempt transactions, distributed in accordance with the exemption categories cited in point II.

“IX. - The issue central depositary-account custodian of the security subject to point 3 of II of Article L. 621-9 of the Monetary and Financial Code shall declare the tax to the tax administration, using the model it has established, clear and pay the tax to the Treasury before the 25th of the month following the acquisitions cited in point I of this article. In particular, the declaration shall specify the amount of the tax due and paid by each taxpayer.

“In the cases described in the first three paragraphs of VII, or in the case of the taxpayer's option cited in the next to last paragraph of point VII, the member who has transmitted the information stipulated in point VIII or who has been designated by the taxpayer pursuant to the first paragraph of VII shall authorize it to withhold the amount of the tax from his account before the 5th of the month following the acquisitions cited in point I.

“X. – The central depositary subject to point 3 of II of Article L. 621-9 of the Monetary and Financial Code shall keep a separate accounting to record the transactions associated with collecting the tax. It shall oversee the consistency between the declarations it receives and the information in its possession as central depositary. The information collected by the central depositary pursuant to point VII of this article shall be provided to the tax administration on request. An annual report shall be transmitted to the administration on the type and magnitude of the audit performed. A decree shall define the conditions for the application of this point X.

“XI. - In the event the central depositary fails, through its action, to meet the payment obligations stipulated in point IX, it shall pay the late penalty stipulated by Article 1727.

“If the taxpayer fails to meet the payment obligations stipulated in point VII of this article, the taxpayer shall pay the late penalty stipulated in said Article 1727.

“If the taxpayer or member fails to perform the declaration obligations stipulated in point VII of this article, the member shall pay the fine stipulated in Article 1788 C.

“XII. - The tax shall be collected and audited in accordance with the procedures and subject to the same sanctions, guarantees and liens as tax on revenues. Claims shall be submitted, investigated and judged under the rules applicable to these same taxes.”

“XIII. - The tax is allocated to the French Development Agency within the limit of the ceiling provided for in I of Article 46 of 2012 Finance Act No. 2011-1977 of December 28, 2011.

HONG KONG
CAP 117 STAMP DUTY ORDINANCE

19. Contract notes, etc. in respect of sale and purchase of Hong Kong stock

- (1) Subject to this section, any person who effects any sale or purchase of Hong Kong stock as principal or agent shall— (*Amended 77 of 1981 s. 5*)
 - (a) forthwith make and execute a contract note;
 - (b) cause the note to be stamped under head 2(1) or (2) in the First Schedule or, in the case of a note to which section 45 or 47F applies, under section 13(2)— (*Amended 43 of 1991 s. 5; 10 of 2013 s. 29*)
 - (i) in the case of a sale or purchase effected in Hong Kong, not later than 2 days thereafter;
 - (ii) in any other case, not later than 30 days thereafter;
 - (c) if he is the agent, transmit the stamped note to his principal; (*Amended 43 of 1991 s. 5*)
 - (d) cause an endorsement to be made on the instrument of transfer of the stock, or cause a stamp certificate to be issued in respect of the instrument, to the effect that— (*Amended 21 of 2003 s. 11*)
 - (i) stamp duty has been paid on the contract note under head 2(1) or (2) in the First Schedule; or
 - (ii) in the case of a contract note to which section 45 or 47F applies, the contract note has been stamped under section 13(2). (*Replaced 43 of 1991 s. 5. Amended 10 of 2013 s. 29*)
- (1A) Subsection (1) shall not apply to a sale or purchase of a unit under a unit trust scheme—
 - (a) where the sale or purchase is effected by extinguishing such unit; or
 - (b) where the sale or purchase of the unit is effected by the managers under the unit trust scheme and their power to effect such sale or purchase arises—
 - (i) from the transfer to them of that or some other unit within the immediately preceding 2 months; or
 - (ii) otherwise than from a previous transfer to them of that or some other unit. (*Added 77 of 1981 s. 5*)
- (1B) It shall not be obligatory for an endorsement to be made under subsection (1)(d) where, at the time of the sale or purchase of Hong Kong stock—
 - (a) the instrument of transfer of such stock is in the custody of a recognized clearing house in accordance with the rules of the clearing house; or
 - (b) the Hong Kong stock is registered in the name of a recognized clearing house or its nominee. (*Added 40 of 1992 s. 2*)
- (1C) Subsection (1) shall not apply to a sale or purchase of Hong Kong stock effected under a market contract. (*Added 68 of 1992 s. 20*)
- (1D)
 - (a) Subsection (1) shall not apply to any sale or purchase of Hong Kong stock specified as an exempted transaction in the Fourth Schedule.
 - (b) Any transfer made for the purpose of effectuating any sale or purchase of Hong Kong stock specified as an exempted transaction in the Fourth Schedule shall not be chargeable with stamp duty under head 2(4) in the First Schedule. (*Added 33 of 1998 s. 6*)
- (1DA) Subsection (1) does not apply to a transaction specified in Part 2 of Schedule 8, Part 2 of Schedule 9 or Part 2 of Schedule 10. (*Added 4 of 2015 s. 3. Amended 12 of 2016 s. 24; 16 of 2016 s. 27*)
- (1E)
 - (a) Subject to paragraph (c), in the case of a transaction whereby the beneficial interest in Hong Kong stock passes otherwise than on sale and purchase, where the transaction—
 - (i) is not effectuated by way of a transfer chargeable with stamp duty under head 2(3) in the First Schedule, but is effectuated by any other means, whether by electronic means or by means of an entry in any recording or book-keeping system or otherwise; and
 - (ii) is effectuated whether under or through a recognized clearing house or any other person or organization,the transaction shall, for the purposes of this Ordinance, be deemed to be a sale and purchase of Hong Kong stock.
 - (b) For the purposes of this section and head 2(1) in the First Schedule, in a transaction which is deemed to be a sale and purchase of Hong Kong stock under paragraph (a)—
 - (i) the person disposing of the stock in the transaction shall be deemed to be the person effecting the sale in the sale and purchase;

- (ii) the person acquiring the stock in the transaction shall be deemed to be the person effecting the purchase in the sale and purchase;
 - (iii) where the person maintaining the record of the transaction is not the principal effecting the sale and purchase, the person shall, save in the case of a recognized clearing house, be deemed to be the agent effecting the sale and purchase; and
 - (iv) the value of the stock in the transaction shall be deemed to be the amount or value of the consideration for the sale and purchase.
- (c) Paragraph (a) shall not apply to a transaction of the kind referred to in that paragraph where the transaction would, if it were effectuated by way of a transfer chargeable with stamp duty under head 2(3) in the First Schedule, be a transfer of the kind referred to in section 27(5). (*Added 33 of 1998 s. 6*)
- (1F) For the purposes of subsection (1), where—
- (a) any sale or purchase of Hong Kong stock is effected by an exchange participant, whether as principal or agent;
 - (b) the contract note required to be made under subsection (1) in respect of the sale or purchase is one to which an agreement under section 5A relates; and
 - (c) the contract note is made by the exchange participant,
- the contract note shall, whether or not it has been executed by the exchange participant, be regarded as having been so executed. (*Added L.N. 90 of 1999 and 44 of 1999 s. 17. Amended 12 of 2000 s. 23*)
- (2) A contract note required to be made under subsection (1) shall state the following—
- (a) whether the person effecting the sale or purchase of the Hong Kong stock is acting as principal or agent and, if as agent, the name of his principal;
 - (b) the date of the transaction and of the making of the contract note;
 - (c) the quantity and description of such Hong Kong stock;
 - (d) the price per unit of such Hong Kong stock and the amount of the consideration or, in the case of an exchange, particulars of the property for which such Hong Kong stock is exchanged; and
 - (e) the date of settlement.
- (3) No agent or other person shall have any legal claim to any charge for brokerage, commission or agency with reference to the sale or purchase of any Hong Kong stock if he fails to comply with the provisions of this section.
- (4) The stamp duty paid in respect of a contract note may be added to any charge for brokerage or agency and shall be recoverable as part of such charge.
- (5) Where a contract note relates to the sale or purchase of more than one description of Hong Kong stock, the note shall be deemed to be as many contract notes as there are descriptions of Hong Kong stock sold or purchased.
- (6) If in the case of a sale or purchase of any Hong Kong stock effected by a person who is not resident in Hong Kong, the stamp duty specified in head 2(1) in the First Schedule is not paid, there shall be charged on the instrument of transfer, in addition to the stamp duty otherwise chargeable thereon, stamp duty equal to the amount of the stamp duty so payable in respect of such sale or purchase; and in respect of stamp duty charged on an instrument of transfer under this subsection, the transferee shall be the person liable for stamping such instrument and the time for stamping it shall be 30 days after execution thereof.
- (7) Where any instrument of transfer is stamped under subsection (6), the Collector shall endorse the instrument, or issue a stamp certificate in respect of the instrument, to that effect in such manner as he may think fit. (*Amended 21 of 2003 s. 11*)
- (8) An instrument of transfer of any Hong Kong stock shall not be duly stamped unless—
- (a) it is endorsed under subsection (1)(d) or (7) in respect of both sale and purchase; (*Amended 40 of 1992 s. 2*)
 - (b) it is endorsed by the Collector in such manner as he may think fit to the effect that—
 - (i) stamp duty has been paid in respect thereof under head 2(3) in the First Schedule; or
 - (ii) no stamp duty is chargeable thereon under subsection (6) or head 2(1) or 2(3) in the First Schedule; or (*Amended 43 of 1991 s. 5; 40 of 1992 s. 2*)
 - (c) the Hong Kong stock is transferred to a recognized clearing house, or its nominee, in accordance with the rules of the clearing house. (*Added 40 of 1992 s. 2*)
- (9) An endorsement under subsection (1) in respect of stamp duty paid—
- (a) under head 2(1) in the First Schedule may be made by the Collector or any person authorized by the Collector in that behalf;
 - (b) under head 2(2) in the First Schedule shall be made by the Collector,

in such manner as the Collector may think fit.

- (9A) An endorsement under subsection (1)(d)(ii) shall be made by the Collector in such manner as he thinks fit. (*Added 43 of 1991 s. 5*)
- (10) Any person who makes an endorsement for the purposes of subsection (1)(d) which is false in a material particular commits an offence.
- (10A) In relation to a sale or purchase of a unit under a unit trust scheme other than a sale or purchase referred to in subsection (1A), the obligations imposed by this section (other than subsection (1)(c)) and head 2(1) in the First Schedule on any person other than the managers under the unit trust scheme shall be carried out by the managers in addition to any obligation so imposed on them, and for that purpose subsection (2)(a) shall not apply. (*Added 77 of 1981 s. 5*)
- (11) Subject to subsections (12), (12A) and (13), nothing in this section shall apply to—
- (a) a stock borrowing; or
 - (b) a stock return. (*Replaced 67 of 1989 s. 3*)
- (12) Where, in respect of a stock borrowing—
- (a) the borrower ceases to be required to make a stock return in accordance with the stock borrowing and lending agreement to which the stock borrowing relates, in respect of the borrowed stock or part thereof or its reasonable equivalent (other than that which is the subject of the stock return referred to in paragraph (c)), pursuant to the stock borrowing and lending agreement or to any other agreement reached with the lender of the borrowed stock (whether by settlement or otherwise); (*Replaced L.N. 90 of 1999 and 44 of 1999 s. 17*)
 - (b) the borrowed stock or part thereof or its reasonable equivalent was used for a purpose other than a specified purpose; or (*Amended L.N. 90 of 1999 and 44 of 1999 s. 17*)
 - (c) the borrower fails to comply with any demand made by the lender of the borrowed stock under the stock borrowing and lending agreement to which the stock borrowing relates to make a stock return in respect of the borrowed stock or part thereof or its reasonable equivalent, (*Amended L.N. 90 of 1999 and 44 of 1999 s. 17*)
- such stock borrowing shall, for the purposes of this Ordinance, be deemed to be a sale and a purchase of—
- (i) where paragraph (a) applies, the borrowed stock or part thereof, or the reasonable equivalent, which is the subject of the stock return the borrower ceases to be required to make as described in that paragraph;
 - (ii) where paragraph (b) applies, the borrowed stock or part thereof which, or the borrowed stock or part thereof the reasonable equivalent of which, was used for a purpose other than a specified purpose as described in that paragraph; or
 - (iii) where paragraph (c) applies, the borrowed stock or part thereof, or the reasonable equivalent, which is the subject of the stock return referred to in that paragraph. (*Amended L.N. 90 of 1999 and 44 of 1999 s. 17*)
- (12AA) This Ordinance, except subsection (1)(d), shall apply to the sale and purchase referred to in subsection (12) as if that sale and purchase were effected in Hong Kong—
- (a) by the borrower who obtained the relevant borrowed stock;
 - (b) on the specified day; and
 - (c) for a consideration calculated at the previous closing price of Hong Kong stock of the same description as the stock which is the subject of the sale and purchase or, if there is more than one description of the stock, at their respective previous closing prices as quoted on the relevant recognized stock market. (*Added L.N. 90 of 1999 and 44 of 1999 s. 17. Amended 5 of 2002 s. 407*)
- (12A) Subsection (11) shall not apply to any stock borrowing or stock return, unless—
- (a) an executed copy of the stock borrowing and lending agreement under which the stock borrowing and stock return are provided for, or a copy of the stock borrowing and lending agreement which is shown to the satisfaction of the Collector as a true copy thereof;
 - (b) such fee as may be specified by the Financial Secretary for the purposes of this subsection by notice in the Gazette; and
 - (c) such other documents, and such particulars and information as the Collector may require, are provided by the borrower to the Collector at any time after the stock borrowing and lending agreement is executed but before the expiry of 30 days after the stock borrowing is effected. (*Replaced L.N. 90 of 1999 and 44 of 1999 s. 17*)
- (13) A borrower who has effected any stock borrowings under a stock borrowing and lending agreement, an executed copy of which has been provided to the Collector in accordance with subsection (12A), shall— (*Amended 33 of 1998 s. 6*)

- (a) keep a book in such form;
- (b) enter in such book, in respect of such stock borrowings and any stock returns made in respect of such stock borrowings, such particulars; and
- (c) furnish to the Collector a return—
 - (i) in such form;
 - (ii) containing such particulars in respect of such book; and
 - (iii) at such times,
 as the Collector may require. (*Added 67 of 1989 s. 3*)
- (14) A borrower who, with intent to defraud the Government of any stamp duty, causes or allows—
 - (a) an entry to be made in a book kept under subsection (13)(a); or
 - (b) any particular to be furnished in a return made to the Collector under subsection (13)(c),
 which he knows or has reasonable grounds for believing to be false or misleading in a material respect commits an offence. (*Replaced 70 of 1994 s. 4*)
- (15) A borrower who fails to comply with the requirements of subsection (13) shall incur a penalty at level 2 which shall be recoverable by the Collector as a civil debt due to the Government. (*Replaced 70 of 1994 s. 4. Amended L.N. 338 of 1995; 12 of 1999 s. 3*)
- (16) In this section—

allotment (分配), in relation to units under a unit trust scheme, means the issue of such units;

borrowed stock (被借用證券), in relation to a stock borrowing, means any Hong Kong stock obtained by a borrower under such stock borrowing; (*Replaced 70 of 1994 s. 4*)

borrower (借用人), means a person who is eligible to obtain Hong Kong stock under a stock borrowing and lending agreement; (*Added 70 of 1994 s. 4. Amended 33 of 1998 s. 6*)

lender (借出人) means a person who is eligible to lend Hong Kong stock under a stock borrowing and lending agreement; (*Added 70 of 1994 s. 4. Amended 33 of 1998 s. 6*)

market contract (市場合約) means a market contract within the meaning of section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571); (*Added 68 of 1992 s. 20. Amended 62 of 1995 s. 12; 5 of 2002 s. 407*)

previous closing price (先前收市價格), in relation to Hong Kong stock, means the previous closing price of such Hong Kong stock as determined in accordance with the rules and practices of the recognized exchange company that operates the relevant stock market; (*Amended 5 of 2002 s. 407*)

reasonable equivalent (合理對等項目), in relation to any stock obtained pursuant to the provisions referred to in paragraph (a)(i)(A) or (b)(i)(A) of the definition of **stock borrowing and lending agreement**, means any stock or monies which, in the opinion of the Collector, can, as a result of the occurrence of a relevant event, be reasonably and fairly be regarded as the equivalent of the stock so obtained; (*Added L.N. 90 of 1999 and 44 of 1999 s. 17*)

recognized clearing house (認可結算所) means a recognized clearing house within the meaning of section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571); (*Replaced 68 of 1992 s. 20. Amended 62 of 1995 s. 12; 5 of 2002 s. 407*)

relevant event (有關事件), in relation to any stock obtained pursuant to the provisions referred to in paragraph (a)(i)(A) or (b)(i)(A) of the definition of **stock borrowing and lending agreement**, means—

 - (a) the exercise of any of the powers conferred by section 53(1)(a) to (d) of the relevant Ordinance; (*Replaced 28 of 2012 ss. 912 & 920*)
 - (ab) the exercise of any of the powers conferred by section 170(2)(a) to (e) and 174(1) of the Companies Ordinance (Cap. 622); or (*Added 28 of 2012 ss. 912 & 920*)
 - (b) any other event,

which, in the opinion of the Collector, makes any requirement to return stock of the same quantity and description as the stock so obtained either impracticable or inappropriate; (*Added L.N. 90 of 1999 and 44 of 1999 s. 17*)

rules (規章), in relation to a recognized clearing house and a recognized exchange company, has the same meaning as it has in relation to those bodies in section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571); (*Replaced 5 of 2002 s. 407*)

sale or purchase (售賣或購買) includes any disposal or acquisition (other than an allotment) for valuable consideration, and exchange, and any transaction in respect of which an instrument is deemed by virtue of section 30(3), (4) or (5) to be a transfer by way of sale, and any reference to **sale** (售賣) or **purchase** (購買) shall be construed accordingly;

specified day (指明日期), in relation to a stock borrowing, means—

- (a) where subsection (12)(a) applies, the day on which the borrower ceases to be required to make a stock return as described in that subsection;
- (b) where subsection (12)(b) applies, the day on which the borrowed stock referred to in that subsection was obtained under the stock borrowing and lending agreement to which the stock borrowing relates; or
- (c) where subsection (12)(c) applies, the day on which the borrower fails to comply with any demand as described in that subsection; (*Replaced L.N. 90 of 1999 and 44 of 1999 s. 17*)

specified payment (指明付款), in relation to any stock, means a payment of an amount equivalent to the amount of any dividend, interest and other distribution payable in respect of the stock or its reasonable equivalent or both by the issuer of the stock or its reasonable equivalent or by any other person to the holder of the stock or its reasonable equivalent during the period after the stock is obtained pursuant to the provisions referred to in paragraph (a)(i)(A) or (b)(i)(A) of the definition of **stock borrowing and lending agreement** and before a return or delivery is required to be made in accordance with the provisions referred to in paragraph (a)(i)(B) or (b)(i)(B) of that definition; (*Added L.N. 90 of 1999 and 44 of 1999 s. 17*)

specified purpose (指明用途), in relation to the borrowing of stock by any person, means—

- (a) the settling of a sale of Hong Kong stock wherever effected, whether by the person himself or another person;
- (b) the settling of a future sale of Hong Kong stock, whether agreed or not when such borrowing is effected and whether by the person himself or another person;
- (c) the replacement, in whole or in part, of Hong Kong stock obtained by the person under another stock borrowing;
- (d) the on-lending of the stock borrowed to another person who effects a stock borrowing in respect of such stock on-lent; or
- (e) such other purpose as the Collector may, in writing, allow either generally or in any particular case; (*Added 70 of 1994 s. 4. Amended 33 of 1998 s. 6*)

stock borrowing (證券借用) means the obtaining by a borrower from a lender, under a stock borrowing and lending agreement, of Hong Kong stock the sale and purchase of which in Hong Kong are subject to the rules and practices of the recognized exchange company that operates the relevant stock market, whether the Hong Kong stock is so obtained— (*Amended L.N. 90 of 1999 and 44 of 1999 s. 17; 5 of 2002 s. 407*)

- (a) directly from the lender; or
- (b) indirectly under or through a recognized clearing house and in accordance with the rules of that recognized clearing house which constitute the stock borrowing and lending agreement; (*Replaced 70 of 1994 s. 4. Amended 33 of 1998 s. 6*)

stock borrowing and lending agreement (證券借用及借出協議) means—

- (a) an agreement which—
 - (i) contains—
 - (A) provisions providing for the obtaining of any stock by a person from any other person;
 - (B) provisions requiring—
 - (I) the return of stock of the same quantity and description as the stock obtained pursuant to the provisions referred to in sub-subparagraph (A); or
 - (II) the delivery of the reasonable equivalent of the stock so obtained; and
 - (C) provisions which—
 - (I) require a specified payment to be made by the person by whom the stock is obtained pursuant to the provisions referred to in sub-subparagraph (A) to the person from whom the stock is obtained pursuant to the provisions; or
 - (II) provide for an arrangement which, in the opinion of the Collector, can be regarded as a fair and proper alternative to the requirement to make the specified payment; and
 - (ii) does not, in the opinion of the Collector, have the effect of reducing the risk of loss or opportunity for gain, in respect of the stock, of the person from whom the stock is obtained pursuant to the provisions referred to in subparagraph (i)(A); or (*Replaced L.N. 90 of 1999 and 44 of 1999 s. 17*)
- (b) the rules of a recognized clearing house which—
 - (i) contain the following provisions approved by the Collector—

- (A) provisions providing for the obtaining of any stock by a participant of the clearing system of the recognized clearing house from any other participant of such clearing system;
- (B) provisions requiring—
 - (I) the return of stock of the same quantity and description as the stock obtained pursuant to the provisions referred to in sub-subparagraph (A); or
 - (II) the delivery of the reasonable equivalent of the stock so obtained; and
- (C) provisions which—
 - (I) require a specified payment to be made by the participant by whom the stock is obtained pursuant to the provisions referred to in sub-subparagraph (A) to the participant from whom the stock is obtained pursuant to the provisions; or
 - (II) provide for an arrangement which, in the opinion of the Collector, can be regarded as a fair and proper alternative to the requirement to make the specified payment;
- (ii) do not, in the opinion of the Collector, have the effect of reducing the risk of loss or opportunity for gain, in respect of the stock, of the person from whom the stock is obtained pursuant to the provisions referred to in subparagraph (i)(A); and
- (iii) are subscribed to by participants of the clearing system of the recognized clearing house as a precondition for their obtaining of any stock within the meaning of subparagraph (i)(A);
(Replaced L.N. 90 of 1999 and 44 of 1999 s. 17)

stock return (證券交還), in relation to a stock borrowing, means a transaction by which a borrower, in accordance with the stock borrowing and lending agreement to which the stock borrowing relates—

- (a) returns any stock which is of the same description as the borrowed stock (other than that which is the subject of a sale and purchase referred to in subsection (12)); or
- (b) delivers any reasonable equivalent of the borrowed stock (other than that which is the subject of a sale and purchase referred to in subsection (12)),

whether or not the return or delivery is made— (Amended L.N. 90 of 1999 and 44 of 1999 s. 17)

- (i) directly to the lender; or
- (ii) indirectly under or through a recognized clearing house and in accordance with the rules of that recognized clearing house which constitute the stock borrowing and lending agreement;
(Replaced 70 of 1994 s. 4. Amended 33 of 1998 s. 6)

transaction (交易), in relation to a stock return, includes the return by a borrower to a lender of a lesser quantity of stock than that obtained by him on the day that the borrowed stock was so obtained. (Added 70 of 1994 s. 4)

(Amended 70 of 1994 s. 4)

19A. Refund of stamp duty in respect of sale and purchase of units under unit trust schemes

- (1) Where stamp duty is paid under head 2(1) in the First Schedule in respect of a sale or purchase of a unit under a unit trust scheme effected by the managers under such scheme, the stamp duty shall be refunded to the managers upon application to the Collector under subsection (2) if the managers and trustees under such scheme, before the expiration of 2 months from the date on which the sale or purchase is effected, jointly certify that—
 - (a) the certificate, if any, in respect of the unit has been cancelled;
 - (b) as a consequence of the sale or purchase, a proportionate part of the trust property has been realized, and the trust property diminished accordingly; and
 - (c) the unit is extinguished and the managers have no power to transfer any other unit in lieu thereof.
- (2) On an application for a refund of stamp duty under this section, the applicant shall produce to the Collector the contract notes in respect of which the stamp duty was paid or, where applicable, the stamp certificates issued in respect of the contract notes, and the joint certificate of the managers and trustees referred to in subsection (1). (Amended 21 of 2003 s. 12)
- (3) In this section **trust property** (信託財產) has the meaning assigned to it by section 30.

(Added 77 of 1981 s. 6)

27. Voluntary dispositions

- (1) Any conveyance of immovable property operating as a voluntary disposition inter vivos shall be chargeable with stamp duty as a conveyance on sale, with the substitution of the value of the property conveyed for the amount or value of the consideration for the sale.

- (2) In the case of an instrument of transfer operating as a voluntary disposition inter vivos of Hong Kong stock, or an instrument referred to in section 28(1) which so operates by virtue of that section, any stamp duty paid in respect of contract notes made under section 19(1) in respect of the amount or value of any consideration given by the transferee for such Hong Kong stock shall be set off against the stamp duty chargeable on such instrument of transfer.
- (3) A conveyance or transfer operating as a voluntary disposition inter vivos shall not be duly stamped unless the Collector has stamped the instrument of conveyance or transfer under section 13(3)(b).
- (4) Any conveyance or transfer (not being a disposition made in favour of a purchaser or incumbrancer or other person in good faith and for valuable consideration) shall for the purposes of this Ordinance be deemed to be a conveyance or transfer operating as a voluntary disposition inter vivos, and (except where marriage is the consideration) the consideration for any conveyance or transfer shall not for this purpose be deemed to be valuable consideration where the Collector is of opinion that by reason of the inadequacy of the sum paid as consideration or other circumstances the conveyance or transfer confers a substantial benefit on the person to whom the property is conveyed or transferred.
- (5) Nothing in this section shall apply to a conveyance or transfer made for nominal consideration for the purpose of securing the repayment of an advance or loan or made for effectuating the appointment of a new trustee, whether the trust is expressed or implied, or under which no beneficial interest passes in the property conveyed or transferred, or made to a beneficiary by a trustee or other person in a fiduciary capacity under any trust, whether expressed or implied, and this subsection shall have effect only if the circumstances exempting the conveyance or transfer from charge under this section are set forth in the conveyance or transfer. (*Amended 33 of 1998 s. 7*)
- (6) In this section **conveyance** (轉易契) includes any agreement for a lease or any release or renunciation of immovable property.

B. Common Reporting Standard**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 or other appropriate reporting period or, if the account was closed during such year or period, 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 or other appropriate reporting period; and
 - b) 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;
 6. 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
 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 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.
- B. The information reported must identify the currency in which each amount is denominated.
- C. Notwithstanding subparagraph A(I), 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(I), 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(I), 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 [xxxx] 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 or other appropriate reporting period.

- 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 or within 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.
- E. Each Jurisdiction may allow Reporting Financial Institutions to apply the due diligence procedures for New Accounts to Preexisting Accounts, and the due diligence procedures for High Value Accounts to Lower Value Accounts. Where a Jurisdiction allows New Account due diligence procedures to be used for Preexisting Accounts, the rules otherwise applicable to Preexisting Accounts continue to apply.

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 of the Reporting Financial Institution or another Financial Institution);
 - e) whether there is a current "in-care-of" address or "hold mail" instruction for the Account Holder; and
 - f) whether there is any power of attorney or signatory authority for the account.
4. **Relationship Manager Inquiry for Actual Knowledge.** In addition to the electronic and paper record searches described above, the Reporting Financial Institution must treat as a Reportable Account any High Value Account assigned to a relationship manager (including any Financial Accounts aggregated with that High Value Account) if the relationship manager has actual knowledge that the Account Holder is a Reportable Person.
5. **Effect of Finding Indicia.**
 - a) If none of the indicia listed in subparagraph B(2) are discovered in the enhanced review of High Value Accounts described above, and the account is not identified as held by a Reportable Person in subparagraph C(4), then further action is not required until there is a change in circumstances that results in one or more indicia being associated with the account.
 - b) If any of the indicia listed in subparagraph B(2)(a) through (e) are discovered in the enhanced review of High Value Accounts described above, or if there is 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 [xxxx], 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 [xx/xx/xxxx].
- 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 [xxxx], 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 [xxxx], and a Preexisting Entity Account that does not exceed USD 250,000 as of 31 December [xxxx] 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 [xxxx] must be completed by 31 December [xxxx].
 2. Review of Preexisting Entity Accounts with an aggregate account balance or value that does not exceed USD 250,000 as of 31 December [xxxx], 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 Non-Reporting 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 (or the final day of a non-calendar year accounting period) prior to the year in which the determination is being made; or (ii) the period during which the Entity has been in existence.
5. The term "Depository Institution" means any Entity that accepts deposits in the ordinary course of a banking or similar business.
6. The term "Investment Entity" means any Entity:
 - a) that 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 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.

7. 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.
8. 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 [xx/xx/xxxx], 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 [xx/xx/xxxx];
- 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 [xx/xx/xxxx].

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(I)(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 Financial Account maintained by a Reporting Financial Institution as of [xx/xx/xxxx].
10. The term "New Account" means a Financial Account maintained by a Reporting Financial Institution opened on or after [xx/xx/xxxx].
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 [xxxx] 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 [xxxx] 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 serv1c111g 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 [xx/xx/xxxx], 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 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) 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. 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:
 - a) 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.
 - b) 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.
 - c) 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.
 - d) any audited financial statement, third-party credit report, bankruptcy filing, or securities regulator's report.

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.

QUALIFIED INTERMEDIARY AGREEMENT**REVENUE PROCEDURE 2017-15****SECTION 3. WITHHOLDING RESPONSIBILITY AND QDD TAX LIABILITY****Sec. 3.01. Chapters 3 and 4 Withholding Responsibilities.**

(A) Chapter 4 Withholding. QI is a withholding agent for purposes of chapter 4 and subject to the withholding and reporting provisions applicable to withholding agents under sections 1471 and 1472 with respect to its accounts. QI is required to withhold 30 percent of any withholdable payment made after June 30, 2014, to an account holder that is an FFI unless either QI can reliably associate the payment (or portion of the payment) with documentation upon which it is permitted to rely to treat the payment as exempt from withholding under §1.1471-2(a)(4) or the payment is made under a grandfathered obligation described in §1.1471-2(b). See §1.1471-2(b)(2)(i)(A)(2) for the definition of grandfathered obligation with respect to an obligation giving rise to a dividend equivalent. QI is also required to withhold 30 percent of any withholdable payment made after June 30, 2014, to an account holder that is an NFFE unless either QI can reliably associate the payment (or portion of the payment) with a certification described in §1.1472-1(b)(1)(ii) or an exception to withholding under §1.1472-1 otherwise applies.

If QI is a participating FFI or registered deemed-compliant FFI (other than a reporting Model 1 FFI), QI will satisfy its requirement to withhold under sections 1471(a) and 1472(a) with respect to direct account holders that are entities by withholding on withholdable payments made to nonparticipating FFIs and recalcitrant account holders to the extent required under its FATCA requirements as a participating FFI or registered deemed-compliant FFI. See the FFI Agreement, §1.1471-5(f)(1), or the applicable Model 2 IGA for the withholding requirements that apply to withholdable payments made to account holders of the FFI that are individuals treated as recalcitrant account holders or non-consenting U.S. accounts. If QI is a reporting Model 1 FFI or a registered deemed-compliant Model 1 IGA FFI, QI will satisfy its requirement to withhold under section 1471(a) with respect to direct account holders by withholding on withholdable payments made to nonparticipating FFIs to the extent required under its FATCA requirements as a registered deemed-compliant FFI or registered deemed-compliant Model 1 IGA FFI. QI must, however, withhold in the manner described in sections 3.02 and 3.03 of this Agreement for when QI assumes or does not assume primary withholding responsibility for purposes of chapters 3 and 4 regardless of its chapter 4 status.

(B) Chapter 3 Withholding. To the extent that QI makes a payment of an amount subject to chapter 3 withholding, QI is required to withhold 30 percent of the gross amount of any such payment made to an account holder that is (or is presumed) a foreign person unless QI can reliably associate the payment with documentation upon which it can rely to treat the payment as made to a payee that is a U.S. person or as made to a beneficial owner that is a foreign person entitled to a reduced rate of withholding. See section 5 of this Agreement regarding documentation requirements. With respect to an amount subject to chapter 4 withholding that is also an amount subject to chapter 3 withholding, QI may credit any tax withheld under chapter 4 against its liability for any tax due under chapter 3 with respect to the payment so that no additional withholding is required on the payment for purposes of chapter 3. Nothing in chapter 4 or the regulations thereunder (including the FFI Agreement) or any applicable IGA relieves QI of its requirements to withhold under chapter 3 to the extent required in this Agreement.

Sec. 3.02. Primary Chapters 3 and 4 Withholding Responsibility Not Assumed. Notwithstanding sections 1.01 and 3.01 of this Agreement, QI is not be required to withhold with respect to a payment of U.S. source FDAP income if it (a) does not assume primary withholding responsibility under section 3.03 of this Agreement by electing to be withheld upon under §1.1471-2(a)(2)(iii) for purposes of chapter 4, (b) provides the withholding agent from which QI receives the payment with a valid withholding certificate that indicates that QI does not assume primary withholding responsibility for chapters 3 and 4 purposes, and (c) provides correct withholding statements (including information regarding any account holders or interest holders of an intermediary or flow-through entity that holds an account with QI, other than a QI that assumes primary withholding responsibility, WP, or WT) as described in section 6.02 of this Agreement. Notwithstanding its election not to assume primary withholding responsibility under chapters 3 and 4, QI shall, however, withhold the difference between the amount of withholding required under chapter 3 or 4 and the amount actually withheld by another withholding agent if QI--

(A) Actually knows that the appropriate amount has not been withheld by another withholding agent; or

(B) Made an error which results in the withholding agent's failure to withhold the correct amount due (e.g., QI fails to provide an accurate withholding statement with respect to the payment, including a failure to provide information regarding any account holders or interest holders of an intermediary or flow-through entity that holds an account with QI to the extent required in section 6 of this Agreement), and QI has not corrected the underwithholding under section 9.05 of this Agreement.

Sec. 3.03. Primary Chapters 3 and 4 Withholding Responsibility Assumed.

(A) In General. QI may assume primary withholding responsibility for purposes of chapters 3 and 4 by providing a valid withholding certificate described in section 6 of this Agreement to a withholding agent that makes a payment of U.S. source FDAP income to QI and by designating on the withholding statement associated with such certificate the account(s) for which QI assumes primary withholding responsibility (if required). QI is not required to assume primary

withholding responsibility for all accounts it holds with a withholding agent. If QI assumes primary withholding responsibility for any account, it must assume that responsibility under chapters 3 and 4 for all withholdable payments and amounts subject to chapter 3 withholding made by the withholding agent to that account.

If QI is acting as a QSL for a substitute dividend payment, QI must assume primary withholding responsibility for any such payment made to any account holder receiving a substitute dividend payment.

QI may assume primary withholding responsibility for U.S. source FDAP payments of substitute interest as described in §1.861-2(a)(7). If QI assumes primary withholding responsibility for payments of substitute interest (as described in this paragraph), it must assume primary withholding responsibility with respect to all such payments. QI assumes primary withholding responsibility for payments of substitute interest for purposes of this Agreement when it assumes such responsibility for payments of interest and substitute interest it receives in connection with a sale-repurchase or similar agreement, a securities lending transaction, or collateral that it holds in connection with its activities as a dealer in securities. As a result, QI may represent its status as a QI on the withholding certificate described in section 6.01 of this Agreement with respect to payments it receives of interest and substitute interest described in the preceding sentence regardless of whether it acts as an intermediary or as a principal with respect to these payments.

To the extent that QI assumes primary withholding responsibility, QI shall withhold as described in section 3.01 of this Agreement. QI is not required to withhold on amounts it pays to another QI that has assumed primary withholding responsibility with respect to the payment (including a QI acting as a QDD except for all payments with respect to underlying securities, other than dividend equivalents, paid to a QDD for which withholding is required) or to a WP or a WT.

(B) Assumption of Withholding Responsibility by a QDD. If QI is acting as a QDD, it must assume primary chapters 3 and 4 withholding responsibility for any dividend equivalent payment that it makes and must withhold with respect to a dividend equivalent payment on the dividend payment date for the applicable dividend (as determined in §1.1441-2(e)(4)). Notwithstanding the preceding sentence, a QDD remains liable for tax under section 881 and subject to withholding on all U.S. source FDAP payments with respect to underlying securities, other than dividend equivalents; however, with respect to dividends (including deemed dividends), a QDD will not be subject to withholding on those payments until January 1, 2018. A QDD must treat any dividend equivalent as a dividend from sources within the United States for purposes of section 881 and chapter 3 and chapter 4 consistent section 871(m) and the regulations thereunder. A QDD may reduce the rate of withholding under chapter 3 only based on a beneficial owner's claim of treaty-reduced withholding for portfolio dividends under the dividends article of an applicable income tax treaty. A QDD must also assume primary chapter 3 and chapter 4 withholding responsibility for payments made with respect to a potential section 871(m) transaction even if the payment is not a dividend equivalent if the amount paid is an amount subject to chapter 3 or 4 withholding. A QDD is not required to withhold under chapter 3 or 4 on amounts it pays to another QI that has assumed primary withholding responsibility with respect to the payment or to a WP or a WT. In addition, the QDD must notify each payee in writing that it will withhold on the dividend payment date before the time for determining the payee's first dividend equivalent payment (as determined under §1.871-15(j)(2)).

Sec. 3.04. Backup Withholding Under Section 3406 and Form 1099 Reporting Responsibility.

(A) Backup Withholding. QI is a payor under section 3406 with respect to reportable payments. Under section 3406, unless an exception to backup withholding applies, a payor is required to deduct and withhold 28 percent from a reportable payment to an account holder that is a U.S. non-exempt recipient if the U.S. non-exempt recipient has not provided its U.S. TIN in the manner required under that section; the IRS notifies the payor that the U.S. TIN furnished by the payee is incorrect; there has been a notified payee under-reporting described in section 3406(c); or there has been a payee certification failure described in section 3406(d).

(B) Coordination of Chapter 4 Withholding and Backup Withholding. With respect to a withholdable payment that is also a reportable payment subject to backup withholding under section 3406, QI is not required to withhold under section 3406 if QI withheld on such payment under chapter 4. See §31.3406(g)-1(e). Alternatively, if QI is a participating FFI or a registered deemed-compliant FFI (other than a reporting Model 1 FFI), it may elect to satisfy its obligation to withhold under chapter 4 (or the FFI Agreement) on a withholdable payment made to a recalcitrant account holder that is a U.S. non-exempt recipient by satisfying its backup withholding obligation under section 3406 provided that the payment is also a reportable payment. See section 4 of the FFI Agreement. Nothing in chapter 4 (including the FFI Agreement) or any applicable IGA relieves QI of its requirements to backup withhold under section 3406 to the extent required by this Agreement.

(C) Form 1099 Reporting. If QI applies backup withholding (as described in section 3.04(B) of this Agreement), it must report the amount subject to backup withholding on Form 1099 and not on Form 1042-S.

² See section 3406(a) providing that the current applicable rate of backup withholding is the fourth lowest rate of tax applicable under section 1(c).

Sec. 3.05. Primary Form 1099 Reporting and Backup Withholding Responsibility for Reportable Payments Other Than Reportable Amounts. QI is responsible for Form 1099 reporting and backup withholding on reportable payments other than reportable amounts to the extent required under this section 3.05 and section 8.06 of this Agreement, whether or not QI assumes primary Form 1099 reporting and backup withholding responsibility with respect to reportable amounts under section 3.07 of this Agreement. Further, no provision of this Agreement which requires QI to provide another withholding agent with information regarding reportable amounts shall be construed as relieving QI of its Form 1099 reporting and backup withholding obligations with respect to reportable payments that are not reportable amounts. See, however, §31.3406(g)-1(e) providing that a payor (irrespective of whether the payor is a U.S. or non-U.S. payor) is not required to backup withhold under section 3406 on a reportable payment that is paid and received outside the United States with respect to an offshore obligation or on gross proceeds from a sale effected outside the United States, unless the payor has actual knowledge that the payee is a U.S. person.

(A) U.S. Payor. Except as provided in section 3.05(C) of this Agreement, if QI is a U.S. payor, QI has primary Form 1099 reporting and backup withholding responsibility for reportable payments other than reportable amounts. For example, if QI is a U.S. payor, it has primary Form 1099 reporting and backup withholding responsibility for payments of foreign source income as well as all broker proceeds paid to account holders that are, or are presumed to be, U.S. non-exempt recipients.

(B) Non-U.S. Payor. If QI is a non-U.S. payor, QI has primary Form 1099 reporting and backup withholding responsibility for broker proceeds described in section 2.69(B)(2) of this Agreement and foreign source fixed and determinable income other than income paid and received outside United States as described in section 2.69(B)(3) of this Agreement, if such payments are made (or presumed made) to U.S. non-exempt recipients.

(C) Special Procedure for Broker Proceeds. If QI is a U.S. payor, QI may request another payor that is either a U.S. financial institution or another QI to report on Form 1099 and, if required, backup withhold with respect to broker proceeds from a sale that is effected at an office outside the United States (as defined in §1.6045-1(g)(3)(iii)) that QI is otherwise required to report under section 3.05(A) and section 8.05 of this Agreement, provided the other payor actually receives the broker proceeds. In such a case, QI will not be responsible for primary Form 1099 reporting and backup withholding with respect to broker proceeds, provided that the other payor agrees to do the reporting and backup withholding and QI provides all of the information necessary for the other payor to properly report and backup withhold. QI, however, remains responsible for primary Form 1099 reporting and backup withholding if the other payor does not agree to report and backup withhold, or if QI knows that the other payor failed to do so. If, however, QI is a participating FFI or registered deemed-compliant FFI (other than a reporting Model 1 FFI) that reports an account on Form 1099 in order to satisfy its U.S. account reporting requirement under chapter 4, as described in section 8.04 of this Agreement, QI is responsible for reporting on Form 1099 with respect to reportable payments made to such U.S. account and must report in the manner described in the FFI Agreement.

Sec. 3.06. Primary Form 1099 Reporting and Backup Withholding Responsibility For Reportable Amounts Not Assumed. Notwithstanding sections 1.01 and 3.04 of this Agreement, QI shall not be required to report on Form 1099 and backup withhold with respect to a reportable amount if QI does not assume primary Form 1099 reporting and backup withholding responsibility and it provides a payor from which it receives a reportable amount the Forms W-9 of its U.S. non-exempt recipient account holders (or, if a U.S. non-exempt recipient fails to provide a Form W-9 or information regarding the account holder's name, address, and U.S. TIN, if a U.S. TIN is available) together with the withholding rate pools attributable to U.S. non-exempt recipient account holders so that such payor may report on Form 1099 and, if required, backup withhold. If QI elects to backup withhold on withholdable payments that are also reportable amounts made to recalcitrant account holders that are also U.S. non-exempt recipients, QI shall not be required to report on Form 1099 and backup withhold with respect to a reportable amount if it provides a payor from which it receives a reportable amount information regarding such recalcitrant account holders. See section 6.03 of this Agreement and section 4 of the FFI Agreement. If QI reports its U.S. accounts on Forms 1099 under its FATCA requirements as a participating FFI or registered deemed-compliant FFI, see section 8.04(A) of this Agreement providing that QI cannot delegate to a withholding agent its requirement to report its U.S. accounts. If QI elects not to assume primary Form 1099 reporting and backup withholding responsibility, QI must provide the withholding agent with such information regarding any account holders or interest holders of an intermediary or flow-through entity that holds an account with QI. Notwithstanding its election not to assume primary Form 1099 reporting and backup withholding responsibility, QI shall backup withhold and report a reportable amount to the extent required under sections 3.04 and 8.06 of this Agreement if--

(A) QI actually knows that a reportable amount is subject to backup withholding and that another payor failed to apply backup withholding, or

(B) Another payor has not applied backup withholding to a reportable amount because of an error made by QI (e.g., QI failed to provide the other payor with information regarding the name, address, U.S. TIN (if available), and withholding rate pool for a U.S. non-exempt recipient account holder subject to backup withholding, including a failure to provide information regarding any account holders or interest holders of an intermediary or flow-through entity that holds an account with QI to the extent required in section 6 of this Agreement).

Sec. 3.07. Primary Form 1099 Reporting and Backup Withholding Responsibility Assumed. QI may assume primary Form 1099 reporting backup withholding responsibility with respect to reportable amounts without obtaining approval from the IRS. QI that assumes such responsibility is subject to all of the obligations imposed by chapter 61

and section 3406, as modified by this Agreement, and QI shall be subject to any applicable penalties for failure to meet those obligations. QI shall inform a payor from which it receives a reportable amount that it has assumed primary Form 1099 reporting and backup withholding responsibility by providing the payor with a valid withholding certificate described in section 6 of this Agreement and by identifying on the withholding statement associated with such certificate the account(s) for which QI assumes primary Form 1099 reporting and backup withholding responsibility (if required).

QI is not required to assume primary Form 1099 reporting and backup withholding responsibility for all accounts it holds with a payor. However, if QI assumes primary Form 1099 reporting and backup withholding responsibility for any account, it must assume that responsibility for all reportable amounts made by a payor to that account.

If QI is acting as a QDD, it must assume primary Form 1099 reporting and backup withholding responsibility for any reportable payments that are made with respect to a potential section 871(m) transaction. Thus, for example, if QI acts as a QDD with respect to an NPC that is a potential section 871(m) transaction and makes a payment pursuant to the NPC to a U.S. person that is a U.S. non-exempt recipient, QI must backup withhold and report any amount paid to the U.S. person to the extent required under section 3406 and §1.6041-1(d)(5).

In addition, if QI is assuming primary withholding responsibility for payments of substitute interest (as described in section 3.03(A) of this Agreement), it must assume primary Form 1099 reporting and backup withholding responsibility with respect to all such payments.

QI is not required to backup withhold on a reportable amount it makes to a WP, WT, or another QI that has assumed primary Form 1099 reporting and backup withholding responsibility with respect to the reportable amount. QI is also not required to backup withhold on a reportable amount that QI makes to an intermediary or flow-through entity that is a participating FFI, registered deemed-compliant FFI, or another QI that does not assume primary Form 1099 reporting and backup withholding responsibility with respect to the payment provided that such intermediary or flow-through entity allocates the payment on its withholding statement to a chapter 4 withholding rate pool of U.S. payees and the withholding statement is associated with a valid Form W-8IMY that provides the applicable certification(s) for allocating the payment to this pool or allocates the payment on its withholding statement to a chapter 4 withholding rate pool of recalcitrant account holders.

Sec. 3.08. Deposit Requirements. If QI assumes primary withholding responsibility under chapters 3 and 4 or primary Form 1099 reporting and backup withholding responsibility, it must deposit amounts withheld under chapter 3 or 4 or section 3406 at the time and in the manner provided under section 6302 (see §1.6302-2) by electronic funds transfer as provided under §31.6302-1(h). If QI is a non-U.S. payor that does not assume primary withholding responsibility under chapters 3 and 4 or primary Form 1099 reporting and backup withholding responsibility, QI must deposit amounts withheld by the 15th day following the month in which the withholding occurred.

Sec. 3.09. QDD Tax Liability. In addition to satisfying its withholding tax liability as described in this Agreement and its section 881 tax on dividends received as a QDD, a QDD must satisfy its QDD tax liability. The QDD's QDD tax liability is the sum of:

(A) its tax liability under section 881 for its section 871(m) amount (as defined in section 2.73 of this Agreement) for each dividend on each underlying security reduced (but not below zero) by the amount of tax paid by the QDD under section 881(a)(1) on dividends received with respect to that underlying security on that same dividend in its capacity as an equity derivatives dealer;

(B) its tax liability under section 881 for dividend equivalent payments received as a QDD in its non-equity derivatives dealer capacity; and

(C) its tax liability under section 881 for any payments, such as dividends or interest, received as a QDD with respect to potential section 871(m) transactions or underlying securities that are not dividend equivalent payments, to the extent the full liability was not satisfied by withholding.

A QDD that is a foreign branch of a U.S. financial institution does not have a QDD tax liability. Instead, such a QDD must determine and report its tax liability in accordance with chapter 1 and the appropriate U.S. tax return for the U.S. corporation.

For calendar year 2017, the QDD will not be liable for tax under section 881(a)(1) on actual dividends on physical shares or deemed dividends or dividend equivalents that the QDD receives in its equity derivatives dealer capacity. The QDD is liable for tax on actual dividends on physical shares or deemed dividends or dividend equivalents received in its non-equity derivatives dealer capacity and on any other U.S. source FDAP payments received by the QDD.

(D) Timing for Determining QDD Tax Liability. A QDD must determine its QDD tax liability due under sections 3.09(A) and (B) on the date provided in §1.871-15(j)(2) for the applicable dividend. A QDD must determine its QDD tax liability due under section 3.09(C) at the time the payments are treated as received under the Code and the regulations promulgated thereunder.

See section 7.01(C) of this Agreement regarding a QI that is acting as a QDD's responsibility to report QDD tax liability on the appropriate U.S. tax return and to maintain a reconciliation schedule for its section 871(m) amount and other amounts related to its QDD tax liability.

SECTION 6. QUALIFIED INTERMEDIARY WITHHOLDING CERTIFICATE AND DISCLOSURE OF ACCOUNT HOLDERS TO WITHHOLDING AGENT

Sec. 6.01. Qualified Intermediary Withholding Certificate. QI agrees to furnish a qualified intermediary withholding certificate to each withholding agent from which it receives a reportable amount as a QI. The qualified intermediary withholding certificate is a Form W-8IMY (or acceptable substitute form) that certifies that QI is acting as a QI, contains QI's QI-EIN, and provides all other information required by the form. If QI receives a withholdable payment, QI must certify to its chapter 4 status and provide its GIIN (if applicable). QI must also certify its chapter 4 status as a participating FFI or registered deemed-compliant FFI when QI provides a Form W-8IMY that certifies that it meets the requirements of §1.6049-4(c)(4)(iii) with respect to any account holder of an account it maintains that is included in a chapter 4 withholding rate pool of U.S. payees on QI's withholding statement.

If QI is acting as a QSL for a substitute dividend payment, QI must also certify that it is acting as a qualified securities lender and provide all other information required by Form W-8IMY.

If QI is acting as a QDD for payments with respect to potential section 871(m) transactions or underlying securities, it must certify that it is acting as a QDD for those payments and assumes primary chapters 3 and 4 withholding responsibility and primary Form 1099 reporting and backup withholding responsibility for any payments with respect to potential section 871(m) transactions that it makes as required by this Agreement, and it must provide all other information required by Form W-8IMY with respect to the certification.

If QI is acting with respect to payments of substitute interest as described in section 3.03(A) of this Agreement, it must certify that it is assuming primary chapters 3 and 4 withholding responsibility and primary Form 1099 reporting and backup withholding responsibility for all such payments, in addition to the other certifications it makes and information it provides as a QI as required by this Agreement.

Except as otherwise provided in section 6.02 of this Agreement, QI also agrees to furnish each withholding agent to whom it provides a Form W-8IMY with the withholding statement described in section 6.02 of this Agreement. QI is not required to disclose, as part of its Form W-8IMY or its withholding statement, any information regarding the identity of a direct or indirect account holder that is a foreign person or a U.S. exempt recipient or a holder of a U.S. account. To the extent QI does not assume primary Form 1099 reporting and backup withholding responsibility under section 3.04 of this Agreement or is not excepted from reporting under section 8.06 of this Agreement, for each U.S. non-exempt recipient account holder on whose behalf QI receives a reportable amount, QI must provide to a withholding agent the Form W-9, or if any such account holder has not provided a Form W-9, the name, address, and U.S. TIN (if available).

Sec. 6.02. Withholding Statement.

(A) In General. QI agrees to provide to each withholding agent from which QI receives reportable amounts as a QI a withholding statement described in this section 6.02 and §1.1441-1(e)(3)(iv). A withholding statement shall not be provided to a withholding agent if QI assumes both primary chapters 3 and 4 withholding responsibility and primary Form 1099 reporting and backup withholding responsibility for all of its accounts, unless QI is acting as a QDD. The withholding statement forms an integral part of the Form W-8IMY. The withholding statement shall be updated as often as necessary for the withholding agent to meet its reporting and withholding obligations under chapters 3, 4, and 61 and section 3406.

(B) Content of Withholding Statement. The withholding statement must contain sufficient information for a withholding agent to apply the correct rate of withholding on payments allocable to the accounts identified on the statement and to properly report such payments on Forms 1042-S and Forms 1099, as applicable. The withholding statement must-

- (1)** Designate those accounts for which QI acts as a QI;
- (2)** Designate those accounts for which QI assumes primary chapters 3 and 4 withholding responsibility or primary Form 1099 reporting and backup withholding responsibility (including accounts for which QI is acting with respect to payments of U.S. source substitute interest (as described in section 3.03(A) of this Agreement));
- (3)** If QI is acting as a QDD, designate the accounts (1) for which the QDD is receiving payments with respect to potential section 871(m) transactions or underlying securities as a QDD, (2) for which the QDD is receiving payments with respect to potential section 871(m) transactions (and that are not underlying securities) for which withholding is not required, and (3) for which QDD is receiving payments with respect to underlying securities for which withholding is required, and, if applicable, identifying the home office or branch that is treated as the owner for U.S. income tax purposes;
- (4)** If applicable, designate the accounts for which QI is acting as a QSL with respect to any U.S. source substitute dividend payments received from the withholding agent; and
- (5)** Provide information regarding withholding rate pools, as described in section 6.03 of this Agreement.

Sec. 6.03. Chapters 3 and 4 Withholding Rate Pools.

(A) In General. QI shall provide as part of its withholding statement withholding rate pool information in a manner sufficient for the withholding agent to meet its chapters 3 and 4 and backup withholding responsibilities and its Form 1042-S and Form 1099 reporting responsibilities.

(B) Chapter 4 Withholding Rate Pools. If QI receives a withholdable payment on behalf of its account holders, QI may allocate the payment to a chapter 4 withholding rate pool. A chapter 4 withholding rate pool is a payment of a single type of income (e.g., interest or dividends) that is allocated to payees that are nonparticipating FFIs. If QI is a participating FFI or registered deemed-compliant FFI (other than reporting Model 1 FFI), it may also allocate a withholdable payment to a chapter 4 withholding rate pool of recalcitrant account holders (if applicable). If QI is a participating FFI or registered deemed-compliant FFI receiving a reportable amount that is excepted from reporting under section 8.06(A) of this Agreement (excluding sections 8.06(A)(2) and (A)(3) of this Agreement when the payment is subject to chapter 4 withholding and section 8.06(A)(4) of this Agreement), QI may allocate the payment to a chapter 4 withholding rate pool of

U.S. payees. See section 6.03(D) of this Agreement for the alternative procedures that may be used in this case. Except as otherwise provided in this section 6.03(B), if QI receives a withholdable payment, QI must provide the information required under §1.1471-3(c)(3)(iii)(B)(2).

Further, if QI elects under its FATCA requirements as a participating FFI or registered deemed-compliant FFI to backup withhold instead of withholding under chapter 4 with respect to certain recalcitrant account holders, QI's withholding statement must indicate the portion of such payment subject to backup withholding under section 3406 that is allocated to such account holders and must provide all other information relating to such account holders that is required under chapter 61 for the withholding agent to report with respect to the payment.

If QI has an account holder that is another intermediary (whether a QI, NQI, or PAI) or a flow-through entity, QI may combine the account holder information provided by the intermediary or flow-through entity with QI's direct account holder information to determine the amounts allocable to each of QI's chapter 4 withholding rate pools described in this section 6.03(B). If QI is an NFFE that has an account holder that is another intermediary or flow-through entity that is a participating FFI or registered deemed-compliant FFI, QI may provide the account holder's chapter 4 withholding rate pools of recalcitrant account holders and U.S. payees to the extent applicable.

(C) Chapter 3 Withholding Rate Pools. With respect to any portion of the payment that is attributable to payees for which no chapter 4 withholding is required but is an amount subject to chapter 3 withholding, a chapter 3 withholding rate pool is a payment of a single type of income that is subject to a single rate of withholding (e.g., 0%, 10%, 15%, or 30%) and that is reported under a single chapter 4 exemption code on Form 1042-S. QI shall determine chapter 3 withholding rate pools based on valid documentation obtained under section 5 of this Agreement or, if a payment cannot be reliably associated with valid documentation, on the presumption rules of section 5.13(C) of this Agreement. If QI has an account holder that is another intermediary (whether a QI, NQI, or PAI) or a flow-through entity (other than a nonparticipating FFI that is not acting on behalf of any exempt beneficial owners), QI may combine the account holder information provided by the intermediary or flow-through entity with QI's direct account holder information to determine the amounts allocable to each of QI's chapter 3 withholding rate pools with respect to the portion of the payment allocable to an account holder to which chapter 4 withholding does not apply.

(D) U.S. Non-Exempt Recipients Subject to Backup Withholding or Form 1099 Reporting and Alternative Procedures for Allocating Payments on Withholding Statements. To the extent QI does not assume primary Form 1099 reporting and backup withholding responsibility and is not excepted from reporting on Form 1099 under section 8.04 of this Agreement, QI's withholding statement must establish a separate withholding rate pool for each U.S. non-exempt recipient account holder that QI is required to report on Form 1099 and has disclosed to the withholding agent. QI may, by mutual agreement with the withholding agent, establish a single withholding rate pool (not subject to backup withholding) for all U.S. non-exempt recipient account holders for whom QI is required to report on Form 1099 and has provided Forms W-9 prior to the withholding agent paying any reportable amounts or, if applicable, designated broker proceeds to which backup withholding does not apply. QI must establish a separate withholding rate pool for all U.S. non-exempt recipient account holders subject to backup withholding prior to the withholding agent paying any reportable amounts or, if applicable, designated broker proceeds.

Alternatively, QI may include U.S. non-exempt recipients in a zero rate withholding pool that includes U.S. exempt recipients and foreign persons for which no withholding is required under chapters 3 and 4 and section 3406 and may include payments allocated to a chapter 4 withholding rate pool of U.S. payees in this pool to the extent permitted to be provided by QI under section 6.03(B) of this Agreement. If QI chooses the alternative procedure of this paragraph, QI must provide sufficient information to the withholding agent no later than January 15 of the year following the year in which the reportable amounts and designated broker proceeds, if applicable, are paid in order to allocate to each U.S. non-exempt recipient account holder or to a chapter 4 withholding rate pool of U.S. payees (when applicable). Failure to provide such information will result in the application of penalties to QI under sections 6721 and 6722 and shall constitute an event of default under section 11.06 of this Agreement.

SECTION 7. TAX RETURN OBLIGATIONS

Sec. 7.01. Form 1042 (or Other Tax Return) Filing Requirement.

(A) In general. QI shall file a return on Form 1042, whether or not QI withheld any amounts under chapter 3 or 4, on or before March 15 of the year following any calendar year in which QI acts as a QI and makes a payment of an amount subject to chapter 3 or 4 withholding. A separate Form 1042 must be filed by each legal entity that is a QI covered by this Agreement. Form 1042 shall be filed at the address indicated on the form, at the address at which the IRS notifies QI to file the return, or in accordance with the instructions to file Form 1042 electronically. In addition to the information specifically requested on Form 1042 and the accompanying instructions, if QI made any overwithholding or underwithholding adjustments under §§1.1461-2 and 1.1474-2 and sections 9.02 and 9.05 of this Agreement, QI must attach a statement setting forth the amounts of any overwithholding or underwithholding adjustments and an explanation of the circumstances that resulted in the over- or underwithholding.

(B) Extensions for Filing Returns. QI may request an extension of the time for filing Form 1042, or any of the information required to be attached to the form, by submitting Form 7004, Application for Automatic Extension of Time to File Certain Business Income Tax, Information, and Other Returns, on or before the due date of the return.

(C) QDD Tax Liability Requirements for QDDs. In addition to its requirements under section 7.01(A) of this Agreement, a QI that is acting as a QDD (other than a foreign branch of a U.S. financial institution) also must report its QDD tax liability on the appropriate U.S. tax return (to be prescribed by the IRS), including separately identifying each part of the QDD tax liability described in section 3.09(A) through (C) of this Agreement separately for the home office and each branch that is acting as a QDD (if applicable). A QDD must also report any other information required by the appropriate return with respect to its QDD tax liability (including any part thereof).

A QDD must also maintain, and make available to the IRS upon request, a reconciliation schedule that tracks across calendar years the section 871(m) amount for each dividend with respect to each underlying security referenced by a potential section 871(m) transaction separately for the home office and each branch that is a QDD (if applicable). The reconciliation schedule must separately state total amounts received as a QDD, as well as the dividends received in its equity derivatives dealer capacity and the section 881 tax paid on those amounts, the amount of dividends that were effectively connected with the conduct of a trade or business in the United States, the amount of stock owned in its equity derivatives dealer capacity that was not effectively connected with the conduct of a trade or business in the United States, the amount of dividend equivalent payments it received in its equity derivatives dealer capacity, its long positions, its short positions, its net delta for business purposes (if any), its adjustments to the net delta used for business purposes (if any, such as adjustments to exclude transactions that, for federal income tax purposes, are not treated as transactions of a QDD, do not exist, or that are effectively connected with the conduct of a trade or business in the United States), the dividend amount per share, its tax liability under section 881 for its section 871(m) amount, its net delta exposure, and the section 871(m) amount for each dividend with respect to each underlying security referenced by a potential section 871(m) transaction it received as a QDD, and any adjustments thereto, for transactions in its equity derivatives dealer capacity. The reconciliation schedule may be maintained in any manner or format that permits the IRS to reconcile the amount reported by the QDD for the calendar year.

Sec. 7.02. Form 945 Filing Requirement. QI shall file a return on Form 945 on or before January 31 following the calendar year in which QI backup withheld an amount under section 3406. Separate Forms 945 must be filed by each legal entity that is a QI covered by this Agreement. The form must be filed at the address specified in the instructions for Form 945, at the address at which the IRS notifies QI to file the return under the provisions of section 12.06 of this Agreement, or in accordance with the instructions to file Form 945 electronically.

Sec. 7.03. Retention of Returns. QI shall retain Forms 945 and 1042 (including, with respect to a QI acting as a QDD, its reconciliation schedule) for the applicable statute of limitations on assessment under section 6501.

SECTION 8. INFORMATION REPORTING OBLIGATIONS

Sec. 8.01. Form 1042-S Reporting. Except as otherwise provided in section 8.02 of this Agreement, QI is not required to file Forms 1042-S for amounts paid to each separate account holder for whom such reporting would otherwise be required. Instead, QI shall file a Form 1042-S reporting the pools of income (reporting pools) as determined in section 8.03 of this Agreement. QI must file its Forms 1042-S in the manner required by the regulations under chapters 3 and 4 (or in the case of a participating FFI, in the manner required under the FFI Agreement) and the instructions to the form, including any requirement to file the forms magnetically or electronically.

Separate Forms 1042-S must be filed by each legal entity that is a QI covered by this Agreement. A QI acting as a QDD that also has QI activities must file separate Forms 1042-S in its QDD capacity and its QI capacity (i.e., other than when acting as a QDD). Each QI covered by this Agreement may also allow its individual branches not acting as QDDs to file Forms 1042-S provided that all Forms 1042-S contain the QI-EIN of the legal entity of which the branch forms a part and, to the extent required for chapter 4 purposes, the GIIN of the branch. If QI is acting as a QDD, the home office and each branch acting as a QDD must file separate Forms 1042-S for payments made as a QDD. Any Form 1042-S required by this section 8 shall be filed on or before March 15 following the calendar year in which the payment reported on the form was made. QI may request an extension of time to file Forms 1042-S by

submitting Form 8809, Application for Extension of Time to File Information Returns, by the due date of Forms 1042-S in the manner required by (and to the extent permitted on) Form 8809.

Sec. 8.02. Recipient Specific Reporting. QI (whether or not it assumes primary chapters 3 and 4 withholding responsibility) is required to file separate Forms 1042-S for amounts paid to each separate account holder as described in this section 8.02. QI must file separate Forms 1042-S by income code, exemption code, recipient code, chapter 3 or 4 withholding rate pool, and withholding rate. In the case of a payment to a QDD, separate Forms 1042-S must be filed for each QDD, even if a single legal entity.

(A) QI must file a separate Form 1042-S for each account holder that is a QI (to the extent such payment is required to be reported under §1.1461-1) WP, WT, or QSL that receives from QI an amount subject to withholding under chapter 3 or 4 (or, in the case of a QSL, that receives a U.S. source substitute dividend payment), regardless of whether such account holder is a direct or indirect account holder of QI.

(B) QI must file a separate Form 1042-S for each account holder that is a nonqualified intermediary or flow-through entity that is a participating FFI, registered deemed-compliant FFI, or registered deemed-compliant Model 1 IGA FFI and that receives an amount subject to chapter 4 withholding from QI that is allocable to each of such FFI's chapter 4 withholding rate pools of recalcitrant account holders, nonparticipating FFIs, and pool of U.S. payees, if applicable, regardless of whether such FFI is a direct or indirect account holder of QI.

(C) QI must file a separate Form 1042-S for each account holder that is a nonqualified intermediary or flow-through entity that is not described in section 8.02(B) of this Agreement (other than a nonparticipating FFI) that receives from QI an amount subject to chapter 4 withholding allocable to such entity's chapter 4 withholding rate pool of payees that are nonparticipating FFIs, regardless of whether such intermediary or flow-through entity is a direct or indirect account holder of QI.

(D) QI must file a separate Form 1042-S for each account holder of QI that is a PAI or a partnership or trust to which QI applies the agency option that receives from QI an amount subject to chapter 4 withholding allocable to such entity's chapter 4 withholding rate pool of payees that are nonparticipating FFIs or an amount subject to chapter 3 withholding that is either not a withholdable payment or a withholdable payment for which no chapter 4 withholding is required and that is allocable to such entity's chapter 3 withholding rate pools.

(E) QI must file a separate Form 1042-S for each unknown recipient with respect to an account holder that is a nonqualified intermediary, flow-through entity, or QI that does not assume primary chapters 3 and 4 withholding responsibility and that receives an amount subject to chapter 4 withholding from QI that QI must presume is allocable to such entity's chapter 4 withholding rate pool of payees that are nonparticipating FFIs under the presumption rule of §1.1471-3(f)(5).

(F) QI must file a separate Form 1042-S for each foreign account holder (or interest holder) of a nonqualified intermediary or flow-through entity that is a nonparticipating FFI that is receiving a payment on behalf of an exempt beneficial owner (regardless of whether the nonqualified intermediary or flow-through entity is a direct or indirect account holder of QI) to the extent QI can reliably associate such amounts with valid documentation from such nonqualified intermediary or flow-through entity as to the payment allocable to one or more exempt beneficial owners. In addition, QI must file separate Forms 1042-S in the same manner for each foreign account holder (or interest holder) of a nonqualified intermediary or flow-through entity that is described in the preceding sentence and that is a direct or indirect account holder (or interest holder) of a PAI of QI or a partnership or trust to which QI applies the agency option.

(G) QI must file separate Forms 1042-S for each foreign account holder (or interest holder) of a nonqualified intermediary or flow-through entity that is receiving an amount subject to chapter 3 withholding that is either not a withholdable payment or a withholdable payment for which no chapter 4 withholding is required to the extent QI can reliably associate such amounts with valid documentation from an account holder that is not itself a nonqualified intermediary or flow-through entity. In addition, QI must file separate Forms 1042-S in the same manner for each foreign account holder (or interest holder) of a nonqualified intermediary or flow-through entity that is described in the preceding sentence and that is a direct or indirect account holder (or interest holder) of a PAI of QI or a partnership or trust to which QI applies the agency option.

(H) QI must file a separate Form 1042-S for each direct account holder that establishes its status as a passive NFFE but fails to provide the information regarding its owners as required under §1.1471-3(d)(12)(iii) unless such information was reported by the withholding agent.

(I) If QI is acting as a QDD, QI must file a separate Form 1042-S for any amount subject to chapter 3 withholding with respect to a potential section 871(m) transaction made to another QDD.

Sec. 8.03. Reporting Pools for Form 1042-S Reporting.

(A) Chapter 4 Reporting Pools. Except for amounts required to be reported under section 8.02 of this Agreement, if QI is an FFI, QI shall report all amounts subject to chapter 4 withholding by reporting pools on a Form 1042-S if those amounts are paid to direct account holders of QI. A separate Form 1042-S shall be filed for each type of reporting pool. A chapter 4 reporting pool is a payment of a single type of income, determined in accordance with the categories of income reported on Form 1042-S, that is allocable to a chapter 4 withholding rate pool consisting of either

recalcitrant account holders or payees that are nonparticipating FFIs. QI must report recalcitrant account holders in pools based upon a recalcitrant account holder's particular status described in §1.1471-4(d)(6), with a separate Form 1042-S issued for each such pool.

If QI is an FFI, it may report in a chapter 4 withholding rate pool of U.S. payees an account holder that is (or is presumed) a U.S. person and that QI reports as a U.S. account under its applicable FATCA requirements as a participating FFI or registered deemed-compliant FFI provided that QI is excepted from Form 1099 reporting with respect to the payment under section 8.06(A)(1) of this Agreement or section 8.06(A)(2) and (A)(3) of this Agreement if the payment is both excepted from Form 1099 reporting and not subject to withholding under chapter 4.

If QI is an NFFE, QI shall report all amounts subject to chapter 4 withholding by reporting pools on a Form 1042-S if those amounts are paid to direct account holders that are nonparticipating FFIs in a chapter 4 reporting pool of nonparticipating FFIs.

(B) Chapter 3 Reporting Pools. Except for amounts required to be reported under section 8.02 of this Agreement, QI shall report an amount subject to chapter 3 withholding that is either not a withholdable payment or a withholdable payment for which no chapter 4 withholding is required and that is paid to a foreign account holder by reporting pools on a Form 1042-S if those amounts are paid to direct account holders of QI or to direct account holders of a PAI of QI or a partnership or trust described in section 4 of this Agreement. A separate Form 1042-S shall be filed for each type of reporting pool. A chapter 3 reporting pool is a payment of a single type of income that falls within a particular withholding rate, chapter 3 exemption code, and, if the payment is a withholdable payment, chapter 4 exemption code as determined on Form 1042-S. QI may use a single chapter 3 pool reporting code (e.g., QI- withholding rate pool- general) for all reporting pools except for amounts paid to foreign tax-exempt recipients, for which a separate chapter 3 pool reporting code (e.g., QI- withholding rate pool- exempt organization) must be used. For this purpose, a foreign tax-exempt recipient includes any organization that is not subject to chapter 3 withholding and is not liable to tax in its jurisdiction of residence because it is a charitable organization, a pension fund, or a foreign government.

Sec. 8.04. FATCA U.S. Account Reporting.

(A) QI that is an FFI. If QI is an FFI, QI is required to report each U.S. account (or, in the case of an FFI that is a reporting Model 1 FFI or a registered deemed-compliant Model 1 IGA FFI, each U.S. reportable account) that it maintains and for whom QI is acting consistent with its FATCA requirements as a participating FFI, registered deemed-compliant FFI, or registered deemed-compliant Model 1 IGA FFI. If QI is a participating FFI or registered deemed-compliant FFI (other than a reporting Model 1 FFI or registered deemed-compliant Model 1 IGA FFI), QI must report its U.S. accounts on Form 8966 in the time and manner required under its FATCA requirements as a participating FFI or registered deemed-compliant FFI except to the extent QI is reporting under §1.1471-4(d)(5) on Form 1099 with respect to its U.S. accounts. If QI is a reporting Model 1 FFI or registered deemed-compliant Model 1 IGA FFI, QI must report each U.S. reportable account on Form 8966 as required under the applicable Model 1 IGA. QI cannot delegate to its withholding agent its requirements to report U.S. accounts (or U.S. reportable accounts) regardless of whether QI does or does not assume primary Form 1099 reporting and backup withholding responsibility under section 3 of this Agreement. See section 8.06 of this Agreement for when the reporting described in this section 8.04 satisfies QI's Form 1099 reporting responsibilities with respect to reportable payments under chapter 61.

(B) QI that is an NFFE. If QI is an NFFE acting as a QI on behalf of persons other than its shareholders, QI shall file Form 8966 to report withholdable payments made to an account holder that is an NFFE (other than an excepted NFFE) with one or more substantial U.S. owners if the NFFE is the beneficial owner of the withholdable payment received by QI. See §1.1471-1(b)(8) for the definition of beneficial owner. QI must report on Form 8966 in accordance with the form and its accompanying instructions. Such report must include the name of the NFFE that is owned by a substantial U.S. owner; the name, address, and U.S. TIN of each substantial U.S. owner; the total of all withholdable payments made to the NFFE during the calendar year; and any other information as required by the form and its accompanying instructions. If QI is acting as a sponsoring entity on behalf of an NFFE for chapter 4 purposes, QI is not required to report as described in this paragraph if QI reports the NFFE as part of QI's requirements as a sponsoring entity. See §1.1472-1(c)(5)(ii) for the reporting requirements of a sponsoring entity.

Sec. 8.05. Form 8966 Reporting for Payees that are NFFEs. QI shall file Form 8966 to report withholdable payments made to an intermediary or flow-through entity that provides information regarding an account holder (or interest holder) that is an NFFE other than an excepted NFFE with one or more substantial U.S. owners (or one or more controlling persons that is a specified U.S. person under an applicable IGA). QI must report on Form 8966 in the time and manner provided in §1.1474-1(i)(2). Such report must include the name of the NFFE that is owned by a substantial U.S. owner (or controlling person); the name, address, and U.S. TIN of each substantial U.S. owner; the total of all withholdable payments made to the NFFE during the calendar year (or reportable period under the applicable IGA); and any other information as required by the form and its accompanying instructions. QI is not required to report, however, to the extent permitted under §1.1474-1(i)(2) on a payment made to a participating FFI or registered deemed-compliant FFI if such information is reported pursuant to section 8.04 of this Agreement or if the intermediary or flow-through entity certifies on its withholding statement that it is reporting the account holder (or interest holder) as a U.S. account pursuant to its FATCA requirements as a participating FFI, registered deemed-compliant FFI, or registered deemed-compliant Model 1 IGA FFI.

Sec. 8.06. Form 1099 Reporting Responsibility. QI shall file Forms 1099 and, unless filing magnetically, Form 1096, Annual Summary and Transmittal of U.S. Information Returns, for reportable payments made to persons described in this section 8.06.

Forms 1099 shall be filed on or before the date prescribed for the particular Form 1099 under chapter 61 and in the manner required by regulations under chapter 61 and the instructions to the forms (including the requirements for filing the forms magnetically or electronically). Extensions of the time to file Forms 1099 may be requested by submitting Form 8809 in the manner required by the form. If QI is required to file Forms 1099, it must file the appropriate form for the type of income paid (e.g., Form 1099-DIV for dividends, Form 1099-INT for interest, Form 1099-B for broker proceeds). QI must file Forms 1099 to report a reportable payment other than in the situations listed in sections 8.06(A) and (B) of this Agreement.

(A) Reportable Amount. QI must file a Form 1099 in accordance with the instructions to the form for the aggregate amount of a particular type of reportable amount paid to an account holder that is (or is presumed) a U.S. non-exempt recipient (whether a direct or indirect account holder). However, QI is not required to file a Form 1099 on a reportable amount if--

(1) QI is a non-U.S. payor reporting the account holder of a U.S. account under its FATCA requirements as a participating FFI or registered deemed-compliant FFI (including a reporting Model 1 FFI) and the other conditions of §1.6049-4(c)(4)(i) are satisfied;

(2) QI reports the account holder's account as held by a recalcitrant account holder or, in the case of a QI that is a reporting Model 2 FFI or nonreporting Model 2 FFI treated as registered deemed-compliant, as a non-consenting U.S. account under its FATCA requirements as a participating FFI or registered deemed-compliant FFI and the other conditions of §1.6049-4(c)(4)(ii) are satisfied;

(3) QI is a non-U.S. payor that is a reporting Model 1 FFI or registered deemed-compliant Model 1 IGA FFI and determines that the account has U.S. indicia for which appropriate documentation sufficient to treat the account as held by a specified U.S. person has not been provided and reports the account as a U.S. reportable account and the other conditions of §1.6049-4(c)(4)(ii) are satisfied;

(4) QI has not assumed primary Form 1099 reporting and backup withholding responsibility with respect to the account holder's account and has provided a Form W-9 to a withholding agent or has provided withholding rate pool information with respect to such account holder to a withholding agent to apply backup withholding and QI does not know that the withholding agent has failed to report or backup withhold as required;

(5) With respect to an account holder of an intermediary or flow-through entity (other than a QI) that is a direct or indirect account holder of QI, the intermediary or flow-through entity allocates the payment to a chapter 4 withholding rate pool of U.S. payees and provides a Form W-8IMY containing a certification that the entity meets the requirements of §1.6049-4(c)(4)(iii); or

(6) With respect to an account holder of another QI that is a direct or indirect account holder of QI, the QI allocates the payment to a chapter 4 withholding rate pool of U.S. payees and provides the applicable certification on a valid Form W-8IMY for allocating the payment to this pool.

(B) Reportable Payments other than Reportable Amounts. QI must file a Form 1099 for a reportable payment (other than a reportable amount) paid to each U.S. non-exempt recipient (whether a direct or indirect account holder), or to any account holder that is presumed to be a U.S. non-exempt recipient under section 5.13(C) of this Agreement. Notwithstanding the previous sentence, QI is not required to file a Form 1099 for a reportable payment (other than a reportable amount) paid to a direct account holder that is (or is presumed) a U.S. non-exempt recipient if—

(1) QI is a non-U.S. payor reporting the account holder of a U.S. account under its FATCA requirements as a participating FFI or registered deemed-compliant FFI (including a reporting Model 1 FFI) and the other conditions of §1.6049-4(c)(4)(i) are satisfied;

(2) QI reports the account holder's account as held by a recalcitrant account holder or, in the case of a QI that is a reporting Model 2 FFI or nonreporting Model 2 FFI treated as registered deemed-compliant, as a non-consenting U.S. account under its FATCA requirements as a participating FFI or registered deemed-compliant FFI and the other conditions of §1.6049-4(c)(4)(ii) are satisfied;

(3) QI is a non-U.S. payor that is a reporting Model 1 FFI or registered deemed-compliant Model 1 IGA FFI and determines that the account has U.S. indicia for which appropriate documentation sufficient to treat the account as held by a specified U.S. person has not been provided and reports the account as a U.S. reportable account and the other conditions of §1.6049-4(c)(4)(ii) are satisfied; or

(4) With respect to a reportable payment that is broker proceeds paid to a U.S. non-exempt recipient, QI has applied the procedures of section 3.05(C) of this Agreement and QI does not know that the other payor has failed to report or backup withhold on the payment as required.

Form **1042-S**
Department of the Treasury
Internal Revenue Service

Foreign Person's U.S. Source Income Subject to Withholding**2021**

OMB No. 1545-0096

► Go to www.irs.gov/Form1042S for instructions and the latest information.**Copy A** for
Internal Revenue Service

UNIQUE FORM IDENTIFIER	AMENDED	AMENDMENT NO.
------------------------	---------	---------------

1 Income code	2 Gross income	3 Chapter indicator. Enter "3" or "4"		13e Recipient's U.S. TIN, if any		13f Ch. 3 status code									
		3a Exemption code	4a Exemption code			13g Ch. 4 status code									
		3b Tax rate	4b Tax rate	13h Recipient's GIIN	13i Recipient's foreign tax identification number, if any	13j LOB code									
5 Withholding allowance															
6 Net income															
7a Federal tax withheld				13k Recipient's account number											
7b Check if federal tax withheld was not deposited with the IRS because escrow procedures were applied (see instructions) <input type="checkbox"/>				13l Recipient's date of birth (YYYYMMDD)											
7c Check if withholding occurred in subsequent year with respect to a partnership interest <input type="checkbox"/>				<table border="1"> <tr> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </table>											
8 Tax withheld by other agents				14a Primary Withholding Agent's Name (if applicable)											
9 Overwithheld tax repaid to recipient pursuant to adjustment procedures (see instructions) ()				14b Primary Withholding Agent's EIN		15 Check if pro-rata basis reporting <input type="checkbox"/>									
10 Total withholding credit (combine boxes 7a, 8, and 9)				15a Intermediary or flow-through entity's EIN, if any	15b Ch. 3 status code	15c Ch. 4 status code									
11 Tax paid by withholding agent (amounts not withheld) (see instructions)				15d Intermediary or flow-through entity's name											
12a Withholding agent's EIN	12b Ch. 3 status code	12c Ch. 4 status code		15e Intermediary or flow-through entity's GIIN											
12d Withholding agent's name				15f Country code	15g Foreign tax identification number, if any										
12e Withholding agent's Global Intermediary Identification Number (GIIN)				15h Address (number and street)											
12f Country code	12g Foreign tax identification number, if any			15i City or town, state or province, country, ZIP or foreign postal code											
12h Address (number and street)				16a Payer's name		16b Payer's TIN									
12i City or town, state or province, country, ZIP or foreign postal code				16c Payer's GIIN		16d Ch. 3 status code	16e Ch. 4 status code								
13a Recipient's name		13b Recipient's country code		17a State income tax withheld	17b Payer's state tax no.	17c Name of state									
13c Address (number and street)															
13d City or town, state or province, country, ZIP or foreign postal code															

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Cat. No. 11386R

Form **1042-S** (2021)

Form **1042-S**
Department of the Treasury
Internal Revenue Service

Foreign Person's U.S. Source Income Subject to Withholding

► Go to www.irs.gov/Form1042S for instructions and the latest information.

2021

OMB No. 1545-0096

Copy B
for Recipient

UNIQUE FORM IDENTIFIER ☐ AMENDED ☐ AMENDMENT NO.

1 Income code	2 Gross income	3 Chapter indicator. Enter "3" or "4"		13e Recipient's U.S. TIN, if any		13f Ch. 3 status code	
		3a Exemption code	4a Exemption code			13g Ch. 4 status code	
		3b Tax rate	4b Tax rate	13h Recipient's GIIN	13i Recipient's foreign tax identification number, if any	13j LOB code	
5 Withholding allowance							
6 Net income							
7a Federal tax withheld				13k Recipient's account number			
7b Check if federal tax withheld was not deposited with the IRS because escrow procedures were applied (see instructions) <input type="checkbox"/>				13l Recipient's date of birth (YYYYMMDD)			
7c Check if withholding occurred in subsequent year with respect to a partnership interest <input type="checkbox"/>							
8 Tax withheld by other agents				14a Primary Withholding Agent's Name (if applicable)			
9 Overwithheld tax repaid to recipient pursuant to adjustment procedures (see instructions) ()				14b Primary Withholding Agent's EIN		15 Check if pro-rata basis reporting <input type="checkbox"/>	
10 Total withholding credit (combine boxes 7a, 8, and 9)				15a Intermediary or flow-through entity's EIN, if any	15b Ch. 3 status code	15c Ch. 4 status code	
11 Tax paid by withholding agent (amounts not withheld) (see instructions)				15d Intermediary or flow-through entity's name			
12a Withholding agent's EIN	12b Ch. 3 status code	12c Ch. 4 status code		15e Intermediary or flow-through entity's GIIN			
12d Withholding agent's name				15f Country code	15g Foreign tax identification number, if any		
12e Withholding agent's Global Intermediary Identification Number (GIIN)				15h Address (number and street)			
12f Country code	12g Foreign tax identification number, if any			15i City or town, state or province, country, ZIP or foreign postal code			
12h Address (number and street)				16a Payer's name		16b Payer's TIN	
12i City or town, state or province, country, ZIP or foreign postal code				16c Payer's GIIN		16d Ch. 3 status code	16e Ch. 4 status code
13a Recipient's name		13b Recipient's country code		17a State income tax withheld	17b Payer's state tax no.	17c Name of state	
13c Address (number and street)							
13d City or town, state or province, country, ZIP or foreign postal code							

(keep for your records)

Form **1042-S** (2021)

U.S. Income Tax Filing Requirements

Generally, every nonresident alien individual, nonresident alien fiduciary, and foreign corporation with U.S. income, including income that is effectively connected with the conduct of a trade or business in the United States, must file a U.S. income tax return. However, no return is required to be filed by a nonresident alien individual, nonresident alien fiduciary, or foreign corporation if such person was not engaged in a trade or business in the United States at any time during the tax year and if the tax liability of such person was fully satisfied by the withholding of U.S. tax at the source. Corporations file Form 1120-F; all others file Form 1040-NR. You may get the return forms and instructions at IRS.gov, at any U.S. Embassy or consulate, or by writing to: Internal Revenue Service, 1201 N. Mitsubishi Motorway, Bloomington, IL 61705-6613.

En règle générale, tout étranger non-résident, tout organisme fidéicommissaire étranger non-résident et toute société étrangère percevant un revenu aux Etats-Unis, y compris tout revenu dérivé, en fait, du fonctionnement d'un commerce ou d'une affaire aux Etats-Unis, doit produire une déclaration d'impôt sur le revenu auprès des services fiscaux des Etats-Unis. Cependant aucune déclaration d'impôt sur le revenu n'est exigée d'un étranger non-résident, d'un organisme fidéicommissaire étranger non-résident, ou d'une société étrangère s'ils n'ont pris part à aucun commerce ou affaire aux Etats-Unis à aucun moment pendant l'année fiscale et si les impôts dont ils sont redevables, ont été entièrement acquittés par une retenue à la source sur leur salaire. Les sociétés doivent faire leur déclaration d'impôt en remplissant le formulaire 1120-F; tous les autres redevables doivent remplir le formulaire 1040-NR. On peut se procurer les formulaires de déclarations d'impôts et les instructions y afférentes à IRS.gov et dans toutes les ambassades et tous les consulats des Etats-Unis. L'on peut également s'adresser pour tout renseignement à: Internal Revenue Service, 1201 N. Mitsubishi Motorway, Bloomington, IL 61705-6613.

Por regla general, todo extranjero no residente, todo organismo fideicomisario extranjero no residente y toda sociedad anónima extranjera que reciba ingresos en los Estados Unidos, incluyendo ingresos relacionados con la conducción de un negocio o comercio dentro de los Estados Unidos, deberá presentar una declaración estadounidense de impuestos sobre el ingreso. Sin embargo, no se requiere declaración alguna a un individuo extranjero, una sociedad anónima extranjera u organismo fideicomisario extranjero no residente, si tal persona no ha efectuado comercio o negocio en los Estados Unidos durante el año fiscal y si la responsabilidad con los impuestos de tal persona ha sido satisfecha plenamente mediante retención del impuesto de los Estados Unidos en la fuente. Las sociedades anónimas envían el Formulario 1120-F; todos los demás contribuyentes envían el Formulario 1040-NR. Se podrá obtener formularios e instrucciones en IRS.gov y en cualquier Embajada o Consulado de los Estados Unidos o escribiendo directamente a: Internal Revenue Service, 1201 N. Mitsubishi Motorway, Bloomington, IL 61705-6613.

Im allgemeinen muss jede ausländische Einzelperson, jeder ausländische Bevollmächtigte und jede ausländische Gesellschaft mit Einkommen in den Vereinigten Staaten, einschliesslich des Einkommens, welches direkt mit der Ausübung von Handel oder Gewerbe innerhalb der Staaten verbunden ist, eine Einkommensteuererklärung der Vereinigten Staaten abgeben. Eine Erklärung, muss jedoch nicht von Ausländern, ausländischen Bevollmächtigten oder ausländischen Gesellschaften in den Vereinigten Staaten eingereicht werden, falls eine solche Person während des Steuerjahres kein Gewerbe oder Handel in den Vereinigten Staaten ausgeübt hat und die Steuerschuld durch Einbehaltung der Steuern der Vereinigten Staaten durch die Einkommensquelle abgegolten ist. Gesellschaften reichen den Vordruck 1120-F ein; alle anderen reichen das Formblatt 1040-NR ein. Einkommensteuererklärungen und Instruktionen können unter IRS.gov und bei den Botschaften und Konsulaten der Vereinigten Staaten eingeholt werden. Um weitere Informationen wende man sich bitte an: Internal Revenue Service, 1201 N. Mitsubishi Motorway, Bloomington, IL 61705-6613.

Explanation of Codes

Box 1. Income Code.

Code	Types of Income
01	Interest paid by U.S. obligors—general
02	Interest paid on real property mortgages
03	Interest paid to controlling foreign corporations
04	Interest paid by foreign corporations
05	Interest on tax-free covenant bonds
22	Interest paid on deposit with a foreign branch of a domestic corporation or partnership
29	Deposit interest
30	Original issue discount (OID)
31	Short-term OID
33	Substitute payment—interest
51	Interest paid on certain actively traded or publicly offered securities ¹
54	Substitute payments—interest from certain actively traded or publicly offered securities ¹
Dividend 06	Dividends paid by U.S. corporations—general
07	Dividends qualifying for direct dividend rate
08	Dividends paid by foreign corporations

34	Substitute payment—dividends
40	Other dividend equivalents under IRC section 871(m) (formerly 871(l))
52	Dividends paid on certain actively traded or publicly offered securities ¹
53	Substitute payments-dividends from certain actively traded or publicly offered securities ¹
09	Capital gains
10	Industrial royalties
11	Motion picture or television copyright royalties
12	Other royalties (for example, copyright, software, broadcasting, endorsement payments)
Other 13	Royalties paid on certain publicly offered securities ¹
14	Real property income and natural resources royalties
15	Pensions, annuities, alimony, and/or insurance premiums
16	Scholarship or fellowship grants
17	Compensation for independent personal services ²
18	Compensation for dependent personal services ²
19	Compensation for teaching ²

See back of Copy C for additional codes

¹ This code should only be used if the income paid is described in Regulations section 1.1441-6(c)(2) and the withholding agent has reduced the rate of withholding under an income tax treaty without the recipient providing a U.S. or foreign TIN.

² If compensation that otherwise would be covered under Income Codes 17 through 20 is directly attributable to the recipient's occupation as an artist or athlete, use Income Code 42 or 43 instead.

Form 1042-S Department of the Treasury Internal Revenue Service		Foreign Person's U.S. Source Income Subject to Withholding ▶ Go to www.irs.gov/Form1042S for instructions and the latest information.		2021		OMB No. 1545-0096 Copy C for Recipient Attach to any Federal tax return you file	
		UNIQUE FORM IDENTIFIER 		AMENDED <input type="checkbox"/>		AMENDMENT NO.	
1 Income code	2 Gross income	3 Chapter indicator. Enter "3" or "4"		13e Recipient's U.S. TIN, if any		13f Ch. 3 status code	
		3a Exemption code	4a Exemption code			13g Ch. 4 status code	
		3b Tax rate	4b Tax rate				
5 Withholding allowance				13h Recipient's GIIN		13i Recipient's foreign tax identification number, if any	
6 Net income						13j LOB code	
7a Federal tax withheld				13k Recipient's account number			
7b Check if federal tax withheld was not deposited with the IRS because escrow procedures were applied (see instructions) <input type="checkbox"/>				13l Recipient's date of birth (YYYYMMDD)			
7c Check if withholding occurred in subsequent year with respect to a partnership interest <input type="checkbox"/>							
8 Tax withheld by other agents				14a Primary Withholding Agent's Name (if applicable)			
9 Overwithheld tax repaid to recipient pursuant to adjustment procedures (see instructions) ()				14b Primary Withholding Agent's EIN		15 Check if pro-rata basis reporting <input type="checkbox"/>	
10 Total withholding credit (combine boxes 7a, 8, and 9)				15a Intermediary or flow-through entity's EIN, if any		15b Ch. 3 status code	15c Ch. 4 status code
11 Tax paid by withholding agent (amounts not withheld) (see instructions)				15d Intermediary or flow-through entity's name			
12a Withholding agent's EIN		12b Ch. 3 status code	12c Ch. 4 status code	15e Intermediary or flow-through entity's GIIN			
12d Withholding agent's name				15f Country code		15g Foreign tax identification number, if any	
12e Withholding agent's Global Intermediary Identification Number (GIIN)				15h Address (number and street)			
12f Country code		12g Foreign tax identification number, if any		15i City or town, state or province, country, ZIP or foreign postal code			
12h Address (number and street)				16a Payer's name		16b Payer's TIN	
12i City or town, state or province, country, ZIP or foreign postal code				16c Payer's GIIN		16d Ch. 3 status code	16e Ch. 4 status code
13a Recipient's name		13b Recipient's country code		17a State income tax withheld		17b Payer's state tax no.	17c Name of state
13c Address (number and street)							
13d City or town, state or province, country, ZIP or foreign postal code							

Form **1042-S** (2021)

Explanation of Codes (continued)

Other	20	Compensation during studying and training ²
	23	Other income
	24	Qualified investment entity (QIE) distributions of capital gains
	25	Trust distributions subject to IRC section 1445
	26	Unsevered growing crops and timber distributions by a trust subject to IRC section 1445
	27	Publicly traded partnership distributions subject to IRC section 1446
	28	Gambling winnings ³
	32	Notional principal contract income ⁴
	35	Substitute payment—other
	36	Capital gains distributions
	37	Return of capital
	38	Eligible deferred compensation items subject to IRC section 877A(d)(1)
	39	Distributions from a nongrantor trust subject to IRC section 877A(f)(1)
	41	Guarantee of indebtedness
	42	Earnings as an artist or athlete—no central withholding agreement ⁵
	43	Earnings as an artist or athlete—central withholding agreement ⁵
	44	Specified federal procurement payments
	50	Income previously reported under escrow procedure ⁶
	55	Taxable death benefits on life insurance contracts

Boxes 3a and 4a. Exemption Code (applies if the tax rate entered in box 3b or 4b is 00.00).

Code	Authority for Exemption
Chapter 3	
01	Effectively connected income
02	Exempt under IRC ⁷
03	Income is not from U.S. sources
04	Exempt under tax treaty
05	Portfolio interest exempt under IRC

06	QI that assumes primary withholding responsibility
07	WFP or WFT
08	U.S. branch treated as U.S. Person
09	Territory FI treated as U.S. Person
10	QI represents that income is exempt
11	QSL that assumes primary withholding responsibility
12	Payee subjected to chapter 4 withholding
22	QDD that assumes primary withholding responsibility
23	Exempt under section 897(l)
24	Exempt under section 892

Chapter 4

13	Grandfathered payment
14	Effectively connected income
15	Payee not subject to chapter 4 withholding
16	Excluded nonfinancial payment
17	Foreign Entity that assumes primary withholding responsibility
18	U.S. Payees—of participating FFI or registered deemed-compliant FFI
19	Exempt from withholding under IGA ⁸
20	Dormant account ⁹
21	Other—payment not subject to chapter 4 withholding

Boxes 12b, 12c, 13f, 13g, 15b, 15c, 16d, and 16e. Withholding Agent, Recipient, Intermediary, and Payer Chapter 3 and Chapter 4 Status Codes.

Type of Recipient, Withholding Agent, Payer, or Intermediary Code**Chapter 3 Status Codes**

03	Territory FI—treated as U.S. Person
04	Territory FI—not treated as U.S. Person
05	U.S. branch—treated as U.S. Person
06	U.S. branch—not treated as U.S. Person
07	U.S. branch—ECI presumption applied
08	Partnership other than Withholding Foreign Partnership
09	Withholding Foreign Partnership

See back of Copy D for additional codes

² If compensation that otherwise would be covered under Income Codes 17 through 20 is directly attributable to the recipient's occupation as an artist or athlete, use Income Code 42 or 43 instead.

³ Subject to 30% withholding rate unless the recipient is from one of the treaty countries listed under *Gambling winnings (Income Code 28)* in Pub. 515.

⁴ Use appropriate Interest Income Code for embedded interest in a notional principal contract.

⁵ Income Code 43 should only be used if Letter 4492, Venue Notification, has been issued by the Internal Revenue Service (otherwise, use Income Code 42 for earnings as an artist or athlete). If Income Code 42 or 43 is used, Recipient Code 22 (artist or athlete) should be used instead of Recipient Code 16 (individual), 15 (corporation), or 08 (partnership other than withholding foreign partnership).

⁶ Use only to report gross income the tax for which is being deposited in the current year because such tax was previously escrowed for chapters 3 and 4 and the withholding agent previously reported the gross income in a prior year and checked the box to report the tax as not deposited under the escrow procedure. See the instructions to this form for further explanation.

⁷ This code should only be used if no other specific chapter 3 exemption code applies.

⁸ Use only to report a U.S. reportable account or nonconsenting U.S. account that is receiving a payment subject to chapter 3 withholding.

⁹ Use only if applying the escrow procedure for dormant accounts under Regulations section 1.1471-4(b)(6). If tax was withheld and deposited under chapter 3, do not check box 7b ("tax not deposited with IRS pursuant to escrow procedure"). You must instead enter "3" in box 3 and complete box 3b.

Form 1042-S Department of the Treasury Internal Revenue Service		Foreign Person's U.S. Source Income Subject to Withholding ▶ Go to www.irs.gov/Form1042S for instructions and the latest information.		2021		OMB No. 1545-0096 Copy D for Recipient Attach to any state tax return you file	
		UNIQUE FORM IDENTIFIER 		AMENDED <input type="checkbox"/> AMENDMENT NO.			
1 Income code	2 Gross income	3 Chapter indicator. Enter "3" or "4"		13e Recipient's U.S. TIN, if any		13f Ch. 3 status code	
		3a Exemption code	4a Exemption code			13g Ch. 4 status code	
		3b Tax rate	4b Tax rate	13h Recipient's GIIN		13i Recipient's foreign tax identification number, if any	13j LOB code
5 Withholding allowance				13k Recipient's account number			
6 Net income							
7a Federal tax withheld				13l Recipient's date of birth (YYYYMMDD) <div style="border: 1px solid black; width: 150px; height: 20px; margin: 5px;"></div>			
7b Check if federal tax withheld was not deposited with the IRS because escrow procedures were applied (see instructions) <input type="checkbox"/>							
7c Check if withholding occurred in subsequent year with respect to a partnership interest <input type="checkbox"/>							
8 Tax withheld by other agents				14a Primary Withholding Agent's Name (if applicable)			
9 Overwithheld tax repaid to recipient pursuant to adjustment procedures (see instructions) ()				14b Primary Withholding Agent's EIN		15 Check if pro-rata basis reporting <input type="checkbox"/>	
10 Total withholding credit (combine boxes 7a, 8, and 9)				15a Intermediary or flow-through entity's EIN, if any		15b Ch. 3 status code	15c Ch. 4 status code
11 Tax paid by withholding agent (amounts not withheld) (see instructions)				15d Intermediary or flow-through entity's name			
12a Withholding agent's EIN		12b Ch. 3 status code	12c Ch. 4 status code	15e Intermediary or flow-through entity's GIIN			
12d Withholding agent's name				15f Country code		15g Foreign tax identification number, if any	
12e Withholding agent's Global Intermediary Identification Number (GIIN)				15h Address (number and street)			
12f Country code		12g Foreign tax identification number, if any		15i City or town, state or province, country, ZIP or foreign postal code			
12h Address (number and street)				16a Payer's name		16b Payer's TIN	
12i City or town, state or province, country, ZIP or foreign postal code				16c Payer's GIIN		16d Ch. 3 status code	16e Ch. 4 status code
13a Recipient's name		13b Recipient's country code		17a State income tax withheld		17b Payer's state tax no.	17c Name of state
13c Address (number and street)							
13d City or town, state or province, country, ZIP or foreign postal code							

Form **1042-S** (2021)

Explanation of Codes (continued)

- 10** Trust other than Withholding Foreign Trust
- 11** Withholding Foreign Trust
- 12** Qualified Intermediary
- 13** Qualified Securities Lender—Qualified Intermediary
- 14** Qualified Securities Lender—Other
- 15** Corporation
- 16** Individual
- 17** Estate
- 18** Private Foundation
- 19** International Organization
- 20** Tax Exempt Organization (Section 501(c) entities)
- 21** Unknown Recipient
- 22** Artist or Athlete
- 23** Pension
- 24** Foreign Central Bank of Issue
- 25** Nonqualified Intermediary
- 26** Hybrid entity making Treaty Claim
- 35** Qualified Derivatives Dealer
- 36** Foreign Government—Integral Part
- 37** Foreign Government—Controlled Entity

Pooled Reporting Codes¹⁰

- 27** Withholding Rate Pool—General
- 28** Withholding Rate Pool—Exempt Organization
- 29** PAI Withholding Rate Pool—General
- 30** PAI Withholding Rate Pool—Exempt Organization
- 31** Agency Withholding Rate Pool—General
- 32** Agency Withholding Rate Pool—Exempt Organization

Chapter 4 Status Codes

- 01** U.S. Withholding Agent—FI
- 02** U.S. Withholding Agent—Other
- 03** Territory FI—not treated as U.S. Person
- 04** Territory FI—treated as U.S. Person
- 05** Participating FFI—Other
- 06** Participating FFI—Reporting Model 2 FFI
- 07** Registered Deemed-Compliant FFI—Reporting Model 1 FFI
- 08** Registered Deemed-Compliant FFI—Sponsored Entity
- 09** Registered Deemed-Compliant FFI—Other
- 10** Certified Deemed-Compliant FFI—Other
- 11** Certified Deemed-Compliant FFI—FFI with Low Value Accounts
- 12** Certified Deemed-Compliant FFI—Nonregistering Local Bank
- 13** Certified Deemed-Compliant FFI—Sponsored Entity
- 14** Certified Deemed-Compliant FFI—Investment Entity that does not maintain financial accounts
- 15** Nonparticipating FFI
- 16** Owner-Documented FFI
- 17** U.S. Branch—treated as U.S. person
- 18** U.S. Branch—not treated as U.S. person (reporting under section 1471)
- 19** Passive NFFE identifying Substantial U.S. Owners

- 20** Passive NFFE with no Substantial U.S. Owners
- 21** Publicly Traded NFFE or Affiliate of Publicly Traded NFFE
- 22** Active NFFE
- 23** Individual
- 24** Section 501(c) Entities
- 25** Excepted Territory NFFE
- 26** Excepted NFFE—Other
- 27** Exempt Beneficial Owner
- 28** Entity Wholly Owned by Exempt Beneficial Owners
- 29** Unknown Recipient
- 30** Recalcitrant Account Holder
- 31** Nonreporting IGA FFI
- 32** Direct reporting NFFE
- 33** U.S. reportable account
- 34** Nonconsenting U.S. account
- 35** Sponsored direct reporting NFFE
- 36** Excepted Inter-affiliate FFI
- 37** Undocumented Preexisting Obligation
- 38** U.S. Branch—ECI presumption applied
- 39** Account Holder of Excluded Financial Account¹¹
- 40** Passive NFFE reported by FFI¹²
- 41** NFFE subject to 1472 withholding
- 50** U.S. Withholding Agent—Foreign branch of FI

Pooled Reporting Codes

- 42** Recalcitrant Pool—No U.S. Indicia
- 43** Recalcitrant Pool—U.S. Indicia
- 44** Recalcitrant Pool—Dormant Account
- 45** Recalcitrant Pool—U.S. Persons
- 46** Recalcitrant Pool—Passive NFFEs
- 47** Nonparticipating FFI Pool
- 48** U.S. Payees Pool
- 49** QI-Recalcitrant Pool—General¹³

Box 13j. LOB Code (enter the code that best describes the applicable limitation on benefits (LOB) category that qualifies the taxpayer for the requested treaty benefits).

LOB Code	LOB Treaty Category
02	Government – contracting state/political subdivision/local authority
03	Tax exempt pension trust/Pension fund
04	Tax exempt/Charitable organization
05	Publicly traded corporation
06	Subsidiary of publicly traded corporation
07	Company that meets the ownership and base erosion test
08	Company that meets the derivative benefits test
09	Company with an item of income that meets the active trade or business test
10	Discretionary determination
11	Other

¹⁰ Codes 27 through 32 should only be used by a QI, QSL, WP, or WT. A QI acting as a QDD may use code 27 or 28.

¹¹ This code should only be used if income is paid to an account that is excluded from the definition of financial account under Regulations section 1.1471-5(b)(2) or under Annex II of the applicable Model 1 IGA or Model 2 IGA.

¹² This code should only be used when the withholding agent has received a certification on the FFI withholding statement of a participating FFI or registered deemed-compliant FFI that maintains the account that the FFI has reported the account held by the passive NFFE as a U.S. account (or U.S. reportable account) under its FATCA requirements. The withholding agent must report the name and GIIN of such FFI in boxes 15d and 15e.

¹³ This code should only be used by a withholding agent that is reporting a payment (or portion of a payment) made to a QI with respect to the QI's recalcitrant account holders.

Form **1042-S**
Department of the Treasury
Internal Revenue Service

Foreign Person's U.S. Source Income Subject to Withholding

► Go to www.irs.gov/Form1042S for instructions and the latest information.

2021

OMB No. 1545-0096

Copy E
for Withholding Agent

UNIQUE FORM IDENTIFIER ☐ AMENDED ☐ AMENDMENT NO.

1 Income code	2 Gross income	3 Chapter indicator. Enter "3" or "4"		13e Recipient's U.S. TIN, if any		13f Ch. 3 status code	
		3a Exemption code	4a Exemption code			13g Ch. 4 status code	
		3b Tax rate	4b Tax rate	13h Recipient's GIIN	13i Recipient's foreign tax identification number, if any		13j LOB code
5 Withholding allowance							
6 Net income							
7a Federal tax withheld				13k Recipient's account number			
7b Check if federal tax withheld was not deposited with the IRS because escrow procedures were applied (see instructions) <input type="checkbox"/>				13l Recipient's date of birth (YYYYMMDD)			
7c Check if withholding occurred in subsequent year with respect to a partnership interest <input type="checkbox"/>							
8 Tax withheld by other agents				14a Primary Withholding Agent's Name (if applicable)			
9 Overwithheld tax repaid to recipient pursuant to adjustment procedures (see instructions) ()				14b Primary Withholding Agent's EIN		15 Check if pro-rata basis reporting <input type="checkbox"/>	
10 Total withholding credit (combine boxes 7a, 8, and 9)				15a Intermediary or flow-through entity's EIN, if any		15b Ch. 3 status code	15c Ch. 4 status code
11 Tax paid by withholding agent (amounts not withheld) (see instructions)				15d Intermediary or flow-through entity's name			
12a Withholding agent's EIN		12b Ch. 3 status code	12c Ch. 4 status code	15e Intermediary or flow-through entity's GIIN			
12d Withholding agent's name				15f Country code	15g Foreign tax identification number, if any		
12e Withholding agent's Global Intermediary Identification Number (GIIN)				15h Address (number and street)			
12f Country code	12g Foreign tax identification number, if any			15i City or town, state or province, country, ZIP or foreign postal code			
12h Address (number and street)				16a Payer's name		16b Payer's TIN	
12i City or town, state or province, country, ZIP or foreign postal code				16c Payer's GIIN		16d Ch. 3 status code	16e Ch. 4 status code
13a Recipient's name		13b Recipient's country code		17a State income tax withheld	17b Payer's state tax no.	17c Name of state	
13c Address (number and street)							
13d City or town, state or province, country, ZIP or foreign postal code							

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form **1042-S** (2021)