

Summary Comparison of the Model Competent Authority Agreement (“Model CAA”) and the common reporting and due diligence standard (“CRS”) with the Model 1 IGA

Section	Comparison
<u>MODEL CAA</u>	
1 – Definitions	<p>This Section is the same as provided in Article 1 of the Model 1 IGA, except:</p> <ul style="list-style-type: none"> • Section 1 only includes the definitions that are relevant for the exchange of information. The remaining definitions are included in Section VIII of the CRS. • FIs are treated as a Jurisdiction FIs based on their place of residence. • In the definition of Jurisdiction A and Jurisdiction B Person it has been clarified that those terms have to be understood to refer to the outcome of the due diligence procedures, so that for instance a fiscally transparent partnership can be a Jurisdiction A or B person even if it is not otherwise a tax resident for Jurisdiction A or B tax purposes • The general rule of interpretation is clarified to allow implementing jurisdictions to be consistent with (not identical to) the definitions of Section VIII.
2 – Obligations to Exchange Information with Respect to Reportable Accounts	<p>These obligations are the same as provided in Article 2 of the Model 1 IGA, except:</p> <ul style="list-style-type: none"> • Minor adjustments to be consistent with the scope of a competent authority agreement. • Section 2 requires TIN, date and place of birth to be exchanged if they are reported under Section I of the CRS.
3 – Time and Manner of Exchange of Information	<p>This Section is the same as provided in Article 3(1) to (3) of the Model 1 IGA, except:</p> <ul style="list-style-type: none"> • Section 3(3) allows limiting the exchange of information to tax years where both jurisdictions have in effect reporting legislation consistent with the CRS. • The requirement to obtain the TIN provided in Article 3(4) is included in Section I of the CRS with adjustments. • The competent authority agreement provided in Article 3(6) is not required, but further details on data transmission may need to be agreed . • The confidentiality clause provided in Article 3(7) is included in Section 5. • The safeguards/infrastructure representation provided in Article 3(8) to (10) is included in the 4th whereas. <p>Articles 4, 6, 7 and 10(3) of the Model 1 IGA are not included because they deal</p>

	with the application of FATCA.
4 – Collaboration on Compliance and Enforcement	<p>This Section is the same as provided in Article 5(1) and (2) of the Model 1 IGA, except that communications are only between competent authorities and, therefore, no distinction is made between minor/administrative errors and significant non-compliance.</p> <p>Article 5(3) of the Model 1 IGA is not included because reliance on third party service providers is not limited.</p> <p>Article 5(4) of the Model 1 IGA is included in Section IX.</p>
5 – Confidentiality and Data Safeguards	This Section is essentially the same as provided in Article 3(7) of the Model 1 IGA.
6 – Consultations and Amendments	<p>This Section is the same as provided in Article 8 of the Model 1 IGA, except minor adjustments to recognize the different practices amongst jurisdictions for amending competent authority agreements .</p> <p>Article 9 of the Model 1 IGA is not included because the Standard does not need to be attached to the Agreement.</p>
7 – Term of Agreement	This Section is the same as provided in Article 10(1) and (2) of the Model 1 IGA, except that it also allows for the suspension of the exchange of information.
<u>Common Reporting Standard</u>	
I – General Reporting Requirements	<p>This Section sets forth the information to be reported by FIs. This information is the same as the information required to be reported under the Model 1 IGA, except:</p> <ul style="list-style-type: none"> • The country(ies) of residence of Account Holders and Controlling Persons is to be reported. • Controlling Persons of Passive NFEs are reportable , even if they are resident in the same country as the Passive NFE. • TIN and date of birth are not to be reported if they are not (1) in the records of the FI and (2) otherwise required to be collected under domestic law. Nevertheless, starting the second year after identifying a Reportable Account, reasonable efforts are to be used to obtain them. • Place of birth is not required to be reported unless it is (1) otherwise required to be collected and reported under domestic law, and (2) available in electronically searchable data of the FI.
II – General Due Diligence Requirements	These requirements are essentially the same as provided in Section I(B) of Annex I of the Model 1 IGA, except minor adjustments.
III – Due Diligence for Pre-existing Individual	This Section is the same as provided in Section II of Annex I of the Model 1 IGA, except:

Accounts	<ul style="list-style-type: none"> • Only the exception provided in Section II(A)(3) of the Model 1 IGA (adapted to operate in a multilateral context) is included. • Instead of the other exceptions, a “residence address based in documentary evidence” procedure is included (for purposes of determining the residence of the Account Holder of a Pre-Existing Individual Account). That procedure is similar to the procedure provided in the EU Savings Directive. • The place of birth is not included as an indicium for the electronic record search, since reporting is based on residence (not citizenship). • A special procedure is included in Section III(B)(6) and (C)(5)(c) for accounts with a “hold mail” instruction or “in-care-of” address, no address and no other indicia. • The nationality is not included as information to be electronically searched in Section III(C)(3), since reporting is based on residence (not citizenship).
IV – Due Diligence for New Individual Accounts	This Section is the same as provided in Section III of Annex I of the Model 1 IGA, except none of the exceptions provided in Section III(A) is included.
V – Due Diligence for Pre-existing Entity Accounts	<p>This Section is the same as provided in Section IV of Annex I of the Model 1 IGA, except:</p> <ul style="list-style-type: none"> • Accounts that exceed 250,000 USD are subject to review, even if they do not exceed 1,000,000 USD. • Accounts held by Non-Participating Financial Institutions are not required to be identified. • Account Holders that are trusts and foundations and that are not Participating Jurisdiction Financial Institutions, are treated as passive NFEs. • For purposes of determining the residence of Controlling Persons, in the absence of AML/KYC information and a self-certification, procedures applicable to High Value Accounts are to be applied.
VI – Due Diligence for New Entity Accounts	<p>This Section is substantially the same as provided in Section V of Annex I of the Model 1 IGA, except:</p> <ul style="list-style-type: none"> • This Section formally mirrors Section V (for Pre-Existing Entity Accounts). • The exception provided in Section V(A) is not included. • In the case of Entities that are treated as fiscally transparent and, as a consequence, do not have a residence (for tax purposes), the address of the principal office of the Entity is used as a proxy for purposes of determining its residence. • Accounts held by Non-Participating Financial Institutions are not required to be identified. • Account Holders that are trusts and foundations and that are not Participating Jurisdiction Financial Institutions, are treated as passive NFEs.
VII – Special Due	These rules are substantially the same as provided in Sections VI(A) and (C) to

Diligence Rules	(E) of Annex I, and Section IV(F)(4) of Annex II, of the Model 1 IGA.
VIII – Defined terms	These definitions are substantially the same as provided in Article 1(1), Section VI(B) of Annex I and Annex II of the Model 1 IGA, except:
VIII(A) – Reporting Financial Institution	<ul style="list-style-type: none"> • FIs are treated as a Jurisdiction FIs based on their place of residence. • The definition of Investment Entity is substantially the same as provided in the U.S. Treasury Regulations. Certain Active NFEs are explicitly excluded from this definition. • A definition of Financial Assets is included, which is substantially the same as provided in the U.S. Treasury Regulations. • A definition of Participating Jurisdiction Financial Institution is included, to identify such group of FIs.
VIII(B) – Non-Reporting Financial Institution	<p>This group of definitions is substantially similar as provided in Sections I to IV of Annex II of the Model 1 IGA, except:</p> <ul style="list-style-type: none"> • No distinction is made between Exempt Beneficial Owners and other Non-Reporting Financial Institutions. • Certain Non-Reporting Financial Institutions are not included because they are either not appropriate or irrelevant in a multilateral context (<i>i.e.</i> Treaty-Qualified Retirement Funds, Investment Entities Wholly Owned by Exempt Beneficial Owners, Financial Institutions with a Local Client Base, Local Banks, Financial Institutions with Only Low-Value Accounts, Trustee-Documented Trusts, Sponsored Investment Entities and Controlled Foreign Corporations, Sponsored Closely Held Investment Vehicles, certain Investment Advisors and Investment Managers). • An open definition is included that allows domestic law to treat similar, low-risk Entities as Non-Reporting FIs.
VIII(C) – Financial Account	<ul style="list-style-type: none"> • The definition of Financial Account is adjusted to clarify that it only includes equity or debt interests in an investment vehicle, but not in an investment manager. Also, an anti-avoidance clarification is included in relation to interests that are regularly traded on an established securities market. • Minor adjustments made to the term Cash Value to clarify that it does not include certain amounts payable under an Insurance Contract. • The definition of Excluded Account is the same as provided in Section V of Annex II of the Model 1 IGA. Also, it includes (1) a qualified credit card exclusion (that applies to any FI) and (2) an open definition that allows domestic law to treat similar, low-risk accounts as Excluded Accounts.
VIII(D) – Reportable Account	<ul style="list-style-type: none"> • The definition of Reportable Person does not include the U.S.-specific exclusions provided in the definition of Specified U.S. Person. Instead it excludes listed companies, governmental entities, Central Banks and Financial Institutions from the definition of Reportable Person. • A definition of Participating Jurisdiction is included and the definition of Reportable Jurisdiction is adjusted, to accommodate the possibility of a

	<p>non-reciprocal Agreement.</p> <ul style="list-style-type: none"> • The definition of Passive NFE is adjusted to cover all NFEs irrespective of their residence (as opposed to the Model 1 IGA which only covers Non-Financial Foreign Entities) and to include trusts and foundations that are not Participating Jurisdiction FIs.
VIII(E) – Miscellaneous	<ul style="list-style-type: none"> • The definition of Related Entity is substantially the same as provided in U.S. Treasury Regulations.
IX – Effective Implementation	<ul style="list-style-type: none"> • This Section picks up Article 5(4) of the Model 1 IGA, and includes some other rules and administrative procedures that a implementing jurisdiction must have in place to ensure effective implementation of, and compliance with, the common reporting and due diligence standard .