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AEOI/CRS and FATCA Self-Certification for Controlling Persons

Client no.*:

* Valid for the adjacent Client no. and all additional business relationships established with the following Account Holder.

Switzerland has concluded agreements with several jurisdictions¹ on the automatic exchange of information on financial accounts (AEOI) in accordance with the OECD's common reporting standard (CRS). In addition, Switzerland has concluded a cooperation agreement with the United States of America to facilitate the implementation of FATCA. Based on these agreements as well as the related *Federal Act on the International Automatic Exchange of Information in Tax Matters* (AEOI Act) and the *Federal Act on the Implementation of the FATCA Agreement between Switzerland and the United States* (FATCA Act), Rahn+Bodmer Co. ("the Bank") is required to collect information on tax residence and US tax status relating to a Controlling Person.

Controlling Person information is required if the Account Holder (entity) has filed the necessary forms for AEOI/CRS and FATCA and has certified the following status to the Bank:

- Passive NFE for AEOI/CRS purposes; or
- Professionally Managed Investment Entity (PMIE) in a Non-Participating Jurisdiction for AEOI/CRS purposes; or
- Passive NFFE for FATCA purposes; or
- Owner-documented FFI for FATCA purposes (in which case, an "Owner" is treated as a Controlling Person with respect to documentation requirements).

The Bank recommends that you consult a qualified tax advisor or the relevant tax authorities, if necessary. Neither this form nor any related written or oral statements constitute tax advice from the Bank. Key terms in this form are explained in Part 7.

In accordance with the abovementioned regulations, the undersigned Account Holder or Controlling Person hereby provides the following information.

Part 1 – Identification of Account Holder (entity)

Name of the entity:

Part 2 – Identification of Controlling Person (individual/natural person)

A separate form must be completed for each Controlling Person. In addition, please provide the Bank with a simple copy of a valid identification document of the Controlling Person.

Last name:	First name(s):
Date of birth:	Country of birth:
Nationality (please provide all nationalities):	
Address (please do not use any P.O. box or in-care-of address):	
Postcode, town:	Country of domicile:

¹Please refer to the information sheet "Disclosure of client data and account data under the AEOI" enclosed to this form.

Part 3 – Declaration of Residence for Tax Purposes / Tax Domicile(s)

Please complete in the table below all jurisdictions² in which the Controlling Person is resident for tax purposes and provide the Controlling Person's corresponding TINs (tax identification numbers or equivalent numbers for tax purposes). Each jurisdiction has its own rules for defining tax residence. An overview of these provisions is provided on the OECD's AEOI portal (<http://www.oecd.org/tax/automatic-exchange/>).

If the Controlling Person is unable to (or does not have to) provide a TIN for a specific jurisdiction, please indicate the appropriate reason A, B, C, D or E according to the explanation below.

Jurisdiction 1:	TIN 1:	Reason for missing TIN:
Jurisdiction 2:	TIN 2:	Reason for missing TIN:
Jurisdiction 3:	TIN 3:	Reason for missing TIN:

- Reason A: The Controlling Person's jurisdiction of tax residence does not issue TINs to its residents.
Reason B: The Controlling Person is a new resident and his/her TIN is not issued yet. In this case, the TIN must be submitted to the Bank within 90 days.
Reason C: Although the Controlling Person's jurisdiction of tax residence generally issues TINs, the Controlling Person is not required to apply for a TIN.
Reason D: The Controlling Person's jurisdiction of tax residence is Switzerland.
Reason E: The Controlling Person is unable to provide a TIN for other reasons. The reason is:

Part 4 – U.S. Tax Status Declaration of Controlling Person (individual/natural person)

a)	Does the Controlling Person have U.S. citizenship? ³ (also in case of dual citizenship)	<input type="checkbox"/> No	<input type="checkbox"/> Yes
b)	Is the Controlling Person born in the U.S. (or a <u>U.S. territory</u>)? ⁴	<input type="checkbox"/> No	<input type="checkbox"/> Yes
c)	Is the Controlling Person in possession of a permanent U.S. resident permit (<u>U.S. Green Card</u>)?	<input type="checkbox"/> No	<input type="checkbox"/> Yes
d)	Is the Controlling Person a U.S. resident for U.S. tax law purposes because he/she meets the <u>substantial presence test</u> ?	<input type="checkbox"/> No	<input type="checkbox"/> Yes
e)	Is the Controlling Person deemed a U.S. person under U.S. tax law rules for any other reason? If yes, please specify the reason: <div style="background-color: #f0f0f0; height: 30px; width: 100%; margin-top: 5px;"></div>	<input type="checkbox"/> No	<input type="checkbox"/> Yes
f)	<p>For FATCA, given the information provided above, please select the statement that applies to the Controlling Person:</p> <p><input type="checkbox"/> I hereby certify that the Controlling Person is not a U.S. person for U.S. tax purposes.</p> <p><input type="checkbox"/> I hereby certify that the Controlling Person is a U.S. person for U.S. tax purposes⁵ who will provide an <i>IRS form W-9</i> upon request by the Bank. In addition, the entity will submit the Bank's form "<i>Authorization to disclose customer and account data to the IRS</i>".</p>		

² The term "jurisdiction" in this form includes all legal forms relevant in the context of tax residence, namely countries, states, and territories.

³ If you answered "Yes" to his question, you may skip questions b) through e) and proceed directly to letter f).

⁴ If you answered "Yes" to this question but still indicate in question a) that the Controlling Person does not have U.S. citizenship, please either submit a copy of the Controlling Person's Certificate of Loss of Nationality or provide us with a plausible written explanation as to why the Controlling Person does not have such a certificate or why he/she was not granted U.S. citizenship at birth.

⁵ Please also complete part 3 of this form with U.S.A. and the Controlling Person's TIN.

Part 5 – Change in Circumstances

I hereby confirm that during the contractual business relationship, I will undertake to notify the Bank within 30 days on my own initiative, if there is any change in the Controlling Person's aforementioned residence(s) for tax purposes and/or U.S. tax status information. I acknowledge that a new self-certification and/or further necessary forms and documentation must be submitted within 90 days after such change in circumstances.

I acknowledge that the Bank may terminate the business relationship with the entity if, following a change in circumstances, the obligations to provide the necessary documentation and information regarding tax residence and/or U.S. tax status are not met.

Part 6 – Declaration and Signature

By signing this form below, I declare that all statements made in this form are, to the best of my knowledge and belief, true, correct and complete.

If you are not the Controlling Person identified on this form and you sign this form as an authorized signatory of the Account Holder, you acknowledge by your signature that the Controlling Person identified on this form has been informed of the contents of this form, agrees to the information provided and is aware of the Bank's obligation to exchange information with the relevant tax authorities as specified on this form.

I am aware that based on Article 35 of the Swiss AEOI Act, wilfully providing false information on a self-certification form, failing to notify the Bank of a change in circumstances, or providing false information in connection with a change in circumstances may be punishable by a fine.

The Undersigned

Place, date:

Signature:

Please read and keep the enclosed information sheet "Disclosure of client data and account data under the international automatic exchange of information (AEOI)".

If you sign this form but are not the Controlling Person identified in this form, please forward the enclosed information sheet to the relevant person.

Part 7 – Glossary

Account Holder (FATCA and AEOI/CRS)

The term Account Holder means the person listed or identified as the holder of a Financial Account by the Financial Institution that maintains the account. A person, other than a Financial Institution, holding a Financial Account for the benefit or account of another person as agent, custodian, nominee, signatory, investment advisor, or intermediary, is not treated as holding the account for purposes of FATCA and AEOI/CRS, and such other person is treated as holding the account. In the case of a banking relationship of a trust, the trust is the Account Holder for FATCA and AEOI/CRS purposes and not the trustee.

Active NFE/NFFE (FATCA and AEOI/CRS)

An NFE is an *Active NFE* for purposes of AEOI/CRS if it meets the criteria for any of the sub-categories listed below (the requirements are applied analogously to *Active NFFEs* under FATCA):

- **Active NFE by reason of income and assets:**
Less than 50% of the NFE's gross income for the preceding calendar year or other appropriate reporting period is passive income (e.g. dividends, interest, rents, royalties, annuities) 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.
- **Publicly traded NFE:**
The interests in the NFE are regularly traded on an established securities market.
- **Related Entity of a publicly traded entity:**
The NFE is a Related Entity of an entity the interests in which are regularly traded on an established securities market.
- **Governmental Entity, International Organisation, or Central Bank:**
The NFE is a Governmental Entity, an International Organisation, a Central Bank, or an entity wholly owned by one or more of the foregoing.
- **Holding NFE that is a member of a nonfinancial group:**
Substantially all of the activities of the NFE consist of holding (in whole or in part) the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a Financial Institution, except that an entity does not qualify for this status if the entity functions (or holds itself out) as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes.
- **Start-up NFE:**
The NFE is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a Financial Institution, provided that the NFE does not qualify for this exception after the date that is 24 months after the date of the initial organisation of the NFE.
- **NFE that is liquidating or emerging from bankruptcy:**
The NFE was not a Financial Institution in the past five years, and is in the process of liquidating its assets or is reorganising with the intent to continue or recom-

mence operations in a business other than that of a Financial Institution.

- **Treasury center that is a member of a nonfinancial group:**

The NFE primarily engages in financing and hedging transactions with, or for, Related Entities that are not Financial Institutions, and does not provide financing or hedging services to any entity that is not a Related Entity, provided that the group of any such Related Entities is primarily engaged in a business other than that of a Financial Institution.

- **Non-profit NFEs:**

The NFE meets all of the following requirements:

- It is established and operated in its jurisdiction of residence exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in its jurisdiction of residence and it is a professional organisation, business league, chamber of commerce, labour organisation, agricultural or horticultural organisation, civic league or an organisation operated for the promotion of social welfare;
- It is exempt from income tax in its jurisdiction of residence;
- It has no shareholders or members who have a proprietary or beneficial interest in its income or assets;
- The applicable laws of the NFE's jurisdiction of residence or the NFE's formation documents do not permit any income or assets of the NFE to be distributed to, or applied for the benefit of, a private person or non-charitable entity other than pursuant to the conduct of the NFE's charitable activities, or as a payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the NFE has purchased; and
- The applicable laws of the NFE's jurisdiction of residence or the NFE's formation documents require that, upon the NFE's liquidation or dissolution, all of its assets be distributed to a Governmental Entity or other non-profit organisations, or escheat to the government of the NFE's jurisdiction of residence or any political subdivision.

Any other reason (for being a resident of the U.S. for U.S. tax purposes) (FATCA only)

Other reasons for being treated as U.S. resident for U.S. tax purposes are e.g. dual residency, being a non-U.S. spouse filing jointly a U.S. tax return with a U.S. spouse or relinquishing U.S. citizenship or long-term permanent residency in the U.S. **Please note** that owning real estate in the U.S. or equity and debt interests in U.S. entities (e.g. in a U.S. partnership) does not by itself result in being a resident of the U.S.

Controlling Persons (FATCA and AEOI/CRS)

The term *Controlling Persons* means the natural persons who exercise control over an entity. In the case of a trust, such term means the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term Controlling Persons must be interpreted in a manner consistent with the Swiss implementation of the Financial Action Task Force Recommendations, i.e. for banking relationships in Switzerland the *Agreement on the Swiss banks' code of conduct with regard to the exercise of due diligence* (CDB 16).

Country/jurisdiction of residence for tax purposes (AEOI/CRS only)

Generally, an individual is resident for tax purposes in a country/jurisdiction if, under the laws of that country/jurisdiction (including tax conventions), he/she pays or should be paying tax therein by reason of his/her domicile, residence, or any other criterion of a similar nature (i.e. full tax liability), 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.

Owner-documented FFI (ODFFI) (FATCA only)

An entity can apply for the ODFFI status if the entity is a Financial Institution solely because it is an investment entity. In order to qualify as an ODFFI, the entity must enter into a written agreement with a designated withholding agent and engage to provide the withholding agent with all documentation requested, in particular certification relating to the entity's direct or indirect equity owners and debt holders (together "Owner"). The withholding agent will undertake to exercise reporting obligations to the IRS in case of owners who meet the description of a specified U.S. Person.

Passive NFE/NFFE (FATCA and AEOI/CRS)

The term Passive NFE/NFFE means any NFE/NFFE that is not an Active NFE/NFFE. Additionally, an Account Holder PMIE located in a Non-Participating Jurisdiction from the perspective of Switzerland is also treated as a Passive NFE Account Holder for purposes of AEOI/CRS.

Participating Jurisdiction (AEOI/CRS only)

The term *Participating Jurisdiction* means a jurisdiction (i) with which Switzerland has agreed on the automatic exchange of information or (ii) which is identified in the following list: <http://www.oecd.org/tax/transparency/AEOI-commitments.pdf>.

Professionally Managed Investment Entity (PMIE) (AEOI/CRS only)

The term *PMIE* means any entity the gross income of which is primarily attributable to investing, reinvesting, or trading in Financial Assets, if the entity is managed by another entity that is a Depository Institution, a Custodial Institution, a Specified Insurance Company, or a Managing Investment Entity.

An entity's gross income is primarily attributable to investing, reinvesting, or trading in Financial Assets, if the entity's gross income attributable to the relevant activities equals or exceeds 50% of the entity's gross income during the shorter of: (i) the three-year period ending on 31 December of the year preceding the year in which the determination is made; or (ii) the period

during which the entity has been in existence.

An entity is „managed by“ another entity if the managing entity performs, either directly or through another service provider, any of the following activities or operations on behalf of the managed entity:

- 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;
- Individual and collective portfolio management; or
- Otherwise investing, administering, or managing Financial Assets or money on behalf of other persons.

However, an entity does not manage another entity if it does not have discretionary authority to manage the entity's assets (in whole or in 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 Financial Institution.

Reportable Account (AEOI/CRS only)

The term *Reportable Account* means an account held by one or more Reportable Persons or by a Passive NFE (or a Professionally Managed Investment Entity in a Non-Participating Jurisdiction) with one or more Controlling Persons that is a Reportable Person, provided it has been identified as such pursuant to the applicable AEOI/CRS due diligence procedures.

Reportable Person (AEOI/CRS only)

The term *Reportable Person* means a person that is resident for tax purposes in a Reportable Jurisdiction under the tax laws of such jurisdiction other than: (i) a corporation the stock of which is regularly traded on one or more established security markets; (ii) any corporation that is a Related Entity of a corporation described in clause (i); (iii) a Governmental Entity; (iv) an International Organisation; (v) a Central Bank; or (vi) a Financial Institution.

Reportable Jurisdiction (AEOI/CRS only)

The term *Reportable Jurisdiction* means a country/jurisdiction (i) with which Switzerland has an agreement in place pursuant to which Switzerland is obliged to provide the information about the residents of that country/jurisdiction and their accounts (Reportable Accounts), and (ii) which is identified in the following list: <https://www.sif.admin.ch/sif/en/home/themen/internationale-steuerpolitik/automatischer-informationsaustausch.html>.

Substantial Presence Test (FATCA only)

To meet the *substantial presence test*, an individual must have been physically present in the U.S. or at least:

- 31 days during the current year, and
- 183 days during the 3 year period that includes the current year and the 2 years immediately before. To satisfy the 183 days requirement, count:
 - All of the days the individual was present in the current year; and
 - one-third of the days the individual was present in the first year before the current year; and
 - one-sixth of the days the individual was present in the second year before the current year.

TIN (FATCA and AEOI/CRS)

The term *TIN* means Taxpayer Identification Number or a functional equivalent in the absence of a TIN. A TIN is a unique combination of letters or numbers assigned by a jurisdiction to an individual or an entity and used to identify the individual or entity for the purposes of administering the tax laws of such jurisdic-

tion. Further details of acceptable TINs can be found on the OECD AEOI Portal (<http://www.oecd.org/tax/automatic-exchange/>).

U.S. territory (FATCA only)

The term *U.S. territory* includes amongst others the Commonwealth of the Northern Mariana Islands, Guam, the Commonwealth of Puerto Rico, and the U.S. Virgin Islands.

U.S. Green Card (FATCA only)

A *U.S. Green Card* means a U.S. alien registration card as a lawful permanent resident issued by the U.S. Citizenship and Immigration Service (USCIS). An individual who, at any time during the calendar year, has been admitted to the U.S. as a lawful permanent resident is a resident alien for that year. An individual ceases to be a lawful permanent resident if the status was revoked or determined to have been abandoned.

Disclosure of client data and account data under the international automatic exchange of information (AEOI)

Information pursuant to Article 14 of Swiss AEOI Act

What is the AEOI?

The AEOI is an international standard that has been drawn up by the Organisation for Economic Cooperation and Development (OECD). It governs how tax authorities in the participating countries exchange data on bank accounts and securities accounts. The aim is to make cross-border tax evasion impossible.

More than 100 countries and jurisdictions have already committed to introducing the AEOI. The United States remains an exception, as it has its own standard (FATCA).

Switzerland is a participating country. On 1 January 2017, the *Swiss Federal Act on the International Automatic Exchange of Information in Tax Matters* (AEOI Act) came into effect.

What is the role of Rahn+Bodmer Co.?

Rahn+Bodmer Co. (hereinafter “the Bank”) is a reporting Swiss financial institution under the AEOI Act. The Bank is legally obligated to determine the residence(s) for tax purposes of its clients, as well as to document and, as the case may be, to report specific data to the Swiss Federal Tax Administration (FTA).

Who is affected by the AEOI?

The AEOI affects reportable financial accounts held by so-called reportable persons.

Reportable persons are natural persons and entities (such as corporations, partnerships, foundations, trusts) that are resident for tax purposes in countries with which Switzerland has signed an AEOI agreement (*partner countries*).

Also subject to reporting requirements are natural persons with a corresponding tax residence who exercise control over an entity considered to be a passive Non-Financial Entity (NFE), such as shareholders, beneficial owners, settlors, beneficiaries, etc. (*controlling persons*).

However, the AEOI does not affect persons who are subject to unlimited tax liability solely in Switzerland and are either account holder or controlling person in a passive NFE with a client relationship with Rahn+Bodmer Co.

With which jurisdictions (partner countries) does Switzerland exchange information?

As of 1 January 2017, AEOI agreements with the *European Union* (for all member states including *Gibraltar*), with *Australia*, *Canada*, *Guernsey*, *Iceland*, *Isle of Man*, *Japan*, *Jersey*, *Norway* and *South Korea* have come into effect in Switzerland. In 2018, Switzerland will provide these jurisdictions for the first time with client and account data based on the year 2017.

Over the years, additional partner countries will be added (always on 1 January). The first exchange of information then takes place the following year.

The list of Switzerland’s partner countries is available and continuously updated on the website of the State Secretariat for International Financial Matters (SIF):
<https://www.sif.admin.ch/sif/en/home/themen/internationale-steuerpolitik/automatischer-informationsaustausch.html>

What information is exchanged?

For a client whose residence for tax purposes is in a partner

country, the Bank is required to report to the FTA both personal data as well as data about the reportable account.

Personal data includes name, address, country of residence for tax purposes, tax identification number and date of birth of the account holder or the beneficial owner or the controlling person.

Data on reportable accounts include the name of the financial institution where the account is held, as well as the account number, the total gross amount of dividends, interest and other income, the total gross proceeds from the sale or redemption of financial assets and the aggregate balance or value of the account at the end of the respective calendar year.

If an account has been closed, the amounts accumulated up to the time of the closure and the fact of the closure are reported.

For what purposes is the information used?

Generally, the information transmitted may only be made available to the tax authorities of the partner country in which the reportable person is resident and may only be used for tax purposes. In principle, it is prohibited for the receiving partner country to forward the information received to another country. In addition, the information is to be handled confidentially. Generally, the receiving partner country may only make the information available to persons and authorities responsible for handling or supervising taxation in that country.

What are the rights of reportable persons?

If you are a reportable person, you have the following rights pursuant to the AEOI Act and the *Swiss Federal Act on Data Protection* (FADP):

1. Vis-à-vis Rahn+Bodmer Co.:

You are entitled to the full extent of legal protection offered by the FADP vis-à-vis the Bank. In particular, you have the right to request what information has been collected about you and will be reported to the FTA.

The Bank must provide you with a copy of its report to the FTA on request. In this regard, it must be noted that the information about you that is collected and reported may differ from your tax-relevant information.

Moreover, you are also entitled to request that incorrect data in the Bank’s systems be corrected.

2. Vis-à-vis the FTA:

Your only right vis-à-vis the FTA is the right to access information. You are entitled to request that incorrect data resulting from errors in the exchange process be corrected.

If the exchange of information would result in disadvantages for you that are not permissible due

to a lack of constitutional guarantees, your rights are set out in Article 25a of the *Federal Act on Administrative Procedure*.

You do not have the right to access FTA records. This means that you do not have the right to block the disclosure of personal details vis-à-vis the FTA. In addition, you are not entitled to have the legality of forwarding information outside Switzerland reviewed or to block any illegal forwarding and/or to demand the destruction of data processed without a sufficient legal basis.

Where can I find additional information?

On the website of Rahn+Bodmer Co. at <https://www.rahnbodmer.ch/en/aia.php> you will find useful links to the OECD and the State Secretariat for International Financial Matters (SIF), which publishes the list of Switzerland's partner countries.

Important note

Rahn+Bodmer Co. does not offer tax or legal advice in connection with the AEOI. We recommend that clients who are affected by the AEOI clarify any tax issues with a specialist. Furthermore, the AEOI and the reports of the Bank do not replace the declaration and reporting obligations of clients.

March 2017