CREDIT SUISSE

FATCA Self-Certification for legal entity clients: Supporting document for plausibility checks (V1.1)

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This Credit Suisse supporting document is designed to provide you with further assistance in completing "Section C" of the FATCA Self-Certification form, and will assist you in providing your FATCA classification status as required for FATCA purposes[1]. This document also includes a glossary of frequently used terms[2] in the FATCA Self-Certification form, and a selection of the most common business scenarios that serve as examples for identifying FATCA statuses. If you require further guidance, please consult a qualified tax advisor. The term "Bank" in this document refers to Credit Suisse AG or its affiliates.

Disclaimer

This document is not intended, and cannot be used as a substitute to the original US Treasury Regulations, inter-governmental agreements (IGAs) or related documents and guidance. This document does not constitute or intend to provide any direct or indirect tax advice. In case of uncertainty, please contact a qualified tax advisor. All names, companies and characters referred to in this document are purely fictitious. Any resemblance to real persons or establishments is purely coincidental. Credit Suisse AG reserves the right to modify this document in line with US Internal Revenue Service (IRS) regulations without any prior notice.

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Explanation for Section C: FATCA status of the Declarant

There are ten questions in this section. All questions must be answered in sequence until a "Yes" is reached, after which, **do not** fill out any further questions and go directly to "Section E" of the form.

In addition to the description of the FATCA status, possible examples are provided for critical statuses. In the interest of easier navigation, the following structure has been maintained in the FATCA Self-Certification form:

Question 1	Relevant for US entities
Questions 2-5	Most relevant for foreign financial institutions (FFI)
Question 6-7	Most relevant for FFIs that meet the definition and agree to provide Credit Suisse with information regarding underlying investors or clients (similar to being a passive non-financial entity)
Questions 8-9	Most relevant for non-financial foreign entities
Question 10	Some less common FATCA statuses are listed should you fall into one of those categories
Question 11	Should you arrive at this question, please contact a qualified tax advisor and submit an IRS form from the W-8 series

[1] Please refer to www.credit-suisse.com/fatca for the most recent version of this document and to the Entity Classification Guide for further assistance.

[2] Frequently used terms are underlined and further explained in the glossary at the end of this document.

I. US Entities

Question 1

If the answer to this question is "Yes", please fill out the information exactly as indicated on the EIN application form. In case you have an exemption from FATCA reporting code please fill in the reason for that. Go straight to Section D. and sign the form.

II. Common FATCA statuses for foreign financial institutions (FFIs)

Question 2

If the answer to this question is "Yes", please provide the exact FATCA status and state the GIIN on the provided line. In case of a Registered Nonreporting IGA FFI please specify which IGA is applicable. Go straight to Section D. and do not answer any other question on this form. For sponsored entities please answer with "No" and move on to question 3.

FATCA Status	Description
Reporting Model 1 FFI	An FFI located in an IGA 1 country that registers with the IRS.
Reporting Model 2 FFI	An FFI located in an IGA 2 country that registers with the IRS.
Participating FFI	An FFI located in a non-IGA country that registers with the IRS and agrees to fully undertake FATCA requirements.
Registered deemed-compliant FFI	An FFI that registers with the IRS but meets certain procedural requirements and is therefore relieved from certain reporting and withholding obligations.
NFFE	A foreign entity that is not a financial institution.
Direct Reporting NFFE	An NFFE that elects to report information about its direct or indirect substantial U.S. owners directly to the IRS.
Registered Nonreporting IGA FFI	An FFI located in an IGA country that registers with the IRS and is included in the Annex II of the relevant IGA

Question 3

If the answer to this question is "Yes", please provide the exact FATCA status and state the GIIN on the provided line. Sponsored entities have to provide the name of the Sponsor, the GIIN of the Sponsor and their own GIIN if they are required to register.

FATCA Status	Description
Nonreporting IGA FFI (Trustee documented trust)	Refers to a trust established under the laws of a particular jurisdiction that has signed an IGA, and the trustee is a reporting FFI who agrees to report all required information related to the trust.
Nonreporting IGA FFI (Sponsored Investment Entitiy or Sponsored Controlled Foreign Corporation)	Refers to an entity established under the laws of a particular jurisdiction that has signed an IGA, and has agreed with another FI to report all required information related to the entity. A Nonreporting IGA FFI (Sponsored Investment Entitiy or Sponsored Controlled Foreign Corporation) located in an IGA2 country must register with the IRS and obtain a GIIN. A Nonreporting IGA FFI (Sponsored Investment Entitiy or Sponsored Controlled Foreign Corporation) located in an IGA1 country must register with the IRS and obtain a GIIN ONLY if there is a US owner/investor.
Sponsored FFI	Refers to an investment entity, but with no restriction on ownership such as in the case of a sponsored closely held investment vehicle (SCHIV). For this status to apply, another entity (or sponsor) agrees to fulfil all FATCA obligations for the entity. A sponsored FFI must register with the IRS and obtain a GIIN. **See example below**.
Sponsored closely held investment vehicle (SCHIV)	Refers to an investment vehicle (e.g. a private equity fund, venture capital fund etc.) that has an agreement with another entity to act as its sponsor. The investment vehicle must also have 20 or fewer individuals who own all of the debt and equity interests. The SCHIV itself is not required to register with the IRS and obtain a GIIN. **See example below**.
Sponsored direct reporting NFFE	Refers to a direct reporting NFFE that has an agreement with another entity to act as its sponsor.

Example of a sponsored FFI:

Summer Investment Club Ltd (Summer) was established as an investment vehicle owned by 30 individuals (both directly and indirectly) through the individuals' investment holding vehicle. Its investment strategy focuses on investing investment assets such as money market instruments, foreign currency and foreign exchange. Summer has engaged Natural Ltd, a Reporting Model 2 FFI, to manage its investment portfolio. Further to this, Summer enters into an agreement with Natural Ltd, whereby Natural Ltd will act as sponsoring entity for Summer, and agrees to fulfil all FATCA responsibilities for Summer registered as a sponsoring entity with the IRS. Summer could be a sponsored FFI, and must register with the IRS and obtain a GIIN.

Example of a sponsored closely held investment vehicle (SCHIV):

Blue Investment Club Ltd (Blue) was established as an investment vehicle owned by 10 individuals for the purpose of making investments for related parties only. Its investment strategy is focused on investing in financial assets such as money market instruments, foreign currency and foreign exchange. Blue has engaged Spring Ltd, a Reporting Model 1 FFI itself, to manage its portfolio of investment. Furthermore, Blue has entered into an agreement with Spring Ltd whereby Spring Ltd agrees to fulfil all FATCA responsibilities for Blue and register as a sponsoring entity with the IRS. Blue could be a SCHIV and is not required to register with the IRS and obtain a GIIN.

Question 4

FATCA Status	Description
Collective investment vehicle	Refers to a regulated investment vehicle whose sole activities are investing, reinvesting or trading. Equity investors of the vehicle, direct debt investors with an interest greater than USD 50,000, and other financial account holders must be limited to participating FFIs, registered deemed-compliant FFIs, U.S. persons exempt from FATCA reporting, non-reporting IGA FFIs, or exempt beneficial owners.
Restricted fund	Refers to an investment entity that is regulated as an investment fund and satisfies the specific requirement of "Restricted Fund" under U.S. FATCA regulation, interests that are not directly issued by the fund must be sold only through distributors that are participating FFIs, registered deemed-compliant FFIs, local banks or restricted distributors. Sales to specified U.S. persons, non-participating FFIs and certain types of NFFEs are prohibited.

Question 5

FATCA Status	Description
Retirement funds or products exempt under an applicable IGA	There are a vast number of different qualifications for exempt retirement plans outlined in Annex II of the applicable IGA. Please consult the relevant IGA for your country to see if the FATCA account holder is exempt under the relevant IGA. **See example below**.

Examples of retirement funds exempt under an applicable IGA:

Example 1: Max and Jessie Crawford are the owners of a successful medical practice in Canberra. For the purposes of their retirement planning, they have decided to establish a self-managed superannuation fund using a trust structure. They have decided to act as trustees of this trust. As the Australian IGA specifically mentions superannuation entities as an exempt type of retirement fund, the trust can claim this FATCA status accordingly.

Example 2: Reimann AG is a successful textile goods producer based in Zurich. Given its large number of employees, it has decided to manage its employee pension fund itself using a pooled retirement scheme in accordance with Swiss law. It founded the "Pension fund for Reimann AG" (client) as a mandatory second pillar retirement fund. As this type is specifically mentioned in the Swiss IGA, the client can opt for this classification.

Question 6

FATCA Status	Description
Nonreporting IGA FFI (Investment Manager/Advisor)/Certain investment entities that do not maintain financial accounts	Refers to an entity that is in the business of providing investment advice and/or managing investments for clients but that does not maintain financial accounts for its clients.

Question 7

FATCA Status	Description
Owner-documented FFI	Refers to an investment entity that does not maintain a financial account for any non-participating FFI and that does not act as an intermediary. The entity is still required to collect FATCA documentation from its account holders and provides such documentation to another qualified financial institution that agrees to fulfil the entity's FATCA reporting responsibilities. This entity cannot be owned by or be part of a group with any FFI that is a bank, custodial institution or a specific insurance company. The entity is not required to register with the IRS and obtain a GIIN. **See example below**.

Example of an owner-documented FFI:

John and Elisa (the clients) approached Credit Suisse AG (CS) to open a legal entity investment account. Credit Suisse or its staff assisted the clients in incorporating an offshore company called Winter Ltd (Winter) in a suitable jurisdiction as an investment vehicle with the sole purpose of investing and trading in financial assets (stocks, bonds, etc.). The clients are the only directors and shareholders of the company, and both are a non-U.S. persons under U.S. tax law. The company has no premises of its own, and has no staff of its own. In addition, the Bank provides Winter with investment advice, and administrative and management services for the purpose of investing the funds under Winter.

Credit Suisse agrees to satisfy all FATCA reporting obligations for Winter, and Winter will collect the form 'Status Declaration Form for Individuals' from the clients and provide this to the Bank, along with an Owner Reporting Statement listing the client as the owners. In this case, Winter may be an ODFFI and is not required to register with the IRS and obtain a GIIN.

Examples of what may qualify as an owner-documented FFI:

- Domiciliary company (no premises of its own in the country of domicile and/or no staff of its own
- Entities held by only a few individual persons

III. Common FATCA statuses for non-financial foreign entities (NFFEs)

Question 8

FATCA Status	Description
Active NFFE	Refers to an NFFE which generated less than 50 percent of its gross income in the preceding calendar year from passive income, and of which less than 50 percent of its assets produce or are held for the production of passive income (such as dividends, interest, rents, royalties, annuities). Other types of NFFE are also defined as an active NFFE in the Swiss IGA for customers booked in Switzerland. **See examples below**.

Examples of active NFFEs:

Example 1: Cinema S.A., a company formed in Madrid, operates a movie theatre. It generates income exclusively from the sale of movie entry tickets and the snacks and beverages sold to customers. The assets it holds consists only of the equipment, inventory and other assets required for the operation of the movie theatre. Cinema may be an active NFFE.

Example 2: The daily business of Muffin Cup AG, a company formed in Zurich, consists of baking goods and selling these products to customers. Muffin Cup AG has been very successful over the last five years and has been able to invest its profits in securities. Therefore, in addition to income received from the sale of baked goods, Muffin Cup AG also earns passive income (i.e. interest and dividends) on its investments. In the previous year, Muffin Cup AG earned gross income of USD 2 million from the sale of baked goods and USD 70,000 in interest and dividends on its investments. On December 31 of the previous year, Muffin Cup AG had assets of USD 10 million, of which USD 1 million is invested in securities and the remaining USD 9 million consists of equipment, inventory and other assets used in the daily production of its baked goods. Muffin Cup AG may qualify as an active NFFE because more than 50 percent (USD 2 million / 2.07 million = 96.6 percent) of its gross income in the previous year is attributable to its active business of selling baked goods, and more than 50 percent (USD 9 million / 10 million = 90 percent) of the assets held by Muffin Cup AG are used for the production of income that cannot be treated as passive income.

Example 3: Haight Finance Pte Ltd, a company formed in Singapore, is one of 20 entities belonging to the Haight Group, which provides engineering services. Haight Holdings was set up as a group treasury center to provide financing to some entities in the Haight Group, and also holds shares in some of the Haight Group entities. None of the entities within Haight Group is a financial institution. Haight Finance Pte Ltd may be an active NFFE.

Examples of active NFFEs (as long as more than 50 percent of income can be considered active and less than 50 percent of the assets generate passive income)		
Farms	Manufacturing companies	Management consulting companies
Architect firms	Associations	Clubs

Non-Profit organization (exempt from tax income)	Refers to an entity established and maintained exclusively for religious, charitable, scientific, artistic, cultural or educational purposes that is exempt from income tax in its country of domicile and uses all funds for charitable purposes only. **See example below**.

Example of a non-profit organization:

Happy Living Foundation was established for the sole purpose of running a retirement home for elderly people who cannot afford care without financial support. As it was formed for charitable purposes, it is exempt from income tax in the country of incorporation. Furthermore, it does not have any assets used for secondary purposes or personal gain. Therefore, it may be classified as a non-profit organization.

Excepted nonfinancial group entity	Refers to an entity whose activities 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 trading or businesses other than the business of a financial institution. A non-financial group entity cannot be structured 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 holds interests in those companies as capital assets for investment purposes. **See example below**.

Example of an excepted non-financial group entity:

Meyer Holding Sàrl, a company formed in Fribourg, is the parent entity of five subsidiary companies that are in the business of manufacturing various parts for automobiles. The sole activity of Meyer Holding Sàrl is to hold the shares of these subsidiary companies. Meyer Holding Sàrl is privately owned and is not traded on an established securities market. Meyer Holding Sàrl was formed as part of the original structure of the business and was not formed in connection with any sort of investment purpose such as private equity, venture capital, etc. Meyer Holding Sàrl may qualify as an excepted non-financial group entity or active NFFE, as the company's primary purpose is to hold the stock of its subsidiaries, and these subsidiaries are engaged in a business that is not financial in nature. Meyer Holding Sàrl now forms a new subsidiary as a treasury center to provide financial services to the members of the group, such as managing the liquidity or hedging the assets of the members of the group. Meyer Holding Sàrl and any subsidiaries may still claim the status as excepted non-financial group entity and therefore active NFFE, as the main purpose of the structure remains non-financial. The same applies for subsidiaries that are set up for the purpose of holding real estate or licenses.

Excepted nonfinancial start-up company	Refers to an entity that invests capital in assets with the intent to operate a business that is not a financial institution or passive NFFE. This status expires 24 months after the initial set-up of the entity and the FATCA documentation has to be renewed.
Excepted nonfinancial entity in liquidation or bankruptcy	Refers to an entity that was not a financial institution or passive NFFE at any time during the past five years and is in the process of liquidating its assets or reorganizing with the intent to continue or recommence operations as a non-financial entity.
Publicly traded NFFE or NFFE affiliate of a publicly traded corporation	Refers to an entity that is not a financial institution whose stock is regularly traded on an established securities market or is a related entity (i.e. related by ownership greater than 50 percent) of an entity, the stock of which is regularly traded on an established securities market.
Excepted territory NFFE	Refers to an entity that is not a financial institution, that is organized on U.S. territory (i.e. American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, the Commonwealth of Puerto Rico, or the U.S. Virgin Islands), and all of the owners of the client are bona fide residents of that U.S. territory.
Excepted inter-affiliate FFI	Refers to an entity that 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. **See example below**.
Foreign government, government of a U.S. possession, or foreign central bank of issue	Refers to any government outside the U.S. including any political subdivisions or wholly owned entities that are an integral part of the sovereign. It must not generate any income to the benefit of private persons. **See example below under Question 10**.

Example of an excepted inter-affiliate FFI:

Miller Holding Ltd, a company formed in Dublin, is the parent entity of five subsidiary companies that are in the business of manufacturing office supplies. Miller Holding Ltd's sole activity is to hold the stock of these subsidiary companies. In order to invest their profits, the company decides to incorporate an additional subsidiary in a suitable jurisdiction, Miller Investment Funds Ltd, which will manage and invest any such assets. This type of entity falls under the definition of a financial institution. However, as it does not accept any deposits from any clients or entities outside of the group structure, and does not have any other responsibilities such as reporting assets or withholding payments for anyone outside the group, Miller Holding Ltd and Miller Investment Funds Ltd may choose the status of an inter-affiliate FFI or active NFFE.

Question 9

FATCA Status	Description
Passive NFFE	Refers to an entity that is a non-financial entity that generates over 50 percent of its gross income from passive income, or more than 50 percent of its assets produce or are held for the production of passive income (i.e. securities, rental property held as investments, etc.). **See examples below**.

Examples of a passive NFFE:

Example 1: Desmond wants to establish a family office to begin investing in financial assets. He incorporates a company in Hong Kong called Demorry Ltd and rents an office for the company. He also employs two individuals as financial advisors to help him manage his portfolios. Demorry's investment portfolio consists solely of securities that provide the company with dividends as income. Demorry may be a Passive NFFE.

Example 2: ABC Pte Ltd (ABC) submitted account opening documents to Credit Suisse, indicating that it is an investment holding company, and provided a FATCA classification of 'Active NFFE'. Upon further inquiry as to the reason for choosing this FATCA status, the client explained to the bank that ABC actively trades financial assets and therefore should be an active company. Since the determination of whether an entity is passive or active depends on the nature of income received by the entity rather than how frequently the entity performs certain activities, ABC might be a passive NFFE rather than an active NFFE.

Example 3: Value Co, a company wholly owned by Lee Trust, is an investment holding company that holds various financial assets such as exchange-listed equities or bonds for the Lee family. Ken, a U.S. person under U.S. tax law, is the trustee of Lee Trust. Ken also manages the Value Co portfolio and is responsible for the administration of the company. Value Co may be a passive NFFE with a controlling U.S. person.

Example 4: Raymond and Kitty (the clients), husband and wife, wish to become clients of a private bank. The clients have already formed an investment holding company named Wealthy Ltd in a suitable jurisdiction. As Wealthy Ltd has neither employees nor an office, it is considered a Domiciliary Company according to Swiss due diligence rules. Wealthy Ltd generally holds financial assets such as exchange-listed equities and bonds. The clients have decided to manage the company's assets themselves. These are therefore not professionally managed, and may classify as a Passive NFFE.

Example 5: Luxury Properties AG, a company formed in Zug, is set up to invest in properties for the purpose of earning rental income generated by these properties as well as potential future gains upon disposal of these properties. As properties are not considered financial assets, Luxury Properties could be a passive NFFE.

Example 6: Club Gymnastique is an athletic club established in Geneva. As it is not established to engage in activity which is considered to be that of a financial institution, it can be considered an NFFE. Since it is not exempt from income tax according to Swiss tax law it cannot classify itself as a non-profit organization. However, as its main income – more than 50 percent - consists of membership fees and donations from its members, its income can be considered mainly active income. It could be an active NFFE if less than 50 percent of its assets generate passive income as well. If an association's only asset is a bank account that generates passive income (e.g. interest, dividends), the association might be a passive NFFE. If in such a case an association has less than 10 members, each member must provide additional FATCA documentation as specified in the Self-Certification form.

IV. Additional FATCA Statuses (including exempt beneficial owners)

Question 10

FATCA Status	Description
Non-registering local bank	Refers to an entity that must operate solely as a bank (or credit union), must not have a fixed place of business outside of its country of incorporation or organization, and must not have more than USD 175 million in assets on its balance sheet.
FFI with only low-value accounts	Refers to an entity that has no financial accounts with a balance or value exceeding USD 50,000.
Limited life debt investment entity	Refers to an entity that was formed prior to January 17, 2013, for the purposes of purchasing specific types of debt and holding those assets until termination of the assets of this vehicle.
Restricted distributor	Refers to an entity that operates as a distributor that holds debt or equity interests in a restricted fund as a nominee and meets specific qualifying requirements.
Foreign government, government of a U.S. possession, or foreign central bank of issue	Refers to any government outside the U.S. including any political subdivisions or wholly owned entities that are an integral part of the sovereign. It must not generate any income to the benefit of private persons. **See example below**.

Example of foreign government, government of a U.S. possession, or foreign central bank of issue:

Railways Ltd is a wholly owned agency of a non-U.S. government formed to provide public transportation services. According to the applicable IGA, all wholly owned agencies of that government that have been established to provide public services may claim the status of "Foreign government, government of a U.S. possession, or foreign central bank of issue".

Telecom Services Ltd was also formed to provide public services. However, as it is now partly owned by independent shareholders, it can no longer claim this FATCA status and is considered a regular operating company.

Examples of what may qualify as foreign government, government of a U.S. possession, or foreign central bank of issue:

- The Swiss Federal Government, cantons, and municipalities, and wholly owned instrumentalities and agencies thereof
- The Federal Republic of Germany, its States (Länder), or any one of their political subdivisions or local authorities
- The Deutsche Bundesbank (German Federal Bank)
- The Bank for International Settlements
- Embassies

International organization	Refers to an organization or a wholly owned instrumentality or agency that either comprises primarily foreign governments, that is recognized as an intergovernmental or supranational organization by law, or that has a valid headquarters agreement with a government. It must not generate any income to the benefit of private persons. **See example below**.

Examples of what may qualify as an international organization:

- The United Nations
- International Committee of the Red Cross subsidiaries
- The Organization for Economic Cooperation and Development (OECD)
- The World Health Organization

Entity wholly owned by exempt beneficial owners	Refers to exempt beneficial owners who are exempt from providing documentation, and the withholding and reporting requirements under FATCA by definition (e.g. governments or institutions that are treated as exempt beneficial owners according to Annex II of an IGA).
Territory financial institution	Refers to a financial institution located in a U.S. territory (i.e. American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, the Commonwealth of Puerto Rico, or the U.S. Virgin Islands).
501(c) organization	Refers to an entity that is a tax-exempt non-profit organization in the U.S. and that obtained 501(c) organization status from the IRS.
Other non-reporting IGA FFI	Refers to an entity that is an FFI exempted from FATCA obligations pursuant to an applicable IGA, and generally does not need to register with the IRS and obtain a GIIN itself (unless it is a registered deemed compliant FFI formed under an IGA Model 2 jurisdiction, see question 1 for such an entity).

Question 11

Should you arrive at this section, please disregard the FATCA Self-Certification form and submit an IRS **W-8BEN-E** form. This is available at **www.credit-suisse.com/fatca**.

Glossary

Term	Description
Controlling persons	The natural persons who exercise control over an entity. In the case of a trust, this term refers to 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. In the case of a legal structure other than a trust, this term refers to persons in equivalent or similar positions.
EIN	Employer Identification Number – a tax number for legal entities liable to tax in the United States.
Escrow accounts	An account that is established in connection with either a court order or judgment; or a sale, exchange, or lease of real or personal property, provided that the account meets certain legal conditions.
Financial assets	These are generally securities, partnership interests, commodities, notional principal contracts, insurance or annuity contracts, or any interest (including futures or forward contracts or options) in a security, partnership interest, commodity, notional principal contract, insurance contract, or annuity contract.
Foreign financial institution (FFI)	A foreign financial institution is any non U.S. entity that ▪ accepts deposits as part of the ordinary course of its banking or similar business; or ▪ holds a substantial portion of its business-related financial assets for the benefit of others (e.g. provides custody services); or ▪ is an investment entity; or ▪ is an insurance company or a holding company that includes insurance companies; or ▪ a holding company or treasury center as part of an expanded affiliated group. Note: For further guidance on determining if the entity is a financial institution, please refer to page 8 of the "Legal Entity Classification Guide", available at: www.credit-suisse.com/fatca.
Global intermediary identification number (GIIN)	The GIIN is a 19-digit number that is received upon registration with the IRS. The FATCA account holder is able to document its FATCA compliance vis-à-vis the Bank by means of the GIIN. The Bank can verify the GIIN on a list published periodically by the IRS.
Income, active	All income that is not passive income. It is defined as all income for which services have been performed. This can include sales proceeds from goods or services, and commissions and income from businesses in which there is material participation. For associations and foundations, this may also include donations and membership fees.
Income, gross	The income from all sources before any deductions and taxes. These sources can be distinguished between active and passive income.
Income, passive	Passive income generally refers to the portion of gross income that may, among others, consist of: ▪ Dividends including substitute dividend amounts ▪ Interest and income equivalent to interest ▪ Rents and royalties ▪ Annuities ▪ The excess of gains over losses arising from the sale or exchange of property, from commodities transactions, but not including: – Amounts received under cash value insurance contracts – Amounts earned by an insurance company in connection with its reserves for insurance and annuity contracts.
Inter-governmental agreement (IGA)	The United States has entered into bilateral agreements with a number of countries in order to facilitate the implementation of FATCA in these countries. They are divided into countries with a Model 1 IGA (financial institutions report to a local governmental entity which exchanges reported information with the IRS) and a Model 2 IGA (financial institutions report directly to the IRS).
IGA, applicable	The applicability of an IGA is usually defined in the IGA itself. In most cases, the applicability is decided by the location of the country of incorporation or, if different, the country of tax residence of the FATCA account holder. However, there may be some exceptions to this rule and each IGA needs to be considered individually.
Intermediary	A person or entity that acts on behalf of another person or entity. An intermediary typically holds the assets and receives income on behalf of another person in its capacity as a nominee, custodian, broker, signatory, investment advisor or agent.
Investment entity	An entity whose gross income is primarily attributable to investing, reinvesting, or trading in financial assets, and that is managed by another entity that primarily conducts certain investment-related activities as a business. Such activities might include trading in money market instruments, FX, interest rate and index instruments; securities; or commodity futures; providing individual and collective portfolio management; or otherwise invests, administers, or manages funds or money on behalf of other persons.
Investment fund	Any fund that is regulated as an investment fund under the laws of its country of incorporation.
IRS	Internal Revenue Service, the tax department of the U.S. Treasury Department.
Mainly investing or trading	Over 50 percent of the client's gross income is generated through investing, reinvesting or trading in financial assets.
Non-financial foreign entity (NFFE)	A foreign entity that is not a financial institution (FFI).
Non-reporting IGA FFI	Any FFI or other entity resident in an IGA jurisdiction that is identified in Annex II of the applicable IGA as a non-reporting financial institution, or that otherwise qualifies as a deemed-compliant FFI, an exempt beneficial owner, or an excepted FFI under relevant U.S. Treasury Regulations.
Personal investment company (PIC)	A company whose main business is holding securities, other financial assets, or any other property purely for investment purposes, but does not act as a fund for its investors. PICs are normally private companies, limited in the number of investors (commonly only a handful of family members or related parties) and are not regulated by any regulatory body. The investment company invests money on behalf of its shareholders who in turn share in the profits and losses.

Term	Description
Professionally managed by a financial institution	An entity is professionally managed by a financial institution if the managing entity performs, either directly or through another third party service provider, any of the following activities on behalf of the managed entity: ▪ Trading in money market instruments (checks, bills, certificates of deposit, derivatives, etc.); foreign currency; foreign exchange, interest rate and index instruments; transferable securities; or commodity futures; ▪ Individual or collective portfolio management; or Otherwise investing, administering, or managing funds, money, or financial assets on behalf of other persons
Simple partnership	A partnership formed between two or more natural persons or legal entities. They may join together to form a simple partnership in order to achieve a common purpose. A simple partnership usually cannot be entered in the Commercial Register. Simple partnerships have no legal personality of their own and, as such, can generally not appear before a court as a plaintiff or defendant. It is therefore impossible to take action against the company itself to recover a debt. Instead, action must be taken against each of its partners individually.
Sponsor	An entity that performs the due diligence, withholding, and reporting obligations of sponsored entities.
Swiss due diligence rules	Rules that are dictated by the Swiss Anti-Money Laundering Act and that are met through the "Agreement on the Swiss banks' code of conduct with regard to the exercise of due diligence". Among other things, it determines the handling of so-called "Domiciliary Company" and the rules for the identification of beneficial owners.
Trust company (TC)	A trust, company or other entity, whose main business is to hold securities, other financial assets, or any other property purely for investment purposes. TCs are normally part of a trust structure and are used to hold assets. If the TC is a trust, the TC is the legal owner of the assets, but the beneficial owner is the beneficiary of the trust. If the TC is a company or other entity owned by a trust, the legal and beneficial owner of the assets is the company or entity itself. A TC that is a company or other entity is 100 percent owned by a trust, and is normally managed by the trustee of the trust.
U.S. owner	This is any controlling person who is a natural U.S. person or any legal entity that is a U.S. person, which exercises control over an entity and/or owns shares of this entity.