

**AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF GIBRALTAR TO IMPROVE INTERNATIONAL TAX COMPLIANCE**

Whereas, the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Gibraltar (each, a “Party”) have an ongoing relationship with respect to mutual assistance in tax matters and desire to conclude an agreement to improve international tax compliance by further building on that relationship;

Whereas, Articles 5, 5a and 5b of the 2009 Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Gibraltar for the exchange of information relating to taxes (the “TIEA”) authorise exchange of information for tax purposes, including on an automatic basis;

Whereas, both Parties are committed to compliance with international standards of transparency and exchange of information for tax purposes and are supportive of improving tax compliance;

Whereas, the Parties are committed to working together over the longer term towards achieving common reporting and due diligence standards for financial institutions;

Whereas, the Parties are committed to promoting a new single global standard in the automatic exchange of tax information and will look to align this agreement to that new global standard in due course;

Whereas, the Parties desire to conclude an agreement to improve international tax compliance based on domestic reporting and reciprocal automatic exchange of information pursuant to the TIEA and subject to the confidentiality and other protections provided for therein, including the provisions limiting the use of the information exchanged under the TIEA;

Now, therefore, the Parties have agreed as follows:

ARTICLE 1

**Definitions**

1. For purposes of this agreement and any annexes thereto (“Agreement”), the following terms shall have the meanings set forth below:

- a) The term “**United Kingdom**” means Great Britain and Northern Ireland, including any area outside the territorial sea of the United Kingdom which in accordance with international law has been or may hereafter be designated, under the laws of the United Kingdom concerning the Continental Shelf, as an area within which the rights of the United Kingdom with respect to the sea bed and sub-soil and their natural resources may be exercised.
- b) The term “**Gibraltar**” means the territory of Gibraltar.

- c) The term “**TIEA**” means the 2009 Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Gibraltar for the exchange of information relating to taxes, as amended from time to time or such successor arrangement as may henceforth be agreed between the Parties. References to paragraphs of the TIEA shall be read as references to the paragraphs of the TIEA as amended from time to time or to such equivalent provisions contained in any successor arrangement.
- d) The term “**HMRC**” means Her Majesty’s Revenue and Customs.
- e) The term “**Competent Authority**” means:
  - (1) in the case of the United Kingdom, the Commissioners for HMRC or their authorised representative; and
  - (2) in the case of Gibraltar, the Chief Secretary or such other official as the Minister of Finance may appoint.
- f) The term “**U.S. Treasury Regulations**” means the U.S. Regulations Relating to Information Reporting by Foreign Financial Institutions and Withholding on Certain Payments to Foreign Financial Institutions and Other Foreign Entities. In the event that these Regulations are amended, then the term “U.S. Treasury Regulations” shall mean the amended Regulations where both Parties agree that any or all of the amendments should apply.
- g) The term “**Financial Institution**” means a Custodial Institution, a Depository Institution, an Investment Entity, or a Specified Insurance Company.
- h) 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 percent 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.
- i) The term “**Depository Institution**” means any Entity that accepts deposits in the ordinary course of a banking or similar business.
- j) The term “**Investment Entity**” means any Entity that conducts as a business (or is managed by an Entity that conducts as a business) one or more of the following activities or operations for or on behalf of a customer:
  - (1) 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;

- (2) individual and collective portfolio management; or
- (3) otherwise investing, administering, or managing funds or money on behalf of other persons.

This subparagraph 1(j) 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.

- k) 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.
- l) The term “**United Kingdom Financial Institution**” means (i) any Financial Institution resident in the United Kingdom, but excluding any branches of such Financial Institution that are located outside the United Kingdom, and (ii) any branch of a Financial Institution not resident in the United Kingdom, if such branch is located in the United Kingdom.
- m) The term “**Gibraltar Financial Institution**” means (i) any Financial Institution resident in Gibraltar, but excluding any branches of such Financial Institution that are located outside Gibraltar, and (ii) any branch of a Financial Institution not resident in Gibraltar, if such branch is located in Gibraltar.
- n) The term “**Reporting Financial Institution**” means a Reporting United Kingdom Financial Institution or a Reporting Gibraltar Financial Institution, as the context requires.
- o) The term “**Reporting United Kingdom Financial Institution**” means any United Kingdom Financial Institution that is not a Non-Reporting Financial Institution.
- p) The term “**Reporting Gibraltar Financial Institution**” means any Gibraltar Financial Institution that is not a Non-Reporting Financial Institution.
- q) The term “**Non-Reporting Financial Institution**” means any Financial Institution, or other Entity resident in the United Kingdom or Gibraltar that is described in Annex II for the United Kingdom or Annex III for Gibraltar as a Non-Reporting Financial Institution, other than a Sponsored Investment Entity or a Sponsored Closely Held Investment Vehicle where the sponsoring entity has failed to comply with the obligations contained in subparagraph B.2. or C.5. of section III of Annex III.

- r) The term “**Financial Account**” means an account maintained by a Financial Institution, and includes:
- (1) in the case of an Entity that is a Financial Institution solely because it is an Investment Entity, any equity or debt interest (other than interests that are regularly traded on an established securities market) in the Financial Institution;
  - (2) in the case of a Financial Institution not described in subparagraph 1(r)(1) of this Article, any equity or debt interest in the Financial Institution (other than interests that are regularly traded on an established securities market), if the class of interests was established with a purpose of avoiding reporting in accordance with this Agreement; and
  - (3) any Cash Value Insurance Contract and any Annuity Contract issued or maintained by a Financial Institution, other than a noninvestment-linked, nontransferable immediate life annuity that is issued to an individual and monetises a pension or disability benefit provided under an account, product, or arrangement that is excluded from the definition of Financial Account in Annex II for the United Kingdom or Annex III for Gibraltar.

Notwithstanding the foregoing, the term “Financial Account” does not include any account, product, or arrangement that is excluded from the definition of Financial Account in Annex II for the United Kingdom or Annex III for Gibraltar.

- s) 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 generally includes an amount held by an insurance company under an agreement to pay or credit interest thereon.
- t) The term “**Custodial Account**” means an account (other than an Insurance Contract or Annuity Contract) for the benefit of another person that holds any financial instrument or contract held for investment (including, but not limited to, a share or stock in a corporation, a note, bond, debenture, or other evidence of indebtedness, a currency or commodity transaction, a credit default swap, a swap based upon a nonfinancial index, a notional principal contract, an Insurance Contract or Annuity Contract, and any option or other derivative instrument).

- u) 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 Specified Person shall be treated as being a beneficiary of a trust if such Specified 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.
- v) 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.
- w) 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.
- x) 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.
- y) 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 as:
  - (1) a personal injury or sickness benefit or other benefit providing indemnification of an economic loss incurred upon the occurrence of the event insured against;
  - (2) a refund to the policyholder of a previously paid premium under an Insurance Contract (other than under a life insurance contract) due to policy cancellation or termination, decrease in risk exposure during the effective period of the Insurance Contract, or arising from a redetermination of the premium due to correction of posting or other similar error; or
  - (3) a policyholder dividend based upon the underwriting experience of the contract or group involved.
- z) The term “**Preexisting Account**” means a Financial Account maintained by a Reporting Financial Institution as of 30 June 2014.

- aa) The term “**Reportable Account**” means a United Kingdom Reportable Account or a Gibraltar Reportable Account, as the context requires.
- bb) The term “**United Kingdom Reportable Account**” means a Financial Account maintained by a Reporting Gibraltar Financial Institution and held by one or more Specified United Kingdom Persons or by a non-United Kingdom Entity with one or more Controlling Persons that is a Specified United Kingdom Person. Notwithstanding the foregoing, an account shall not be treated as a United Kingdom Reportable Account if such account is not identified as a United Kingdom Reportable Account after application of the due diligence procedures in Annex I.
- cc) The term “**Gibraltar Reportable Account**” means a Financial Account maintained by a Reporting United Kingdom Financial Institution and held by one or more Specified Gibraltar Persons or by a non-Gibraltar Entity with one or more Controlling Persons that is a Specified Gibraltar Person. Notwithstanding the foregoing, an account shall not be treated as a Gibraltar Reportable Account if such account is not identified as a Gibraltar Reportable Account after application of the due diligence procedures in Annex I.
- dd) 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 adviser, or intermediary, is not treated as holding the account for the purposes of this Agreement, 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.
- ee) The term “**Specified Person**” means a Specified United Kingdom Person or a Specified Gibraltar Person, as the context requires.
- ff) The term “**Specified United Kingdom Person**” means a person or Entity who is resident in the United Kingdom for tax purposes, and includes a person or Entity who is resident in both the United Kingdom and Gibraltar under the respective domestic law of each Party, other than: (i) a corporation the stock of which is regularly traded on one or more established securities markets; (ii) a corporation that is a member of the same affiliated group, as defined in Section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in (i) above; (iii) a Depository Institution; (iv) a broker or dealer in securities, commodities, or derivative financial instruments (including notional principle contracts, futures, forwards, and options) that is registered as such under the laws of the United Kingdom; or (v) an exempt beneficial owner as defined in Annex II.

- gg) The term “**Specified Gibraltar Person**” means a person or Entity who is resident in Gibraltar for tax purposes, and includes a person or Entity who is resident in both Gibraltar and the United Kingdom under the respective domestic law of each Party, other than: (i) a corporation the stock of which is regularly traded on one or more established securities markets; (ii) a corporation that is a member of the same affiliated group, as defined in Section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in (i) above; (iii) a Depository Institution; (iv) a broker or dealer in securities, commodities, or derivative financial instruments (including notional principle contracts, futures, forwards, and options) that is registered as such under the laws of Gibraltar; or (v) an exempt beneficial owner as defined in Annex III.
- hh) The term “**Entity**” means a legal person or a legal arrangement such as a trust, partnership or limited liability partnership. An Entity such as a partnership, limited liability partnership or similar arrangement shall be resident in a Party if the control and management of the business takes place in that Party.
- ii) The term “**Non-United Kingdom Entity**” means an Entity that is not a person or Entity who is resident in the United Kingdom for tax purposes.
- jj) The term “**Non-Gibraltar Entity**” means an Entity that is not a person or Entity who is resident in Gibraltar for tax purposes.
- kk) 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 percent of the vote or value in an Entity. Notwithstanding the foregoing, either Party may treat an Entity as not a related entity if the two Entities are not members of the same affiliated group, as defined in Section 1471(e)(2) of the U.S. Internal Revenue Code.
- ll) 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, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person 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” shall be interpreted in a manner consistent with the Recommendations of the Financial Action Task Force.

2. Any term not otherwise defined in this Agreement shall, unless the context otherwise requires or the Competent Authorities agree to a common meaning (as permitted by domestic law), have the meaning that it has at that time under the law of the Party applying the Agreement, any meaning under the applicable tax laws of that Party prevailing over a meaning given to the term under other laws of that Party.

3. Notwithstanding paragraphs 1 and 2 of Article 1, and the definitions provided in the Annexes to this Agreement, in implementing this Agreement either Party may use, and may permit its Financial Institutions to use, any definition in the relevant U.S. Treasury Regulations instead of the corresponding definition in this Agreement in so far as they have been accepted by both Parties provided that such use would not frustrate the purposes of this Agreement.

## ARTICLE 2

### **Obligations to Obtain and Exchange Information with Respect to Reportable Accounts**

1. Subject to the provisions of Article 3, each Party, shall obtain the information specified in paragraph 2 of this Article with respect to all Reportable Accounts and shall annually exchange this information with the other Party on an automatic basis pursuant to the provisions of Paragraph 5a of the TIEA.

2. The information to be obtained and exchanged is:

a) With respect to each Reportable Account of each Reporting Financial Institution:

- (1) the name, address, date of birth and, where available, the National Insurance or Social Security Number that is allocated by the other Party for each Specified Person that is an Account Holder of such account and, in the case of an Entity that, after application of the due diligence procedures set forth in Annex I, is identified as having one or more Controlling Persons that is a Specified Person in the other Party, the name and address of such Entity and the name, address, date of birth and, where available, the National Insurance or Social Security Number that is allocated by the other Party for each such Specified Person;
- (2) the account number (or functional equivalent in the absence of an account number);
- (3) the name of the Reporting Financial Institution and, where provided when registering with the U.S. Internal Revenue Service for FATCA purposes, the Global Intermediary Identification Number (GIIN). Where the Reporting Financial Institution does not have a GIIN the local tax identification number of the Reporting Financial Institution must be reported instead;
- (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, immediately before closure;



- (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 property 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 2.a)(5) or 2.a)(6) of this Article, 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.

### ARTICLE 3

#### **Time and Manner of Exchange of Information**

1. For purposes of the exchange obligation in Article 2, the amount and characterisation of payments made with respect to a United Kingdom Reportable Account may be determined in accordance with the principles of Gibraltar's tax laws, and the amount and characterisation of payments made with respect to a Gibraltar Reportable Account may be determined in accordance with the principles of the United Kingdom's tax laws.
2. For purposes of the exchange obligation in Article 2, the information exchanged shall identify the currency in which each relevant amount is denominated.
3. With respect to paragraph 2 of Article 2, information is to be obtained and exchanged with respect to 2014 and all subsequent years, except that:
  - a) the information to be obtained and exchanged with respect to 2014 is only the information described in subparagraphs 2.a)(1) to 2.a)(4) of this Agreement;

- b) the information to be obtained and exchanged with respect to 2015 is the information described in subparagraphs 2.a)(1) to 2.a)(7), except for gross proceeds described in subparagraph 2.a)(5)(B) of Article 2 of this Agreement; and
- c) the information to be obtained and exchanged with respect to 2016 and subsequent years is the information described in subparagraphs 2.a)(1) to 2.a)(7) of Article 2 of this Agreement.

4. Subject to paragraph 3 of this Article, the information described in Article 2 shall be exchanged within nine months after the end of the calendar year to which the information relates. Notwithstanding the foregoing, the information that relates to calendar year 2014 shall be exchanged no later than 30 September 2016.

5. Unless otherwise agreed, the information to be exchanged under Article 2 will be provided in the agreed format to be used when complying with the agreements between the Government of the United Kingdom and the Government of Gibraltar, as the context requires, and the Government of the United States of America to Improve International Tax Compliance and to Implement FATCA.

6. The Competent Authorities of each Party shall enter into an agreement under the mutual agreement procedure provided for in Paragraph 5a of the TIEA, which shall:

- a) establish the procedures for the automatic exchange obligations described in Article 2; and
- b) prescribe rules and procedures as may be necessary to implement Article 4.

7. All information exchanged shall be subject to the confidentiality and other protections provided for in Paragraph 5a of the TIEA, including the provisions limiting the use of the information exchanged.

#### ARTICLE 4

##### **Collaboration on Compliance and Enforcement**

1. **Minor and Administrative Errors.** Subject to any further terms set forth in a competent authority agreement executed pursuant to paragraph 6 of Article 3, a Competent Authority may make an inquiry directly to a Reporting Financial Institution in the other jurisdiction where it has reason to believe that administrative errors or other minor errors may have led to incorrect or incomplete information reporting or resulted in other infringements of this Agreement. The competent authority agreement may provide that a Competent Authority shall notify the Competent Authority of the other Party when the first-mentioned Competent Authority makes such an inquiry of a Reporting Financial Institution in the other jurisdiction regarding the Reporting Financial Institution's compliance with the conditions set forth in this Agreement.

2. **Significant Non-Compliance.** A Competent Authority shall notify the Competent Authority of the other Party when the first-mentioned Competent Authority has determined that there is significant non-compliance with the obligations under this Agreement with respect to a Reporting Financial Institution in the other jurisdiction. The Competent Authority of such other Party shall apply its domestic law (including applicable penalties) to address the significant non-compliance described in the notice in a timely manner.
3. **Reliance on Third Party Service Providers.** Each Party may allow Reporting Financial Institutions to use third party service providers to fulfil the obligations imposed on them by a Party, as contemplated in this Agreement, but these obligations shall remain the responsibility of the Reporting Financial Institutions.
4. **Prevention of Avoidance.** The Parties shall:
  - a) support the full and effective implementation of this Agreement including through any changes to domestic legislation or administrative practice;
  - b) implement, as necessary, requirements to prevent Financial Institutions, any persons or intermediaries from adopting practices intended to circumvent the reporting required under this Agreement. This shall include legislation with the equivalent effect, and introduced to the same timetable as, that required by any agreement each Party has with Government of the United States of America to Improve International Tax Compliance and to Implement FATCA.

## ARTICLE 5

### **Mutual Commitment to Continue to Enhance the Effectiveness of Information Exchange and Transparency**

1. **Development of Common Reporting and Exchange Model.** The Parties are committed to working with other partners and the Organisation for Economic Co-operation and Development on adapting the terms of this Agreement to a common model for automatic exchange of information, including the development of reporting and due diligence standards for financial institutions.
2. **Documentation of Accounts Maintained as of 30 June 2014.** With respect to Reportable Accounts that are Pre-existing Accounts maintained by a Reporting Financial Institution, both parties commit to establish, by 1 January 2017, for reporting with respect to 2017 and subsequent years, rules requiring Reporting Financial Institutions to obtain and report the date of birth and National Insurance or Social Security Number for each Account Holder of a Reportable Account as required pursuant to subparagraph 2.a)(1) of Article 2.

ARTICLE 6

**Consistency in the Application of the Agreement**

1. Gibraltar shall be granted the benefit of any more favourable terms afforded to another jurisdiction under a signed bilateral agreement with the United Kingdom pursuant to which the other jurisdiction commits to undertake substantially the same obligations as described in Articles 2 and 3 of this Agreement, and subject to substantially the same terms and conditions as described therein and in Articles 4 to 8 of the Agreement.
2. The United Kingdom shall notify Gibraltar of any more favourable terms and such more favourable terms shall apply automatically under this Agreement as if they were specified in this Agreement and effective as of the date of the entry into force of the agreement incorporating the more favourable terms.
3. The United Kingdom shall be granted the benefit of any more favourable terms afforded to another jurisdiction under a signed bilateral agreement with Gibraltar pursuant to which the other jurisdiction commits to undertake substantially the same obligations as described in Articles 2 and 3 of this Agreement, and subject to substantially the same terms and conditions as described therein and in Articles 4 to 8 of the Agreement.
4. Gibraltar shall notify the United Kingdom of any more favourable terms and such more favourable terms shall apply automatically under this Agreement as if they were specified in this Agreement and effective as of the date of the entry into force of the agreement incorporating the more favourable terms.

ARTICLE 7

**Consultations and Amendments**

1. In case any difficulties in the implementation of this Agreement arise, either Party may request consultations to develop appropriate measures to ensure the fulfilment of this Agreement.
2. This Agreement may be amended by written mutual consent of the Parties. Unless otherwise agreed upon, such an amendment shall enter into force through the same procedures as set forth in Article 9.

ARTICLE 8

**Annexes**

The annexes form an integral part of this Agreement.

ARTICLE 9

**Entry into Force**

The Parties shall notify each other in writing when their necessary internal procedures for entry into force have been completed. The Agreement shall enter into force on the date of the later of these written notifications.

ARTICLE 10

**Termination**

This Agreement shall remain in force until it is terminated by one of the Parties. Either Party may terminate this Agreement by giving written notice of termination. This Agreement shall cease to have effect on the first day of the month following the expiration of a period of 12 months after the date of the notice of termination.

In witness whereof, the undersigned, being duly authorised thereto by their respective Governments, have signed this agreement.

Done at London and Jakarta, in two originals, this 21 day of November, 2013.

FOR THE GOVERNMENT OF THE  
UNITED KINGDOM:

**DAVID GAUKE MP**

FOR THE GOVERNMENT OF  
GIBRALTAR:

**HON. ALBERT ISOLA MP**

**ANNEX I**

**DUE DILIGENCE OBLIGATIONS FOR IDENTIFYING AND REPORTING ON REPORTABLE ACCOUNTS**

**I. General**

- A. Under the Agreement each Party shall require that Reporting Financial Institutions apply the due diligence procedures contained in this Annex I to identify Reportable Accounts.
- B. For the purpose of this Annex I, as it applies to Gibraltar Reporting Financial Institutions, Reportable Account shall be read to mean United Kingdom Reportable Account, Specified Person shall be read to mean United Kingdom Specified Person, a Resident Entity shall be read to be an Entity who is resident in the United Kingdom and Non-Resident Entity shall be read to be an Entity who is not resident in the United Kingdom.
- C. For the purpose of this Annex I, as it applies to United Kingdom Reporting Financial Institutions, Reportable Account shall be read to mean Gibraltar Reportable Account, Specified Person shall be read to mean Gibraltar Specified Person, Resident Entity shall be read to be an Entity who is resident in Gibraltar and Non-Resident Entity shall be read to be an Entity who is not resident in Gibraltar.
- D. For purposes of the Agreement;
  - 1. All dollar amounts are US dollars and shall be read to include the equivalent in other currencies.
  - 2. Except as otherwise provided herein, the balance or value of an account shall be determined as of the last day of the calendar year or other appropriate reporting period.
  - 3. Where a balance or value threshold is to be determined as of 30 June 2014 under this Annex I, the relevant balance or value shall be determined as of the last day of the reporting period ending immediately before 30 June 2014, and where a balance or value threshold is to be determined as of the last day of a calendar year under this Annex I, the relevant balance or value shall be determined as of the last day of the reporting period that ends with or within that calendar year.
  - 4. Subject to subparagraph E.1. of section II of this Annex I, an account shall be treated as a Reportable Account beginning as of the date it is identified as such pursuant to the due diligence procedures in this Annex I.
  - 5. Unless otherwise provided, information with respect to a Reportable Account shall be reported annually in the calendar year following the year to which the information relates.

- E. As an alternative to the procedures described in each section of this Annex I either Party may allow its Reporting Financial Institutions to apply the procedures described in the relevant U.S. Treasury Regulations, in so far as they have been accepted by both Parties, to establish whether an account is a Reportable Account. Either Party may allow its Reporting Financial Institutions to make such an election separately for each section of this Annex I either with respect to all relevant Financial Accounts or, separately, with respect to any clearly identified group of such accounts (such as by line of business or the location of where the account is maintained).

II. **Preexisting Individual Accounts.** The following rules and procedures apply for identifying Reportable Accounts among Preexisting Accounts held by individuals (“Preexisting Individual Accounts”).

- A. **Accounts Not Required to Be Reviewed, Identified or Reported.** Unless the Reporting Financial Institution elects otherwise, either with respect to all Preexisting Individual Accounts or, separately, with respect to any clearly identified group of such accounts, where the implementing rules in the jurisdiction provide for such an election, the following accounts are not required to be reviewed, identified, or reported as Reportable Accounts:

1. Subject to subparagraph E.2. of this section, Preexisting Individual Accounts with a balance or value that does not exceed \$50,000 as of 30 June 2014.
2. Subject to subparagraph E.2. of this section, Preexisting Individual Accounts that are Cash Value Insurance Contracts and Annuity Contracts with a balance or value of \$250,000 or less as of 30 June 2014.
3. Any Depository Account with a balance or value of \$50,000 or less.

- B. **Review Procedures for Preexisting Individual Accounts With a Balance or Value as of 30 June 2014, that Exceeds \$50,000 (\$250,000 for a Cash Value Insurance Contract or Annuity Contract), But Does Not Exceed \$1,000,000 (“Lower Value Accounts”).**

1. **Electronic Record Search.** The Reporting Financial Institution must review electronically searchable data maintained by them for any of the following indicia:
  - a) Identification of the Account Holder as tax resident in the other Party;
  - b) Current mailing or residence address (including a post office box, “in-care-of” or “hold mail” address) in the other Party;
  - c) Currently effective power of attorney or signatory authority granted to a person with an address in the other Party; *and*

- d) For accounts that are not Depository Accounts the Reporting Financial Institution must also review electronically searchable data maintained by them for standing instructions to transfer funds to an account maintained in the other Party.
2. If none of the indicia listed in subparagraph B.1. of this section are discovered in the electronic search, then no further action is required until there is a change in circumstances described in subparagraph C.2. of this section with respect to the account that results in one or more indicia being associated with the account.
3. If any of the indicia in subparagraph B.1. of this section are discovered in the electronic search, then the Reporting Financial Institution must treat the account as a Reportable Account unless subparagraph B.4. applies.
4. Notwithstanding a finding of indicia under subparagraph B.1. of this section, a Reporting Financial Institution is not required to treat an account as a Reportable Account if:
- a) Where Account Holder information contains a current mailing or residence address (including a post office box, “in-care-of” or “hold mail” address) in the other Party, the Reporting Financial Institution obtains or has previously reviewed and maintains a record of:
- (1) a self-certification that the Account Holder is not resident in the other Party for tax purposes; *and*
- (2) *either;*
- (a) a certificate of residence for tax purposes issued by an appropriate official of the country or jurisdiction in which the Account Holder claims to be resident; *or*
- (b) the provision of a local tax identification number of the country or jurisdiction in which the Account Holder claims to be resident, *and*, a passport issued by the jurisdiction in which the Account Holder claims to be resident.
- b) Where Account Holder information contains a currently effective power of attorney or signatory authority granted to a person with an address in the other Party, or in the case of Financial Accounts other than Depository Accounts where Account Holder information contains standing instructions to transfer funds to an account maintained in the other Party, the Reporting Financial Institution obtains or has previously reviewed and maintains a record of:
- (1) a self-certification that the Account Holder is not resident in the other Party for tax purposes; *and*



- (2) documentary evidence, as defined in subparagraph VI.D. of this Annex I, establishing the Account Holder's non-residence status.

C. **Additional Procedures Applicable to Preexisting Individual Accounts That Are Lower Value Accounts.**

1. Review of Preexisting Individual Accounts that are Lower Value Accounts for indicia must be completed by 30 June 2016.
2. If there is a change of circumstances with respect to a Preexisting Individual Account that is a Lower Value Account that results in one or more indicia described in subparagraph B.1. of this section being associated with the account, then Reporting Financial Institution must treat the account as a Reportable Account unless subparagraph B.4. of this section applies.
3. Except for Depository Accounts described in subparagraph A.3. of this section, any Preexisting Individual Account that has been identified as a Reportable Account under this section shall be treated as a Reportable Account in all subsequent years, unless the Account Holder ceases to be a Specified Person.

D. **Enhanced Review Procedures for Preexisting Individual Accounts With a Balance or Value That Exceeds \$1,000,000 as of 30 June 2014, or 31 December of 2015 or Any Subsequent Year ("High Value Accounts").**

1. **Electronic Record Search.** The Reporting Financial Institution must review electronically searchable data maintained by them for any of the indicia described in subparagraph B.1. of this section.
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 D.3. of this section, then no further paper record search is required. If the electronic databases do not capture all of this information, then with respect to High Value Accounts, 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.1. of this section:
  - 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) in the case of Financial Accounts other than Depository Accounts, any standing instructions to transfer funds currently in effect.
3. **Exception Where Databases Contain Sufficient Information.** A Reporting Financial Institution is not required to perform the paper record search described in subparagraph D.2. of this section if the Reporting Financial Institution's electronically searchable information includes the following:
- a) the Account Holder's residence address and mailing address currently on file with the Reporting Financial Institution;
  - b) whether there is a current "in-care-of" address or "hold mail" address for the Account Holder;
  - c) whether there is any power of attorney or signatory authority for the account; *and*
  - 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).
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 Reportable Accounts any High Value Accounts assigned to a relationship manager (including any accounts aggregated with such account) if the relationship manager, has actual knowledge that the Account Holder is a Specified Person.
5. **Effect of Finding Indicia.**
- a) If none of the indicia listed in subparagraph B.1. of this section are discovered in the enhanced review of High Value Accounts described above, and the account is not identified as held by a Specified Person in subparagraph D.4. of this section, then no further action is required until there is a change in circumstances described in subparagraph E.4. of this section.

- b) If any of the indicia listed in subparagraph B.1. of this section 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 unless it elects to apply subparagraph B.4. of this section and one or more of the exceptions in that subparagraph applies with respect to that account.
- c) Except for Depository Accounts described in subparagraph A.3. of this section, any Preexisting Individual Account that has been identified as a Reportable Account under this section shall be treated as a Reportable Account in all subsequent years, unless the Account Holder ceases to be a Specified Person.

**E. Additional Procedures Applicable to High Value Accounts**

1. If a Preexisting Individual Account is a High Value Account as of 30 June 2014, the Reporting Financial Institution must complete the enhanced review procedures described in paragraph D of this section with respect to such account by 30 June 2015. If based on this review such account is identified as a Reportable Account on or before 31 December 2014, the Reporting Financial Institution must report the required information about such account with respect to 2014 in the first report on the Account and on an annual basis thereafter. In the case of an account identified as a Reportable Account after 31 December 2014 and on or before 30 June 2015, the Reporting Financial Institution is not required to report information about such account with respect to 2014, but must report information about the account on an annual basis thereafter.
2. If a Preexisting Individual Account is not a High Value Account as of 30 June 2014, but becomes a High Value Account as of 31 December 2015 or of any subsequent calendar year, the Reporting Financial Institution must complete the enhanced review procedures described in paragraph D of this section with respect to such account within six months after the last day of the calendar 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 Specified Person.
3. Once a Reporting Financial Institution applies the enhanced review procedures described in paragraph D of this section to a High Value Account, the Reporting Financial Institution shall not be required to re-apply such procedures, other than the relationship manager inquiry in subparagraph D.4. of this section, to the same High Value Account in any subsequent year.

4. 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.1. of this section being associated with the account, then the Reporting Financial Institution must treat the account as a Reportable Account unless it elects to apply subparagraph B.4. of this section and one of the exceptions in that subparagraph applies with respect to that account.
5. 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 the other Party, the Reporting Financial Institution shall be required to treat the new address as a change in circumstances and shall be required to obtain the appropriate documentation from the Account Holder.

III. **New Individual Accounts.** The following rules and procedures apply for identifying Reportable Accounts among accounts held by individuals and opened on or after 1 July 2014 (“New Individual Accounts”).

- A. **Accounts Not Required to Be Reviewed, Identified, or Reported.** Unless the Reporting Financial Institution elects otherwise, either with respect to all New Individual Accounts or, separately, with respect to any clearly identified group of such accounts, where the implementing rules in both jurisdictions provide for such an election:
  1. A New Individual Account that is a Depository Account is not required to be reviewed, identified, or reported as a Reportable Account unless the account balance exceeds \$50,000 at the end of any calendar year or other appropriate reporting period.
  2. A New Individual Account that is a Cash Value Insurance Contract is not required to be reviewed, identified, or reported as a Reportable Account unless the Cash Value exceeds \$50,000 at the end of any calendar year or other appropriate reporting period.
- B. **Other New Individual Accounts.** With respect to New Individual Accounts not described in paragraph A of this section, upon account opening, (or within 90 days after the end of the calendar year in which the account ceases to be as described in paragraph A of this section), 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 whether the Account Holder is resident in the other Party 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.
- C. If the self-certification establishes that the Account Holder is resident in the other Party for tax purposes, the Reporting Financial Institution must treat the account as a Reportable Account.

- D. 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 whether the Account Holder is a tax resident in the other Party. If the Reporting Financial Institution is unable to obtain a valid self-certification, the Reporting Financial Institution must treat the account as a Reportable Account.

IV. **Preexisting Entity Accounts.** The following rules and procedures apply for purposes of identifying Reportable Accounts (“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, where the implementing rules in the jurisdiction provide for such an election, Preexisting Entity Accounts with account balances that do not exceed \$250,000 as of 30 June 2014, are not required to be reviewed, identified, or reported as Reportable Accounts until the account balance exceeds \$1,000,000.
- B. **Entity Accounts Subject to Review.** Preexisting Entity Accounts that have an account balance or value that exceeds \$250,000 as of 30 June 2014, and Preexisting Entity Accounts that do not exceed \$250,000 as of 30 June 2014 but the account balance of which exceeds \$1,000,000 as of the 31 December 2015 or any subsequent calendar year, must be reviewed in accordance with the procedures set forth in paragraph C of this section.
- C. **Entity Accounts With Respect to Which Reporting is Required.** With respect to Preexisting Entity Accounts described in paragraph B of this section, only accounts that are held by one or more Entities that are Specified Persons or by Passive NFFEs with one or more Controlling Persons who are Specified 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 of this section, the Reporting Financial Institution must apply the following review procedures to determine whether the account is held by one or more Specified Persons, or by Passive NFFEs with one or more Controlling Persons who are Specified Persons:

1. **Determine Whether the Entity is a Specified 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 Entity Account Holder is a Specified Person. For this purpose, information indicating that the Entity is a Specified Person includes the place of incorporation or organisation, or an address in the other Party.
- b) If the information indicates that the Entity Account Holder is a Specified Person, 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 Specified Person.

2. **Determine Whether a Non-Resident Entity is a Financial Institution.**

- 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 Non-Resident Entity Account Holder is a Financial Institution.
- b) If the information indicates that the Non-Resident Entity Account Holder is a Financial Institution, then the account is not a Reportable Account.

3. **Determine Whether an Account Held by an NFFE is a Reportable Account.** With respect to an Entity Account Holder of a Preexisting Entity Account that is not identified as either a Specified Person or a Financial Institution, the Reporting Financial Institution must identify (i) whether the Entity has Controlling Persons, (ii) whether the Entity is a Passive NFFE, and (iii) whether any of the Controlling Persons of the Entity is a Specified Person. In making these determinations the Reporting Financial Institution should follow the guidance in a) through d) of this subparagraph in the order most appropriate under the circumstances.
- a) For purposes of determining the Controlling Persons of an Entity, a Reporting Financial Institution may rely on information collected and maintained pursuant to AML/KYC Procedures.
  - b) For purposes of determining whether the Entity is a Passive NFFE, the Reporting Financial Institution must obtain a self-certification from the Entity 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 Entity is an Active NFFE.
  - c) For purposes of determining whether a Controlling Person of a Passive NFFE is a Specified Person, a Reporting Financial Institution may rely on:
    - (1) Information collected and maintained pursuant to AML/KYC Procedures in the case of a Preexisting Entity Account held by one or more NFFEs with an account balance that does not exceed \$1,000,000; *or*
    - (2) A self-certification from the Entity Account Holder or such Controlling Person in the case of a Preexisting Entity Account held by one or more NFFEs with an account balance that exceeds \$1,000,000.
  - d) If any Controlling Person of a Passive NFFE is a Specified Person in the other jurisdiction, the account shall be treated as a Reportable Account.

E. **Timing of Review and Additional Procedures Applicable to Preexisting Entity Accounts.**

1. Review of Preexisting Entity Accounts with an account balance or value that exceeds \$250,000 as of 30 June 2014, must be completed by 30 June 2016.

2. Review of Preexisting Entity Accounts with a balance or value that does not exceed \$250,000 as of 30 June 2014, but exceeds \$1,000,000 as of 31 December of 2015 or any subsequent year, must be completed within six months after the end of the calendar year in which the account balance exceeds \$1,000,000.
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 of this section.



V. **New Entity Accounts.** The following rules and procedures apply to accounts held by Entities and opened on or after 1 July 2014 (“New 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 New Entity Accounts or, separately, with respect to any clearly identified group of such accounts, where the implementing rules in both jurisdictions provide for such election, a revolving credit facility treated as a New Entity Account is not required to be reviewed, identified, or reported, provided that the Reporting Financial Institution maintaining such account, in each case applying the rules at paragraph C of section VI of this Annex I, for account aggregation and currency translation, implements policies and procedures to prevent an account balance owed to the Account Holder that exceeds \$50,000.
- B. **Other New Entity Accounts.** With respect to New Entity Accounts not described in paragraph A of this section, the Reporting Financial Institution must determine whether the Account Holder is: (i) a Specified Person; (ii) a Non-Resident Entity which is a Financial Institution; (iii) a Non-Reporting Financial Institution; (iv) an exempt beneficial owner; (v) an Active NFFE or Passive NFFE.
- C. A Reporting Financial Institution may determine that an Account Holder is an Active NFFE or a Non-Resident Entity which is a Financial Institution in the other Party, if the Reporting Financial Institution reasonably determines that the Entity has such status on the basis of information that is publicly available or in the possession of the Reporting Financial Institution.
- D. In all other cases, a Reporting Financial Institution must obtain a self-certification from the Entity Account Holder to establish the Account Holder’s status. Based on the self-certification, the following rules apply:
1. If the Entity Account Holder is a ***Specified Person***, the Reporting Financial Institution must treat the account as a Reportable Account.
  2. If the Entity Account Holder is a ***Passive NFFE***, the Reporting Financial Institution must identify the Controlling Persons as determined under AML/KYC Procedures, and must determine whether any such person is a tax resident in the other Party on the basis of a self-certification from the Account Holder or such person. If any such person is a tax resident of the other Party, the account shall be treated as a Reportable Account.
  3. If the Entity Account Holder is: (i) a Person resident in the other Party that is not a Specified Person; (ii) a Non-Resident Entity which is a Financial Institution; (iii) a Non-Reporting Financial Institution; (iv) an exempt beneficial owner; (v) an Active NFFE; or, (vi) a Passive NFFE where none of the Controlling Persons of which is a Specified Person, then the account is not a Reportable Account and no reporting is required with respect to the account.

VI. **Special Rules and Definitions.** The following additional rules and definitions 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. **Definitions.** The following definitions apply for purposes of this Annex I.
1. **AML/KYC Procedures.** “AML/KYC Procedures” means the customer due diligence (CDD) procedures of a Reporting Financial Institution pursuant to the anti-money laundering or similar requirements of the jurisdiction concerned to which such Reporting Financial Institution is subject.
  2. **Resident Entity.** A “Resident Entity” means an Entity that is resident in the other Party for the purposes of this Agreement and includes an Entity that is resident in both Parties under the respective domestic law of each Party.
  3. **Non-Resident Entity.** A Non-Resident Entity means an Entity that is not resident in the other Party for the purposes of this Agreement.
  4. **NFFE.** An “NFFE” means any Non-Resident Entity that is not a Financial Institution as defined in this Agreement.
  5. **Passive NFFE.** A “Passive NFFE” means any NFFE that is not an Active NFFE.
  6. **Active NFFE.** An “Active NFFE” means any NFFE that meets any of the following criteria:
    - a) Less than 50 percent of the NFFE’s gross income for the preceding calendar year or other appropriate reporting period is passive income and less than 50 percent of the assets held by the NFFE 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 NFFE is regularly traded on an established securities market or the NFFE is a Related Entity of an Entity the stock of which is traded on an established securities market;
    - c) The NFFE is a government, a political subdivision of such government or a public body performing a function of such government or a political subdivision thereof, or an Entity wholly owned by one or more of the foregoing;

- d) Substantially all of the activities of the NFFE 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 NFFE shall not qualify for this status if the NFFE 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 NFFE 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 NFFE shall not qualify for this exception after the date that is 24 months after the date of the initial organisation of the NFFE;
- f) The NFFE 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; *or*
- g) The NFFE 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.

C. **Account Balance Aggregation and Currency Translation Rules.**

1. **Aggregation of Individual Accounts.** For purposes of determining the aggregate balance or value of accounts held by an individual, a Reporting Financial Institution shall be required to aggregate all accounts maintained by the Reporting Financial Institution, or Related Entities, but only to the extent that the Reporting Financial Institution's computerised systems link the accounts by reference to a data element such as client number or taxpayer identification number, and allow account balances to be aggregated. Each holder of a jointly held account shall be attributed the entire balance or value of the jointly held account for purposes of applying the aggregation requirements described in this paragraph.
2. **Aggregation of Entity Accounts.** For purposes of determining the aggregate balance or value of accounts held by an Entity, a Reporting Financial Institution shall be required to take into account all accounts held by Entities that are maintained by the Reporting Financial Institution, or Related Entities, to the extent that the Reporting Financial Institution's computerised systems link the accounts by reference to a data element such as client number or taxpayer identification number and allow account balances or values to be aggregated.

3. **Special Aggregation Rule Applicable to Relationship Managers.** For purposes of determining the aggregate balance or value of accounts held by a person to determine whether an account is a High Value Account, a Reporting Financial Institution shall also be required, in the case of any 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. **Currency Translation Rule.** For purposes of determining the balance or value of accounts denominated in a currency other than the U.S. dollar, a Reporting Financial Institution must convert the dollar threshold amounts described in this Annex I into such currency using a published spot rate determined as of the last day of the calendar year preceding the year in which the Reporting Financial Institution is determining the balance or value.
- D. **Documentary Evidence.** For purposes of this Annex I, acceptable documentary evidence includes any of the following:
1. A certificate of residence for tax purposes issued by an appropriate official of the country or jurisdiction in which the Account Holder claims to be resident.
  2. 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.
  3. 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 country in which it claims to be a resident or the country in which the Entity was incorporated or organised.
  4. With respect to an account maintained in a jurisdiction with anti-money laundering rules that have been approved by the U.S. Internal Revenue Service in connection with a Qualifying Intermediary agreement (as described in relevant U.S. Treasury Regulations), any of the documents other than a Form W-8 or W-9 referenced in the jurisdiction's attachment to the Qualifying Intermediary agreement for identifying individuals or Entities.
  5. Any financial statement, third-party credit report, bankruptcy filing.

- E. **Alternative Procedures for Financial Accounts Held by Individual Beneficiaries of a Cash Value Insurance Contract.** A Reporting Financial Institution may presume that an individual beneficiary (other than the owner) of a Cash Value Insurance Contract receiving a death benefit is not a Specified 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 Specified Person. A Reporting Financial Institution has reason to know that a beneficiary of a Cash Value Insurance Contract is a Specified Person if the information collected by the Reporting Financial Institution and associated with the beneficiary contains indicia as described in subparagraph B.1. of section II of this Annex I. If a Reporting Financial Institution has actual knowledge, or reason to know, that the beneficiary is a Specified Person, the Reporting Financial Institution must follow the procedures in subparagraph B.3. of section II of this Annex I.
- F. **Reliance on Third Parties.** Subject to paragraph 3 of Article 4, regardless of whether an election is made under paragraph E of section I of this Annex I, either Party may permit Reporting Financial Institutions to rely on due diligence procedures performed by third parties to the extent provided in the U.S. Treasury Regulations.

## ANNEX II

### NON-REPORTING UK FINANCIAL INSTITUTIONS AND EXEMPT PRODUCTS

The following Entities are treated as either exempt beneficial owners, and/or as other Non-Reporting Financial Institutions, as the case may be, and the following Exempt Products are excluded from the definition of Financial Accounts.

This Annex II may be updated by a mutual agreement entered into between the Competent Authorities of the United Kingdom and Gibraltar: (1) to include additional entities, accounts, and products that present a low risk of being used by Gibraltar Persons to evade Gibraltar tax and that have similar characteristics to the entities, accounts, and products identified in this Annex II as of the date of entry into force of the Agreement; or (2) to remove entities, accounts, and products that, due to changes in circumstances, no longer present a low risk of being used by Gibraltar Persons to evade Gibraltar tax. Procedures for reaching such an agreement may be included in the mutual agreement described in paragraph 6 of Article 3 of the Agreement.

I. **Exempt Beneficial Owners.** The following Entities are exempt beneficial owners and are treated as Non-Reporting United Kingdom Financial Institutions.

A. **UK Governmental Organisations, any political subdivision of the UK Government or any wholly owned agency or instrumentality of any one or more of the foregoing including:**

- The Devolved Administrations as per:
  - the Northern Ireland Act 1998 (updated by The Northern Ireland (St Andrews Agreement) Acts 2006 & 2007, and the Northern Ireland Act 2009)
  - the Scotland Act 1998
  - the Government of Wales Act 2006
- Local Government Authorities as per:
  - Section 33 of the Local Government Act 2003
  - the Local Government Act (NI) 1972 (as amended by The Local Government (Miscellaneous Provisions) Act (NI) 2010 and Local Government Finance Act (NI) 2011)
  - the Local Government etc. (Scotland) Act 1994
  - the Local Government (Wales) Act 1994

B. **Central Bank**

The Bank of England and any of its wholly owned subsidiaries.

C. **International Organisations**

Any UK office of:

- The International Monetary Fund
- The World Bank
- The International Bank for Reconstruction and Development
- The International Finance Corporation
- The International Finance Corporation Order, 1955 (SI 1955 No.1954)
- The International Development Association
- The Asian Development Bank
- The African Development Bank
- The European Community
- The European Coal and Steel Community
- The European Atomic Energy Community
- The European Investment Bank
- The European Bank for Reconstruction and Development
- The OECD Support Fund
- The Inter-American Development Bank

D. **Retirement Funds**

- Pension schemes or other arrangements registered with HMRC under Part 4 of the Finance Act 2004
- The UK Pension Protection Fund

II. **Non-Reporting United Kingdom Financial Institution.** The following categories of institutions are to be treated as Non-Reporting United Kingdom Financial Institutions for the purposes of this Annex II.

A. **Certain Collective Investment Vehicles**

In the case of an Investment Entity that is a collective investment vehicle regulated under the laws of the United Kingdom:

1. if all of the interests in the collective investment vehicle (including debt interests in excess of US\$50,000) are held by or through one or more Reporting Financial Institutions such collective investment vehicle will be treated as a Non-Reporting Financial Institution; or

2. if the collective investment vehicle is not as described in subparagraph (a), then, consistent with paragraph 3 of Article 4 of the Agreement, if the information required to be reported by the collective investment vehicle under the Agreement with respect to interests in the collective investment vehicle is reported by the collective investment vehicle or another Investment Entity, the reporting obligations of all other Investment Entities required to report with respect to the interests in the collective investment vehicle will be deemed fulfilled with respect to such interests.

**B. Trustee-Documented Trusts**

A trust resident in the United Kingdom to the extent that the trustee of the trust is a Reporting United Kingdom Financial Institution and reports all information required to be reported pursuant to the Agreement with respect to all Gibraltar Reportable Accounts of the trust.

**C. Qualified Credit Card Issuer**

A UK Financial Institution satisfying the following criteria:

1. 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
2. Beginning on or before 1 July, 2014, the Financial Institution implements policies and procedures to either prevent a customer deposit in excess of US\$50,000, or to ensure that any customer deposit in excess of US\$50,000, in each case applying the rules set out in paragraph C of section VI of Annex I for account aggregation and currency translation, is refunded to the customer within 60 days. For this purpose, a customer deposit does not refer to credit balances to the extent of disputed charges but does include credit balances resulting from merchandise returns.

**D. Credit Unions**

A body corporate registered under the Industrial and Provident Societies Act 1965 as a credit union in accordance with the Credit Unions Act or a body corporate registered under the Credit Unions (Northern Ireland) Order 1985 or a body corporate registered under the Industrial and Provident Societies Act (Northern Ireland) 1969 as a credit union.



III. **Exempt Products.** The following categories of accounts and products established in the United Kingdom and maintained by a United Kingdom Financial Institution shall not be treated as Financial Accounts, and therefore shall not be Gibraltar Reportable Accounts, under the Agreement.

A. **Certain Retirement Accounts or Products.**

- Pension schemes registered with HMRC under Part 4 of the Finance Act 2004, and non registered pension arrangements where the annual contributions are limited to £50,000 and funds contributed cannot be accessed before the age of 55 except in circumstances of serious ill health.
- Those that are UK-registered pension arrangements (including authorised payments) as set out in the Finance Act 2004 that are excluded from the definition of Financial Account pursuant to Article 1.r)(3) of the Agreement.
- **Immediate Needs Annuities** qualifying as such under Section 725 Income Tax (Trading and Other Income) Act 2005.

B. **Qualifying Credit Cards.**

Unless the Reporting Financial Institution elects otherwise, either with respect to all accounts or, separately, with respect to any clearly identified group of such accounts, where the implementing rules in both jurisdictions provide for such election, a credit card account is not required to be reviewed, identified, or reported, provided that the Reporting Financial Institution maintaining such account, in each case applying the rules set forth in paragraph C of section VI of Annex I, for account aggregation and currency translation;

1. implements policies and procedures to prevent an account balance owed to the Account Holder that exceeds \$50,000; *or*,
2. has policies and procedures in place to ensure that any customer deposit in excess of \$50,000 is refunded to the customer within 60 days. For this purpose, a customer deposit does not refer to credit balances to the extent of disputed charges but does include credit balances resulting from merchandise returns.

C. **Account Held by an Estate.**

An account maintained in the United Kingdom that is held solely by an estate if the documentation for such account includes a copy of the deceased's will or death certificate.

D. **Escrow Accounts.**

An account maintained in the United Kingdom established in connection with any of the following:

1. A court order or judgment.
2. A sale, exchange, or lease of real or personal property, provided that the account satisfies the following requirements:
  - a) The account is funded solely with a 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;
  - b) 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;
  - c) 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;
  - d) The account is not a margin or similar account established in connection with a sale or exchange of a financial asset; ***and***
  - e) The account is not associated with a credit card account.
3. An obligation of a Financial Institution servicing 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.
4. An obligation of a Financial Institution solely to facilitate the payment of taxes at a later time.

E. **Certain Other Tax-Favoured Accounts or Products.**

- **Individual Savings Accounts (ISAs)** - as defined in the Individual Savings Account Regulations 1998 (SI 1998 No.1870) and subsequent Amendment Regulations
- **Junior ISAs** - as defined in the Individual Savings Account Regulations 1998 No.1870, and subsequent Amendment Regulations
- **Child Trust Funds** - as defined in the Child Trust Funds Act 2004 and subsequent Amendment Regulations
- **Premium Bonds** - where issued by NS&I (UK National Savings and Investments)
- **Children's Bonus Bonds** - where issued by NS&I (UK National Savings and Investments)
- **Fixed Interest Savings Certificates** - where issued by NS&I (UK National Savings and Investments)
- **Index Linked Savings Certificates** - where issued by NS&I (UK National Savings and Investments)
- **Tax Exempt Savings Plans** - where issued by a friendly society within the meaning of the Friendly Societies Act 1992 (c. 40)
- **Save As You Earn Share Option Schemes** - approved by HMRC under Schedule 3 Income Tax (Earnings and Pensions) Act 2003
- **Share Incentive Plans** - approved by HMRC under Schedule 2 Income Tax (Earnings and Pensions) Act 2003
- **Company Share Option Plans** - approved by HMRC under Schedule 4 Income Tax (Earnings and Pensions) Act 2003

F. **Partner Jurisdiction Accounts.**

An account or product that would be excluded from the definition of Financial Account under an Agreement to Improve International Tax Compliance (or similar Arrangement) between Gibraltar and another Jurisdiction (Jurisdiction X) where:

1. the account or product is established in Jurisdiction X but is maintained in the United Kingdom; *and*
2. the account or product maintained in the United Kingdom is subject to the same requirements and oversight under the laws of Jurisdiction X, as it would be if that account or product was maintained by a Financial Institution in Jurisdiction X.

**ANNEX III****NON-REPORTING GIBRALTAR FINANCIAL INSTITUTIONS AND EXEMPT PRODUCTS**

The following Entities are treated as either exempt beneficial owners, and/or as other Non-Reporting Gibraltar Financial Institutions, as the case may be, and the following Exempt Products are excluded from the definition of Financial Accounts.

This Annex III may be modified by a mutual agreement entered into between the Competent Authorities of Gibraltar and the United Kingdom: (1) to include additional Entities and accounts that present a low risk of being used by United Kingdom Persons to evade United Kingdom tax and that have similar characteristics to the Entities and accounts described in this Annex III as of the date of signature of the Agreement; or (2) to remove Entities and accounts that, due to changes in circumstances, no longer present a low risk of being used by United Kingdom Persons to evade United Kingdom tax. Any such addition or removal shall be effective on the date of signature of the mutual agreement, unless otherwise provided therein. Procedures for reaching such an agreement may be included in the mutual agreement described in paragraph 6 of Article 3 of the Agreement.

- I. **Exempt Beneficial Owners.** The following Entities are exempt beneficial owners and are treated as Non-Reporting Gibraltar Financial Institutions.
- A. **Governmental Entity.** The government of Gibraltar, any political subdivision of Gibraltar (which, for the avoidance of doubt, includes a state, province, county, or municipality), or any wholly owned agency or instrumentality of Gibraltar or any one or more of the foregoing (each, a “Gibraltar Governmental Entity”). This category is comprised of the integral parts, controlled entities, and political subdivisions of Gibraltar.
1. An integral part of Gibraltar means any person, organisation, agency, bureau, fund, instrumentality, or other body, however designated, that constitutes a governing authority of Gibraltar. The net earnings of the governing authority must be credited to its own account or to other accounts of a Gibraltar Governmental Entity, 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.
  2. A controlled entity means an Entity that is separate in form from Gibraltar or that otherwise constitutes a separate juridical entity, provided that:
    - a) The Entity is wholly owned and controlled by one or more Gibraltar Governmental Entities directly or through one or more controlled entities;
    - b) The Entity’s net earnings are credited to its own account or to the accounts of one or more Gibraltar Governmental Entities, with no portion of its income inuring to the benefit of any private person; and

c) The Entity's assets vest in one or more Gibraltar Governmental Entities upon dissolution.

3. Income does not inure to the benefit of private persons if such persons are the intended beneficiaries of a governmental program, and the program 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.

**B. International Organisation.** Any international organisation or wholly owned agency or instrumentality thereof. This category includes any intergovernmental organisation (including a supranational organisation) (1) that has in effect a headquarters agreement with Gibraltar; and (2) the income of which does not inure to the benefit of private persons.

**C. Broad Participation Retirement Fund.** A fund established in Gibraltar 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:

1. Does not have a single beneficiary with a right to more than five percent of the fund's assets;
2. Is subject to government regulation and provides annual information reporting about its beneficiaries to the relevant tax authorities in Gibraltar; and
3. Satisfies at least one of the following requirements:
  - a) The fund is generally exempt from tax in Gibraltar on investment income under the laws of Gibraltar due to its status as a retirement or pension plan;
  - b) The fund receives at least 50 percent of its total contributions (other than transfers of assets from other plans described in paragraphs C through F of this section or from retirement and pension accounts described in subparagraph B.1. of section IV of this Annex III) from the sponsoring employers;
  - c) 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 paragraphs C through F of this section or retirement and pension accounts described in subparagraph B.1. of section IV of this Annex III), or penalties apply to distributions or withdrawals made before such specified events; or

- d) 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 \$50,000 annually, applying the rules set forth in paragraph C of section IV Annex I for account aggregation and currency translation.

D. **Narrow Participation Retirement Fund.** A fund established in Gibraltar 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:

1. The fund has fewer than 50 participants;
2. The fund is sponsored by one or more employers that are not Investment Entities or Passive NFFEs;
3. The employee and employer contributions to the fund (other than transfers of assets from retirement and pension accounts described in subparagraph B.1. of section IV of this Annex III) are limited by reference to earned income and compensation of the employee, respectively;
4. Participants that are not residents of Gibraltar are not entitled to more than 20 percent of the fund's assets; *and*
5. The fund is subject to government regulation and provides annual information reporting about its beneficiaries to the relevant tax authorities in Gibraltar.

E. **Pension Fund of an Exempt Beneficial Owner.** A fund established in Gibraltar by an exempt beneficial owner to provide retirement, disability, or death benefits to beneficiaries or participants that are current or former employees of the exempt beneficial owner (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 exempt beneficial owner.

F. **Investment Entity Wholly Owned by Exempt Beneficial Owners.** An Entity that is a Gibraltar Financial Institution solely because it is an Investment Entity, provided that each direct holder of an Equity Interest in the Entity is an exempt beneficial owner, and each direct holder of a debt interest in such Entity is either a Depository Institution (with respect to a loan made to such Entity) or an exempt beneficial owner.

G. **Additional Entities.** Any additional entities agreed between the UK Government and Gibraltar.

II. **Small or Limited Scope Financial Institutions that Qualify as Non-Reporting Gibraltar Financial Institutions.** The following Financial Institutions are Non-Reporting Gibraltar Financial Institutions

A. **Local Credit Unions.** A Financial Institution satisfying all of the following requirements:

1. The Financial Institution carries on business solely as a Credit Union;
2. It is licensed and regulated under the laws of Gibraltar;
3. It has no fixed place of business outside of Gibraltar; *and*
4. All accounts maintained by the Financial Institution are held by residents of Gibraltar.

B. **Financial Institution with Only Low-Value Accounts.** A Gibraltar Financial Institution satisfying the following requirements:

1. The Financial Institution is not an Investment Entity;
2. No Financial Account maintained by the Financial Institution or any Related Entity has a balance or value in excess of \$50,000, applying the rules set forth in paragraph C of section VI Annex I for account aggregation and currency translation; and
3. The Financial Institution does not have more than \$50 million in assets on its balance sheet, and the Financial Institution and any Related Entities, taken together, do not have more than \$50 million in total assets on their consolidated or combined balance sheets.

C. **Qualified Credit Card Issuer.** A Gibraltar Financial Institution satisfying the following criteria:

1. 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
2. Beginning on or before 1 July, 2014, the Financial Institution implements policies and procedures to either prevent a customer deposit in excess of \$50,000, or to ensure that any customer deposit in excess of \$50,000, in each case applying the rules set forth in Annex I for account aggregation and currency translation, is refunded to the customer within 60 days. For this purpose, a customer deposit does not refer to credit balances to the extent of disputed charges but does include credit balances resulting from merchandise returns.

III. **Investment Entities that Qualify as Non-Reporting Gibraltar Financial Institutions and Other Special Rules.** The Financial Institutions described in paragraphs A through E of this section are Non-Reporting Gibraltar Financial Institutions. In addition, paragraph F of this section provides special rules applicable to an Investment Entity.

A. **Trustee-Documented Trust.** A trust resident in Gibraltar to the extent that the trustee of the trust is a Reporting Gibraltar Financial Institution and reports all information required to be reported pursuant to the Agreement with respect to all UK Reportable Accounts of the trust.

B. **Sponsored Investment Entity.** A Financial Institution described in subparagraph B.1. of this section having a sponsoring entity that complies with the requirements of subparagraph B.2. of this section.

1. A Financial Institution is a sponsored investment entity if (a) it is an Investment Entity established in Gibraltar; and (b) an Entity has agreed with the Financial Institution to act as a sponsoring entity for the Financial Institution;
2. The sponsoring entity is authorised to act on behalf of the Financial Institution (such as fund manager, trustee, corporate director, or managing partner) and complies with the following requirements:
  - a) The sponsoring entity is a Gibraltar Financial Institution;
  - b) The sponsoring entity performs, on behalf of the Financial Institution, all due diligence, reporting and other requirements that the Financial Institution would have been required to perform if it were a Reporting Gibraltar Financial Institution;
  - c) The sponsoring entity identifies the Financial Institution in all reporting completed on the Financial Institution's behalf; *and*
  - d) The sponsoring entity has notified the Gibraltar Competent Authority of its status as a sponsor in respect of the Financial Institution and has not had its status as a sponsor revoked by the Gibraltar Competent Authority.

C. **Sponsored, Closely Held Investment Vehicle.** A Gibraltar Financial Institution satisfying the following requirements:

1. The Financial Institution is a Financial Institution solely because it is an Investment Entity;



2. The sponsoring entity is a Reporting Gibraltar Financial Institution, is authorised to act on behalf of the Financial Institution (such as a professional manager, trustee, or managing partner), and agrees to perform, on behalf of the Financial Institution, all due diligence, reporting and other requirements that the Financial Institution would have been required to perform if it were a Reporting Gibraltar Financial Institution;
3. The Financial Institution does not hold itself out as an investment vehicle for unrelated parties;
4. Twenty or fewer individuals own all of the debt interests and Equity Interests in the Financial Institution (disregarding debt interests owned by Financial Institutions and Equity Interests owned by an Entity if that Entity owns 100 per cent of the Equity Interests in the Financial Institution and is itself a sponsored Financial Institution described in this paragraph C); and
5. The sponsoring entity complies with the following requirements:
  - a) The sponsoring entity is a Gibraltar Financial Institution;
  - b) The sponsoring entity agrees to perform, on behalf of the Financial Institution, all due diligence, reporting and other requirements that the Financial Institution would have been required to perform if it were a Reporting Gibraltar Financial Institution and retains documentation collected with respect to the Financial Institution for a period of six years;
  - c) The sponsoring entity identifies the Financial Institution in accordance with the applicable registration requirements of the Gibraltar Competent Authority in all reporting completed on the Financial Institution's behalf;  
*and*
  - d) The sponsoring entity has notified the Gibraltar Competent Authority of its status as a sponsor in respect of the Financial Institution and has not had its status as a sponsor revoked by the Gibraltar Competent Authority.

**D. Investment Advisors and Investment Managers.** An Investment Entity established in Gibraltar the sole activity of which is (1) to render investment advice to, and act on behalf of, or (2) to manage portfolios for, and act on behalf of, a customer for the purposes of investing, managing, or administering funds deposited in the name of the customer with a Financial Institution.

E. **Collective Investment Vehicle.** An Investment Entity established in Gibraltar that is regulated as a collective investment vehicle, provided that all of the interests in the collective investment vehicle (including debt interests in excess of \$50,000) are held by or through one or more exempt beneficial owners or Active NFFEs described in subparagraph B.6. of section VI of Annex I.

F. **Special Rules for reporting interests of Investment entities in Collective Investment Vehicles.** The following rules apply to an Investment Entity:

1. Where an Investment Entity (other than a Financial Institution through which interests in the collective investment vehicle are held) has an interest in a collective investment vehicle as described in paragraph E of this section, the reporting obligations of that Investment Entity in respect of its interest in that collective investment vehicle shall be deemed to have been met.
2. Consistent with paragraph 3 of Article 4 of the Agreement (third-party service providers), for interests held in an Investment Entity established in Gibraltar that is not as described in paragraph E of this section, the reporting obligations of all Investment Entities with respect to their interests in that Gibraltar Investment Entity shall be deemed to be satisfied if the information required to be reported under the Agreement with respect to all such interests is reported by the Gibraltar Investment Entity itself or another person.

IV. **Exempt Products.** The following accounts are excluded from the definition of Financial Accounts and therefore are not treated as United Kingdom Reportable Accounts.

A. **Qualifying Credit Cards.** Unless the Reporting Financial Institution elects otherwise, either with respect to all accounts or, separately, with respect to any clearly identified group of such accounts, where the implementing rules in both jurisdictions provide for such election, a credit card account is not required to be reviewed, identified, or reported, provided that the Reporting Financial Institution maintaining such account, in each case applying the rules set forth in paragraph C of section VI of this Annex I, for account aggregation and currency translation:

1. implements policies and procedures to prevent an account balance owed to the Account Holder that exceeds \$50,000; *or*,
2. has policies and procedures in place to ensure that any customer deposit in excess of \$50,000 is refunded to the customer within 60 days. For this purpose, a customer deposit does not refer to credit balances to the extent of disputed charges but does include credit balances resulting from merchandise returns.

**B. Certain Savings Accounts.**

1. **Retirement and Pension Account.** A retirement or pension account maintained in Gibraltar that satisfies the following requirements under the laws of Gibraltar.

- a) Annual contributions into the scheme are not more than £50,000;
- b) The scheme is tax-favoured (i.e. contributions to the scheme that would otherwise be subject to tax laws of Gibraltar are deductible or excluded from the gross income of the scheme or taxed at a reduced rate, or taxation on investment income from the scheme is deferred or taxed at a reduced rate);
- c) Funds contributed cannot be accessed before the age of 55 except in circumstances of serious ill health.

2. **Non-Retirement Savings Accounts.** An account maintained in Gibraltar (other than an insurance or Annuity Contract) that satisfies the following requirements under the laws of Gibraltar.

- a) The account is subject to regulation as a savings vehicle for purposes other than for retirement;
- b) The account is tax-favoured (i.e. contributions to the account that would otherwise be subject to tax under the laws of Gibraltar 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);
- c) Annual contributions are limited to £15,000 or less, applying the rules set forth in paragraph C of section VI of Annex I for account aggregation and currency translation;
- d) Contributions into the account can only be made by a resident of Gibraltar.

**C. Account Held by an Estate.** An account maintained in Gibraltar that is held solely by an estate if the documentation for such account includes a copy of the deceased's will or death certificate.

**D. Escrow Accounts.** An account maintained in Gibraltar established in connection with any of the following:

- 1. A court order or judgment.

2. A sale, exchange, or lease of real or personal property, provided that the account satisfies the following requirements:
    - a) The account is funded solely with a 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;
    - b) 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;
    - c) 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;
    - d) The account is not a margin or similar account established in connection with a sale or exchange of a financial asset; *and*
    - e) The account is not associated with a credit card account.
  3. An obligation of a Financial Institution servicing 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.
  4. An obligation of a Financial Institution solely to facilitate the payment of taxes at a later time.
- E. **Partner Jurisdiction Accounts.** An account or product that would be excluded from the definition of Financial Account under an Agreement to Improve International Tax Compliance (or similar Arrangement) between the UK and another Jurisdiction (Jurisdiction X) where:
1. the account or product is established in Jurisdiction X but is maintained in Gibraltar; *and*
  2. the account or product maintained in Gibraltar is subject to the same requirements and oversight under the laws of Jurisdiction X, as it would be if that account or product was maintained by a Financial Institution in Jurisdiction X.
- F. **Agreed Products.** Any additional products agreed between the UK Government and Gibraltar.

ANNEX IV

**ALTERNATIVE REPORTING REGIME FOR CERTAIN UNITED KINGDOM REPORTABLE ACCOUNTS**

**The Alternative Reporting Regime.**

**A. Relationship between this Annex and the Articles of this Agreement:**

1. In relation to a United Kingdom Reportable Account and for a Relevant Reporting Period, subject to subparagraph B.3.:
  - a) if the criteria at subparagraph B.1.a) to c) are all met with respect to the United Kingdom Reportable Account for a Relevant Reporting Period, then paragraph 4 of Article 3 of the Agreement shall not apply to those United Kingdom Reportable Accounts; and
  - b) if the certification procedure at subparagraphs C.1 and C.2 is complied with, then
    - (1) subparagraph F.2 of this Annex IV shall apply instead of paragraph 4 of Article 3 of the Agreement; and
    - (2) paragraph D of this Annex IV shall apply instead of paragraph 2 of Article 2 of the Agreement; but
  - c) if the certification procedure at subparagraph C.1. is not complied with, then subparagraph F.3. of Annex IV shall apply instead of paragraph 4 of Article 3 of the Agreement.

**B. United Kingdom Reportable Accounts Eligible for the Alternative Reporting Regime.**

1. In order for the Alternative Reporting Regime to apply to a United Kingdom Reportable Account for any Relevant Reporting Period all of the following criteria must be met:
  - a) the Reporting Gibraltar Financial Institution must have made an election to the Gibraltar Competent Authority in order to offer the Alternative Reporting Regime in relation to the United Kingdom Reportable Accounts of those Specified United Kingdom Persons that have elected for it to apply, and provided the required certification;
  - b) the Specified United Kingdom Person must have made an election for reporting under the Alternative Reporting Regime, to the Reporting Gibraltar Financial Institution, for the Relevant Reporting Period; *and*

- c) where an election is made by any Specified United Kingdom Person for reporting under the Alternative Reporting Regime for a Relevant Reporting Period, it must be applied to all United Kingdom Reportable Accounts held with the Reporting Gibraltar Financial Institution by that Specified United Kingdom Person, including the accounts of an Entity of which the Specified United Kingdom Person is a Controlling Person.
2. For the Alternative Information to be provided under paragraph D, the Specified United Kingdom Person who has made an election under subparagraph B.1.b) must also provide certification to the Reporting Gibraltar Financial Institution by following the procedures set out in paragraph C of this Annex.
3. In cases where not all Account Holders of a United Kingdom Reportable Account that are Specified United Kingdom Persons have made a certified election under subparagraph B.2. for the Relevant Reporting Period, or, in the case of an Entity, not all of those Controlling Persons that are United Kingdom Specified Persons have made a certified election under subparagraph B.2. for the Relevant Reporting Period, the Reporting Gibraltar Financial Institution must obtain and provide the following information:
  - a) With respect to those Specified United Kingdom Persons that have made a certified election under subparagraph B.2. for the Relevant Reporting Period, the Alternative Information under paragraph D, with respect to the United Kingdom Reportable Account subject to the Time and Manner of Exchange of Information as provided for in paragraph F of this Annex;
  - b) With respect to those Specified United Kingdom Persons that have elected for the Alternative Reporting Regime to apply under subparagraph B.1.b) but have not provided the required certification under subparagraph B.2, the information in relation to the United Kingdom Reportable Account in accordance with the provisions of Article 2 of this Agreement in full, subject to the Time and Manner of Exchange of Information as provided for in paragraph F of this Annex;
  - c) With respect to those Specified United Kingdom Persons that have not elected for the Alternative Reporting Regime to apply, the information in relation to the United Kingdom Reportable Account in accordance with the provisions of Article 2 of this Agreement in full, subject to the Time and Manner of Exchange of Information as provided for in Article 3 of this Agreement.

C. **Alternative Reporting Regime Certification Procedure.** For each Relevant Reporting Period, in order for paragraph D to apply to the United Kingdom Reportable Account, the Specified United Kingdom Person who has made an election under subparagraph B.1.b) must also provide certification to the Reporting Gibraltar Financial Institution in accordance with subparagraph C.1.

1. No later than 28 February following the end of the Relevant Tax Year, the Specified United Kingdom Person must provide to the Reporting Gibraltar Financial Institution written verification, confirming the following information:
  - a) the Specified United Kingdom Person's United Kingdom tax return for the Relevant Tax Year
    - (1) contains a claim or statement that the Specified United Kingdom Person is not domiciled anywhere within the United Kingdom; *and*
    - (2) includes a claim to be taxed under the remittance basis under Part 14 Chapter A1 Income Tax Act 2007 and, if appropriate, the tax chargeable under section 809H Income Tax Act 2007 has been paid, or any such equivalent sections in any successor legislation;
  - b) to the best of their knowledge, the domicile status and claim to be taxed on the remittance basis is not being formally disputed by the United Kingdom's Competent Authority.
2. The Reporting Gibraltar Financial Institution must retain in their records both the election made by the Specified United Kingdom Person and the written verification for each Relevant Reporting Period for a period of 6 years following the end of the Relevant Tax Year.
3. Where the written verification is not provided, or for any reason the certification process cannot be completed, the information to be reported by the Reporting Gibraltar Financial Institution and the timescale for exchange shall be as set out in subparagraph F.3. below.

**D. Alternative Information to be Provided.**

1. Where for a Relevant Reporting Period the criteria in paragraph B of this Annex are met in relation to a United Kingdom Reportable Account, and certification within paragraph C is obtained, the information to be provided to the United Kingdom Competent Authority in relation to that United Kingdom Reportable Account for the Relevant Reporting Period shall be:
  - a) the Gross Payments and Movements of Assets from an originating United Kingdom source into the United Kingdom Reportable Account during the Relevant Tax Year;
  - b) the Gross Payments and Movements of Assets from an originating source territory or jurisdiction which cannot be determined, into the United Kingdom Reportable Account during the Relevant Tax Year;
  - c) the Gross Payments from the United Kingdom Reportable Account to an ultimate United Kingdom destination, during the Relevant Tax Year; *and*
  - d) the Gross Payments from the United Kingdom Reportable Account to an ultimate territory or jurisdiction destination which cannot be determined, during the Relevant Tax Year.
  
2. Where any Gross Payments and Movements of Assets within the scope of any of subparagraphs D.1.a) to d) of this Annex IV have been made during the Relevant Tax Year, then the additional information set out in subparagraphs D.2.a) to c) is also required to be exchanged relating to the United Kingdom Reportable Account.
  - a) the name, address, date of birth and, where available, the National Insurance Number of each Specified United Kingdom Person that is an Account Holder of such an account and, in the case of an Entity that, after application of the due diligence procedures set forth in Annex I, is identified as having one or more Controlling Persons that is a Specified United Kingdom Person, the name and address of such Entity and the name, address, date of birth and, where available, the National Insurance Number of each such Specified United Kingdom Person;
  - b) the account number (or functional equivalent in the absence of an account number); *and*
  - c) the name of the Reporting Gibraltar Financial Institution and, where provided when registering with the U.S. Internal Revenue Service for FATCA purposes, the Global Intermediary Identification Number.



3. In any case where Alternative Information has been provided for a United Kingdom Reportable Account and Gibraltar enters a bi-lateral agreement with any other jurisdiction that is equivalent in effect to this Agreement and Gibraltar exchanges information on the same United Kingdom Reportable Account under any other Agreement which is equivalent to the information set out in Article 2 of this Agreement in respect of a United Kingdom Reportable Account then Gibraltar shall also exchange the same information with the United Kingdom, regardless of any elections for the Alternative Reporting Regime to apply that have been made by Specified United Kingdom Persons in respect of that United Kingdom Reportable Account.

**E. Gibraltar Retention and Exchange of Alternative Reporting Regime User Information.**

1. For each year, Gibraltar shall exchange with the United Kingdom the name, address, date of birth and, where available, the National Insurance Number for all Specified United Kingdom Persons who have made an election under subparagraph B.1.b) of this Annex. This information shall be exchanged to the timescale as set out in subparagraph F.1 below.
2. For each United Kingdom Reportable Account to which the Alternative Reporting Regime is applied, where Gibraltar has not exchanged all of the following information under paragraph D, Gibraltar shall retain or have access to the following information for a period of 6 years following the end of each Relevant Tax Year:
  - a) the name, address, date of birth and, where available, the National Insurance Number for each Specified United Kingdom Person that holds the United Kingdom Reportable Account and, in the case of an Entity having one or more Controlling Persons that is a Specified United Kingdom Person, the name and address of that Entity and the name, address, date of birth and, where available, the National Insurance Number of each such Specified United Kingdom Person;
  - b) the account number (or functional equivalent in the absence of account number); *and*
  - c) the name of the Reporting Gibraltar Financial Institution and, where provided when registering with the U.S. Internal Revenue Service for FATCA purposes, the Global Intermediary Identification Number.

**F. Time and Manner of Exchange of Information.**

1. Gibraltar shall exchange information on United Kingdom Reportable Accounts on the same basis as the requirements set out in Article 3 of the Agreement unless otherwise stated below.

2. Any information required to be reported under subparagraphs D.1. and D.2. of this Annex IV shall be exchanged no later than one year and nine months after the end of the Relevant Reporting Period to which the information relates.
3. Where an election has been made under subparagraph B.1.b) of this Annex IV, but the certification procedure in subparagraphs C.1. and C.2. has not been successfully completed, then the information referred to in Article 2 of this agreement shall be exchanged no later than one year and nine months after the end of the Relevant Reporting Period to which the information relates, subject to Article 3, Paragraph 3 of this Agreement.

**G. Definitions.**

The following definitions apply for purposes of this Annex IV:

1. the term “Alternative Reporting Regime” means the reporting regime set out in this Annex IV.
2. the term “Relevant Reporting Period” means the calendar year to which all the information required to be reported under the Agreement would relate in the absence of the Alternative Reporting Regime.
3. the term “Relevant Tax Year” means the period from 30 June 2014 to the 5 April 2015 for Relevant Reporting Period 2014, and for all other years means the period from 6 April following the start of the Relevant Reporting Period to the following 5 April.
4. the term “Gross Payments” means the sum total of monies that are transferred.
5. the term “Gross Payments and Movements of Assets” means the sum total of monies and property (both tangible and intangible), that are transferred.