

Active Trade Declaration and Guidance notes

This form is issued by:

HSBC Bank plc

HSBC Bank plc is a company registered in England and Wales under registration number 14259 and its registered office is at 8 Canada Square, London E14 5HQ. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Its firm reference number is 114216.

HSBC Trust Company (UK) Limited

HSBC Trust Company (UK) Limited is registered in England and Wales under registration number 106294 and its registered office is at 8 Canada Square, London E14 5HQ. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Its firm reference number is 119297.

HSBC Global Asset Management (UK) Limited

HSBC Global Asset Management (UK) Limited is registered in England and Wales under registration number 01917956 and its Registered Office is at 8 Canada Square, London E14 5HQ. Authorised and regulated by the Financial Conduct Authority. Its firm reference number is 122335.

Customer Name:	CIN
	Internal use only:

Customer Address:

Customer Permanent Residence Address, if different from the above address
<i>Your Permanent Residence Address is the address of where you are treated as resident for tax purposes, or, if not applicable, the address of your principal office</i>

Country of Registration

Tax Residency - Please provide each country where you are resident for Tax purposes

Foreign Account Tax Compliance Act (FATCA) ENTITY CLASSIFICATION STATUS

In relation to The International Tax Compliance (United States of America) Regulations 2014, I/We (please delete as appropriate) make the following certifications in order to confirm our FATCA Classification:

1. I hereby certify that I am/We are NOT

- A corporation incorporated, created or organised in the United States of America or under the law of the United States of America or of any of the States of the United States of America, including the District of Columbia



A partnership created or organised in the United States of America or under the law of the United States of America or of any of the States of the United States of America, including the District of Columbia; or

- A trust in respect of which a court within the United States of America is able to exercise primary supervision over the administration of the trust, and one or more United States persons have the authority to control all substantial decisions of the trust
- An estate (other than an estate the income of which, from sources without the United States which is not effectively connected with the conduct of a trade or business within the United States, is not includible in gross income under subtitle A of the United States Internal Revenue Code of 1986).

I/We hereby certify that I satisfy the following criteria:

- Less than 50% of my/our gross income for the preceding calendar year or other appropriate reporting period is passive income

and

- Less than 50% of my/our assets held by us during the preceding calendar year or other appropriate reporting period are assets that produce or are held for the production of passive income

and

- I/We are engaged in the following active trade or business other than that of a financial institution:

Please Complete

I declare that all statements made in this declaration are, to the best of my knowledge and belief, correct and complete. Please use an additional signature Insert for more to sign if required (in accordance with your mandate).

Signature	
Full	
Name	
Official	
Position	
Date	

Signature	
Full	
Name	
Official	
Position	
Date	

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Full	
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Signature	
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Name	
Official	
Position	
Date	

Guidance Notes

IMPORTANT - This document must be read with the Disclaimer (at the bottom of these Guidance Notes) which forms part of it

BACKGROUND

There are a number of substantial changes being made by financial regulators, governments and banks to ensure the protection and long-term safety of both the financial system and our customers' interests. One of these changes is the Foreign Account Tax Compliance Act (FATCA), which has been introduced by the United States (US) government. The purpose of FATCA is to report financial assets owned by US persons to the US tax authorities.

How does FATCA affect HSBC and you?

The United Kingdom has introduced The International Tax Compliance (United States of America) Regulations 2014 to achieve the objectives of FATCA. These regulations require HSBC to report affected customers' income and profit details to HMRC who will report the information to the US Tax Authorities. In order to do so, we will need to obtain additional information from some customers to understand whether they are affected.

Every year most UK banks and other financial organisations will be required to report information on financial accounts held directly or indirectly by US persons.

Where we are not able to obtain the required information or documentation from our customers, we may be required to apply US withholding taxes in respect of certain types of US income payments we make to our customers or our customers' accounts in the future. We may also end customer relationships in some circumstances (unless law or regulation prevents us from doing so).

Does this apply to you?

Whilst most customers are not reportable, some may be. In order to make sure that we identify which customers we need to report, we are asking our customers to provide confirmation of their FATCA status. HSBC is not able to provide tax advice or advice on FATCA classification.

Who do we need to report under FATCA?

We are required to report certain information on accounts held by *US persons*. This includes:

- Accounts held by US citizens and US residents,
- certain corporations or partnerships created or organised in the US,
- Accounts held by certain passive entities (*please see the section on Passive Income and the section What is meant by a passive entity (Passive NFFE) under FATCA?*) with shareholders who are US citizens or US resident persons.

Please note that for these purposes, "account" is not limited to bank accounts and covers other financial products including investment products.

We will also be required to report certain information on customers or financial counterparties who do not provide us with documentation to establish a tax status under FATCA.

What is an Active Non-Financial Foreign Entity (Active NFFE)?

The term 'Active NFFE' refers to an entity that operates a trading activity other than that of a financial business. There are several different sub-categories within the Active NFFE definition. These are shown on the declaration for you to review and confirm whether you satisfy the criteria of any of these categories and provide your certification. HSBC is unable to provide advice about your classification. If you are unable to select any of the classifications, you should seek advice from a tax professional.

We are not required to report information on Active NFFEs or their shareholders under FATCA.



What is meant by Passive income?

Passive income generally includes:

- Dividends including income equivalent to dividends
- Interest including income equivalent to interest and certain returns from investments in insurance contracts
- Certain rents and royalties other than those derived from an active trade or business
- Annuities
- Net gains from transactions, including forwards and similar transactions relating to certain types of transactions in commodities
- Certain foreign currency exchange gains
- Net income from notional principal contracts
- Amounts received under cash value insurance contracts or amounts earned by an insurance company in connection with its reserves for insurance and annuity contracts
- Net gains from the sale of assets that give rise to any of the above types of income

Passive income excludes:

- Any income from interest, dividends, rents or royalties that is received or accrued from a related person to the extent such amount is properly allocable to income of such related person that is not passive income.
- Income generated by certain commodities dealers and securities dealers in the ordinary course of business.

For a detailed definition of passive income, please refer to The International Tax Compliance (United States of America) Regulations 2014.

What is meant by a Financial Institution under FATCA?

The term 'financial institution' is broadly defined under FATCA and generally includes all banks, building societies, entities with custody of financial assets, certain types of insurance companies, asset management companies and certain investment funds or investment vehicles. An entity which appoints a trustee company or a third party asset manager or acts as the holding company to a group of companies carrying on a financial business may also fall within the definition of financial institution, as well as certain types of treasury and group financing companies. For a detailed definition of financial institution, please refer to The International Tax Compliance (United States of America) Regulations 2014.

What is meant by a passive entity (Passive NFFE) under FATCA?

Very broadly, Passive NFFEs are defined under FATCA as entities, organisations or companies that are in receipt of passive income or hold passive assets and do not fall under any of the other FATCA classifications. These entities do not carry on a business of a financial institution.

HSBC needs to understand the ownership of such entities to determine whether reporting under FATCA applies in respect of owners of a Passive NFFE.

DISCLAIMER

This document is intended solely for the customers of HSBC Bank plc, HSBC Trust Company (UK) Limited, HSBC Global Asset Management (UK) Limited to whom it is sent and not for any other person. It is a summary for information purposes only and general in nature. It should not be considered as tax or legal advice. Each of HSBC Bank plc, HSBC Trust Company (UK) Limited and HSBC Global Asset Management (UK) Limited make no guarantee of its accuracy and completeness and is not responsible for any errors, nor shall any member of the HSBC Group be liable for any loss that results from reliance upon this information based on FATCA legislation as at 30 June 2014. Customers should seek professional legal and tax advice specific to their own situation.