3 Amendments to the Commentary to the Rules

Commentary on Section I

[…]

Paragraph A – Information to be reported

3. Pursuant to paragraph A, each Reporting Financial Institution must report the following information with respect to each Reportable Account of such Reporting Financial Institution:

a) in the case of any individual that is an Account Holder and a Reportable Person: the name, address, jurisdiction(s) of residence, TIN(s) and date and place of birth, *whether the Account Holder has provided a valid self-certification and whether the account is a joint account, including the number of joint Account Holders*;

b) in the case of any Entity that is an Account Holder and a Reportable Person: the name, address, jurisdiction(s) of residence and TIN(s), *whether the Account Holder has provided a valid self-certification and whether the account is a joint account, including the number of joint Account Holders*;

c) in the case of any Entity that is an Account Holder and that is identified as having one or more Controlling Persons that is a Reportable Person:

1. the name, address, jurisdiction(s) of residence and TIN(s) of the Entity; and
2. the name, address, jurisdiction(s) of residence, TIN(s), date and place of birth of each Controlling Person that is a Reportable Person, *as well as the role(s) by virtue of which the Reportable Person is a Controlling Person of the Entity and whether a valid self-certification has been provided for such Reportable Person;*

d) the account number (or functional equivalent in the absence of an account number) and *the type of account and whether the account is a Preexisting Account or a New Account*;

e) the name and identifying number (if any) of the Reporting Financial Institution; and

f) 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 or period, the closure of the account.

4. In addition, the following information must be reported:

[…]

bbis) in the case of any Equity Interest held in an Investment Entity that is a legal arrangement, the role(s) by virtue of which the Reportable Person is an Equity Interest holder.

[…]

Subparagraph A(1) – Role(s) of the Controlling Person

7bis. The role(s) of each Reportable Person that is a Controlling Person in respect of an Entity is required to be reported. The requirements to identify Controlling Persons, as well as their roles with respect to the Entity, are governed by AML/KYC Procedures, as set out in paragraphs 132 et seq. of the Commentary to Section VIII. Where a Reportable Person is a Controlling Person by virtue of more than one role in respect of an Entity other than a trust or a similar legal arrangement, the Reporting Financial Institution must report according to the hierarchy of roles indicated in paragraph 133 of the Commentary to Section VIII (i.e. ownership interests, control through other means, senior managing official), provided the identification of the role is required by AML/KYC Procedures. This is illustrated by the following example:

- *Example: A Reporting Financial Institution maintains a Financial Account on behalf of an Entity Account Holder that is a corporation. The Reporting Financial Institution identifies that a Reportable Person is a Controlling Person of such Entity Account Holder by virtue of owning 51% of the ownership and voting interests in such Entity, as well as by being a senior managing official of such Entity. The Reporting Financial Institution is only required to indicate that the Reportable Person is a Controlling Person by virtue of its ownership interests, as this role comes first in the hierarchy specified in paragraph 7bis of Commentary to Section I.*

7ter. Where a Reportable Person is a Controlling Person of a trust or a similar legal arrangement by virtue of more than one role, the Reporting Financial Institution must report each role, provided the identification of the roles is required by AML/KYC Procedures. This requirement also applies with respect to the identification of the roles of Equity Interest holders, pursuant to subparagraph A(6bis), of a trust or a similar legal arrangement.

[…]

Subparagraph A(2) – Account number, type of account, Preexisting or New Account

8bis. The Reporting Financial Institution must also report whether an account is a Preexisting Account or a New Account as defined under subparagraphs C(9) and C(10) of Section VIII, respectively.

8ter. The account type to be reported with respect to an account is the type of Financial Account maintained by the Reporting Financial Institution for the Account Holder, as described under subparagraph C(1) of Section VIII.

[…]

Subparagraph A(4) – Account balance or value

[…]

14. In the case of an account closure, the Reporting Financial Institution has no obligation to report the account balance or value before or at closure, but must report that the account was closed. In determining when an account is "closed", reference must be made to the applicable law in a particular jurisdiction. If the applicable law does not address closure of accounts, an account will be considered to be closed according to the normal operating procedures of the Reporting Financial Institution that are consistently applied for all accounts maintained by such institution. For example, an equity or debt interest in a Financial Institution would generally be considered to be closed upon termination, transfer, surrender, redemption, cancellation, or liquidation. An account with a balance or value equal to zero or that is negative will not be a closed account solely by reason of such balance or value. *Similarly, if a discretionary beneficiary of a trust that is a Financial Institution receives a distribution from the trust in a given year, but not in a following*

year, the absence of a distribution does not constitute an account closure, as long as the beneficiary is not permanently excluded from receiving future distributions from the trust.

[…]

Subparagraph A(5)(b) – Gross proceeds

17. In the case of a Custodial Account, information to be reported includes the total gross proceeds from the sale or redemption of Financial Assets paid or credited to *or with respect 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. The term "sale or redemption" means any sale or redemption of Financial Assets, determined without regard to whether the owner of such Financial Assets is subject to tax with respect to such sale or redemption.

[…]

19. With respect to a sale that is effected by a broker that results in a payment of gross proceeds, the date the gross proceeds are considered paid is the date that the proceeds of such sale are credited to *or with respect to* the account of or otherwise made available to the person entitled to the payment.

20. The total gross proceeds from a sale or redemption means the total amount realised as a result of a sale or redemption of Financial Assets. In the case of a sale effected by a broker, the total gross proceeds from a sale or redemption means the total amount paid or credited to *or with respect to* the account of the person entitled to the payment increased by any amount not so paid by reason of the repayment of margin loans; the broker may (but is not required to) take commissions with respect to the sale into account in determining the total gross proceeds. In the case of a sale of an interest bearing debt obligation, gross proceeds includes any interest accrued between interest payment dates.

[…]

Paragraph C through G - Exceptions

Taxpayer Identification Number and date of birth

[…]

25. Paragraph C contains an exception applicable to Preexisting Accounts: the TIN or date of birth is not required to be reported if (i) such TIN or date of birth is not in the records of the Reporting Financial Institution, and (ii) there is not otherwise a requirement for such TIN or date of birth to be collected by such Reporting Financial Institution under domestic law. Thus, the TIN or date of birth is required to be reported if either:

- the TIN or date of birth is in the records of the Reporting Financial Institution (whether or not there is an obligation to have it in the records); or
- the TIN or date of birth is not in the records of the Reporting Financial Institution, but it is otherwise required to be collected by such Reporting Financial Institution under domestic law (e.g. AML/KYC Procedures).

26. The "records" of a Reporting Financial Institution include the customer master file and electronically searchable information (see paragraph 34 below). A "customer master file" includes the primary files of a Reporting Financial Institution for maintaining account holder information, such as information used for contacting account holders and for satisfying AML/KYC Procedures. Reporting Financial Institutions would generally have a two-year period to complete the review procedures for identifying Reportable Accounts among Lower Value Accounts (see paragraph 51 of the Commentary on Section III) and, thus, could first

review their electronic records (or obtain TIN or date of birth from the Account Holder) and then review their paper records.

27. In addition, even where a Reporting Financial Institution does not have the TIN or date of birth for a Preexisting Account in its records and is not otherwise required to collect such information under domestic law, the Reporting Financial Institution is required to use reasonable efforts to obtain the TIN and date of birth with respect to Preexisting Accounts by the end of the second calendar year following the year in which such Accounts were identified as Reportable Accounts *and whenever it is required to update the information relating to the Preexisting Account pursuant to domestic AML/KYC Procedures*, unless one of the exceptions in paragraph D applies with respect to the TIN and it is not required to be reported.

28. "Reasonable efforts" means genuine attempts to acquire the TIN and date of birth of the Account Holder of a Reportable Account. Such efforts must be made, at least once a year, during the period between the identification of the Preexisting Account as a Reportable Account and the end of the second calendar year following the year of that identification *and whenever it is required to update the information relating to the Preexisting Account pursuant to domestic AML/KYC Procedures*. Examples of reasonable efforts include contacting the Account Holder (e.g. by mail, in-person or by phone), including a request made as part of other documentation or electronically (e.g. by facsimile or by e-mail); and reviewing electronically searchable information maintained by a Related Entity of the Reporting Financial Institution, in accordance with the aggregation principles set forth in paragraph C of Section VII. However, reasonable efforts do not necessarily require closing, blocking, or transferring the account, nor conditioning or otherwise limiting its use. Notwithstanding the foregoing, reasonable efforts may continue to be made ~~after the abovementioned period~~ *at any time*.

[…]

Financial Assets subject to reporting under Crypto-Asset Reporting Framework

36. Paragraph G contains an optional exception for reporting by Reporting Financial Institutions with respect to the gross proceeds from the sale or redemption of a Financial Asset, to the extent such gross proceeds from the sale or redemption of such Financial Asset are reported by the Reporting Financial Institution under the Crypto-Asset Reporting Framework, as illustrated by the following example:

An individual, A, holds a Custodial Account with C, a custodial Crypto-Asset exchange that is a Reporting Financial Institution. At the beginning of the year, A holds 5 units of security token X in the Custodial Account with C. Throughout the year, A acquires an additional 3 units of security token X and disposes of 2 units. C reports the account balance of the Custodial Account under subparagraph A(4). C reports the disposals and acquisitions of security token X under the Crypto-Asset Reporting Framework and is therefore not required to report the gross proceeds from the disposals of security token X under subparagraph A(5)(b).

[…]

Commentary on Section IV

1. This Section contains the due diligence procedures for New Individual Accounts and provides for the collection of a self-certification (and confirmation of its reasonableness).

2. According to paragraph A, upon account opening, 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 the Account Holder's residence(s) 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.

2bis. While as a general rule a self-certification must be obtained on the day of the account opening, there may be a limited number of circumstances, where due to the specificities of a business sector it is not possible to obtain a self-certification on 'day one' of the account opening process. For example, this may be the case where an insurance contract has been assigned from one person to another, where an account holder changes as a result of a court order, where a newly created company is in the process of obtaining a TIN or where an investor acquires shares in an investment trust on the secondary market. In addition, it is acknowledged that, even where a self-certification is obtained at account opening, validation of the self-certification may not always be completed on the day of the account opening (e.g. in circumstances where validation is a process undertaken by a back-office function within the Reporting Financial Institution). In these circumstances, the self-certification must be both obtained and validated by the Reporting Financial Institution as quickly as feasible, and in any case within a period of 90 calendar days and in time to be able to meet its due diligence and reporting obligations with respect to the reporting period during which the account was opened. In this respect, it is expected that jurisdictions have strong measures in place to ensure that valid self-certifications are always obtained for New Accounts (as described in paragraph 18 to the Commentary on Section IX).

[…]

4. The self-certification must allow determining the Account Holder's residence(s) for tax purposes. Generally, an individual will only have one jurisdiction of residence. However, an individual may be resident for tax purposes in two or more jurisdictions under the domestic laws of such jurisdictions. *In those circumstances, the expectation is that all jurisdictions of residence are to be declared in a self-certification and that the Reporting Financial Institution must treat the account as a Reportable Account in respect of each Reportable Jurisdiction.* The domestic laws of the various jurisdictions lay down the conditions under which an individual is to be treated as fiscally 'resident'. They cover various forms of attachment to a jurisdiction which, in the domestic taxation laws, form the basis of a comprehensive taxation (full liability to tax). They also cover cases where an individual is deemed, according to the taxation laws of a jurisdiction, to be resident of that jurisdiction (e.g. diplomats or other persons in government service). ~~To solve cases of double residence, tax conventions contain special rules which give the attachment to one jurisdiction a preference over the attachment of the other jurisdiction for purposes of these conventions. Generally, an individual will be resident for tax purposes in a jurisdiction if, under the laws of that jurisdiction (including tax conventions), he pays or should be paying tax therein by reason of his domicile, residence or any other criterion of a similar nature, and not only from sources in that jurisdiction.~~ Dual resident individuals may rely on the tiebreaker rules contained in tax conventions (if applicable) to solve cases of double residence for determining their residence for tax purposes (see paragraph 23 below), *until [effective date of the amended CRS]. Following [effective date of the amended CRS], dual resident individuals that are (re-) documented may not rely on tiebreaker rules and will be expected to declare all their jurisdictions of residence.*

[…]

Requirements for validity of self-certification

7. A "self-certification" is a certification by the Account Holder that provides the Account Holder's ~~or~~ status and any other information that may be reasonably requested by the Reporting Financial Institution to fulfil its reporting and due diligence obligations, such as whether the Account Holder is resident for tax purposes in a Reportable Jurisdiction. With respect to New Individual Accounts, a self-certification is valid only if it is signed (or otherwise positively affirmed) by the Account Holder, it is dated at the latest at the date of receipt, and it contains the Account Holder's:

a) name;

b) residence address;

c) jurisdiction(s) of residence for tax purposes;

d) TIN with respect to each Reportable Jurisdiction (see paragraph 8 below); and

e) date of birth (see paragraph 8 below).

The self-certification may be pre-populated by the Reporting Financial Institution to include the Account Holder's information, except for the jurisdiction(s) of residence for tax purposes, to the extent already available in its records.

[…]

11. A self-certification may be signed (or otherwise positively affirmed) by any person authorised to sign on behalf of the Account Holder under domestic law. A person authorised to sign a self-certification generally includes an executor of an estate, any equivalent of the former title, and any other person that has been provided written authorisation by the Account Holder to sign documentation on such person's behalf.

11bis. A self-certification is otherwise positively affirmed if the person making the self-certification provides the Reporting Financial Institution with an unambiguous acknowledgement that they agree with the representations made through the self-certification. In all cases, the positive affirmation is expected to be captured by the Reporting Financial Institution in a manner such that it can credibly demonstrate that the self-certification was positively affirmed (e.g. voice recording, digital footprint, etc.). The approach taken by the Reporting Financial Institution in obtaining the self-certification is expected to be in a manner consistent with the procedures followed by the Reporting Financial Institution for the opening of the account. The Reporting Financial Institution will need to maintain a record of this process for audit purposes, in addition to the self-certification itself.

[…]

Reasonableness of self-certifications

[…]

25. In the case of a self-certification that would otherwise fail the reasonableness test, it is expected that in the course of the account opening procedures the Reporting Financial Institution would obtain either (i) a valid self-certification, or (ii) a reasonable explanation and documentation (as appropriate) supporting the reasonableness of the self-certification (and retain a copy or a notation of such explanation and documentation). Examples of such "reasonable explanation" include a statement by the individual that he or she (1) is a student at an educational institution in the relevant jurisdiction and holds the appropriate visa (if applicable); (2) is a teacher, trainee, or intern at an educational institution in the relevant jurisdiction or a participant in an educational or cultural exchange visitor program, and holds the appropriate visa (if applicable); (3) is a foreign individual assigned to a diplomatic post or a position in a consulate or embassy in the relevant jurisdiction; or (4) is a frontier worker or employee working on a truck or train travelling between jurisdictions. The following example illustrates the application of this paragraph: A Reporting Financial Institution obtains a self-certification for the Account Holder upon account opening. The jurisdiction of residence for tax purposes contained in the self-certification conflicts with the residence address contained in the documentation collected pursuant to AML/KYC Procedures. The Account Holder explains that she is a diplomat from a particular jurisdiction and that, as a consequence, she is resident in such jurisdiction; she also presents her diplomatic passport. Because the Reporting Financial Institution obtained a reasonable explanation and documentation supporting the reasonableness of the self-certification, the self-certification passes the reasonableness test.

25bis. Similarly, where an individual Account Holder indicates on a self-certification that he or she does not have a residence for tax purposes, the Reporting Financial Institution is required to confirm the reasonableness of the self-certification on the basis of other documentation, including any documentation collected pursuant to AML/KYC Procedures that is at its disposal. For instance, the fact that the self-certification indicates that the Account Holder has no residence for tax purposes but the other documentation on file contains an address constitutes a reason to doubt the validity of the self-certification. In such cases, the Reporting Financial Institution must ensure that it obtains a reasonable explanation and documentation, as appropriate, that supports the reasonableness of the self-certification. If the Reporting Financial Institution does not obtain a reasonable explanation as to the reasonableness of the self-certification, the Reporting Financial Institution may not rely on the self-certification and must obtain a new, valid self-certification from the Account Holder.

[…]

Commentary on Section V

[…]

Paragraph D – Review procedures

[…]

Subparagraph D2 – Review procedure for Controlling Persons

[…]

20. For purposes of determining whether the Account Holder is a Passive NFE, according to subparagraph D(2)(a), the Reporting Financial Institution must obtain a self-certification from the Account Holder to establish its status, unless it has information in its possession or that is publicly available (see paragraph 12 above), based on which it can reasonably determine that the Account Holder is an Active NFE or a Financial Institution other than a non-participating professionally managed investment entity (i.e. an Investment Entity described in subparagraph A(6)(b) of Section VIII that is not a Participating Jurisdiction Financial Institution). For example, a Reporting Financial Institution could reasonably determine that the Account Holder is an Active NFE where the Account Holder is legally prohibited from conducting activities or operations, or holding assets, for the production of passive income (see paragraph 126 of the Commentary on Section VIII). The self-certification to establish the Account Holder's status must comply with the requirements for the validity of self-certification with respect to Preexisting Entity Accounts (see paragraphs 13-17 above). A Reporting Financial Institution that cannot determine the status of the Account Holder as an Active NFE or a Financial Institution other than non-participating professionally managed investment entity must presume that it is a Passive NFE.

21. For the purposes of determining the Controlling Persons of an Account Holder, according to subparagraph D(2)(b), a Reporting Financial Institution may rely on information collected and maintained pursuant to AML/KYC Procedures *consistent with FATF Recommendation 10, where a publicly listed company exercises control over an Account Holder that is a Passive NFE there is no requirement to determine the Controlling Persons of such company, if such company is already subject to disclosure requirements ensuring adequate transparency of beneficial ownership information.*

[…]

Commentary on Section VI

[…]

4bis. In a limited number of circumstances where a self-certification cannot be obtained or validated upon account opening, the self-certification must be both obtained and validated by the Reporting Financial Institution as quickly as feasible and in any case within a period of 90 calendar days and in time to be able to meet its due diligence and reporting obligations with respect to the reporting period during which the account was opened (see paragraph 2bis of the Commentary on Section IV).

[…]

7. The self-certification must allow determining the Account Holder's residence(s) for tax purposes. It may be rare in practice for an Entity to be subject to tax as a resident in more than one jurisdiction, but it is, of course, possible. *In those circumstances, the expectation is that all jurisdictions of residence are to be declared in a self-certification and that the Reporting Financial Institution must treat the account as a Reportable Account in respect of each Reportable Jurisdiction.* The domestic laws of the various jurisdictions lay down the conditions under which an Entity is to be treated as fiscally 'resident'. They cover various forms of attachment to a jurisdiction which, in the domestic taxation laws, form the basis of a comprehensive taxation (full tax liability). To solve cases of double residence, tax conventions contain special rules which give the attachment to one jurisdiction a preference over the attachment of the other jurisdiction for purposes of those conventions. Generally, an Entity will be resident for tax purposes in a jurisdiction if, under the laws of that jurisdiction (including tax conventions), it pays or should be paying tax therein by reason of its domicile, residence, place of management or incorporation, or any other criterion of a similar nature, and not only from sources in that jurisdiction**.** Dual resident Entities may rely on the tiebreaker rules contained in tax conventions (if applicable) to solve cases of double residence for determining their residence for tax purposes (see paragraph 13 below), *until [effective date of the amended CRS]. Following [effective date of the amended CRS], dual resident Entities that are (re-)documented may not rely on tiebreaker rules and will be expected to declare all their jurisdictions of residence.*

[…]

Paragraph A(2) – Review procedure for Controlling Persons

[…]

19. For the purposes of determining the Controlling Persons of an Account Holder, according to subparagraph A(2)(b), a Reporting Financial Institution may rely on information collected and maintained pursuant to AML/KYC Procedures, *provided that such AML/KYC Procedures are consistent with FATF Recommendations 10 and 25 (as adopted in February 2012). If the Reporting Financial Institution is not legally required to apply AML/KYC Procedures that are consistent with the 2012 FATF Recommendations, it must apply substantially similar procedures for the purpose of determining the Controlling Persons. Consistent with FATF Recommendation 10, where a publicly listed company exercises control over an Account Holder that is a Passive NFE, there is no requirement to determine the Controlling Persons of such company, if such company is already subject to disclosure requirements ensuring adequate transparency of beneficial ownership information.*

[…]

Commentary on Section VII

[…]

Paragraph A – Reliance on Self-Certification and Documentary Evidence

2. Paragraph A contains the standards of knowledge applicable to a self-certification or Documentary Evidence. It provides that a Reporting Financial Institution may not rely on a self-certification or Documentary Evidence if the Reporting Financial Institution knows (i.e. has actual knowledge) or has reason to know that the self-certification or Documentary Evidence is incorrect or unreliable.

3. A Reporting Financial Institution has reason to know that a self-certification or Documentary Evidence is unreliable or incorrect if its knowledge of relevant facts or statements contained in the self-certification or other documentation, including the knowledge of the relevant relationship managers, if any (see paragraphs 38-42 and 50 of the Commentary on Section III), is such that a reasonably prudent person in the position of the Reporting Financial Institution would question the claim being made. A Reporting Financial Institution also has reason to know that a self-certification or Documentary Evidence is unreliable or incorrect if there is information in the documentation or in the Reporting Financial Institution's account files that conflicts with the person's claim regarding its status.

3bis. In confirming the reasonableness of a self-certification, Reporting Financial Institutions may be confronted with instances where an Account Holder or Controlling Person has provided documentation issued under a citizenship or residence by investment scheme (CBI/RBI scheme), which allows a foreign individual to obtain citizenship or temporary or permanent residence rights on the basis of local investments or against a flat fee. Certain high-risk CBI/RBI schemes may be potentially misused to circumvent reporting under the CRS. Such potentially high-risk CBI/RBI schemes are those that give a taxpayer access to a low personal income tax rate on offshore financial assets and do not require significant physical presence in the jurisdiction offering the CBI/RBI scheme. The OECD endeavours to publish information on such potentially high-risk CBI/RBI schemes on its website. It is expected that Reporting Financial Institutions rely on the OECD-published information in making the determination of whether they have a reason to know that the self-certification is incorrect or unreliable. In particular, where the Reporting Financial Institution has doubts as to the tax residency(ies) of an Account Holder or Controlling Person related to the fact that such person is claiming residence in a jurisdiction offering a potentially high-risk CBI/RBI scheme, the Reporting Financial Institution should not rely on such self-certification until it has taken further measures to ascertain the tax residency(ies) of such persons, including through raising further questions. Examples of such questions may include whether the Account Holder (1) has obtained residence rights under an CBI/RBI scheme; (2), holds residence rights in any other jurisdiction(s); and (3) has spent more than 90 days in any other jurisdiction(s) during the previous year, as well as (4) the jurisdictions in which the Account Holder has filed personal income tax returns during the previous year. The responses to these questions, accompanied by the relevant supporting documentation where applicable, should assist the Reporting Financial Institution in ascertaining whether the self-certification passes the reasonableness test.

Standards of knowledge applicable to self-certifications

4. A Reporting Financial Institution has reason to know that a self-certification provided by a person is unreliable or incorrect if the self-certification is incomplete with respect to any item on the self-certification that is relevant to the claims made by the person, the self-certification contains any information that is inconsistent with the person's claim, or the Reporting Financial Institution has other account information that is inconsistent with the person's claim. A Reporting Financial Institution that relies on a service provider to review and maintain a self-certification is considered to know or have reason to know the facts within the knowledge of the service provider.

4bis. A Reporting Financial Institution will have reason to know that a self-certification is unreliable or incorrect if the self-certification does not contain a TIN and the information disseminated by the OECD indicates that the Reportable Jurisdiction issues TINs to all tax residents. The Common Reporting Standard does not require a Reporting Financial Institution to confirm the format and other specifications of a TIN with the information disseminated by the OECD. However, Reporting Financial Institutions may

nevertheless wish to do so in order to enhance the quality of the information collected and minimise the administrative burden associated with any follow up concerning reporting of an incorrect TIN. In this case, they may also use regional and national websites providing a TIN check module for the purpose of further verifying the accuracy of the TIN provided in the self-certification.

4ter. There may be instances where the AML/KYC Procedures to be applied by Reporting Financial Institutions change. In this respect, Section VIII(E)(2) provides that the term "AML/KYC Procedures" means the customer due diligence procedures of a Reporting Financial Institution pursuant to the anti-money laundering or similar requirements to which such a Reporting Financial Institution is subject. Consequently, for carrying out the due diligence procedures of Sections III-VII, the applicable AML/KYC Procedures are those to which a Reporting Financial Institution is subject at a given moment in time, as long as, for New Accounts, such procedures are consistent with the 2012 FATF Recommendations. Where there is an amendment to the applicable AML/KYC Procedures (e.g. upon a jurisdiction implementing new FATF Recommendations), Reporting Financial Institutions may be required to collect and maintain additional information for AML/KYC purposes in that jurisdiction. For the purposes of the due diligence procedures set out in Sections III-VII and in line with paragraph 17 of the Commentary on Section III, the additional information obtained under such amended AML/KYC Procedures must be used to determine whether there has been a change of circumstances in relation to the identity and/or reportable status of Account Holders and/or Controlling Persons. As explained in paragraph 4, above, if the additional information obtained is inconsistent with the claims made by a person in a self-certification, then there has been a change in circumstances and a Reporting Financial Institution will have a reason to know that a self-certification is unreliable or incorrect.

[…]

Paragraph Abis – Temporary lack of Self-Certification

10bis. Paragraph Abis contains the special due diligence procedure that must be temporarily applied in exceptional circumstances where a self-certification cannot be obtained and validated by a Reporting Financial Institution in respect of a New Account in time to meet its due diligence and reporting obligations with respect to the reporting period during which the account was opened. Where the self-certification cannot be obtained and validated in respect of a New Individual Account, the Reporting Financial Institution must temporarily apply the due diligence procedures for Preexisting Individual Accounts under Section III. Similarly, where a self-certification cannot be obtained and validated in respect of a New Entity Account, the Reporting Financial Institution must temporarily apply the due diligence procedures for Preexisting Entity Accounts under Section V.

10ter. Notwithstanding the above, for the purposes of subparagraph A(2) of Section I, such accounts should be reported upon as New Accounts.

[…]

Commentary on Section VIII

[…]

Paragraph A – Reporting Financial Institution

[…]

Subparagraph A(3) through (~~8~~11) – Financial Institution

[…]

Custodial Institution

9. Subparagraph A(4) defines the term "Custodial Institution" as any Entity that holds, as a substantial portion of its business, Financial Assets for the account of others.

10. It further establishes the 'substantial portion' test. An Entity holds Financial Assets for the account of others as a substantial portion of its business if the Entity's gross income attributable to the holding of Financial Assets and related financial services equals or exceeds 20% of the Entity's gross income during the shorter of:

- 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
- the period during which the Entity has been in existence.

'Income attributable to holding Financial Assets and related financial services' means custody, account maintenance, and transfer fees; commissions and fees earned from executing and pricing securities transactions with respect to Financial Assets held in custody; income earned from extending credit to customers with respect to Financial Assets held in custody (or acquired through such extension of credit); income earned on the bid-ask spread of Financial Assets held in custody; and fees for providing financial advice with respect to Financial Assets held in (or potentially to be held in) custody by the entity; and for clearance and settlement services.

10bis. Income attributable to related financial services also includes commissions and fees from holding, transferring and exchanging of Relevant Crypto-Assets held in custody.

10ter. For the purposes of the gross income test, all remuneration for the relevant activities of an Entity is to be taken into account, independent of whether that remuneration is paid directly to the Entity to which the test is applied or to another Entity. For example, in certain instances, a professional accounting or law firm sets up a trust for a client and, as part of that process, appoints a corporate trustee. The client then pays the accounting or law firm for all services rendered in relation to the set-up of the trust, including the appointment of the corporate trustee and other trustee services. As such, the corporate trustee itself does not receive a direct remuneration for its services as these are paid to the accounting or law firm as part of the overall package. This issue can also arise in the context of Entities that provide custodial services if the fees for such services are paid to another Entity. In both instances, such remuneration should be taken into account for the purposes of the gross income test.

11. Entities that safe keep Financial Assets for the account of others, such as custodian banks, brokers and central securities depositories, would generally be considered Custodial Institutions. Entities that do not hold Financial Assets for the account of others, such as insurance brokers, will not be Custodial Institutions.

11bis. For Financial Assets issued in the form of a Relevant Crypto-Asset, "safekeeping" is understood to also include the safekeeping or administration of instruments enabling control over such assets (for example, private keys), to the extent that the Entity has the ability to manage, trade or transfer to third parties the underlying Financial Assets on the user's behalf. Consequently, an Entity that solely offers storage or security services for private keys to such Financial Assets, would not be considered a Custodial Institution.

Depository Institution

12. Subparagraph A(5) defines the term "Depository Institution" as any Entity that *a)* accepts deposits in the ordinary course of a banking or similar business**;** *or b) holds Specified Electronic Money Products or Central Bank Digital Currencies for the benefit of customers.*

13. An Entity is considered to ~~be engaged in~~ *accept deposits in the ordinary course* of a 'banking or similar business' if, in the ordinary course of its business with customers, the Entity accepts deposits or other similar investments of funds and regularly engages in, *or is licenced to engage in*, one or more of the following activities:

a) mak*ing*~~es~~ personal, mortgage, industrial, or other loans or provid*ing*~~es~~ other extensions of credit;

b) purchas*ing*~~es~~, selli*ng*~~s~~, discount*ing*~~s~~, or negotiat*ing*~~es~~ accounts receivable, instalment obligations, notes, drafts, checks, bills of exchange, acceptances, or other evidences of indebtedness;

c) issu*ing*~~es~~ letters of credit and negotiat*ing*~~es~~ drafts drawn thereunder;

d) provid*ing*~~es~~ trust or fiduciary services;

e) financ*ing*~~es~~ foreign exchange transactions; or

f) enter*ing*~~s~~ into, purchas*ing*~~es~~, or dispos*ing*~~es~~ of finance leases or leased assets.

An Entity is not considered to ~~be engaged in~~ accept deposits in the ordinary course of a banking or similar business if the Entity solely accepts deposits from persons as a collateral or security pursuant to a sale or lease of property or pursuant to a similar financing arrangement between such Entity and the person holding the deposit with the Entity.

~~14. Savings banks, commercial banks, savings and loan associations, and credit unions would generally be considered Depository Institutions. However, whether an Entity conducts a banking or similar business is determined based upon the character of the actual activities of such Entity.~~

14. An Entity is also considered a Depository Institution if it holds Specified Electronic Money Products or Central Bank Digital Currencies for the benefit of customers. In most instances, such Entity will be the issuer of the Specified Electronic Money Products or Central Bank Digital Currencies. With respect to Specified Electronic Money Products issued in the form of a Crypto-Asset, the Depository Institution that holds such product will typically be a custodial Crypto-Asset exchange or wallet provider.

[…]

Investment Entity

[…]

16. Subparagraph A(6)(a) defines the first type of "Investment Entity" as any Entity that primarily conducts as a business one or more of the following activities or operations for or on behalf of a customer:

a) 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;

b) individual and collective portfolio management; or

c) otherwise investing, administering, or managing Financial Assets*,* ~~or~~ money *(including Central Bank Digital Currencies), or Relevant Crypto-Assets* on behalf of other persons.

Such activities or operations do not include rendering non-binding investment advice to a customer. For purposes of subparagraph A(6)(a), *the term "customer" includes the Equity Interest holder of a collective*

investment vehicle, whereby the collective investment vehicle is considered to conduct its activities or operations as a business. For purposes of subparagraph A(6)(a)(iii), the term "investing, administering, or trading" does not comprise the provision of services effectuating Exchange Transactions for or on behalf of customers.

17. Subparagraph A(6)(b) defines the second type of "Investment Entity" as any Entity the gross income of which is primarily attributable to investing, reinvesting, or trading in Financial Assets *or Relevant Crypto-Assets,* if the Entity is managed by another Entity that is a Depository Institution, a Custodial Institution, a Specified Insurance Company, or an Investment Entity described in subparagraph A(6)(a). An Entity is 'managed by' another Entity if the managing Entity performs, either directly or through another service provider, any of the activities or operations described in subparagraph A(6)(a) on behalf of the managed Entity. However, an Entity does not manage another Entity if it does not have discretionary authority to manage the Entity's assets (in whole or part). Where an Entity is managed by a mix of Financial Institutions, NFEs or individuals, the Entity is considered to be managed by another Entity that is a Depository Institution, a Custodial Institution, a Specified Insurance Company, or an Investment Entity described in subparagraph A(6)(a), if any of the managing Entities is such another Entity. *For example, a private trust company that acts as a registered office or registered agent of a trust or performs administrative services unrelated to the Financial Assets, Relevant Crypto-Assets or money of the trust, does not conduct the activities and operations described in subparagraph (A)(6)(a) on behalf of the trust and thus the trust is not "managed by" the private trust company within the meaning of subparagraph (A)(6)(b). Also, an Entity that invests all or a portion of its assets in a mutual fund, exchange traded fund, or similar vehicle will not be considered "managed by" the mutual fund, exchange traded fund, or similar vehicle. In both of these examples, a further determination needs to be made as to whether the Entity is managed by another Entity for the purpose of ascertaining whether the first-mentioned Entity falls within the definition of Investment Entity, as set out in subparagraph (A)(6)(b).*

18. An Entity is treated as primarily conducting as a business one or more of the activities described in subparagraph A(6)(a), or an Entity's gross income is primarily attributable to investing, reinvesting, or trading in Financial Assets *or Relevant Crypto-Assets* for purposes of subparagraph A(6)(b), if the Entity's gross income attributable to the relevant activities equals or exceeds 50% of the Entity's gross income during the shorter of:

- the three-year period ending on 31 December of the year preceding the year in which the determination is made; or
- the period during which the Entity has been in existence.

As clarified in paragraph 10ter, above, for the purposes of the gross income test, all remuneration for the relevant activities of an Entity is to be taken into account, independent of whether that remuneration is paid directly to the Entity to which the test is applied or to another Entity.

19. The term "Investment Entity", as defined in subparagraph A(6), does not include an Entity that is an Active NFE because it meets any of the criteria in subparagraphs D(9)(d) through (g) (i.e. holding NFEs and treasury centres that are members of a nonfinancial group; start-up NFEs; and NFEs that are liquidating or emerging from bankruptcy).

20. An Entity would generally be considered an Investment Entity if it functions or holds itself out as a collective investment vehicle, mutual fund, exchange traded fund, private equity fund, hedge fund, venture capital fund, leveraged buy-out fund or any similar investment vehicle established with an investment strategy of investing, reinvesting, or trading in Financial Assets *or Relevant Crypto-Assets*. An Entity that primarily conducts as a business investing, administering, or managing non-debt, direct interests in real property on behalf of other persons, such as a type of real estate investment trust, will not be an Investment Entity.

[…]

Financial Asset

[…]

24. Within that context, subparagraph A(7) provides that the term "Financial Asset" includes a security (for example, a share of stock in a corporation; partnership or beneficial ownership interest in a widely held or publicly traded partnership or trust; note, bond, debenture, or other evidence of indebtedness), partnership interest, commodity, swap (for example, interest rate swaps, currency swaps, basis swaps, interest rate caps, interest rate floors, commodity swaps, equity swaps, equity index swaps, and similar agreements), Insurance Contract or Annuity Contract, or any interest (including a futures or forward contract or option) in a security, *Relevant Crypto-Asset,* partnership interest, commodity, swap, Insurance Contract, or Annuity Contract. However, the term "Financial Asset" does not include a non-debt, direct interest in real property; or a commodity that is a physical good, such as wheat.

[…]

25bis. In each case, the determination of whether an asset is a Financial Asset is independent from the form in which such asset is issued. Therefore, an asset issued in the form of a Crypto-Asset may simultaneously be a Financial Asset.

[…]

Specified Electronic Money Product

29bis. Subparagraph A(9) defines the term "Specified Electronic Money Product" as any product that is:

a) a digital representation of a single Fiat Currency;

b) issued on receipt of funds for the purpose of making payment transactions;

c) represented by a claim on the issuer denominated in the same Fiat Currency;

d) accepted in payment by a natural or legal person other than the issuer; and

e) by virtue of regulatory requirements to which the issuer is subject, redeemable at any time and at par value for the same Fiat Currency upon request of the holder of the product.

The term "Specified Electronic Money Product" does not include a product created for the sole purpose of facilitating the transfer of funds from a customer to another person pursuant to instructions of the customer. A product is not created for the sole purpose of facilitating the transfer of funds if, in the ordinary course of business of the transferring Entity, either the funds connected with such product are held longer than 60 days after receipt of instructions to facilitate the transfer, or, if no instructions are received, the funds connected with such product are held longer than 60 days after receipt of the funds.

29ter. Subparagraph A(9)(a) requires that a product must be a digital representation of a single Fiat Currency, in order to be a Specified Electronic Money Product. A product will be considered to digitally represent and reflect the value of the Fiat Currency that it is denominated in. Consequently, a product that reflects the value of multiple currencies or assets is not a Specified Electronic Money Product.

29quater. Subparagraph A(9)(b) provides that the product must be issued on receipt of funds. This part of the definition means that a Specified Electronic Money Products is a prepaid product. The act of "issuing" is interpreted broadly to include the activity of making available pre-paid stored value and means of payment in exchange for funds. In this respect, both electronically and magnetically stored products may be "issued", including online payment accounts and physical cards using magnetic stripe technology. In addition, this subparagraph provides that the product must be issued for the purpose of making payment transactions.

29quinquies. Subparagraph A(9)(c) requires that, in order to be a Specified Electronic Money Product, a product must be represented by a claim on the issuer denominated in the same Fiat Currency. In this respect, a "claim" includes any monetary claim against the issuer, reflecting the value of the Fiat Currency represented by the electronic money product issued to the customer.

29sexies. Under subparagraph A(9)(d), a product must be accepted by a natural or legal person other than the issuer in order to be a Specified Electronic Money Product, whereby such third parties must accept the electronic money product as a means of payment. Consequently, monetary value stored on specific pre-paid instruments, designed to address precise needs that can be used only in a limited way, because they allow the electronic money holder to purchase goods or services only in the premises of the electronic money issuer or within a limited network of service providers under direct commercial agreement with a professional issuer, or because they can be used only to acquire a limited range of goods or services, are not considered Specified Electronic Money Products.

29septies. Subparagraph A(9)(e) provides that the issuer of the product must be subject to supervision to ensure the product is redeemable at any time and at par value for the same Fiat Currency upon request of the holder of the product, in order to be a Specified Electronic Money Product. In this respect, the "same" Fiat Currency refers to the Fiat Currency that the electronic money product is a digital representation of. When proceeding to a redemption, it is acknowledged that the issuer can deduct from the redemption amount any fees or transaction costs.

29octies. The definition excludes those products that are created solely to facilitate a funds transfer pursuant to instructions of a customer and that cannot be used to store value. For example, such products may be used to enable an employer to transfer the monthly wages to its employees or to enable a migrant worker to transfer funds to relatives living in another country. A product is not created for the sole purpose of facilitating the transfer of funds if, in the ordinary course of business of the transferring Entity, either the funds connected with such product are held longer than 60 days after receipt of instructions to facilitate the transfer, or, if no instructions are received, the funds connected with such product are held longer than 60 days after receipt of the funds.

Central Bank Digital Currency, Fiat Currency, Crypto-Asset, Relevant Crypto-Asset, and Exchange Transaction

The terms "Central Bank Digital Currency", "Fiat Currency", "Crypto-Asset", "Relevant Crypto-Asset", and "Exchange Transaction" should be interpreted consistently with the Commentary of the Crypto-Asset Reporting Framework.

[…]

Paragraph B – Non-Reporting Financial Institution

[…]

Subparagraph B(1) – In general

30. Subparagraph B(1) sets out the various categories of Non-Reporting Financial Institutions (i.e. Financial Institutions that are excluded from reporting). "Non-Reporting Financial Institution" means any Financial Institution that is:

a) a Governmental Entity, International Organisation or Central Bank, other than:
    i. with respect to a payment that is derived from an obligation held in connection with a commercial financial activity of a type engaged in by a Specified Insurance Company, Custodial Institution, or Depository Institution; *or*

ii. *with respect to the activity of maintaining Central Bank Digital Currencies for Account Holders which are not Financial Institutions, Governmental Entities, International Organisations or Central Banks.*

[…]

Subparagraphs B(2) through (4) – Governmental Entity, International Organisation and Central Bank

31. ~~A Financial Institution that is a Governmental Entity, International Organisation or Central Bank is a Non-Reporting Financial Institution, according to subparagraph B(1)(a), other than with respect to a payment that is derived from an obligation held in connection with a commercial activity of a type engaged in by a Specified Insurance Company, Custodial Institution, or Depository Institution.~~ *According to subparagraph B(1)(a), a Financial Institution that is a Governmental Entity, International Organisation or Central Bank is a Non-Reporting Financial Institution. However, under subparagraph B(1)(a)(i), the exclusion does not apply with respect to a payment that is derived from an obligation held in connection with a financial activity of a type engaged in by a Specified Insurance Company, Custodial Institution, or Depository Institution. Equally, under subparagraph B(1)(a)(ii), the exclusion does not apply with respect to the activity of maintaining Central Bank Digital Currencies for Account Holders which are not Financial Institutions, Governmental Entities, International Organisations or Central Banks.* Thus, for example, a Central Bank that conducts a financial activity, such as acting as an intermediary on behalf of persons other than in the bank's capacity as a Central Bank, is not a Non-Reporting Financial Institution under subparagraph B(1)(a)(i) with respect to payments received in connection with an account held in connection with such activity. *Equally, under subparagraph B(1)(a)(ii), maintaining Central Bank Digital Currencies for Account Holders which are not Financial Institutions, Governmental Entities, International Organisations or Central Banks, is also an activity in respect of which a Central Bank is not a Non-Reporting Financial Institution.*

[…]

Subparagraphs B(5) through (7) - Funds

36. Subparagraph B(5) defines the term "Broad Participation Retirement Fund" as a fund established 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:

a) does not have a single beneficiary with a right to more than 5% of the fund's assets;
b) is subject to regulation and provides information reporting to the tax authorities; and
c) satisfies at least one of the four requirements listed in subparagraph B(5)(c) (i.e. the fund is tax-favoured; most contributions are received from sponsoring employers; distributions or withdrawals are only allowed upon the occurrence of specified events; and contributions by employees are limited by amount).

36bis. Section VIII(B)(5)(a) requires that, in order for a Financial Institution to be able to qualify as a Non-Reporting Financial Institution under the Broad Participation Retirement Fund category, the Financial Institution needs, inter alia, to ensure that it has no single beneficiary with a right to more than 5% of the fund's assets. In case the fund is compartmentalised into sub-funds that are in practice working as separated pension products, including through the segregation of the assets, risks and income attributed to such sub-funds, the test of whether a single beneficiary has a right to more than 5% of the fund's assets is to be applied at the level of each sub-fund.

Qualified Non-Profit Entity

36ter. Subparagraphs B(2) through B(9) contain the categories of Non-Reporting Financial Institutions: "Governmental Entity", "International Organisation", "Central Bank", "Broad Participation Retirement Fund", "Narrow Participation Retirement Fund", "Pension Fund of a Governmental Entity, International Organisation or Central Bank", "Qualified Credit Card Issuer" and "Exempt Collective Investment Vehicle".

36quater. In addition to these categories, jurisdictions may wish to also treat Qualified Non-Profit Entities as Non-Reporting Financial Institutions. Any jurisdiction adopting this optional provision must have in place appropriate legal and administration mechanisms to ensure that any Entity claiming the status of a Qualified Non-Profit Entity is confirmed to fulfil the conditions of subparagraph D(9)(h) of Section VIII before such Entity is treated as a Non-Reporting Financial Institution.

36quinquies. Examples of appropriate mechanisms include a detailed regulatory regime that indicates the conditions pursuant to which an Entity can be treated as a Qualified Non-Profit Entity, where such Entities are verified by a governmental authority as meeting such conditions. A mechanism could also be appropriate if a Qualified Non-Profit Entity would need to obtain a favourable ruling from a governmental or judicial authority on whether the Entity is a Qualified Non-Profit Entity. Similarly, a listing mechanism whereby Qualified Non-Profit Entities must request to be included on a state-run registry (e.g. in the framework of obtaining a domestic qualification as a tax-exempt entity or to confirm the tax deductibility of donations made to the charity), could be an appropriate mechanism. In any event, confirmation pursuant to such a mechanism that an Entity fulfils the conditions of subparagraph D(9)(h) of Section VIII must be obtained before such Entity can be considered a Qualified Non-Profit Entity and, hence, a Non-Reporting Financial Institution.

36sexies. Provided the implementing jurisdiction wishes to include the Qualified Non-Profit Entity category and has, or expects to have, the required appropriate legal and administrative verification mechanisms in place, such jurisdiction may modify the section on Non-Reporting Financial Institutions by adding an additional term, "Qualified Non-Profit Entity", in subparagraphs B(1)(f) and B(10), that either contains a list of the categories of domestic entities that meet the conditions of subparagraph B(10) or that generically spells out the conditions, as follows:

> *B. Non-Reporting Financial Institution*
>
> *1. The term "Non-Reporting Financial Institution" means any Financial Institution that is:*
>
> *[…]*
>
> *f) a Qualified Non-Profit Entity.*
>
> *[…]*
>
> *10. The term "Qualified Non-Profit Entity" means an Entity resident in [Jurisdiction] that has obtained confirmation by the tax administration [or other governmental authority] of [Jurisdiction] that such Entity meets all of the following conditions:*
>
> *i) it is established and operated in [Jurisdiction] exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in [Jurisdiction] and it is a professional organisation, business league, chamber of commerce, labour organisation, agricultural or horticultural organisation, civic league or an organisation operated exclusively for the promotion of social welfare;*
>
> *ii) it is exempt from income tax in [Jurisdiction];*
>
> *iii) it has no shareholders or members who have a proprietary or beneficial interest in its income or assets;*

iv) the applicable laws of [Jurisdiction] or the Entity's formation documents do not permit any income or assets of the Entity to be distributed to, or applied for the benefit of, a private person or a noncharitable Entity other than pursuant to the conduct of the Entity's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the Entity has purchased; and

v) the applicable laws of [Jurisdiction] or the Entity's formation documents require that, upon the Entity's liquidation or dissolution, all of its assets be distributed to a Governmental Entity or other Entity that meets the conditions set out in i) to v), or escheat to the government of [Jurisdiction] or any political subdivision thereof.

Paragraph C – Financial Account

[…]

Subparagraph C(2) – Depository Account

66. 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 *Depository Institution* ~~Financial Institution in the ordinary course of a banking or similar business~~. A Depository Account also includes:

a) an amount held by an insurance company pursuant to a guaranteed investment contract or similar agreement to pay or credit interest therein*;*

b) an account or notional account that represents all Specified Electronic Money Products held for the benefit of a customer; and

c) an account that holds one or more Central Bank Digital Currencies for the benefit of a customer.

[…]

67bis. All Specified Electronic Money Products an Entity holds for the benefit of a customer are together considered a Depository Account of that customer. For the purposes of determining the value of such Depository Account, a Reporting Financial Institution is required to aggregate the value of all Specified Electronic Money Products the Account Holder holds with the Reporting Financial Institution. Similarly, any arrangement through which the Entity holds Central Bank Digital Currency for the benefit of a customer will be regarded as a Depository Account. In cases where a Specified Electronic Money Product or Central Bank Digital Currency has been issued as a Crypto-Asset, an Entity is considered to hold such asset for the benefit of a customer to the extent it safekeeps or administers the instruments enabling control over the asset (for example, private keys) and the Entity has the ability to manage, trade or transfer to third parties the underlying asset on behalf of such customer.

[…]

Subparagraph C(3) – Custodial Account

68. Subparagraph C(3) defines the term "Custodial Account" as an account (other than an Insurance Contract or Annuity Contract) for the benefit of another person that holds one or more Financial Assets.

68bis. An arrangement to safe keep or administer the instrument enabling control over one or more Financial Assets issued in the form of a Crypto-Asset for the benefit of another person is also a Custodial Account, to the extent that the Entity has the ability to manage, trade or transfer to third parties the underlying Financial Assets on the person's behalf.

Subparagraph C(4) – Equity Interest

69. The definition of the term "Equity Interest" specifically addresses interests in partnerships and trusts. In the case of a partnership that is a Financial Institution, the term "Equity Interest" means 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. The same as for a trust that is a Financial Institution is applicable for a legal arrangement that is equivalent or similar to a trust, or foundation that is a Financial Institution.

70. Under subparagraph C(4), a Reportable Person will be treated as being a beneficiary of a trust if such Reportable 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. *Indirect distributions by a trust may arise when the trust makes payments to a third party for the benefit of another person. For example, instances where a trust pays the tuition fees or repays a loan taken up by another person are to be considered indirect distributions by the trust. Indirect distributions also include cases where the trust grants a loan free of interest or at an interest rate lower than the market interest rate or at other non-arm's length conditions. In addition, the write-off of a loan granted by a trust to its beneficiary constitutes an indirect distribution in the year the loan is written-off. In all of the above cases the Reportable Person will be person that is the beneficiary of the trust receiving the indirect distribution (i.e. in the above examples, the debtor of the tuition fees or the recipient of the favourable loan conditions).* ~~For these purposes, a~~ *A* beneficiary who may receive a discretionary distribution from the trust only will be treated as a beneficiary of a trust if such person receives a distribution in the calendar year or other appropriate reporting period (i.e. either the distribution has been paid or made payable). The same is applicable with respect to the treatment of a Reportable Person as a beneficiary of a legal arrangement that is equivalent or similar to a trust, or foundation.

71. Where Equity Interests are held through a Custodial Institution, the Custodial Institution is responsible for reporting, not the Investment Entity. The following example illustrates how such reporting must be done: Reportable Person A holds shares in investment fund L. A holds the shares in custody with custodian Y. Investment fund L is an Investment Entity and, from its perspective, its shares are Financial Accounts (i.e. Equity Interests in an Investment Entity). L must treat custodian Y as its Account Holder. As Y is a Financial Institution (i.e. a Custodial Institution) and Financial Institutions are not Reportable Persons, such shares are not object of reporting by investment fund L. For custodian Y, the shares held for A are Financial Assets held in a Custodial Account. As a Custodial Institution, Y is responsible for reporting the shares it is holding on behalf of A.

[…]

Subparagraphs C(9) through (16) – Preexisting and New, Individual and Entity Accounts

81. Subparagraphs C(9) through (16) contain the various categories of Financial Accounts classified by reference to date of opening, Account Holder and balance or value: "Preexisting Account", "New Account", "Preexisting Individual Account", "New Individual Account", "Preexisting Entity Account", "Lower Value Account", "High Value Account" and "New Entity Account".

82. First, a Financial Account is classified depending on the date of opening. Thus, a Financial Account can be either a "Preexisting Account" or a "New Account". Subparagraphs C(9) and (10) define those terms as a Financial Account maintained by a Reporting Financial Institution as of [xx/xx/xxxx], and opened on or after [xx/xx/xxxx] *or if the account is treated as a Financial Account solely by virtue of the amendments to the Common Reporting Standard, as of [effective date of the revised CRS-1 day] or opened on or after [effective date of the revised CRS],* respectively. However, when implementing the Common Reporting

Standard, jurisdictions are free to modify subparagraph C(9) in order to also include certain new accounts of preexisting customers. In such a case, subparagraph C(9) should be replaced by the following:

9. The term "Preexisting Account" means:

a) a Financial Account maintained by a Reporting Financial Institution as of [xx/xx/xxxx] or, if the account is treated as a Financial Account solely by virtue of the amendments to the Common Reporting Standard, as of [effective date of the revised CRS-1 day];

b) any Financial Account of an Account Holder, regardless of the date such Financial Account was opened, if:

i. the Account Holder also holds with the Reporting Financial Institution (or with a Related Entity within the same jurisdiction as the Reporting Financial Institution) a Financial Account that is a Preexisting Account under subparagraph C(9)(a);

ii. the Reporting Financial Institution (and, as applicable, the Related Entity within the same jurisdiction as the Reporting Financial Institution) treats both of the aforementioned Financial Accounts, and any other Financial Accounts of the Account Holder that are treated as Preexisting Accounts under this subparagraph C(9)(b), as a single Financial Account for purposes of satisfying the standards of knowledge requirements set forth in paragraph A of Section VII, and for purposes of determining the balance or value of any of the Financial Accounts when applying any of the account thresholds;

iii. with respect to a Financial Account that is subject to AML/KYC Procedures, the Reporting Financial Institution is permitted to satisfy such AML/KYC Procedures for the Financial Account by relying upon the AML/KYC Procedures performed for the Preexisting Account described in subparagraph C(9)(a); and

iv. the opening of the Financial Account does not require the provision of new, additional or amended customer information by the Account Holder other than for purposes of the Common Reporting Standard.

Subparagraph C(17) – Excluded Account

86. Subparagraph C(17) contains the various categories of Excluded Accounts (i.e. accounts that are not Financial Accounts and are therefore excluded from reporting), which are:

a) retirement and pension accounts;

b) non-retirement tax-favoured accounts;

c) term life insurance contracts;

d) estate accounts;

e) escrow accounts;

ebis) low-value Specified Electronic Money Products

f) Depository Accounts due to not-returned overpayments; and

g) low-risk excluded accounts.

[…]

93. Subparagraph C(17)(e) generally refers to accounts where money is held ~~by a third party~~ on behalf of transacting parties (i.e. escrow accounts). The accounts can be Excluded Accounts where they are established in connection with any of the following:

[…]

e) a foundation or capital increase of a company provided that the account satisfies all the requirements listed in subparagraph C(17)(e)(v).

94. An Excluded Account, as described in subparagraph C(17)(e)(ii), must be established in connection with a sale, exchange, or lease of real or personal property. Defining the concept of real or personal property by reference to the laws of the jurisdiction where the account is maintained will help to avoid difficulties of interpretation over the question whether an asset or a right is to be regarded as real property (i.e. immovable property), personal property or neither of them.

94bis. An "independent confirmation" means for the purposes of subparagraph C(17)(e)(v)(ii) a written confirmation evidencing the company foundation or capital increase, such as an extract from the commercial register or confirmation from the lawyer, notary, or other service provider facilitating the transaction pursuant to the relevant law.

94ter. Subparagraph C(17)(e)(v)(iv) acknowledges that in some instances where the foundation of a company fails, an account established for this purpose may also be used to make payments to various service providers involved in the incorporation process. As a result, repayments made to persons who contributed the amounts may be made net of service provider and similar fees, which for the purposes of subparagraph C(17)(e)(v)(iv) includes amounts paid to lawyers, notaries, corporate registrars and other payments required to facilitate the incorporation or capital contribution.

Low-value Specified Electronic Money Products

94quater. Subparagraph C(17)(ebis) provides that a Depository Account representing all Specified Electronic Money Products of an Account Holder, with a rolling average 90 day end-of-day aggregate account balance or value during any period of 90 consecutive days that did not exceed USD 10,000 at any day during the calendar year or other appropriate reporting period is an Excluded Account. The rolling average 90 day end-of-day account balance or value during a period of 90 consecutive days must be determined for every day and is obtained on a particular day by adding the end-of-day account balance of each of the last 90 consecutive days and to then divide the sum obtained by 90, as illustrated by the following example:

- *A Depository Account representing all Specified Electronic Money Products of an Account Holder is created on 12 October of the year N. The end-of-day account balance or value is USD 10 over the last 81 days of the year N (i.e. 12 October to 31 December), and USD 100,000 over the first 9 days of the year N+1 (i.e. 1 January to 9 January), the rolling average 90 day end-of day account balance or value during a period of 90 consecutive days is (10*81)+(100,000*9)=900,810/90, i.e. USD 10,009. Therefore, the threshold is exceeded on 9 January N+1 and the Depository Account is not an Excluded Account as of that day. It will therefore be subject to CRS reporting in respect of the year N+1. The Depository Account is an Excluded Account in respect of the year N.*

[…]

Low-risk Excluded Accounts

[…]

103. The following examples illustrate the application of subparagraph C(17)(g):

[…]

- *Example 7 (Housing cooperative account): a type of account held by or on behalf of a group of owners or by the condominium company for the purpose of paying the expenses of the condominium or housing cooperative which meets the following requirements: (i) it is regulated in domestic law as a specific account for covering the costs of a condominium or housing cooperative, (ii) the account or the amounts contributed and/or kept in the account are tax-favoured, (iii) the amounts in the account may only be used to pay for the expenses of the condominium or housing cooperative and (iv) no single owner can annually contribute an*

amount that exceeds USD 50,000. Where some of the above requirements (such as the Financial Account being tax-favoured or contributions being limited to USD 50,000) are not met, substitute characteristics or restrictions that assure an equivalent level of low risk could be considered, taking into account domestic specificities. This may include features such as: (i) no more than 20% of the annual and total contributions due in the year being attributable to a single person, (ii) the account being operated by an independent professional, (iii) the amounts of the contributions and the use of the money being decided by agreement of owners in accordance with the condominium's or housing cooperative's constituting documents or (iv) disallowing withdrawals from the account for purposes other than the expenses of the condominium or housing cooperative. Because there are overall, substitute requirements that provide equivalent assurance that the account presents a low-risk of tax evasion, this type of account could be defined in domestic law as an Excluded Account.

Paragraph D – Reportable Account

[…]

Subparagraph D(2) and (3) – Reportable Person and Reportable Jurisdiction Person

[…]

Reportable Person

[…]

111. Subparagraph D(2) defines the term "Reportable Person" as a Reportable Jurisdiction Person other than:

a) an *Entity* ~~corporation~~ the stock of which is regularly traded on one or more established securities markets;

b) any *Entity* that is a Related Entity of a*n Entity* ~~corporation~~ described previously;

[…]

112. Whether a*n Entity that is a* corporation that is a Reportable Jurisdiction Person is a Reportable Person, as described in subparagraph D(2)(i), can depend on the stock of that corporation being regularly traded on one or more established securities markets. Stock is "regularly traded" if there is a meaningful volume of trading with respect to the stock on an on-going basis, and an "established securities market" means an exchange that is officially recognised and supervised by a governmental authority in which the market is located and that has a meaningful annual value of shares traded on the exchange.

113. With respect to each class of stock of the corporation, there is a "meaningful volume of trading on an on-going basis" if (i) trades in each such class are effected, other than in de minimis quantities, on one or more established securities markets on at least 60 business days during the prior calendar year; and (ii) the aggregate number of shares in each such class that are traded on such market or markets during the prior year are at least 10% of the average number of shares outstanding in that class during the prior calendar year. *For the purposes of the Standard, "each share class of the stock of the corporation" means one or more classes of the stock of the corporation that (i) were listed on one or more established securities markets during the prior calendar year and (ii), in aggregate, represent more than 50% of (a) the total combined voting power of all class of stock of such corporation entitled to vote and (b) the total value of the stock of such corporation.*

[…]

Subparagraphs D(6) through (9) – NFE and Controlling Persons

[…]

125. Subparagraph D(9)(a) describes the criterion to qualify for the Active NFE status for "active NFEs by reason of income and assets" as follows: less than 50% of the NFE's gross income for the preceding calendar year or other appropriate reporting period is passive income and less than 50% of the assets held by the NFE during the preceding calendar year or other appropriate reporting period are assets that produce or are held for the production of passive income. *The test of whether an asset is held for the production of passive income does not require that passive income is actually produced in the period concerned. Instead, the asset must be of the type that produces or could produce passive income. For example, cash should be viewed as producing or being held for the production of passive income (interest) even if it does not actually produce such income.*

126. In determining what is meant by "passive income", reference must be made to each jurisdiction's particular rules. Passive income would generally be considered to include the portion of gross income that consists of:

a) dividends;

b) interest;

c) income equivalent to interest or dividends;

d) rents and royalties, other than rents and royalties derived in the active conduct of a business conducted, at least in part, by employees of the NFE;

e) annuities;

f) income derived from Relevant Crypto-Assets;

~~f~~g) the excess of gains over losses from the sale or exchange of Financial Assets *or Relevant Crypto-Assets*;

~~g~~h) the excess of gains over losses from transactions (including futures, forwards, options, and similar transactions) in any Financial Assets *or Relevant Crypto-Assets*;

~~h~~i) the excess of foreign currency gains over foreign currency losses;

~~i~~j) net income from swaps; or

~~j~~k) amounts received under Cash Value Insurance Contracts.

Notwithstanding the foregoing, passive income will not include, in the case of a NFE that regularly acts as a dealer in Financial Assets *or Relevant Crypto-Assets*, any income from any transaction entered into in the ordinary course of such dealer's business as such a dealer. Further, income received on assets to invest the capital of an insurance business can be treated as active income.

126bis. To facilitate effective implementation of the Standard, a jurisdiction's definition of passive income should in substance be consistent with the list provided in paragraph 126. Each jurisdiction may define in its particular rules the items contained in the list of passive income (such as, income equivalent to interest and dividends) consistent with domestic rules.

[…]

Paragraph E – Miscellaneous

Subparagraph E(1) – Account Holder

140. With respect to a jointly held account, each joint holder is treated as an Account Holder for purposes of determining whether the account is a Reportable Account. Thus, an account is a Reportable Account if any of the Account Holders is a Reportable Person or a Passive NFE with one or more Controlling Persons

who are Reportable Persons. When more than one Reportable Person is a joint holder, each Reportable Person is treated as an Account Holder and is attributed the entire balance of the jointly held account, including for purposes of applying the aggregation rules set forth in subparagraphs C(1) through (3) of Section VII. *In the case of an account for which ownership rights are split between the bare owner and a usufructuary, both the bare owner and the usufructuary may be considered as joint Account Holders or as Controlling Persons of a trust for due diligence and reporting purposes.*

141. 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 (i.e. when obligation to pay an amount under the contract becomes fixed), each person entitled to receive a payment under the contract is treated as an Account Holder. *Persons that have the right to access the Cash Value or the right to change the beneficiaries of the contract are to be considered Account Holders with respect to the Cash Value Insurance Contract in all instances, unless they have finally, fully and irrevocably renounced both the right to access the Cash Value and the right to change the beneficiaries of the Cash Value Insurance Contract.*

142. The following examples illustrate the application of subparagraph E(1):

- Example 1 (Account held by agent): F holds a power of attorney from U, a Reportable Person, that authorises F to open, hold, and make deposits and withdrawals with respect to a Depository Account on behalf of U. The balance of the account for the calendar year is USD 100 000. F is listed as the holder of the Depository Account at a Reporting Financial Institution, but because F holds the account as an agent for the benefit of U, F is not ultimately entitled to the funds in the account. Because the Depository Account is treated as held by U, a Reportable Person, the account is a Reportable Account.
- Example 2 (Jointly held accounts): U, a Reportable Person, holds a Depository Account in a Reporting Financial Institution. The balance of the account for the calendar year is USD 100,000. The account is jointly held with A, an individual who is not a Reportable Person. Because one of the joint holders is a Reportable Person, the account is a Reportable Account.
- Example 3 (Jointly held accounts): U and Q, both Reportable Persons, hold a Depository Account in a Reporting Financial Institution. The balance of the account for the calendar year is USD 100,000. The account is a Reportable Account and both U and Q are treated as Account Holders of the account.

[…]

Subparagraphs E(3) and (4) – Entity and Related Entity

144. Subparagraph E(3) defines the term “Entity” as a legal person or a legal arrangement. This term is intended to cover any person other than an individual (i.e. a natural person), in addition to any legal arrangement. Thus, e.g. a corporation, partnership, trust, fideicomiso, foundation (fondation, Stiftung), company, co-operative, association, or asociación en participación, falls within the meaning of the term “Entity”.

145. An Entity is a “Related Entity” of another Entity, as defined in subparagraph E(4), 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% of the vote and value in an Entity. *In this respect, Entities are considered Related Entities if these Entities are connected through one or more chains of ownership by a common parent Entity and if the common parent Entity directly owns more than 50% of the stock or other equity interest in at least one of the other Entities. A chain of ownership is to be understood as the*

ownership by one or more Entities of more than 50% of the total voting power of the stock of an Entity and more than 50% of the total value of the stock of an Entity, as illustrated by the following example:

Entity A owns 51% of the total voting power and 51% of the total value of the stock of Entity B. Entity B on its turn owns 51% of the total voting power and 51% of the total value of the stock of Entity C. Entities A and C are considered "Related Entities" pursuant to subparagraph E(4) of Section VIII because Entity A has a direct ownership of more than 50% of the total voting power of the stock and more than 50%of total value of the stock of Entity B, and because Entity B has a direct ownership of more than 50% of the total voting power of the stock and more than 50% of total value of the stock of Entity C. Entities A and C are, hence, connected through chains of ownership. Notwithstanding the fact that Entity A proportionally only owns 26% of the total value of the stock and voting rights of Entity C, Entity A and Entity C are Related Entities.

Whether an Entity is a Related Entity of another Entity is relevant for the account balance aggregation rules set forth in paragraph C of Section VII, the scope of the term " Reportable Person" described in subparagraph D(2)(ii), and the criterion described in subparagraph D(9)(b) that an NFE can meet to be an Active NFE.

Subparagraph E(5) – Taxpayer Identification Number

146. According to subparagraph E(5), the term "TIN" means Taxpayer Identification Number (or functional equivalent in the absence of a Taxpayer Identification Number). A Taxpayer Identification Number is a unique combination of letters or numbers, however described, assigned by a jurisdiction to an individual or an Entity and used to identify the individual or Entity for purposes of administering the tax laws of such jurisdiction.

147. TINs are also useful for identifying taxpayers who invest in other jurisdictions. TIN specifications (i.e. structure, syntax, etc.) are set by each jurisdiction's tax administrations. Some jurisdictions even have a different TIN structure for different taxes or different categories of taxpayers (e.g. residents and non-residents).

148. While many jurisdictions utilise a TIN for personal or corporate taxation purposes, some jurisdictions do not issue a TIN. However, these jurisdictions often utilise some other high integrity number with an equivalent level of identification (a "functional equivalent"). Examples of that type of number include, for individuals, a social security/insurance number, citizen/personal identification/service code/number, and resident registration number; and for Entities, a business/company registration code/number. *In addition, some jurisdictions may also offer Government Verification Services for the purpose of ascertaining the identity and tax residence of an Account Holder or Controlling Person. In this respect, a unique reference number, code or other confirmation received by a Reporting Financial Institution in respect of an Account Holder or Controlling Person via a Government Verification Service is also a functional equivalent to a TIN.*

149. Participating Jurisdictions are expected to provide Reporting Financial Institutions with information with respect to the issuance, collection and, to the extent possible and practical, the structure and other specifications of taxpayer identification numbers *and their functional equivalents for the purposes of the CRS.* The OECD will endeavour to facilitate its dissemination. Such information will facilitate the collection of accurate TINs by Reporting Financial Institutions.

[…]

Subparagraph E(7) – Government Verification Service

163. Subparagraph E(7) defines a "Government Verification Service" as an electronic process made available by a Reportable Jurisdiction to a Reporting Financial Institution for the purposes of ascertaining the identity and tax residence of an Account Holder or Controlling Person.

164. Such services may include the use of Application Programming Interfaces (APIs) and any other government-authorised solutions that allow Reporting Financial Institutions to confirm the identity and tax residence of an Account Holder or Controlling Person.

165. Where a tax administration opts for identification of Account Holders or Controlling Persons based on an API solution, it would normally make an API portal accessible to Reporting Financial Institutions. Subsequently, if the Account Holder's or Controlling Person's self-certification indicates residence in that jurisdiction, the Reporting Financial Institution can direct the Account Holder or Controlling Person to the API portal which would allow the jurisdiction to identify the Account Holder or Controlling Person based on its domestic taxpayer identification requirements (for example a government ID or username). Upon successful identification of the Account Holder or Controlling Person as a taxpayer of that jurisdiction, the jurisdiction, via the API portal, would provide the Reporting Financial Institution with a unique reference number or code allowing the jurisdiction to match the Account Holder or Controlling Person to a taxpayer within its database. Where the Reporting Financial Institution subsequently reports information concerning that Account Holder or Controlling Person, it would include the unique reference number or code to allow the jurisdiction receiving the information to enable matching of the Account Holder or Controlling Person.

166. For the purposes of subparagraph E(5), a unique reference number, code or other confirmation received by a Reporting Financial Institution in respect of an Account Holder or Controlling Person via a Government Verification Service is equivalent to a TIN.

167. Participating Jurisdictions are expected to provide Reporting Financial Institutions with information with respect to any Government Verification Services such jurisdictions have made available. The OECD will endeavour to facilitate its dissemination.

Commentary on Section IX

[…]

2. Under Section IX, a jurisdiction must have rules and administrative procedures in place to ensure the effective implementation of, and compliance with, the reporting and due diligence procedures set out in the Common Reporting Standard. The Standard will not be considered effectively implemented unless it is adopted in good faith with consideration to its Commentary which seeks to promote its consistent application across jurisdictions. *It is therefore acknowledged that effective implementation of the Common Reporting Standard may in some instances also necessitate reflecting parts of the Commentary in binding rules*. Since the application of the CRS requires that it be translated into domestic law, there may be differences in domestic implementation. Therefore, in the cross-border context, reference needs to be made to the law of the implementing jurisdiction. For example, the question may arise whether a particular Entity that is resident in a Participating Jurisdiction and has a Financial Account in another Participating Jurisdiction, meets the definition of "Financial Institution". The Entity may meet the "substantial portion" test to be a Custodial Institution in one Participating Jurisdiction, but different measurement techniques for gross income may mean that the Entity does not meet such test in another Participating Jurisdiction. In such a case, the classification of the Entity ought to be resolved under the law of the Participating Jurisdiction in which the Entity is resident. *If an Entity is resident in a jurisdiction that has not implemented the Common Reporting Standard, the rules of the jurisdiction in which the account is maintained determine the Entity's status as a Reporting Financial Institution or NFE since there are no other rules available. Further, when determining an Entity's status as an Active or Passive NFE, the rules of the jurisdiction in which the account is maintained determine the Entity's status. However, a jurisdiction in which the account is maintained may permit (e.g. in its domestic implementation guidance) an Entity to determine its status as an Active or Passive NFE under the rules of the jurisdiction in which the Entity is resident provided that the jurisdiction in which the Entity is resident has implemented the Common Reporting Standard.*

[…]

18. Subparagraph A(5) requires that a jurisdiction must have effective enforcement provisions to address non-compliance. In some cases, the anti-avoidance rule described in Subparagraph A(1) may be broad enough to cover enforcement. In other cases, there may be separate or more specific rules that address certain enforcement issues on a narrower basis. For example, a jurisdiction may have rules that provide for the imposition of fines or other penalties where a person does not provide information requested by the tax authority. Further, given that obtaining a self-certification for New Accounts is a critical aspect of ensuring that the CRS is effective, it is expected that jurisdictions have strong measures in place to ensure that valid self-certifications are always obtained for New Accounts*, including New Accounts documented on the basis of paragraph A bis of Section VII. What will constitute a "strong measure" in in this context may vary from jurisdiction to jurisdiction and should be evaluated in light of the actual results of the measure. The crucial test for determining what measures can qualify as "strong measures" is whether the measures have a strong enough impact on Account Holders and/or Reporting Financial Institutions to effectively ensure that self-certifications are obtained and validated in accordance with the rules set out in the Common Reporting Standard.* An effective way to achieve this outcome would be to introduce legislation making the opening of a New Account conditional upon the receipt of a valid self-certification in the course of account opening procedures. Other jurisdictions may choose different methods, taking into account their domestic law. This could include, for example, imposing significant penalties on Account Holders that fail to provide a self-certification, or on Reporting Financial Institutions that do not take appropriate measures to obtain a self-certification upon account opening, or closing or freezing of the account after the expiry of 90 days.

Commentary on Section X

1. Paragraph A of Section X contains the general effective date in respect of the amendments to the Common Reporting Standard, i.e. [xx/xx/xxxx].

2. Paragraph B contains a limited exception to the general effective date for reporting on the role(s) by virtue of which each Reportable Person is a Controlling Person or Equity Interest holder of the Entity with respect to Financial Accounts opened prior to the effective date of the revised Common Reporting Standard: in respect of reporting periods ending by the second calendar year following the effective date of the revised CRS the Reporting Financial Institution is only required to report such information if it is available in its electronically searchable data.