

GLOSSARY – Summary Descriptions of Select Defined Terms

Note: These are selected summaries of defined terms provided to assist you with the completion of this form. Further details can be found within the OECD “*Common Reporting Standard for Automatic Exchange of Financial Account Information*” (the “CRS”), the associated “*Commentary*” to the CRS, and domestic guidance. This can be found at the OECD automatic exchange of information portal <https://www.oecd.org/tax/automatic-exchange/> . If you have any questions then please contact your tax adviser or domestic tax authority.

“Account Holder”

The “Account Holder” is the person listed or identified as the holder of a Financial Account by the Financial Institution that maintains the account. This is regardless of whether such person is a flow-through Entity. Thus, for example, if a trust or an estate is listed as the holder or owner of a Financial Account, the trust or estate is the Account Holder, rather than the trustee or the trust’s owners or beneficiaries. Similarly, if a partnership is listed as the holder or owner of a Financial Account, the partnership is the Account Holder, rather than the partners in the partnership. 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, and such other person is treated as holding the account.

“Active NFE”

“Active NFE” means any NFE that meets any of the following criteria:

- a) (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.

"Control"

"Control" over an Entity is generally exercised by the natural person(s) who ultimately has a controlling ownership interest (typically on the basis of a certain percentage (e.g. 25%)) in the Entity. Where no natural person(s) exercises control through ownership interests, the Controlling Person(s) of the Entity will be the natural person(s) who exercises control of the Entity through other means. Where no natural person(s) is/are identified as exercising control of the Entity through ownership interests, then under the CRS the Reportable Person is deemed to be the natural person who holds the position of senior managing official.

"Controlling Person(s)"

"Controlling persons" means:

(a) For companies and cooperative societies the ultimate beneficial owner, which is the natural person(s) who ultimately owns or controls a legal entity through direct or indirect ownership; a percentage of 10% plus one share is deemed sufficient to meet this criterion, as defined by the Prevention and Suppression of Money Laundering Law (Law 188(I)/2007) and the relevant Directives of the Central Bank of Cyprus:

Where no natural person(s) is identified as exercising control of the Entity, the Controlling Person(s) of the Entity will be natural persons(s) who holds the position of senior managing official except for entities that are (or are majority owned subsidiaries of) an entity that is listed on a stock exchange and is subject to market regulation and disclosure requirements to ensure adequate transparency of beneficial ownership.

(b) For Unions, Administrative Committees, Foundations, Clubs, Associations and Fund Raising Committees, means the members of the Board of Directors/Committee and administrators of accounts.

(c) For trusts accounts the Settlor(s), trustee(s), the protector(s) (if any), the beneficiary(ies) or classes of beneficiaries and any other natural person(s) exercising ultimate effective control over the trust.

Controlling Persons of a trust,

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 (including through a chain of control or ownership). The settlor(s), the trustee(s), the protector(s) (if any), and the beneficiary(ies) or class(es) of beneficiaries, must always be treated as Controlling Persons of a trust, regardless of whether or not any of them exercises control over the activities of the trust.

Where the settlor(s) of a trust is an Entity then the CRS requires Financial Institutions to also identify the Controlling Persons of the settlor(s) and when required report them as Controlling Persons of the trust.

In the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions.

"Custodial Institution"

"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:

- (a) 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
- (b) the period during which the Entity has been in existence.

"Depository Institution"

The term "Depository Institution" means any Entity that accepts deposits in the ordinary course of a banking or similar business.

"FATCA"

FATCA stands for the U.S. provisions commonly known as the Foreign Account Tax Compliance Act, which were enacted into U.S. law as part of the Hiring Incentives to Restore Employment (HIRE) Act on March 18, 2010. FATCA creates a new information reporting and withholding regime for payments made to certain non-U.S. financial institutions and other non-U.S. entities.

"Entity"

The term "Entity" means a legal person or a legal arrangement, such as a corporation, organisation, partnership, trust or foundation. This term covers any person other than an individual (i.e. a natural person).

"Financial Account"

"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 (a) above, 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 11; 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.

"Financial Institution"

The term "Financial Institution" means a "Custodial Institution", a "Depository Institution", an "Investment Entity", or a "Specified Insurance Company".

"Investment Entity"

"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, 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:

An Entity is treated as primarily conducting as a business one or more of the activities described in subparagraph (a) above, or an Entity's gross income is primarily attributable to investing, reinvesting, or trading in Financial Assets for purposes of the current subparagraph, 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.

(c) The term "Investment Entity" does not include an Entity that is an Active NFE according to the subparagraphs (d)-(g).

"Investment Entity located in a Non-Participating Jurisdiction and managed by another Financial Institution"

The term "Investment Entity located in a Non-Participating Jurisdiction and managed by another Financial Institution" means any Entity the gross income of which is primarily attributable to investing, reinvesting, or trading in Financial Assets if the Entity is (i) managed by a Financial Institution and (ii) not a Participating Jurisdiction Financial Institution.

"Investment Entity managed by another Financial Institution"

"An Entity is "managed by" another Entity if the managing Entity performs, either directly or through another service provider on behalf of the managed Entity, any of the activities or operations described in clause (i) above in the definition of 'Investment Entity'.

An Entity only manages another Entity if it has discretionary authority to manage the other Entity's assets (either in whole or part). Where an Entity is managed by a mix of Financial Institutions, NFEs or individuals, the Entity is considered to be managed by another Entity that is a Depository Institution, a Custodial Institution, a Specified Insurance Company, or the first type of Investment Entity, if any of the managing Entities is such another Entity.

"NFE"

An "NFE" is any Entity that is not a Financial Institution.

"Non-Reporting Financial Institution"

"Non Reporting Cyprus 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 Specific 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 (a) and (b) above of the decree, 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 1 of the MCAA with respect to all Reportable Accounts of the trust.

"Participating Jurisdiction"

"Participating Jurisdiction" means a jurisdiction (EU country or a third country) which has committed itself to apply the standard for the automatic exchange of financial account information

"Participating Jurisdiction Financial Institution"

(a) 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

(b) any branch of a Financial Institution that is not Resident in a Participating Jurisdiction if that branch is located in such Participating Jurisdiction.

“Passive NFE”

“Passive NFE” means any:

- (i) NFE that is not an Active NFE; or
- (ii) an Investment Entity as described under the definition of Investment Entity, paragraph (b) that is not a Participating Jurisdiction Financial Institution.

“Related Entity”

“Related Entity” of another Entity if: (i) either Entity controls the other Entity, or (ii) the two Entities are under common control or (iii) the two Entities are Investment Entities and the gross income of both is primarily attributable to investing, reinvesting, or trading in financial assets, if the Entity is managed by another Entity that is a Depository Institution, Custodial Institution, a Specified Insurance Company, or another Investment Entity. For this purpose control includes direct or indirect ownership of more than 50% of the vote and value in an Entity.

“Reportable Account”

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.

“Reportable Jurisdiction”

“Reportable Jurisdiction” means a jurisdiction:

- (a) with which an agreement is in place pursuant to which there is an obligation in place to exchange information
- (b) which is identified in the Participating Jurisdictions Published List.

“Reportable Jurisdiction Person”

“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.

“Reportable Person”

1. A **“Reportable Person”** is defined as a **“Reportable Jurisdiction Person”**, other than:
 - (a) a corporation the stock of which is regularly traded on one or more established securities markets;
 - (b) any corporation that is a Related Entity of a corporation described in clause (i);
 - (c) a Governmental Entity;
 - (d) an International Organisation;
 - (e) a Central Bank; *or*
 - (f) a Financial Institution
2. A Reportable Person is an individual (or entity) that is tax resident in a Reportable Jurisdiction under the laws of that jurisdiction. The Account Holder will normally be the **“Reportable Person”**; however, in the case of an Account Holder that is a Passive NFE, a Reportable Person also includes any Controlling Persons who are tax resident in a Reportable Jurisdiction. Dual resident individuals may rely on the tiebreaker rules contained in tax conventions (if applicable) to solve cases of double residence for purposes of determining their residence for tax purposes.

“Reporting Cyprus Financial institution”

“Reporting Cyprus Financial institution” means a person that carries on activities in Cyprus such as:

- (a) an Authorised Credit Institution as set out in section 2 of the Business of Credit Institutions law of 1997, as amended;
- (b) Investment Entity that is regulated by the Cyprus Securities and Exchange Commission;
- (c) a Custodial Institution;
- (d) “Specified Insurance Company” which is registered according to the Law on Insurance Services and Other Related Issues.

“Resident for tax purposes”

Each jurisdiction has its own rules for defining tax residence, and jurisdictions have provided information on how to determine whether an entity is tax resident in the jurisdiction on the OECD automatic exchange of information portal. Generally, an Entity will be resident for tax purposes in a jurisdiction if, under the laws of that jurisdiction (including tax conventions), it pays or should be paying tax therein by reason of his domicile, residence, place of management or incorporation, or any other criterion of a similar nature, and not only from sources in that jurisdiction. Dual resident Entities may rely on the tiebreaker rules contained in tax conventions (if applicable) to solve cases of double residence for determining their residence for tax purposes. 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. For additional information on tax residence, please talk to your tax adviser or see the OECD automatic exchange of information portal.

“Specified Insurance Company”

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.

“TIN” (including “functional equivalent”)

The term “TIN” means Taxpayer Identification Number or a functional equivalent in the absence of a TIN. A TIN is a unique combination of letters or numbers assigned by a jurisdiction to an individual or an Entity and used to identify the individual or Entity for the purposes of administering the tax laws of such jurisdiction. Further details of acceptable TINs can be found at the OECD automatic exchange of information portal. <https://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-identification-numbers/>

Some jurisdictions do not issue a TIN. However, these jurisdictions often utilise some other high integrity number with an equivalent level of identification (a “functional equivalent”). Examples of that type of number include, for Entities, a Business/company registration code/number.