

10 CRS – Part II

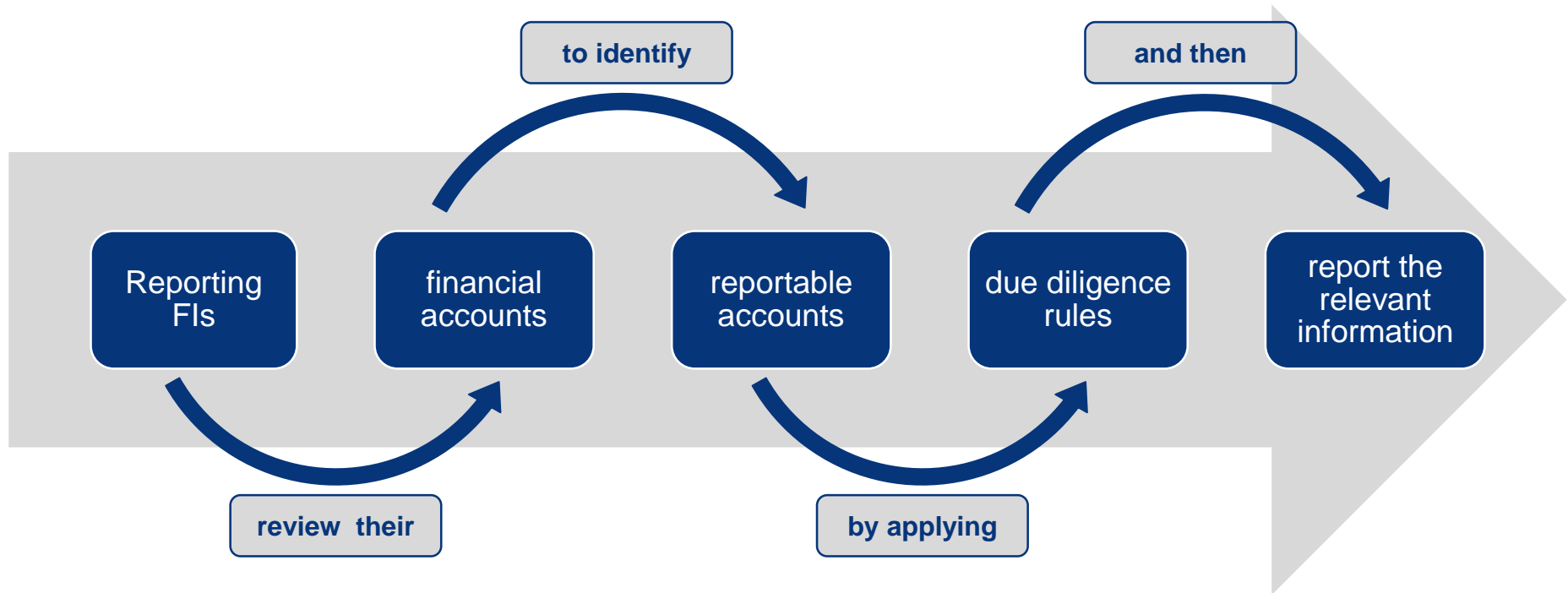
Reporting and non-reporting FIs | Active and passive NFEs

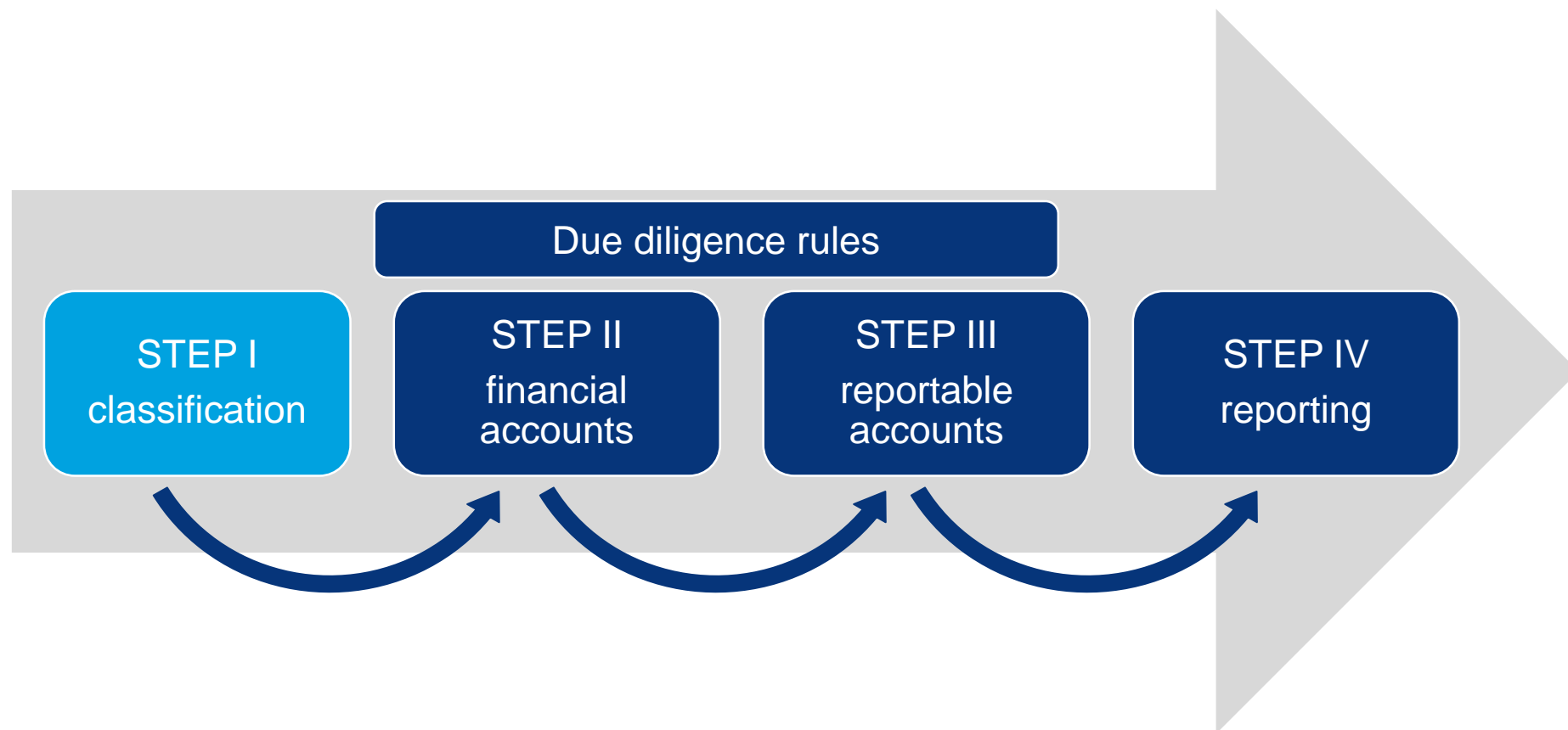
This document contains general information on various topics regarding the automatic exchange of information and the Common Reporting Standard (CRS) that may be of interest for Swiss and foreign financial institutions (FI) and individuals. For individual, case related information and enquiries, please contact one of our Swiss CRS specialists.

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Depository institutions

- Entities accepting deposits in the ordinary course of banking or similar business (e.g. commercial banks)

Custodial institutions

- Entities holding financial assets for the account of others (e.g. brokers)

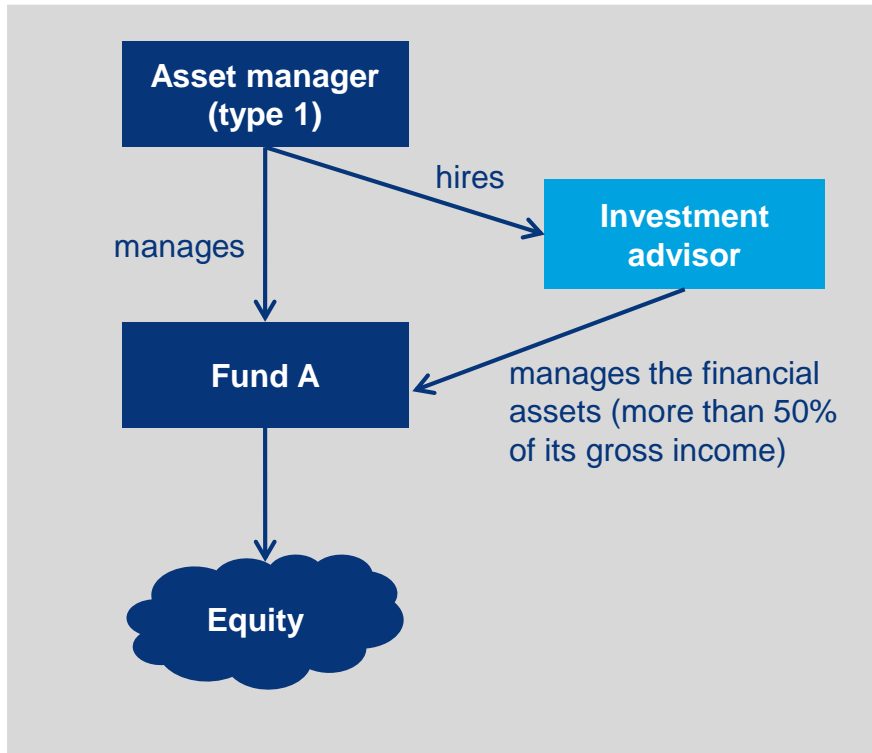
Specified insurance companies

- Payments with respect to any cash value insurance or annuity contract (e.g. life insurance companies)

Investment entities

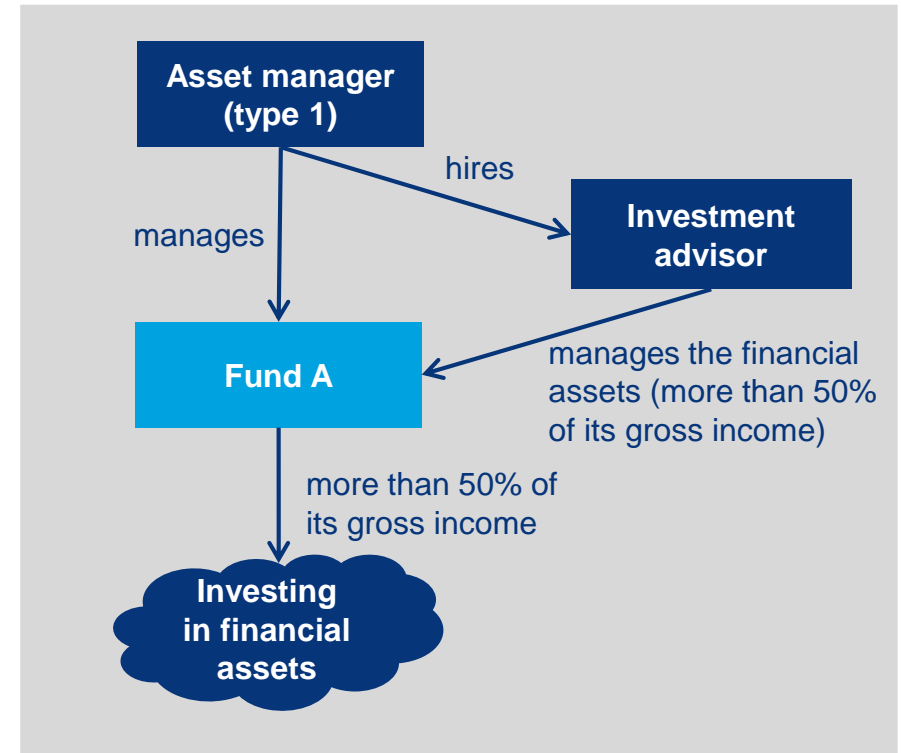
- Type 1 (“investment entities”): entities **primarily** conducting investment activities **on behalf of other persons**
- Type 2 (“managed investment entities”): entities **managed by a Financial Institution** and their gross income is primarily attributable to investing, reinvesting, or trading in financial assets (provided these entities are **domiciled in a participating jurisdiction**)

Example 1: Investment advisor



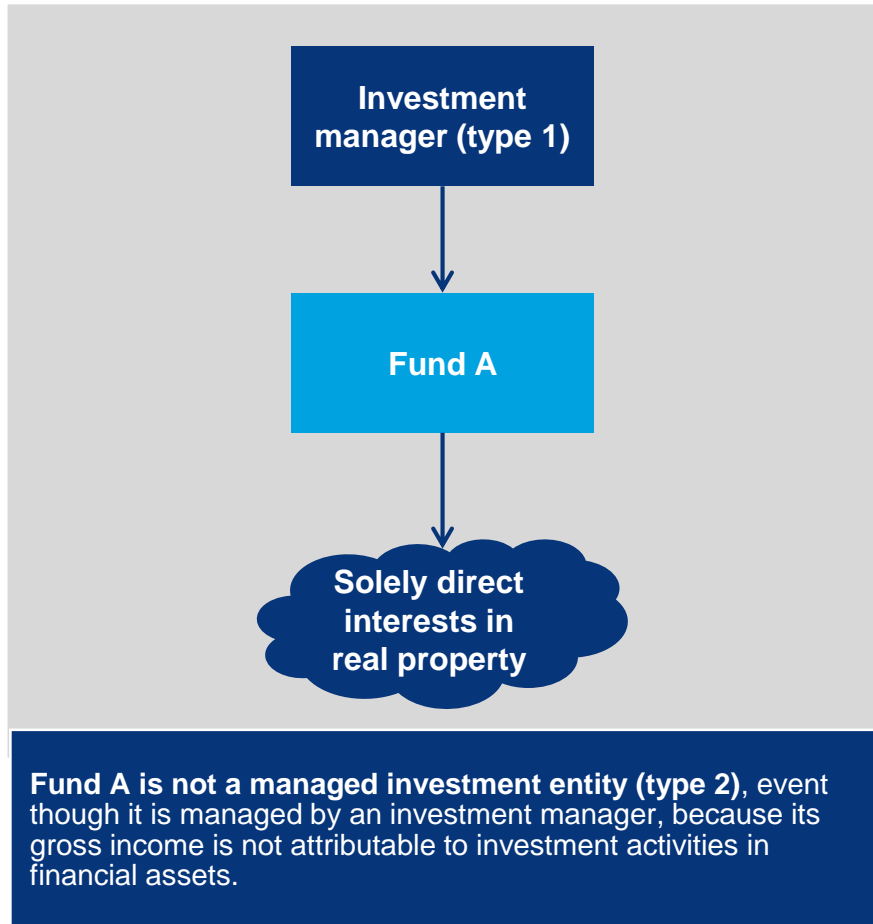
Because the investment advisor primarily conducts a business of managing financial assets on behalf of clients, the **investment advisor is an investment entity (type 1)**.

Example 2: Entity managed by a FI

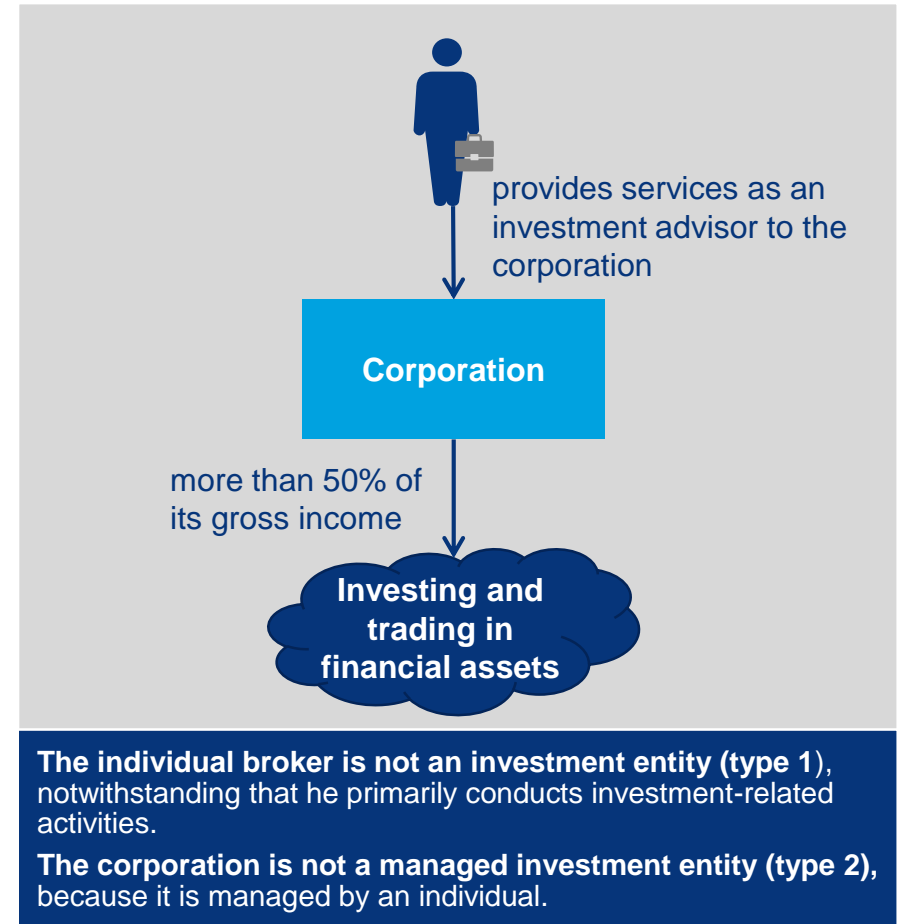


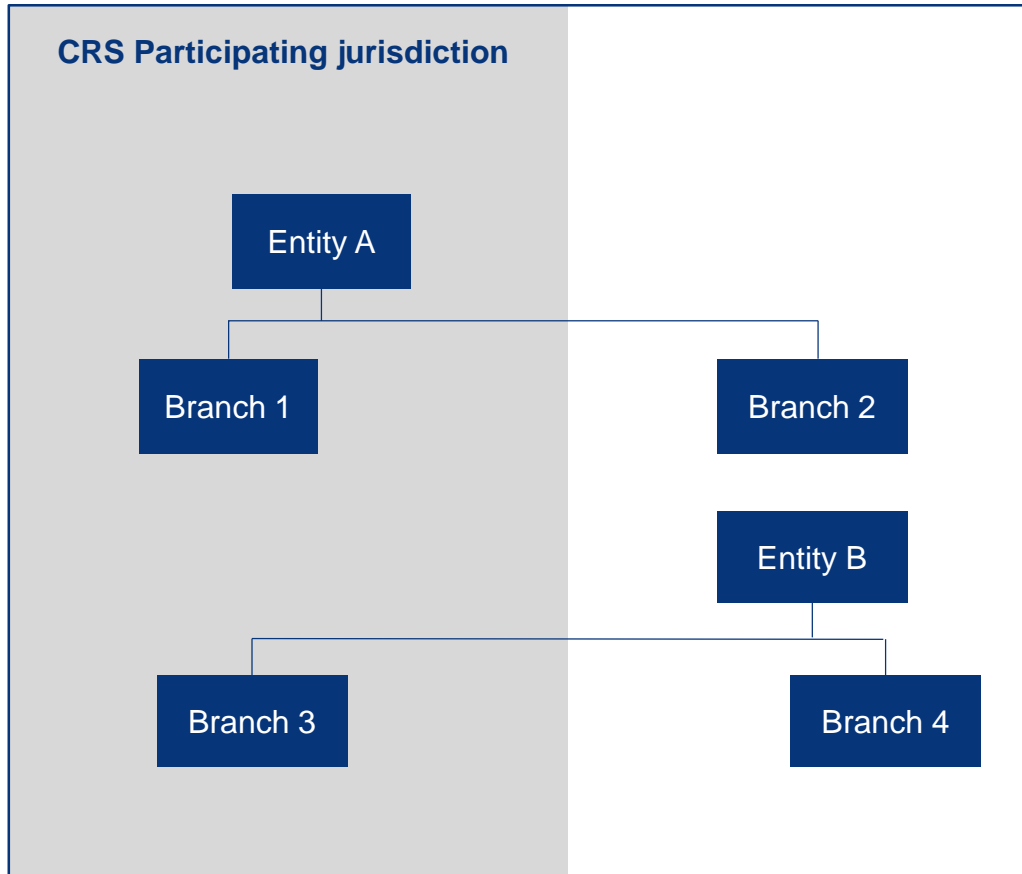
Fund A is a managed investment entity (type 2) because it is managed by the asset manager and the investment advisor and its gross income is primarily attributable to investment activities in financial assets.

Example 3: real estate investment fund

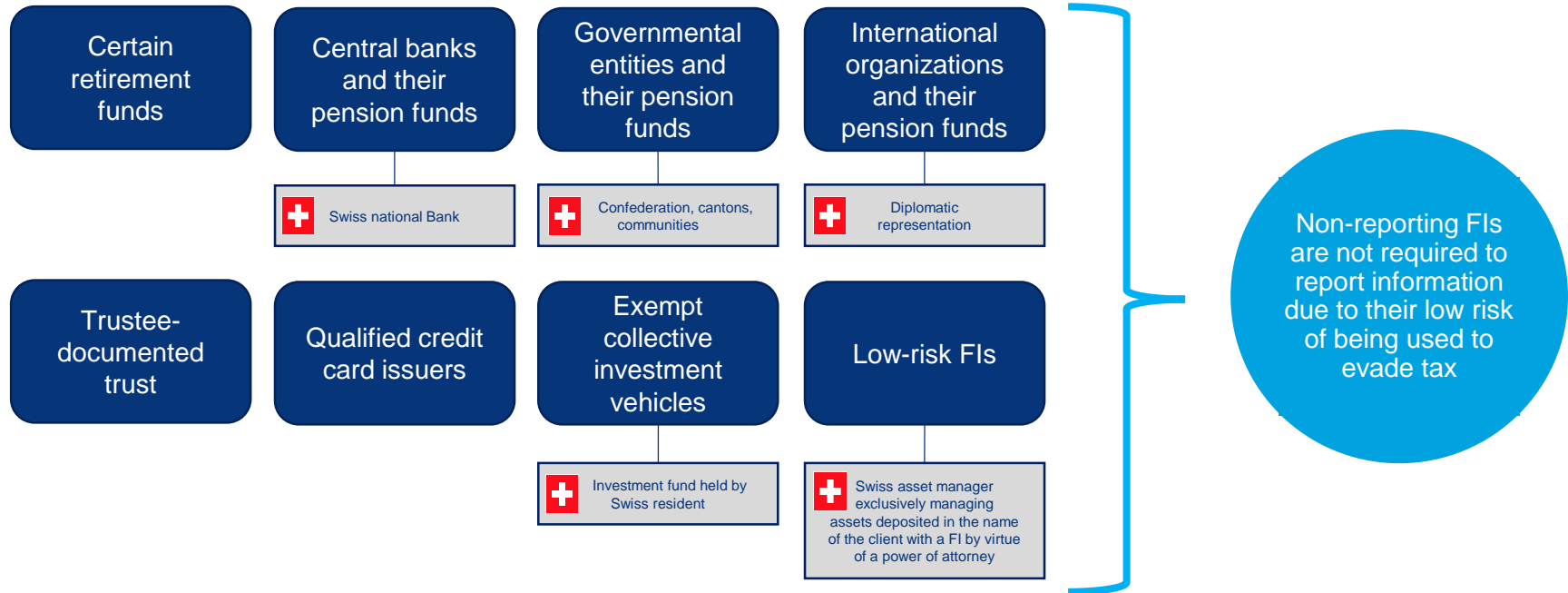


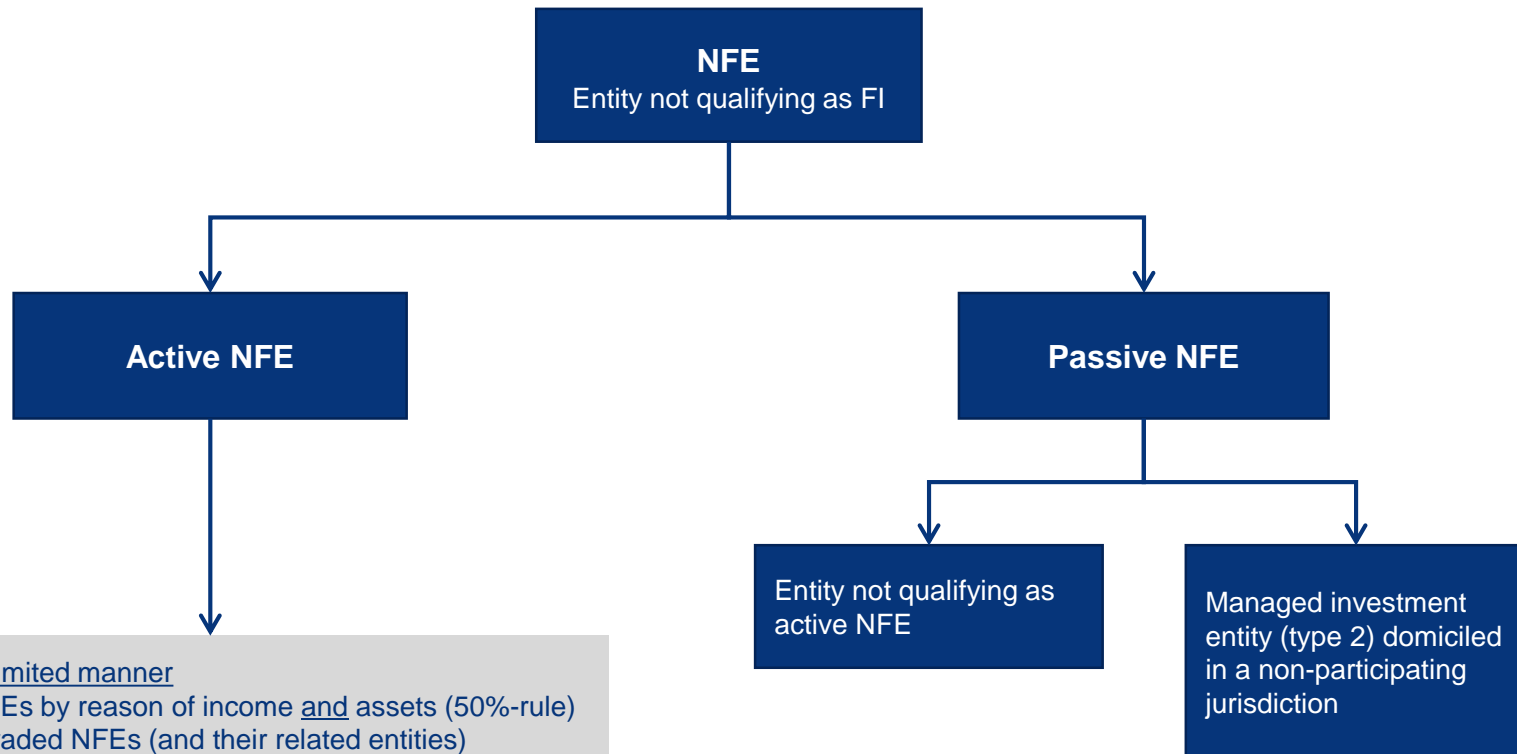
Example 4: individual broker





- FIs are subject to reporting obligations if they are tax resident in a CRS participating jurisdiction.
- A participating jurisdiction includes tax resident FIs (entity A), their branches located in that jurisdiction (branch 1) and branches of foreign FIs located in that jurisdiction (branch 3).
- Tax residence
 - Registered seat or place of effective management
 - For Trusts: place where the trustee is resident





Defined in a limited manner

1. Active NFEs by reason of income and assets (50%-rule)
2. Publicly traded NFEs (and their related entities)
3. Governmental entities, international organizations, central banks
4. Holding NFEs member of a non-financial group (example: joint venture fund)
5. Start-up NFEs
6. NFEs that are liquidating or emerging from bankruptcy
7. Non-profit NFEs

Consequence of being a passive NFE

- If an account is held by a passive NFE, the reporting FI has to look through the passive NFE to identify and report the controlling persons resident in a participating jurisdiction
- Reporting to competent tax authorities of the participating jurisdiction in which the controlling person has its tax residence

Entity	<ul style="list-style-type: none">• Directly or indirectly more than 25% of the shares or voting rights; or• Through other means; or• Board members
Trust	<ul style="list-style-type: none">• Settlor(s); and• Trustee(s); and• Protector(s); and• Beneficiary(ies); and• Other individual(s) exercising control
Foundation	<ul style="list-style-type: none">• Founder; and• Beneficiary(ies); and• Member(s) of the foundation board

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