



Tax Residency Self-Certification Form for Entities guidance notes 2016

These notes and instructions have been created to assist trusts, corporations, partnerships, pension funds and charities required to complete the Tax Residency Self-Certification Form for Entities. This form must be completed so that Octopus can identify your organisation and determine its classification.

Automatic Exchange of Information ('AEOI')

The UK government is committed to working with other countries to help them counter tax evasion. Tax evasion can occur where a person doesn't disclose all of their income and assets to the tax authorities of any country that requires them to make such disclosures. For example, a US citizen is obliged to report all of their income and assets to the US tax authorities, regardless of where in the world that income is earned or where those assets are held.

To help counter this type of tax evasion, the UK enacted tax regulations on Automatic Exchange of information including Foreign Account Tax Compliance Act ('FATCA') and the Common Reporting Standard ('CRS'). Financial Institutions like ourselves are required to collect certain information about the tax residency of their account holders.

What is the impact of these regulations?

On an annual basis, Octopus Investments (Octopus) will be required to report information on financial accounts held directly or indirectly by persons who are tax residents outside the UK.

What does Octopus have to do to comply with these regulations?

To comply with these regulations, Octopus will:

- Obtain a Tax Residency Self-Certification for entities.
- Report information to Her Majesty's Revenue and Customs (HMRC) on all accounts held directly or indirectly by persons that are tax residents outside of the UK. **Please note**, HMRC may pass this information on to other tax authorities.

In addition, Octopus may also need to report information about entities that do not provide the required self-certification to us.

More background information on Automatic Exchange of Information can be found at:

<https://www.gov.uk/government/collections/automatic-exchange-of-information-agreements>

Why have you received a Tax Residency Self-Certification Form?

There are a number of reasons why Octopus may require you, as an entity, to complete a Self-Certification Form:

You have not previously supplied this information and we are required to ascertain the tax residency of the entity, the entity's classification for the purposes of these regulations, and in certain circumstances, to establish the tax residency of the Controlling Persons of the entity.

You have previously supplied this information, but there has been a relevant change of circumstance to indicate that the entity's status has changed and we require a new self-certification form to be completed.

What is an 'entity'?

An entity is any client that is not an individual and so the scope of entity types for the purposes of AEOI includes the following:

- Trusts
- Corporations
- Partnerships
- UK branches of non-UK resident Entities
- Pension funds
- Charities

[Step by step instructions for completing the Tax Residency Self-Certification Form](#)

Section 1: About the entity

Entity/organisation name: Enter the full name of the entity (the account holder).

Country of incorporation/formation: If the entity is a corporation, please enter the country of incorporation. If it is another entity type, please enter the country under the laws in which it has been created.

Registered address: Enter the permanent address where the entity is resident, including the postcode and country.

Address of communications, if different: Please enter the mailing address (if different from the registered address).

Indicate the name of any Controlling Person(s) of the Account Holder: Please enter the names of any persons who exercise control over the entity (as determined under AML/KYC procedures). In the case of a trust, such term means the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person 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.

Section 2: Tax residency Status

'Tax residence' is determined by the laws of the relevant local jurisdiction, and may depend on factors such as the place of incorporation, organisation, management and control, or other factors. If you are unsure as to which country your organisation is resident for tax purposes, please contact your tax adviser.

If your entity is a tax resident in the **UK only** please tick no and proceed to Section 3.

If your entity is a tax resident in a jurisdiction outside the UK please tick yes and complete the table.

Country of tax residency: Enter the country where the entity is resident for tax purposes. If the entity is tax resident in more than one country, please list each one separately. If the entity is a branch you should consider this at the branch level, not at the legal entity level.

TIN/Tax ID/ reference numbers(s): Enter the Tax Identification Number issued by the tax authority in the entity's country of residence. Where a country does not issue a Tax Identification Number, an equivalent Tax Reference Number may be used. For an entity, it would include a business or company registration number or other similar form of identification.

If a TIN is not available in your jurisdiction of residence, please tick the box '**TIN not available**'.

Section 3: All Entities/Branches FATCA classification under the UK-US IGA

Entities will either be classified as a 'Financial Institution' or a 'Non-Financial Institution'. If the entity fits the Financial Institution definition, please complete Section A of the Form. If the entity is a Non-Financial Institution, please complete Section B of the form.

In general, the definition of a Financial Institution is met by: Depository Institution, Custodial Institution, Investment Entity or Specified Insurance Company. Detailed definitions of these entities can be found on the Octopus website in the online glossary at: www.octopusinvestments.com/reportingforms.

One example where a trust qualifies as a Financial Institution is where the trust's gross investment income equals or exceeds 50 per cent of the trust's total gross income, and its assets are managed by a discretionary asset manager such as Octopus. If you are unsure about the entity's classification for these purposes, please contact your tax adviser. Trusts can also consider guidance issued by the Law Society, which includes a decision tree and practical examples. These can be viewed online at: lawsociety.org.uk/support-services/advice/articles/fatca-important-guidance-for-trustees.

A - To be completed by Financial Institutions only

Global Intermediary Identification Number (GIIN): GIIN means a Global Intermediary Identification Number assigned by the US tax authority to a Financial Institution or Registered Deemed Compliant. Please enter your GIIN to verify that the entity is a Compliant Financial Institution.

Name of Sponsoring Financial Institution, if applicable: If you are a sponsored FI, please enter the name of your Sponsoring Financial Institution.

If you have provided a GIIN please proceed to Section 4.

If your entity is unable to provide a GIIN, please tick the reason why. Please see the explanations below to assist with your selection, if you require further assistance please refer to the online glossary at: octopusinvestments.com/reportingforms

IGA partner jurisdiction	<i>Any jurisdiction that has signed an Inter-Governmental Agreement (IGA) with the United States.</i>
Non-IGA partner jurisdiction	<i>If a jurisdiction is not an 'IGA partner jurisdiction' as defined above it will be treated as a non-IGA partner jurisdiction.</i>
Exempt Beneficial Owner	<i>Includes, but is not limited, to foreign governments and their agencies offices of certain international organisations and UK governmental organisations.</i>

Certified Deemed Compliant Financial Institution	<p><i>Includes, but is not limited, to:</i></p> <ul style="list-style-type: none"> • <i>Non-profit organisations</i> • <i>Charities</i>
Non-Participating Foreign Financial Institution (NPFII)	<p><i>A Non-Participating Financial Institution (NPFII) is a Financial Institution that is not IGA compliant. This non-compliance arises either where:</i></p> <ul style="list-style-type: none"> • <i>The Financial Institution is located in a jurisdiction that does not have an IGA with the US and is not deemed compliant or otherwise excepted and the FI has not entered into a Foreign Account Tax Compliance Act (FATCA) agreement with the IRS, or,</i> • <i>The Financial Institution is classified by the IRS as being a NPFII following the conclusion of the procedures for significant noncompliance being undertaken.</i>

B - To be completed by Non-Financial Institutions only

If the entity is not a Financial Institution, it will be a 'Non-Financial Foreign Entity' ('NFFE'). An NFFE is either an Active or Passive NFFE. Please tick the relevant box and, if applicable, include the GIIN and name of the entity that is acting as your sponsor. Even if you are based in the UK you may be an NFFE.

Active NFFE	<p><i>The most common example of an Active NFFE is a trading company that meets certain conditions such as an 'active income' test.</i></p> <p><i>The criteria for determining an Active NFFE can be found in the online glossary at: octopusinvestments.com/reportingforms.</i></p>
Passive NFFE	<p><i>Any NFFE (being an entity that is not a US entity and is not a Financial Institution) that is not an Active NFFE as defined above.</i></p>
Direct Reporting NFFE	<p><i>Is treated as an Exempt Beneficial Owner and must report certain information about its direct or indirect substantial US owners. The Direct Reporting NFFE will also be required to register with the IRS to obtain a GIIN.</i></p> <p><i>If the entity is a Direct Reporting NFFE, please provide the GIIN, in addition to selecting this option. If sponsored, please provide the name of the sponsoring entity.</i></p>
Controlling Persons	<p><i>The natural persons who exercise control over an Entity (as determined under AML/KYC procedures). In the case of a trust, such term means the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person 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" shall be interpreted in a manner consistent with the Recommendations of the Financial Action Task Force (e.g. where they apply to KYC/AML requirements).</i></p>

If you select **Passive NFFE**, please complete relevant Self Certification Forms for each controlling Persons. Forms can be downloaded online at: octopusinvestments.com/reportingforms.

Section 4 - All Entities/Branches classification under the Common Reporting Standard

This section of the form requires you to insert your classification under the Common Reporting Standard (CRS).

Under CRS, entities will either be classified as a 'Financial Institution' or a 'Non-Financial Entity' ('NFE'). If the entity fits the Financial Institution definition, please complete part A of the Form. If the entity is a Non-Financial Entity, please complete part B of the form.

Please note: The definitions of Financial Institution and NFE under CRS differ from the definitions under FATCA.

A. To be completed by Financial Institutions only

Please see the explanations below to assist with your selection, if you require further assistance please refer to the online glossary at: octopusinvestments.com/reportingforms

Investment Entity*	An Entity that primarily conducts as a business one or more of the following activities or operations for or on behalf of a customer: <ol 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; orOtherwise investing, administering, or managing Financial Assets or money on behalf of other persons.
Managed by another Financial Institution*	Any Entity where the gross income of which is primarily attributable to investing, reinvesting, or trading in Financial Assets where the Entity is managed by another Entity that is a Depository Institution, a Custodial Institution, a Specified Insurance Company, or the first type of Investment Entity defined above.
Non-Participating Jurisdiction	Any jurisdiction which is not participating within the CRS regime.
Depository Institution	Any Entity that accepts deposits in the ordinary course of a banking or similar business.
Custodial Institution	Any Entity that holds, as a substantial portion of its business, financial assets for the account of others.
Specified Insurance Company	Any Entity that is an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract.

**For the purpose of both definitions above, an Entity is treated as primarily conducting as a business one or more of the activities described above in 1.), or an Entity's gross income is primarily attributable to investing, reinvesting or trading in Financial Assets for the purpose of 2.) if the Entity satisfies the Financial Asset Test ("FAT"), i.e. 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.*

If you select ‘*An Investment Entity located in a Non-Participating Jurisdiction and managed by another Financial Institution*’, please complete a **Tax Residency Self-Certification Form for Controlling Persons** for each controlling person. Forms can be downloaded at: octopusinvestments.com/reportingforms.

B - To be completed by Non-Financial Institutions only

Active NFE	Less than 50 percent of the NFE’s gross income for the preceding calendar year or other appropriate reporting period is passive income and less than 50 percent 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.
Established securities market	For any calendar year— (i) A foreign securities exchange that is officially recognised, sanctioned, or supervised by a governmental authority of the foreign country in which the market is located, and has an annual value of shares traded on the exchange (or a predecessor exchange) exceeding \$1 billion during each of the three calendar years immediately preceding the calendar year in which the determination is being made; (ii) A national securities exchange that is registered under part 6 of the Securities Exchange Act of 1934 (15 USC 78f) with the Securities and Exchange Commission; (iii) Any exchange designated under a Limitation on Benefits article of an income tax treaty with the United States that is in force; or Any other exchange that the Secretary may designate in published guidance
Related Entity	An entity is regarded as being related to another entity if, one controls the other; or the two entities are under common control. Control means: Direct or indirect ownership of more than 50% of the vote and value in an entity.
Government Entity, a Central Bank or an International Organisation	The NFE is a governmental entity, a Central bank, an International Organisation or an Entity wholly owned by one or more of the foregoing.
Active NFE- other than above	For full definitions of Active NFE – other, please refer to the glossary at: octopusinvestments.com/reportingforms
Passive NFE	Any NFE (being an entity that is not a FI) that is not an Active NFE.
Controlling Persons	The natural persons who exercise control over an Entity (as determined under AML/KYC procedures). In the case of a trust, such term means the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person 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” shall be interpreted in a manner consistent with the Recommendations of the Financial Action Task Force (e.g. where they apply to KYC/AML requirements).

If you select ‘*Passive NFE*’, please complete a **Tax Residency Self-Certification Form for Controlling Persons** for each controlling person. Forms can be found at: octopusinvestments.com/reportingforms

Section 5 - Declaration

Please sign, stating the name of the person signing and the date of signature.

Please note that any change in circumstances which caused the information contained within the application form to become incorrect or incomplete will need to be notified to us as soon as possible, and within 30 days of such change in circumstances.

IMPORTANT INFORMATION

This guide provides general information and should not be considered as advice. Octopus Investments Ltd, authorised and regulated by the Financial Conduct Authority.