

FATCA Active decision tree – Glossary

<p>A US Person Including Specified and Other</p>	<p>A US person means:</p> <ul style="list-style-type: none"> • An individual who is a US citizen or US resident alien • A partnership, corporation, company, or association created or organised in the US or under the laws of the US • An estate (other than a foreign estate), or • A domestic trust <p>The term 'Specified US person' means any US person (definition above) other than:</p> <ol style="list-style-type: none"> a) a corporation the stock of which is regularly traded on one or more established securities markets for a calendar year; b) any corporation which is a member of the same expanded affiliated group as a corporation the stock of which is regularly traded on one or more established securities markets for the calendar year; c) any entity exempt from taxation under US federal tax law or an individual retirement plan; d) the United States or any wholly owned agency or instrumentality thereof; e) any state, the District of Columbia, any US territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; f) any bank incorporated and doing business under the laws of the United States (including laws relating to the District of Columbia) or of any state thereof; g) any real estate investment trust; h) any regulated investment company, or any entity registered with the Securities Exchange Commission under the Investment Company Act of 1940; i) any common trust fund; j) any trust that is exempt from tax or is deemed a charitable trust; k) a dealer in securities, commodities, or derivative financial instruments that is registered as such under the laws of the United States or any state; l) a broker; m) any tax exempt trust under a tax exempt or public school annuity plan or governmental plan. <p>An "Other US Person" is:</p> <p>The term Other US Person should be taken to mean a US Person who does not meet the definition of a Specified US Person, as set out above (i.e. any US Person meeting the criteria set out in points (a) to (m) above).</p>
<p>A Foreign Financial Institution</p>	<p>An FFI is an entity that is a non US financial institution. For these purposes, a foreign financial institution is any entity that:</p> <ul style="list-style-type: none"> • Accepts deposits in the ordinary course of a banking or similar business; • Holds the "financial assets" of others as a "substantial portion" of its business; • Engages (or holds itself out as being engaged) primarily in the business of "investing, reinvesting or trading in securities, partnership interests, commodities," or interests in the above or • Certain insurance companies that issue or are obligated to make payments with respect to financial accounts, which include certain cash value insurance contracts and annuity contracts. <p>• Examples are one or more of the following: depository institution, custodian institution, investment entity, specified insurance company or holding company and treasury centre of a financial group.</p> <p>Deemed Compliant Foreign Financial Institution</p> <p>There are two types:</p> <ul style="list-style-type: none"> • Registered deemed-compliant – an FFI that registers with the USA to declare its status. Includes certain local banks, non-reporting members of participating FFI groups, qualified collective investment vehicles, restricted

	<p>funds, and FFIs that comply with FATCA requirements under an agreement between the U.S. and the Government of a Participating Country.</p> <ul style="list-style-type: none"> • Certified deemed-compliant – an FFI that is not required to register with the USA and certifies its status by providing a withholding agent with a valid Form W-8. Includes non-registered local banks, retirement plans, non-profit organizations, FFIs with only low-value accounts, and certain owner-documented FFIs. <p>Excepted Foreign Financial Institution Entities which are excluded from the FFI definition including:</p> <ul style="list-style-type: none"> • Holding companies engaged in non-FI business • Start-up companies for non-financial business • Liquidating or reorganizing non-financial entities • Group hedge/financial company which is non-financial and restricted to affiliates • Organized in U.S. Territory <p>Global Intermediary Identification Number (GIIN)</p> <ul style="list-style-type: none"> • As a Foreign Financial Institution you may have multiple GIINs – the GIIN we would like you to share is the one relevant to the account you have been contacted about. The GIIN is 19 alpha numeric characters long. • The IRS FFI list is updated on a monthly basis to add or remove FFIs (or their branches). • The GIIN may be used by an FFI to identify itself to withholding agents and tax administrations for FATCA reporting. • A GIIN will be issued to only those FIs that are not Limited FIs, limited branches, or US branches of an FFI, and will be issued after an FFI's FATCA registration is submitted and approved (or their branches). <p>Participating Foreign Financial Institution (PFFI) PFFI is an FFI that has agreed to comply with the reporting and withholding requirements contained in the FFI Agreement.</p> <p>Sponsored FFI An entity would be considered a Sponsored FFI if it is an investment entity that has an agreement with a Sponsoring Entity. The term Sponsored FFI Group means a group of Sponsored FFIs that share the same Sponsoring Entity.</p> <p>A Sponsoring Entity is an entity that is authorized to act on behalf of an FFI (the Sponsored FFI) to fulfil the requirements of an FFI Agreement; has registered with the IRS as a Sponsoring Entity and agrees to perform on behalf of the Sponsored FFI all of the due diligence, withholding, reporting, and other requirements that the Sponsored FFI would have been required to perform</p>
Previous Reporting Period / Calendar Year	The standard time period for this question would be the previous Calendar Year (January to December), however, in this circumstance the Entity is permitted to use its own year end timelines which could be any month within the year.
Financial Institution	<p>A Financial Institution is any one of the following:-</p> <ul style="list-style-type: none"> - Custodial Institution Any Entity that holds, as a substantial portion of its business, financial assets for the account of others. A substantial portion is 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 for the shorter of:- a) the 3 year period ending on December 31st (or the final day of a non calendar year accounting period) b) the period in which the Entity has been in existence - Depository Institution Any Entity that accepts deposits in the ordinary course of a banking or similar business - Investment Entity Any Entity that conducts, as a business, (or is managed by such an Entity)

	<p>one or more of the following activities for or on behalf of a Customer:-</p> <ul style="list-style-type: none"> a) Individual and collective portfolio management b) trading in money market instruments (cheques, bills, certificates of deposits, derivatives), foreign exchange, exchange, interest rate and index instruments, transferable securities or commodity futures trading c) investing, administering or managing funds or money on behalf of other persons <p>- Specified Insurance Company Any Entity that is an Insurance Company (or the holding company of one) that issues or is obligated to make payments with respect to a Cash Value Insurance Contract or an Annuity Contract</p>
<p>Passive Income</p>	<p>The term “passive income” means the portion of gross income that consists of-</p> <ul style="list-style-type: none"> 1. Dividends, including substitute dividend amounts; 2. Interest; 3. Income equivalent to interest, including substitute interest and amounts received from or with respect to a pool of insurance contracts if the amounts received depend in whole or part upon the performance of the pool; 4. Rents and royalties, other than rents and royalties derived in the active conduct of a trade or business conducted, at least in part, by employees of the NFFE; 5. Annuities; 6. The excess of gains over losses from the sale or exchange of property that gives rise to passive income described in items 1 to 5; 7. The excess of gains over losses from transactions (including futures, forwards, and similar transactions) in any commodities, but not including— <ul style="list-style-type: none"> (i) Any commodity hedging transaction described in section 954(c)(5)(A) of the U.S. Revenue Code, determined by treating the entity as a controlled foreign corporation; or (ii) Active business gains or losses from the sale of commodities, but only if substantially all the foreign entity’s commodities are property described in paragraph (1), (2), or (8) of section 1221(a) of the U.S. Revenue Code; 8. The excess of foreign currency gains over foreign currency losses; 9. Net income from “notional principle contracts”. These are financial instruments that provide for the payment of amounts by one party to another at specified intervals calculated by reference to a specified index upon a notional principal amount in exchange for specified consideration or a promise to pay similar amounts (NB: in the UK this would normally be a swap); 10. Amounts received under cash value insurance contracts; or 11. Amounts earned by an insurance company in connection with its reserves for insurance and annuity contracts. <p>However, the following amounts are excluded from any calculation of Passive Income</p> <ul style="list-style-type: none"> 1. 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. For purposes of this section, a person is a related person with respect to the NFFE if— <ul style="list-style-type: none"> (A) such person is an individual, corporation, partnership, trust, or estate which controls, or is controlled by, the NFFE, or (B) such person is a corporation, partnership, trust, or estate which is controlled by the same person or persons which control the NFFE. 2. In the case of an NFFE that regularly acts as a dealer in property described in item 6 above of this section (referring to the sale or exchange of property that gives rise to passive income), forward contracts, option contracts, or similar financial instruments (including notional principal contracts and all instruments referenced to commodities) <ul style="list-style-type: none"> (i) Any item of income or gain (other than any dividends or interest) from any transaction (including hedging transactions and transactions involving physical settlement) entered into in the ordinary course of such dealer’s trade or business as such a dealer; and

	(ii) If such dealer is a dealer in securities, any income from any transaction entered into in the ordinary course of such trade or business as a dealer in securities.
Established Securities Market	An Exchange that is officially recognised and supervised by a governmental authority in which the market is located and that has a meaningful annual value of shares traded on the exchange, for example the FTSE 100
US Territory	A District, region or division that is under the supervision of the United States Federal Government. The extent of territory is all the area belonging to and under the dominion of the United States of America Federal Government for administrative and other purposes. These are:- - American Samoa - The Commonwealth of the Northern Mariana Islands - Guam - The Commonwealth of Puerto Rico - The U.S Virgin Islands
Bona Fide Residents	A Bona Fide Resident is generally a resident of a foreign country or countries for an uninterrupted period that includes an entire tax year. To see if you come under this classification you can use the bona fide residence test found on the IRS Website
Excepted NFFE	Excepted NFFEs include, among other things, a direct reporting NFFE and a sponsored direct reporting NFFE. In addition, to correct an oversight, the definition of excepted. For further information please refer to the relevant USA Treasury Regulations
Investment Fund	An example of an Investment Fund would be:- - Private Equity Fund - Venture Capital Fund - Leveraged Buyout Fund Or any other Investment Vehicle whose purpose it is to acquire or fund companies and hold interest in those companies as capital assets for investment purposes
Related Entity	An Entity is a Related Entity if one of the following is true:- - Either Entity controls the other Entity - The two Entities are under common control In this purpose, control includes direct or indirect ownership of more than 50% of the vote or value of an Entity. Furth to this, the United Kingdom Competent Authority may treat an Entity as not a Related Entity of another Entity if the 2 Entities are not members of the same expanded affiliated group as defined in section 1471 (e) (2) of the US Internal Revenue Code
Non US Government	Any Government that does not form part of the United States Federal Government
International Organisation	An international organization is an organization with an international membership, scope, or presence. There are two main types:- - An International Non-governmental Organisation (INGO) is an organisation with no ties to one or more governments around the world, an example of an INGO would be the International Committee of the Red Cross - An International Governmental Organisation (IGO) is an organisation that is closely related to a government or is made up primarily of 'sovereign states' ,an example of an IGO would be the United Nations or the World Trade Organisation
Non US Central Bank of Issue	A countries central bank of issue that is not constituted as the United States Central Bank of Issue, an example of this would be:- - The Bank of England - Central Bank of Ireland
Passive NFFE	A passive NFFE is an NFFE that is not an Active NFFE. A passive NFFE is an entity that primarily earns passive income (e.g., interest, dividends, rents, royalties, etc). An entity primarily earns passive income if 50% or more of its gross income over the last three-year period is passive income. If you have reached this classification status but do not agree with it, we would recommend that you seek independent support and information from a Tax Advisor
Other Tax Status	A full definition of all the FATCA Tax Status's that an Entity could be can be

	found using the following links:
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UK - <https://www.gov.uk/government/organisations/hm-revenue-customs>

Ireland - <http://www.revenue.ie/en/index.html>