

1. CRS/FATCA FACTSHEET

Tax Regulations applicable to financial institutions require MCB Ltd to collect and report certain information about each account holder’s tax residency status, and in certain circumstances, information on the account holder’s controlling person.

Please be advised that in certain circumstances, MCB Ltd may be required to share this information through the Mauritius Revenue Authority with the tax authorities of another country or countries in which the account holder and/or its controlling persons may be tax resident.

MCB Ltd is unable to provide you with tax advice. If you have any questions about how to complete this form, including defining your tax residency status, please contact your tax adviser.

You can also find out more, including a list of jurisdictions that have signed agreements to automatically exchange information, along with details about the information being requested on the OECD’s Automatic Exchange of Information (AEOI) website:

www.oecd.org/tax/automatic-exchange/

You can find more information about the implementation of FATCA in Mauritius at <http://www.mra.mu/download/FATCAGuidance140515.pdf>.

2. SUMMARY OF KEY DEFINITIONS

The definitions for CRS and FATCA are broadly similar.

Account Holder	Person listed or identified as the holder of a financial account. A person holding an account as an agent, custodian, nominee, signatory or intermediary for another person is not treated as holding the account.
Active Non-Financial Entity (Active NFE)/ Active Non-Financial Foreign Entity (Active NFFE)	<p>Broadly includes:</p> <ul style="list-style-type: none"> • active NFEs/NFFEs by reason of producing mainly non-passive income (e.g. trading income) - less than 50 per cent of the NFFE/NFE’s gross income for the preceding calendar year or other appropriate reporting period is passive income and less than 50 per cent of the assets held by the NFFE/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 NFEs/NFFEs; • Governmental Entities, International Organisations, Central Banks and their wholly owned entities; • holding NFEs/NFFEs of a non-financial group; (v) start-up NFEs/NFFEs; • NFEs/NFFEs which are liquidating or emerging from bankruptcy; • treasury centres of non-financial-groups; and • non-profit-making NFEs/NFFEs.
Alternate Identification Number	<p>Alternate Identification Numbers refer to high integrity numbers, other than Tax Identification Numbers/Tax Account Numbers with an equivalent level of identification.</p> <p>For entities, the business/company registration code or number may be used, where no TAN/TIN has been issued.</p>
Certified Deemed Compliant Financial Institution	<p>For FATCA purposes only:</p> <p>Certified Deemed compliant Financial Institutions broadly include the following:</p> <ul style="list-style-type: none"> • Non Profit Organisations; • Financial Institutions with a Local Client Base; • Certain Collective Investment Vehicles; and • Investment Advisers and Investment Managers.
Controlling Persons – Company/ Partnership	Natural person who exercises control over the Entity. For a Company/Partnership, this would generally mean shareholders having at least 20% ownership interest. If there are no such persons, any other person having control over the Entity (e.g. a managing director).

Controlling Persons – Trusts/ Foundation	<p>Trust: The settlor(s), the trustee(s), the protector(s), the beneficiaries to the extent they receive distributions.</p> <p>Foundation: The founder, the council members, the beneficiaries to the extent they receive distributions.</p>
CRS	The OECD Common Reporting Standard (commonly known as “CRS”) refers to the standard for the Automatic Exchange of Financial Account Information in Tax Matters given legislative effect in Mauritius by the Income Tax (Common Reporting Standard) Regulations 2016.
Custodial Institution	<p>Means any Entity that holds, as a substantial portion of its business, Financial Assets for the account of others.</p> <p>Substantial portion means the Entity’s gross income attributable to the holding of Financial Assets and related services equals to or exceeds 20% of the Entity’s gross income over the shorter of (i) the past 3 years or (ii) since it has been in existence.</p>
Depository Institution	Means any Entity that accepts deposits in the ordinary course of a banking or similar business.
Direct Reporting NFFE	<p><u>For FATCA purposes only:</u></p> <p>A Direct Reporting Non-Financial Foreign Entity (Direct Reporting NFFE) refers to an entity which is not a financial institution and elects to report information about its direct or indirect substantial U.S owners to the IRS. It registers with the IRS as a Direct Reporting NFFE and meets several other detailed requirements defined by the IRS.</p>
Entity	Any person other than a natural person, e.g company, partnership, trust, foundation, société.
Excepted NFFE	<p><u>For FATCA purposes only:</u></p> <p>An Excepted Non-Financial Foreign Entity (Excepted NFFE) broadly includes:</p> <ul style="list-style-type: none"> • Publicly Traded Corporation; • Non-Profit Organisation and • Non-financial startups. <p>Any other specifically identified class, including those posing a low risk of tax evasion, as determined by the United States’ Internal Revenue Service (IRS).</p>
Excluded Accounts	<p>(i) Retirement and pension accounts;</p> <p>(ii) Estate accounts;</p> <p>(iii) Certain escrow accounts; and</p> <p>(iv) For CRS: Low value dormant accounts (less than an amount equivalent to USD 1000).</p> <p>For FATCA: A pre-existing individual account with a balance of less than USD 50,000 may be exempt.</p>
Financial Assets	Includes shares, bonds, swaps and other securities. Does not include real property and gold.
Financial Institution	Means a Custodial Institution, a Depository Institution, an Investment Entity or a Specified Insurance Company.
GIIN	<p><u>For FATCA purposes only:</u></p> <p>GIIN (Global Intermediary Identification Number) is used by reporting Financial Institutions to uniquely identify themselves to withholding agents and tax administrations for FATCA reporting. Financial Institutions can obtain a GIIN from the United States’ Internal Revenue Service (IRS).</p>
IGA (Inter-Governmental Agreement)	<p><u>For FATCA purposes only:</u></p> <p>A government may enter into a bilateral agreement with the U.S. to simplify reporting compliance and avoid FATCA withholding. Under a Model 1 IGA, Foreign Financial institutions (FFIs) in partner jurisdictions report information on U.S. account holders to their national tax authorities, which in turn will provide this information to the IRS. Mauritius has chosen this option. Under a Model 2 IGA, FFIs report account information directly to the IRS.</p>

Investment Entity	<p><u>For CRS purposes:</u></p> <p>The term “Investment Entity” includes two types of entities:</p> <ol style="list-style-type: none"> i. entities that primarily conduct as a business investment activities or operations on behalf of other persons, and ii. entities that are managed by those Entities or other FIs. <p>An entity would generally be considered as 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.</p> <p><u>For FATCA purposes:</u></p> <p>As per the definition in the IGA and the provisions of the U.S. Regulations, an entity may choose which of the two available definitions of Investment Entity given below to follow:</p> <p>(i) <u>An investment entity within the meaning of the IGA</u></p> <p>As per subparagraph 1 (h) of Article 1 of the IGA, an entity will qualify as an Investment Entity where it conducts as a business, or is managed by an entity that conducts as a business, one or more of the following activities, for or on behalf of a customer (e.g. an Account Holder) –</p> <ul style="list-style-type: none"> • 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 funds or money on behalf of other persons. <p>(ii) <u>An Investment Entity within the meaning of the US Regulations</u></p> <p>As permitted under the IGA, the definition of Investment Entity included in the US Regulations may also be used. An investment entity is any entity that is described in A, B, or C:</p> <p>A. The entity primarily conducts as a business one or more of the following activities or operations for or on behalf of a customer –</p> <ol style="list-style-type: none"> 1) Trading in money market instruments (checks, bills, certificates of deposit, derivatives, etc.); foreign currency; foreign exchange, interest rate, and index instruments; transferable securities; or commodity futures; 2) Individual or collective portfolio management; or 3) Otherwise investing, administering, or managing funds, money, or financial assets on behalf of other persons.
Investment Entity	<p>B. An entity will be regarded as an Investment Entity where the entity is managed by a Financial Institution and its gross income attributable to investing, reinvesting, or trading in financial assets, is equal to or exceeds 50 per cent of the entity’s gross income during the shorter of –</p> <ul style="list-style-type: none"> • 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. <p>C. The entity functions or holds itself out as a collective investment vehicle, mutual fund, exchange traded fund, private equity fund, hedge fund, venture capital fund, leveraged buyout fund, or any similar investment vehicle established with an investment strategy of investing, reinvesting, or trading in financial assets.</p>
New Account	<p><u>For CRS purposes:</u></p> <p>Means an account (whether held by an entity or an individual) opened on or after 1 January 2017.</p> <p><u>For FATCA purposes:</u></p> <p>Means an account (whether held by an entity or an individual) opened on or after 1 July 2014.</p>
Non-Participating Jurisdiction	<p><u>For CRS purposes only:</u></p> <p>A jurisdiction which has not agreed to implement CRS.</p>

Non-Reporting Financial Institution	<p><u>For CRS purposes:</u> These would broadly include entities that fall within the following categories –</p> <ul style="list-style-type: none"> • Government Entity; • International Organisations; and • Central Bank of Mauritius, etc. <p>Please see Annex 3 of MRA- Implementation of CRS Guidance Notes for the full list.</p> <p><u>For FATCA purposes:</u> Non-Reporting Mauritius Financial Institution means any Mauritius Financial Institution, or other Entity resident in Mauritius, i.e., described in Annex II of the MRA - Implementation of FATCA Guidance Notes, as a Non-Reporting Mauritius Financial Institution or that otherwise qualifies as a deemed-compliant FFI or an exempt beneficial owner under relevant U.S. Treasury Regulations.</p>
Owner Documented Foreign Financial Institution	<p><u>For FATCA purposes only:</u> An Owner Documented Financial Institution must satisfy the following requirements–</p> <ul style="list-style-type: none"> • The FI is solely an FI because it is an Investment Entity; • The Financial Institution must not maintain a Financial Account for any Non-Participating Financial Institution; • The Financial Institution must not be owned by, nor be a member of a group of Related Entities with any Financial Institution that is a Depository Institution, Custodial Institution or Specified Insurance Company; • The Financial Institution provides the designated withholding agent with the required documentation and agrees to notify the withholding agent if there is a change in circumstances; and
Owner Documented Foreign Financial Institution	<ul style="list-style-type: none"> • The designated withholding agent agrees to report to the IRS (or, in the case of a reporting Model 1 FFI, to the relevant foreign government agency thereof) the required information with respect to any specified US persons that are identified. The designated withholding agent is not however required to report information with respect to an indirect owner of the FFI, a deemed-compliant (other than an owner-documented FFI), an entity that is a US person, an exempt beneficial owner or an excepted NFFE.
Participating Foreign Financial Institution	<p><u>For FATCA purposes only:</u> FFI that enters into an agreement with the IRS to undertake certain due diligence, withholding and reporting requirements for US account holders.</p>
Participating Jurisdiction	<p><u>For CRS purposes only:</u> A jurisdiction which has agreed to implement CRS. The latest list of Participating Jurisdictions can be consulted at : http://www.oecd.org/ctp/exchange-of-tax-information/MCAA-Signatories.pdf</p>
Passive Income	Includes dividends, interests, rents & annuities, royalties, income from swaps.
Passive Non-Financial Entity(Passive NFE)/ Passive Non-Financial Foreign Entity(Passive NFFE)	<p><u>For CRS purposes:</u> Passive NFE: An NFE which is (i) not an Active NFE; and (ii) a managed Investment Entity located in a Non-Participating Jurisdiction.</p> <p><u>For FATCA purposes:</u> The term Passive NFFE means an NFFE other than an Active NFFE or a withholding foreign partnership or withholding foreign trust.</p>
Pre-Existing Entity Account	<p><u>For CRS purposes:</u> Means an account held by an Entity and opened on or before 31 December 2016.</p> <p><u>For FATCA purposes:</u> Means an account held by an Entity and opened on or before 30 June 2014.</p>
Registered Deemed Compliant Financial Institution	<p><u>For FATCA purposes only:</u> These would broadly include:</p> <ul style="list-style-type: none"> • Non-reporting members of a group of related Participating Financial Institutions; • Restricted funds; and • Qualified credit card issuers and Sponsored investment entities¹.
Related Entity	An entity which controls another entity or two entities which are under common control (Control means direct or indirect ownership of more than 50% of the vote and value in an Entity).
Reportable Account	An account held by one or more Reportable Persons or by a Passive NFE/ NFFE with one or more Controlling Persons that is a Reportable Person.
Reportable Information	Tax Regulations require the information such as name, address, tax residence, TIN, account number, etc. to be reported in respect of Account Holders who are identified by the Bank as holding Reportable Accounts when applying due diligence rules applicable to them.

Specified Insurance Company	Means an Entity that is an insurance company (or its holding company) that issues or is obligated to make payments with respect to cash value insurance contracts or annuity contracts. Generally excludes non-life insurance companies.
Specified US Person	<p>For FATCA purposes only:</p> <p>The term Specified U.S. Person is defined as a Specified U.S. Individual (Private Individual) and a Specified U.S. Entity (Business)².</p> <p><u>Specified U.S. Entity</u></p> <p>The term Specified U.S. Entity means any U.S. Entity which cannot be identified as a Non-Specified U.S. Entity or as a U.S. Financial Institution.</p> <p><u>Specified U.S. Individual</u></p> <p>The term Specified U.S. Individual means any Private Individual who is a U.S. Citizen or U.S. Resident for tax purposes.</p>
Tax Regulations	“Tax Regulations” refer to regulations implemented in Mauritius to enable automatic exchange of financial account information and include the Agreement for the Exchange of Information relating to Taxes (United States of America FATCA Implementation) Regulations 2014 and the regulations implemented in connection with the Common Reporting Standard for Automatic Exchange of Financial Account Information (CRS) as implemented in the relevant jurisdictions pursuant to treaties signed between Mauritius and the USA for FATCA and/or any other jurisdictions for OECD.
Tax Residence	Means the residence for tax purposes. Each country will have its own rules to determine tax residence. In Mauritius, tax residence is defined in Section 73 and Section 73A of the Income Tax Act 1995. Special rules also are applicable for tax residence of authorised companies, foundations and trusts.
TIN (Taxpayer Identification Number)	<p>Unique combination of letters or numbers assigned by a jurisdiction to an individual or entity and used to identifying the individual or entity for tax purposes.</p> <p>E.g. for France : Numéro d’Identification Fiscale (NIF).</p> <p>The OECD has published, on its website, jurisdiction-specific information governing the issuance, structure, use and validity of TINs or their functional equivalents</p> <p>(https://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-identification-numbers/).</p>
<p>¹This is defined under US regulations.</p> <p>² This is mainly a broad definition. For further guidance, please refer to Section (ff) of definitions of the IGA.</p>	